Torrent Power Limited
17th Annual Report 2020-21

Consistency with Prudence

Index

Corporate Overview
01 Highlights FY 2020-21
04 At a Glance
06 Presence and Segments
08 Credos
10 Board of Directors
12 Chairman's Message

Performance Review
14 Financial Performance
16 Operational Performance

Operational Excellence
20 Sustainable Energy
24 Service Efficiency

ESG
30 Environment
36 People
44 Communities
52 Governance

Statutory Reports
56 Notice
66 Board's Report
88 Management Discussion & Analysis
95 Business Responsibility Report
106 Report on Corporate Governance

Financial Statements
121 Standalone Financial Statements
204 Consolidated Financial Statements

12 Chairman's Message

30 Environment

44 Communities

52 Governance

Highlights FY 2020-21

A Year of Resilient Performance

₹20,365 CR
Market Cap
[3 year CAGR – 23%]

₹28,174 CR
Enterprise Value
[3 year CAGR – 11%]

700 MW
Solar projects won through auctions during FY 2020-21
[PPA for 400 MW signed]

₹12,173 CR
Revenue from Operations

₹3,607 CR
EBITDA

₹1,300 CR
Total Comprehensive Income

12.42%
Return on Net Worth
vs. 11.05% in FY20

10.01%
Return on Capital Employed
vs. 9.32% in FY20

1.98
Net Debt to EBITDA
vs. 2.18 in FY20

0.73
Debt to Equity Ratio
vs. 0.92 in FY20

₹1,358 CR
Capital Expenditure

₹62 CR
Expenditure towards community

Emerged as the successful bidder for 51% stake in licensed distribution operations in the UT of Dadra and Nagar Haveli and Daman and Diu.

First power distribution company in India to achieve the prestigious 5-star rating in the health & safety audit conducted by British Safety Council

Consistency with Prudence

Energy drives a nation's progress and powers its aspirations, prospects and development. As one of India's leading private sector energy companies, we are proud of contributing to India's future. We have earned the distinction of being one of the best-run power utilities in the country by virtue of our prudent approach to business that has allowed us to deliver consistent outcomes to our stakeholders.

An unbridled passion for excellence and deep-rooted concern for society & environment helped Torrent Power grow steadily. We have delivered consistent results over the years by managing operations efficiently, enhancing customer services and enhancing social & economic benefits while minimising environmental impact.

Even during the challenging FY 2020-21, we emerged with increase in profitability, while ensuring 24x7 power supply in the regions we operate. Prudent practices such as standardisation, stringent monitoring & refining of processes and use of modern technology have resulted in significant improvement in reliability, reduction in restoration time, and improvement in quality of power across geographies.

With consistent efforts over the years, we have today evolved into a lifeline that continues to uninterruptedly empower lives and businesses.

Gensu Plant

At a Glance

Powering with Promise

Torrent Power Limited is a leading integrated power utility in India with all-round experience in generation, transmission and distribution of power. Our operations are spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.

We have aggregate operational generating capacity of 3,879 MW with a unique mix of coal-based, gas-based, solar and wind power plants. Our advanced technology and efficient operations have enabled us to achieve new benchmarks in excellence in our generation as well as distribution assets. The licensed areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ offer to its customers best-in-class power availability of >99.9% along with T&D losses of ~5.5%, one of the lowest across the globe. We maintain a 24x7 power supply in our areas of operations and take pride in our operational track record and customer service. We are currently focused on significantly scaling up our Renewable Business and developing electricity supply infrastructure at Dholera SIR and streamlining operations at franchised area of Shil, Mumbra and Kalwa.

Through operational excellence and service, our licensed distribution utility was assessed as the first Indian power distribution company to achieve the prestigious 5-star rating in the health & safety audit conducted by British Safety Council, an independent body for workplace safety assessment. Today, we are well-aligned to contribute as per the Sustainable Development Goals set out by the United Nations.

View of Amgen Plant

Torrent Power – Quick Facts

3,879 MW
Operational generation capacity

815 MW
Renewable generation capacity under development

3.71 MN
Total consumers

14.5 BN
Units power distributed in licensed and franchised area

5.5%
T&D loss at Licensed Distribution, among the lowest in the country

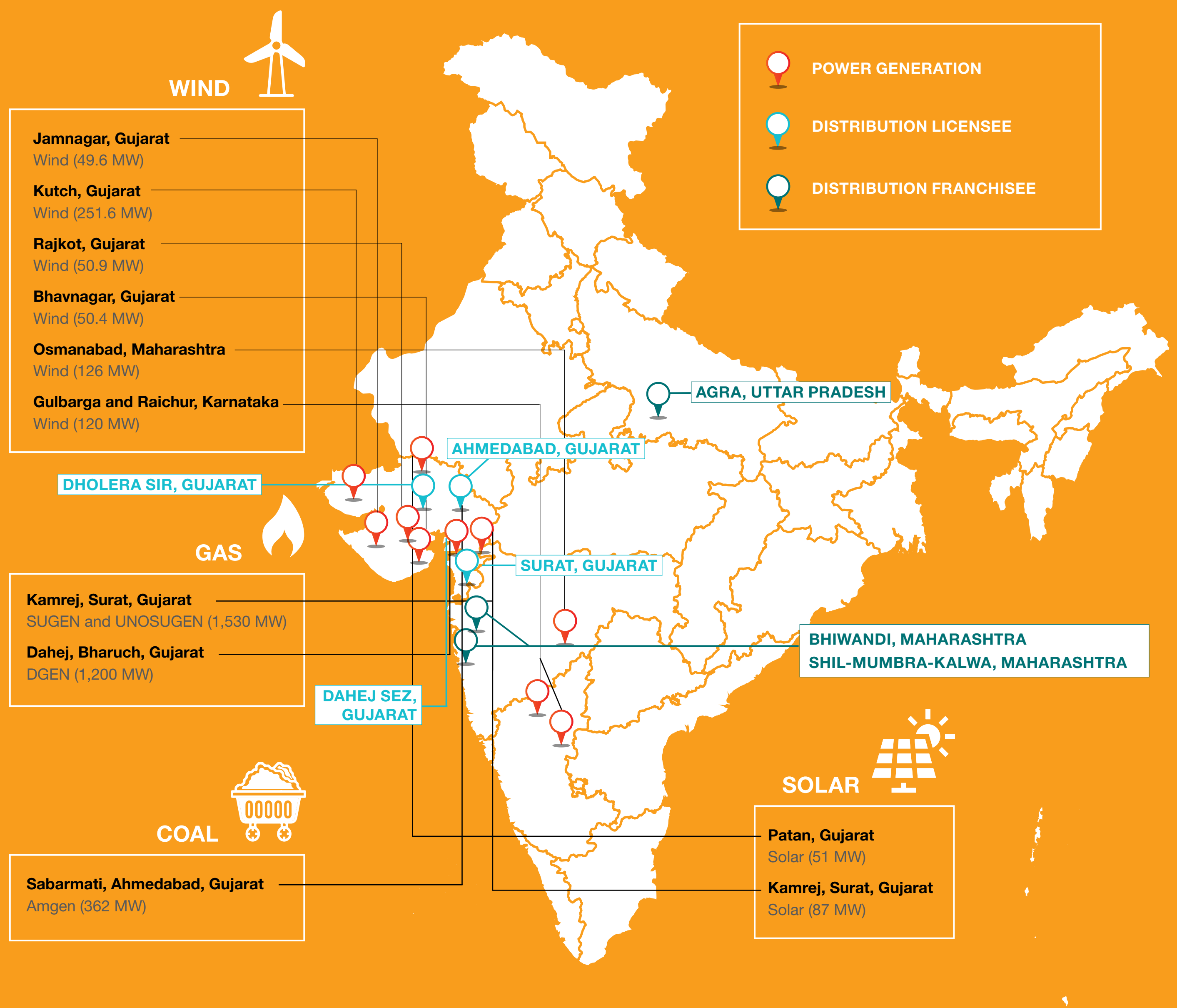
>99%
Power reliability, among the highest in the country

24X7
Power availability in its areas of operations

Presence and Segments

Integrated to Deliver Excellence

Our primary operations are spread over four states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka where we generate, transmit and distribute power, catering to the varied energy needs of our customers. Our state-of-the-art generation assets and reliable distribution network are among the best in the country.



Our Portfolio

POWER GENERATION:

Thermal Generation

Particulars	SUGEN	UNOSUGEN	DGEN	Amgen
Capacity (MW)	1,147.5 (3 x 382.5)	382.5 (1 x 382.5)	1,200 (3 x 400)	362 (1 x 120, 2 x 121)
Plant type	Gas-based CCPP	Gas-based CCPP	Gas-based CCPP	Coal-based
Location	Near Surat, Gujarat	Near Surat, Gujarat	Near Bharuch, Gujarat	Ahmedabad, Gujarat
COD	August, 2009	April, 2013	November, 2014	June, 1988

Renewable Generation

Particulars	Solar	Solar	Wind	Wind	Wind	Wind	Wind	Wind	Wind
Capacity (MW)	51	87	49.6	201.6	50.9	50.4	120	126	50
Location	Patan in Gujarat	Adjacent to SUGEN plant in Gujarat	Jamnagar in Gujarat	Kutch in Gujarat	Rajkot in Gujarat	Bhavnagar in Gujarat	Gulbarga and Raichur in Karnataka	Osmanabad in Maharashtra	Kutch in Gujarat
COD	FY 15	FY 16	FY 12	FY 17	FY 19	FY 19	FY 18	FY 20	FY 20

Upcoming Renewable Projects

Type	Solar	Solar	Solar^	Wind
Capacity (MW)	100	300	300	115
Tariff (₹/kWh)	1.99	2.22	2.47	2.76
Counter-party	GUVNL	Company's Licensed Distribution business	APGECL	SECI
SCOD	July, 2022	November, 2022	–	February, 2022

^ The Company registered lowest price (L1). LOA is awaited. The project is currently sub-judice.

TRANSMISSION

We operate 249 km and 105 km 400kV double circuit transmission lines and 128 km of 220kV double circuit transmission lines for transmission of power generated at our gas-based power plants to various off-take centres.

DISTRIBUTION

We distribute power to over 3.7 million customers in the cities of Ahmedabad, Gandhinagar, Surat, Dahej SEZ and Dholera SIR in Gujarat, Bhiwandi, Shil, Mumbra and Kalwa in Maharashtra and Agra in Uttar Pradesh.

Licensed Distribution

Particulars	Ahmedabad/ Gandhinagar	Surat	Dahej	Dholera SIR
Licensed Area (sq km)	~356	~52	~17	~920
License Validity	2025	2028	2034	2044

Franchised Distribution

Particulars	Bhiwandi	Agra	Shil, Mumbra, Kalwa (SMK)
Licensed Area (sq km)	~721	~221	~65
License Validity	25th Jan 2027	31st Mar 2030	29th Feb 2040

Upcoming distribution area

During the year, Torrent Power emerged as the highest bidder for the sale of 51% stake in a power distribution company having distribution license for a term of 25 years in Dadra and Nagar Haveli and Daman and Diu. The company covers an area of 603 sq km and serves around 1.5 lakh customers. The takeover of the operations is currently sub-judice.

Credos

Integrity

Passion for Excellence

Participative Decision-Making

Concern for Society & Environment

Fairness with Care

Transparency

Our Core Values,
that are timeless and well founded,
ensure our longevity

Our Core Values

We believe in and build upon six core values of Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these timeless values act as our pillars of strength and ensure our longevity.

INTEGRITY

When truth is paramount

Thoughts and actions entail doing the right thing at all times and in all circumstances, whether or not anyone is watching. This requires inner courage and conviction, no matter what the consequences are. It is honouring one's commitments and being accountable for one's actions, end-to-end.

PASSION FOR EXCELLENCE

When best is not enough

Passion for excellence means not doing extra-ordinary things, but doing ordinary things in all pursuits exceedingly well. Passion and excellence are forces that fuel each other on the exclusive path to leadership. As we are what we repeatedly do, excellence then is not an act, but a habit.

PARTICIPATIVE DECISION-MAKING

Involvement that engenders effectiveness

An ideal organisation facilitates participation and involvement of each of its members in various decision making processes, thus ensuring their commitment to such decisions as well as their outcome. It provides a platform for seeking and nurturing constructive ideas from individuals, teams and units which eventually yields exceptional results.

CONCERN FOR SOCIETY AND ENVIRONMENT

When every smile matters

Concern for Society & Environment is a sense of responsibility and contribution to society that defines our existence. It entails making a difference in the quality of lives and environment surrounding us. It is important to encourage fellow-members on collective as well as individual basis to fulfil the responsibility of leaving behind a world rich in flora and fauna and rich in time tested values and ideals and above all, rich in social fervour for our future generations.

FAIRNESS WITH CARE

Harnessing equality

Fairness and Care towards all fellow members are inextricably linked. Weaving the threads of equality, irrespective of caste, creed, religion and gender, into the day to day fabric, ensures fairness for each and every individual. Empathic care recognises the needs and aspirations of all. Only such fairness and care eventually lead fellow members to the dawn of eternal success.

TRANSPARENCY

Openness that builds enduring trust

Transparency implies openness. It is the opposite of secrecy. It encourages more informed decision making and aids in creating enduring trust among all stakeholders.

Board of Directors

Leadership with a Difference

Our Board of Directors is the highest authority in matters of governance and management of the Company. We are led by a team of finest experts chosen from diverse backgrounds and qualifications to ensure a balance between industry knowledge, expertise and diversity. The Board and its Committees are fully equipped to effectively guide us to achieve excellence and create value for all our stakeholders.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Ⓒ Chairperson

Ⓜ Member

Sudhir Mehta,
Chairman Emeritus
Non-Executive Director (Promoter)

M

Samir Mehta
Chairperson (Promoter)

M

Pankaj Patel
Independent Director

C C

Samir Barua
Independent Director

C M C

Keki Mistry
Independent Director

M

Bhavna Doshi
Independent Director

M C M

Dharmishta Raval
Independent Director

M M

Jinal Mehta
Managing Director (Promoter)

M M

Sunaina Tomar
Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder) (Resigned wef June 15, 2021)

Usha Sangwan
Independent Director (Appointed wef May 21, 2021)

Chairman's Message

Braving Every Storm

with Consistency and Prudence

Dear Stakeholders,

FY 2020-21 has been a unique and unexpectedly challenging year in all respects. In fact, it has also been a period of learning and transforming. The pandemic reinforced the importance of 24x7 power supply, not only for emergency and essential services sectors such as healthcare, but also for the everyday functioning of businesses with increase in adoption of the work-from-home model.

At Torrent Power, we served as an enabler of this shift, providing round-the-clock electricity to all our consumers. We proactively adapted to the changing times, taking strategic measures to combat various challenges that arose across our operations, workforce, and communities. Despite these testing times, we remain optimistic about creating a strong and resilient future for all our stakeholders, and advancing towards a sustainable tomorrow.

A DYNAMIC EXTERNAL ENVIRONMENT

Over the last year, the global energy sector has undergone a great deal of change, particularly with respect to tackling the threat of climate change and the unprecedented disruptions caused by the COVID-19 pandemic. The impact the pandemic has had on lives and livelihoods is far-reaching, perhaps irrevocable and the world is now recovering from its devastating effects, albeit in myriad ways across different geographies. Sustainable and uninterrupted power is key to this recovery as the governments around the world announce and execute large-scale public expenditure programmes and revive commercial activity. Even as power companies respond to this need, energy transition, which lays emphasis on non-conventional sources of energy, will shape the way they plan, operate and execute business.

Two extremely positive developments have stood out with regard to India's energy system. First being, India's success in bringing electricity connections in mission mode, to hundreds of millions of its citizens in recent years. This has truly set the ground for the country's next phase of growth, powering the urban and rural economy alike. Second encouraging development is the way in which India has grasped the transformative potential of renewable energy (RE) across the country and is working towards a 175 GW RE target by 2022. This aligns with the country's future goals and dovetails into the global agenda of decarbonisation.

Indian power sector saw a boom since the late 1990s, and has been responsible for more than 10% of the increase in global energy demand since 2000. Per capita energy demand has grown by more than 60% since then. However, Indians still consume less energy on per capita basis than their counterparts elsewhere in the world, and much less than in advanced economies. There has been a paradigm shift in the consumption pattern since the onset of the pandemic. India saw a 5% fall in energy demand from 2019 levels with the onset of the pandemic. Coal and oil sector took the biggest hit although the natural gas demand has been resilient, as low prices have offset some of the forces driving down demand. Renewables have done fairly well, with a growth of 15% from wind and solar.

> *"Although the past year has been an exceptionally difficult one, we have strived to grow consistently and prudently on all fronts. We have proven our mettle as an integrated power company."*

FY 2020-21 AT TORRENT POWER

Despite significant impact of the pandemic on our distribution franchisee business and limited impact on our generation and licensed distribution business, we achieved 13% increase in Total Comprehensive Income for the reporting year. This was mainly due to certain factors such as higher recovery of carrying cost pertaining to earlier years due to favourable orders and decrease in interest costs, among others. Post lockdown and subsequent disruptions, economic revival has resulted in an increase in demand for electricity in all our distribution areas, with demand in Q4 FY 21 at higher levels than the comparable quarter of previous year.

The pandemic has brought its own set of challenges from an operations point of view. While we continue to work to ensure business continuity, we took immediate adaptive measures, setting a contingency plan in action and digitising our systems. This helped us ensure the same high quality of power supply and world-class services with limited manpower and a disrupted supply chain, and, at the same time, ensuring health and safety of employees, vendors and customers. Despite operating across widely dispersed and distributed geographies, our strong foundation and sound principles ensured for us a remarkable recovery (after an initial decline in revenues) as volumes increased and the situation is gradually returning to normal. Along with this, our robust business continuity and emergency response mechanism made it possible for us to supply uninterrupted power. We continued delivering uninterrupted power to our consumers even amid the destructive 'Tauktae' storm in May 2021.

During the year, Torrent Power emerged as the highest bidder for the sale of 51% stake in a power distribution company having distribution license for a term of 25 years in Dadra and Nagar Haveli and Daman and Diu. The company covers an area of 603 sq km and serves around 1.5 lakh customers. The acquisition of this stake will significantly strengthen our position as one of the leading power distribution companies in the country. The takeover of the operations is currently sub-judice. We also submitted a bid for 100% stake in the power distribution licensee in the Union Territory of Chandigarh, the result of which is awaited.

Starting with a 50 MW wind power plant in 2012, we continue to expand our renewables portfolio. As of FY 2020-21, we have executed renewable projects, aggregating to around 787 MW, spanning solar and wind energy. An additional 815 MW renewable capacity is also being added to our portfolio through projects won under competitive bidding.

ADVANCING TOWARDS A SUSTAINABLE FUTURE

Although the past year has been an exceptionally difficult one, we have strived to grow consistently and prudently on all fronts. We have proven our mettle as an integrated power company. We believe in growing with others and we understand the impact of our activities on the environment as well as on the lives of our stakeholders. We ensure that decisions are taken keeping in mind the best interests of everyone, including the environment. We have taken measures to reduce our emissions, recycle our precious resources and move towards more cleaner sources of energy. Key facts and figures on our journey to sustainability have been furnished throughout this Report.

Adhering to our commitment to ensure the safety of all our stakeholders, we have become the first power distribution company in India to achieve the prestigious 5-star rating in the health & safety audit conducted by the British Safety Council.

In FY 2020-21, we continued to deliver significantly for our communities, who form an integral part of the Torrent ecosystem. Under the aegis of our Group, our CSR activities have been focused on the three thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. One of the major CSR programmes is REACH, focusing on paediatric care. It brings me immense pleasure to note that it is making significant positive impact within the communities we interact with.

PARTNERING INDIA'S GROWTH

Looking ahead, I can see India's power sector continuing to play an enabling role in the country's future ambitions, with additional emphasis on energy transition. At Torrent Power, we are confident of being a partner in this transition and growth story. Our focus is to grow our renewables, transmission and distribution portfolio.

I would like to take this opportunity to express my sincere gratitude to our shareholders, bankers, customers, Board of Directors and our committed employees for their unrelenting dedication, support, and commitment. As we power through our next phase of growth, I look forward to your continued cooperation.

Best wishes,

Samir Mehta
Chairman

Financial Performance

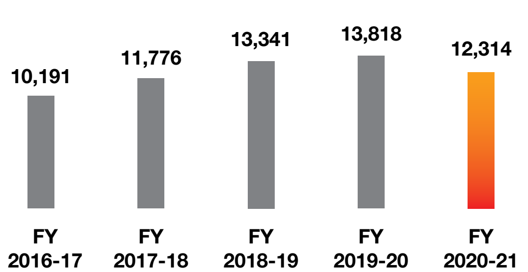
Striking the Right Balance

At Torrent Power, we are conscious that the financial fitness of an enterprise is the key to ensure its long-term viability. We thus continue to make the best use of our resources while scaling up the business to generate prudent returns.

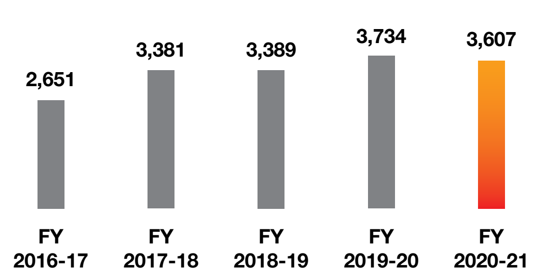
We value the trust of our shareholders as well as our stakeholders and we strive to create value for them, irrespective of the external challenges. This year was not different. Despite the enormous challenges, we present to our shareholders a healthy balance sheet, which in fact one of the best in the Indian power sector.

Over the years, rational capital allocation decisions have led to strong cash flow generation and consistent returns for our shareholders. This is evident from the high return on Net Worth of 12.42%, low Net Debt to EBITDA ratio of 1.98 and a 13% rise in our Total Comprehensive Income (TCI) in FY 2020-21, which was an extremely challenging year due to the pandemic. Our timely risk management actions during the year ensured minimum disruption to business while enabling us to create maximum value for our stakeholders. We continue to channelise our efforts towards expanding our distribution, transmission and renewable portfolio with a focus on ensuring sustainable future.

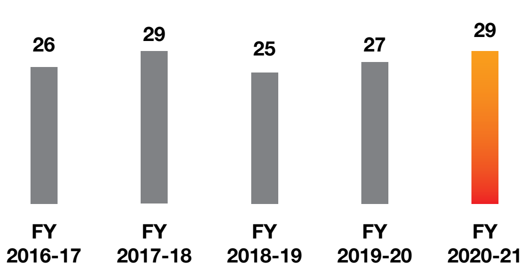
Total Income (₹ in Crore)



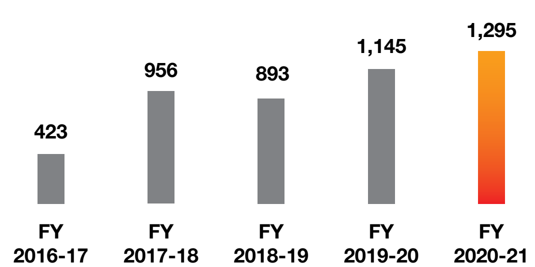
EBITDA (₹ in Crore)



EBITDA Margin (in %)



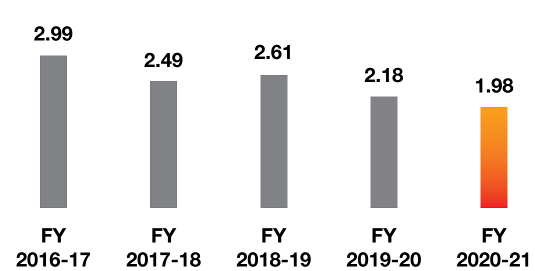
TCI* (₹ in Crore)



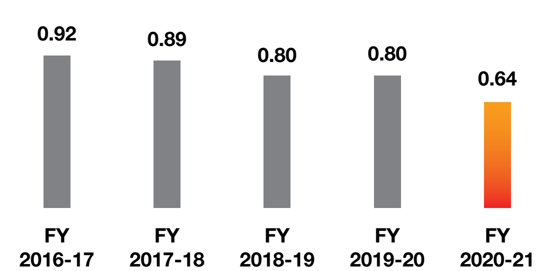
*Without Minority Interest

Note: From 1st April 2018, we adopted Ind AS 115, Revenue from Contracts with Customers, hence the numbers of previous periods are not comparable.

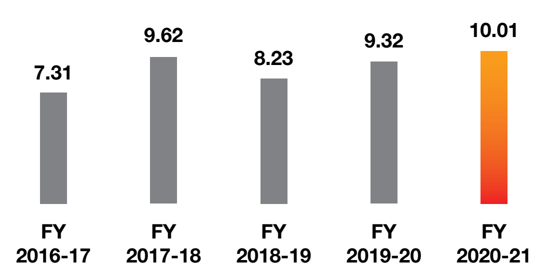
Net Debt to EBITDA



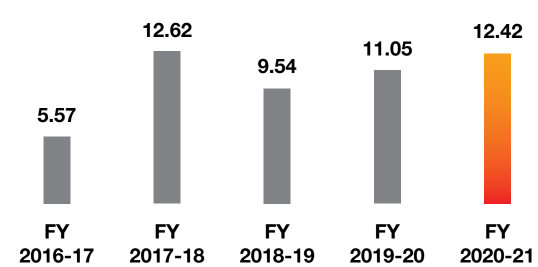
Net Debt to Equity



Return on Capital Employed (in %)



Return on Net Worth (in %)



Operational Performance

Building blocks of the growth engine

The strength of our operations is upheld by our world-class generation assets demonstrating excellent operational records and our distribution assets, one of the best-run power utilities in the country.

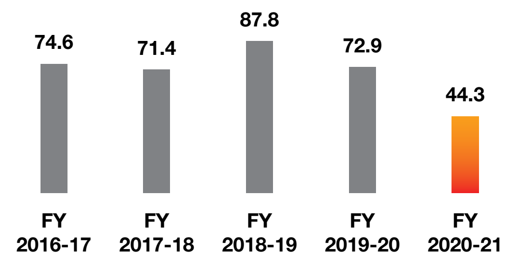
Together with minimal T&D losses, we have always ensured power availability come rain, shine or storm. Over the years, we have maintained a stable performance trajectory, building on our experience and expertise. Our operational excellence is also reflected in our success stories in turning around our Bhiwandi and Agra franchised distribution areas; amongst the most important success stories in the Distribution segment.

Torrent Power's growth engine is powered by stringent customer satisfaction benchmarks driven by improved quality of power. These qualities form the foundation on which we build our pursuit of long-term growth.

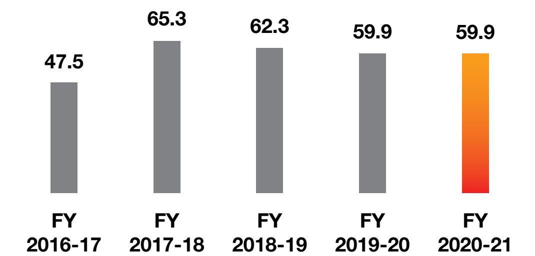
Sugen & Unosugen Plant

Thermal PLF (in %)

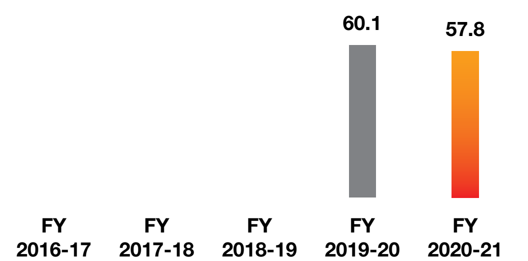
AMGEN



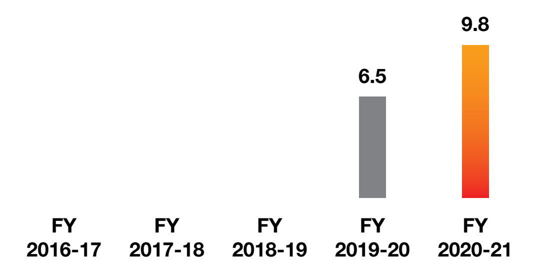
SUGEN



UNOSUGEN*



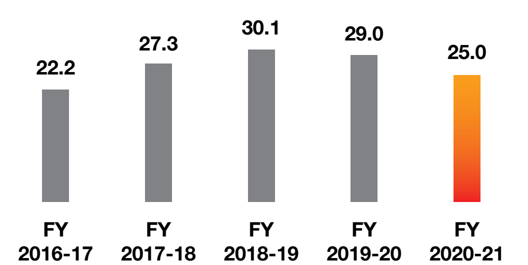
DGEN*



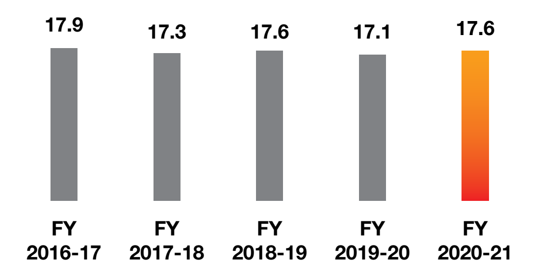
*UNOSUGEN & DGEN were stranded for want of demand till FY 19

Renewable PLF (in %)

Wind



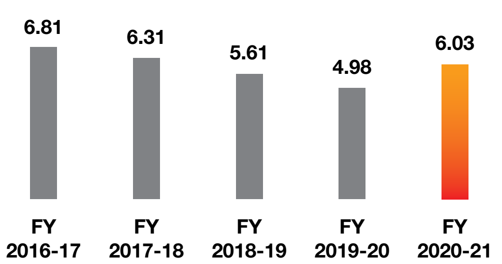
Solar



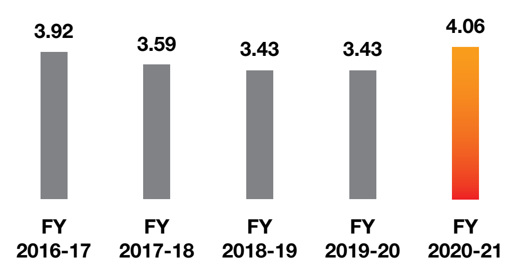
Operational Performance (Contd.)

T&D Loss – Licensed Distribution (in %)

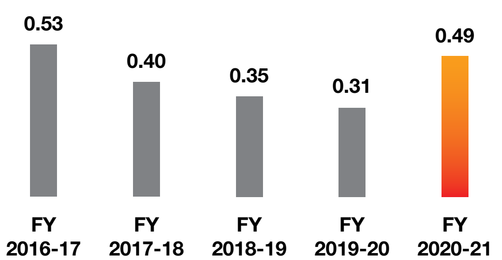
Ahmedabad



Surat

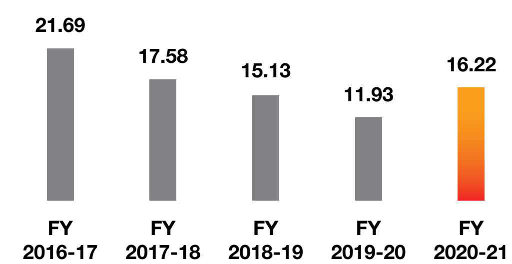


Dahej

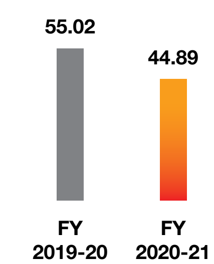


T&D Loss – Franchised Distribution (in %)

Bhiwandi

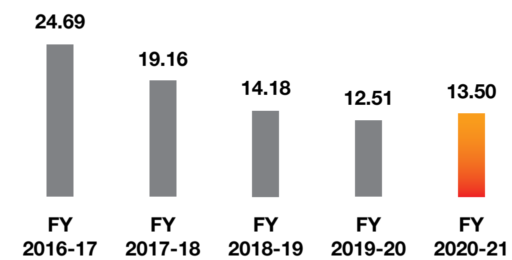


SMK



^ Taken over wef March 01, 2020

Agra



Sustainable Energy

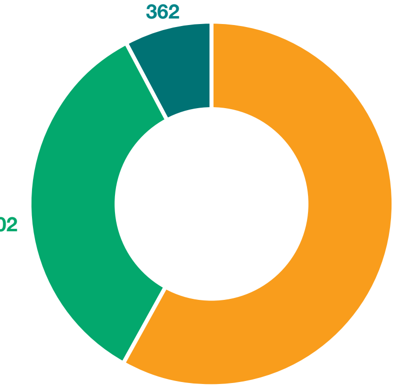
Growing Greener with Prudence

Our long-term strategies are focused on playing a pivotal role in helping India achieve energy security while accelerating the industry's transition towards cleaner energy.

Wind Power Plant at Bhavnagar

With 90% of the total generation capacity based on clean fuel (renewable and gas), environmental well-being remains one of the focus areas for investment decisions. Renewable capacity forms a significant part of our generation portfolio and will continue to grow its share in the coming years.

Capacity Distribution (in MW)



Note: * 815 MW renewable capacity under development

We see enormous growth potential in renewables with increased focus of stakeholders on sustainable growth, which is pushing the world towards tapping green energy sources.

We commenced our journey into the renewable energy segment in 2012 with the installation of 49.6 MW wind power project in Gujarat. Since then, we have grown consistently and have a robust portfolio under our belt. We plan to aggressively grow our renewable generation capacity in the coming years. So far, our renewable portfolio growth has been organic but going ahead our focus will be to grow inorganically as well.

GROWING SHARE OF RENEWABLES

We currently have an operational capacity of 787 MW in renewables, with 9 projects spread across various locations in Gujarat, Maharashtra and Karnataka. These comprise 649 MW of wind power projects and 138 MW of solar power projects with an asset base of over ~₹5,000 Crore. As much as 100% of our solar projects and 54% of our wind energy projects have attractive preferential feed-in tariffs based on long-term (25 years) Power Purchase Agreements (PPA) with Company-operated distribution utilities. The remaining 46% of the wind projects are competitively won projects that are backed by long-term PPAs (25 years) with credible central and state agencies. These projects thus ensure stable cashflow for us.

We have adopted the most advanced, best-in-class technology at our plants, which had a PLF of 17.61% for solar and 24.99% for wind during FY 2020-21. To ensure optimum results, we have deployed best practices with regard to operations and plant maintenance in association with reputed service providers to ensure high plant availability.

GROWTH OPPORTUNITIES

We are consistently on the lookout for opportunities to make our portfolio greener and more sustainable. We have recently won 700 MW solar projects at auctions conducted by various Discoms/state agencies, of which a 300 MW tender is sub-judice. We are also actively procuring land for solar project development. Our decisions on each project are backed by in-depth research and understanding of market trends, and we ensure strong project management in association with an array of reliable suppliers and developers to deliver each project with perfection. We also have a robust risk management system in place to identify, tackle, reduce and eliminate risks at every stage of our operation. Ample opportunities are also available for us to grow our renewable portfolio inorganically. We are committed to playing our part in the global action against climate change and maximise returns for our shareholders.

700 MW

Solar projects won through auctions (PPA for 400 MW signed)

Charanka Solar Plant

Twilight view of SUGEN and UNOSUGEN

GAS-BASED GENERATION

The substantial investment of the Company in the generation segment is in Gas based power plants which is about 2,730 MW.

Committed to environment protection and energy efficiency, we have set up gas-based plants that produce clean energy with the latest technology. The single shaft, combined cycle configuration with modular concept deployed at SUGEN, UNOSUGEN and DGEN, is unique in India. These plants have emission levels which are much below the regulatory requirements.

Leveraging the best available technology of Combined Cycle Power Plant based on Advanced F-class gas turbines, our gas-based projects have high performance efficiency and low environmental impact in terms of emissions along with high flexibility of operations to meet the grid demand and best efficiency even at part load. These projects have been set up in partnership with the internationally reputed OEM supplier, Siemens AG, making them comparable to the best in the world. The efficiency of our plants has been better than the targets set by Bureau of Energy Efficiency under the Perform Achieve Trade cycles earning Energy Certificates. The start-up reliability and speed of coming online of these assets, to meet the grid demand, has also been one of the best in India effectively supporting stability of the grid.

The plants are maintained based on SOPs drawn in line with best practices. Plant availability >97% (including planned and unplanned outages) clearly demonstrates high standards of operation and maintenance. In fact, availability loss due to forced shutdown is also below 0.4%, which is one of the best globally in the sector.

>97%

Plant availability for gas-based plants

CASE STUDY

We work with reliable suppliers and institutions to import gas at the most efficient costs.

FUEL SUPPLY MANAGEMENT

Ensuring fuel for our gas-based plants is critical for the organisation and hence our focus has been on keeping fuel supply uninterrupted. Here are some of the steps we have taken to ensure fuel security for our gas-based plants:

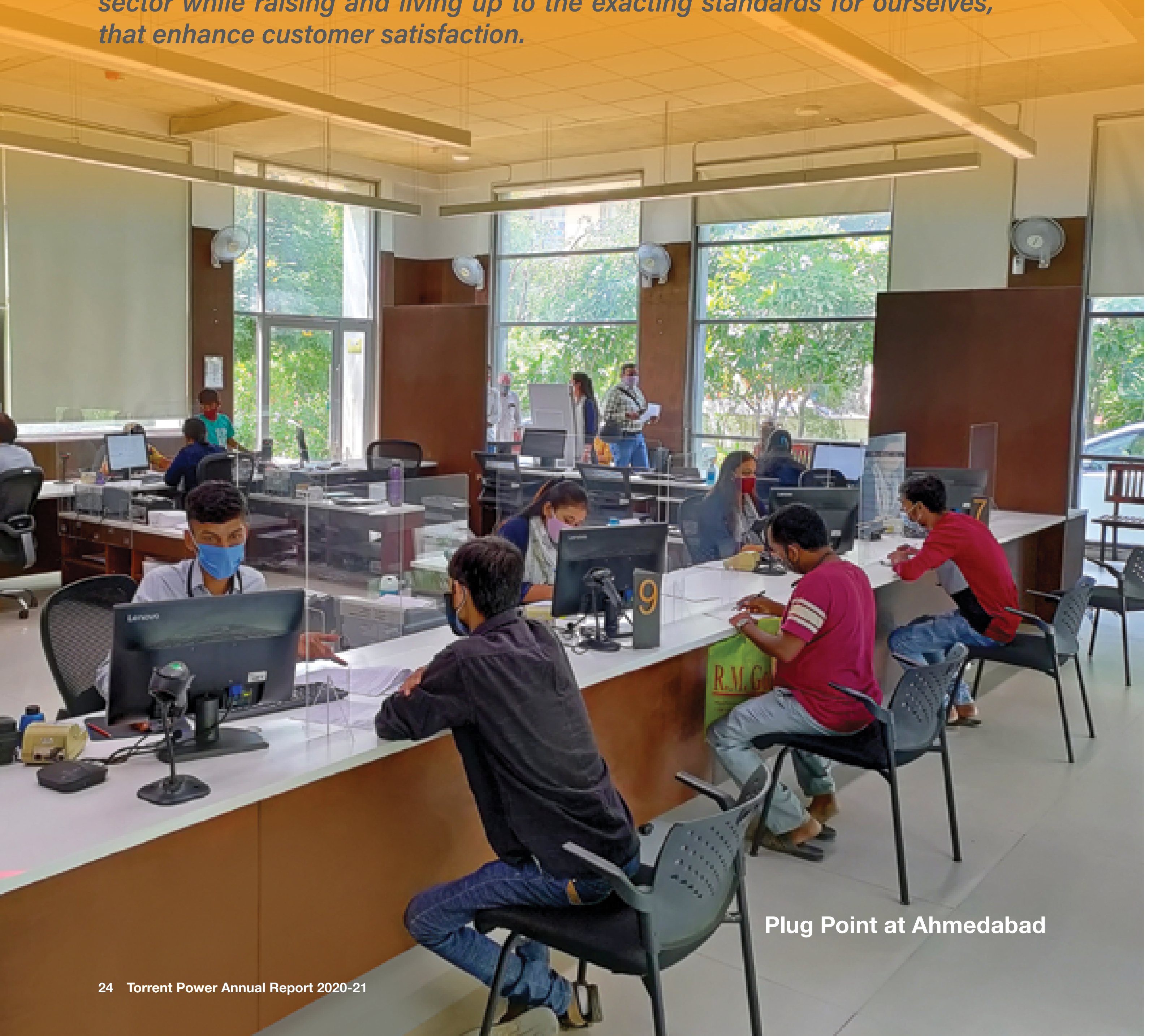
- Domestic gas supply for SUGEN plant was allocated from KG-D6 field (since 2009) and GAIL PMT field (since 2008) for 70% of total installed capacity. For the balance capacity, RLNG supply agreement was executed with Indian Oil Co. Ltd. (IOCL). However, we faced an issue with the gas supply from KG-D6 field (since 2011) and GAIL PMT (since 2009), resulting in low PLF and consequent financial impact. This is when we realised the need to import LNG for sustained operations of our gas-based plants.
- To understand the vagaries of LNG import, we imported our first cargo jointly with Hazira LNG Pvt. Ltd. (now Shell Energy India Pvt. Ltd.) in March 2015.
- To address the issue of re-gas capacity constraints at LNG terminals, we decided to book long-term re-gasification capacity at PLL's Dahej terminal and executed a long-term agreement in October 2015 for storage and regasification of up to 1 MTPA capacity of imported LNG for 20 years starting from 2017.
- We further focused on the direct import of LNG cargos starting with an international competitive bidding tender in 2016 for supply of LNG cargos in 2017, again floated tender in 2017 for supply of LNG cargos for 3 years starting from 2018 to 2020 and had also converted some of the cargos into fixed prices from Brent linked prices. Riding the learning curve, we now have a robust system in place and are regularly importing LNG cargos as per our requirement.
- We also merged two Gas Transportation Agreements (GTAs), viz. SUGEN and UNOSUGEN GTAs to one common GTA with better terms and conditions to make the management smoother and flexible, while minimising the Ship or Pay and pipeline penalty charges.
- In order to maintain LNG inventory level at Petronet LNG Terminal at Dahej before arrival of next cargo, we implemented solutions such as selling of RLNG to convert the challenge into opportunity by participating in the tenders of different buyers across different industries and execution of required GTAs. To further enhance and effectively mitigate the challenge, we have registered with Indian Gas Exchange to gain rights to buy and sell gas and the transactions have also been effected since then.
- In order to maintain a continuous and regular flow of LNG, we strategically manage our orders in advance, based on the market conditions. Further, to diversify supply risk we have started participation in competitive bidding and buying domestic gas from domestic suppliers.
- We also have a dedicated natural gas pipeline for gas transportation from Petronet LNG's Dahej LNG terminal to DGEN plant.

Responding to the challenges of sourcing fuel to keep operating our gas-based generation plants, we have been able to reinvent ourselves, find innovative solutions, and successfully source gas at optimum cost. Torrent is one of the few companies in the country that has ventured into the international LNG market to procure LNG, procured natural gas from domestic sources and consequently successfully operated its gas based generation plants, round the clock supplying clean electricity to the state and the country.

Service Efficiency

Consistency is the Cornerstone of our Service

From improving the reliability and quality of power supplied, the minimisation of transmission and distribution loss to ensuring that customers get safe and legal connections, we are setting new benchmarks for private players in the sector while raising and living up to the exacting standards for ourselves, that enhance customer satisfaction.



Plug Point at Ahmedabad

24X7 RELIABILITY

Continuity in power supply is a must for any nation to ensure high GDP growth rate. We pride ourselves in having the best reliability indices in three of Gujarat's most prosperous cities – Ahmedabad, Gandinagar and Surat – since taking over from the erstwhile Ahmedabad Electricity Company Limited (AEC) in 1998 and Surat Electricity Company Limited (SEC) in 1996.

We have made large, long-term investments to build necessary infrastructure and a robust, flexible network to ensure maximum power availability. We have evolved continuously, identifying gaps and taking necessary actions to overcome the issues. We have taken up Extra-High Voltage (EHV) level, High Tension (HT)/Low Tension (LT) level projects along with system improvement projects to optimise system efficiency and ensure uninterrupted 24x7 power supply. Some of the projects are enumerated below:

EHV Projects

- Creation of a Ring-Main-System at the 33kV level projects by interconnecting them through an underground cable network.
- Developing state-of-the-art unmanned substations with distribution automation and Supervisory Control and Data Acquisition (SCADA) to monitor and control field devices at remote sites and ensure seamless transfer of loads from our control room.
- Conventional air-insulted substations are replaced with gas-insulated substations, having lower land footprint, to minimise outages due to harsh climatic conditions and exposure to the elements.

HT/LT Projects

- Undergrounding of feeders and conversion of radial 11kV feeders into Ring-Main-System.
- Design and implementation of a Standard Network Development guideline to ensure a future-fit network, with minimum joints and stress points.
- Automated Meter Reading (AMR) for high-value customers to closely monitor network parameters at their end.
- Introduction of Compact substations as a standard offering.

System and Process Improvement Projects

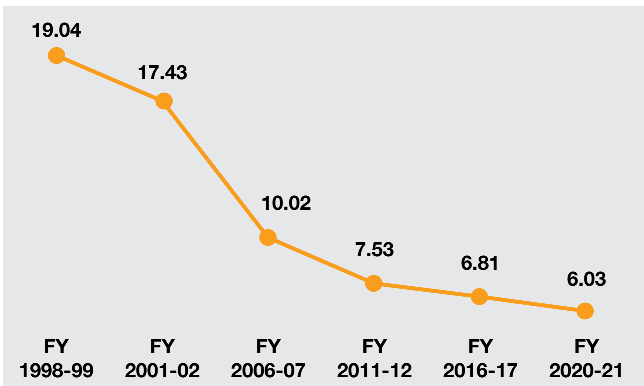
- Monitoring of network parameters and advance planning to meet projected load growth.
- Installation of meters on transformers to monitor network parameters and consumer mapping with regard to the transformers to analyse consumption trends.
- Use of Geographical Information System and integrating it with SAP to map network assets and consumers, which aid faster location and restoration of faults.
- Introduction of Field Force Automation (FFA) enabling field team to visualise the network, reduce commute time and improve turnaround time in the event of outage/complaint.

REDUCTION IN T&D LOSSES

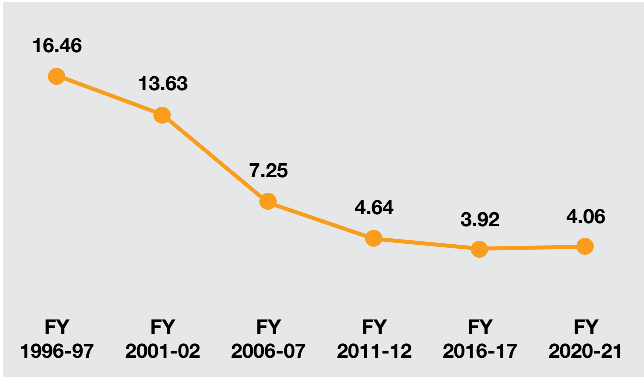
We have one of the lowest T&D losses in India, thereby helping us to keep our tariff competitive.

One of the biggest challenges faced by the power sector is the power loss incurred during transmission and distribution. At the time of takeover from the erstwhile AEC and SEC, which were among the better managed distribution areas in the country, Ahmedabad and Surat still had a distribution loss of 19.04% and 16.46%, respectively. Collection efficiency was also low at 92% and 86%, respectively. The underlying issues for higher AT&C losses were illegally electrified slum pockets, metering irregularities, high theft, lack of systematic & comprehensive revenue protection systems and inadequate IT systems & distribution network. We strategically solved each of these problems to reach the level of optimisation we are at today. Prudent and long-term management decisions, consistent performance and a single-minded determination to succeed, coupled with stringent monitoring and refining of process and use of modern technology helped us achieve our goals.

Ahmedabad T&D (%)



Surat T&D (%)



CASE STUDY

How Torrent Power became the most reliable power supplier in Ahmedabad, Gandhinagar and Surat

We first broke down the reasons for AT&C losses into technical losses, commercial losses and theft of energy and devised measures to tackle these. We adopted a multi-pronged approach to turnaround the performance. The major thrust areas were:

- Improve reliability and quality of supply and reduce technical losses
- Customer-friendly initiatives to reduce theft of energy (including ease of getting a new connection)
- Enhance system efficiency to plug leakages and optimise operations to reduce commercial losses

Improving Reliability and Quality of Supply

New and efficient technologies were introduced to strengthen the system while increasing capacity, such as increasing the number of 33kV and 11kV substations to improve the HT/LT ratio, increasing transformer capacity, increasing the number of 11kV feeders to relieve overload, managing the number of customers at each substation and creating redundancy in the LT network. At the same time, the network was analysed and its weak links were identified. Network improvement included undergrounding of overhead lines, replacement of cables and revamping of metering installations while building interlinkages to create a seamless Ring-Main-System for ensuring quality and uninterrupted power supply to consumers.

Sr.	Performance Parameters	UoM	Ahmedabad		Surat	
			At the Time of Takeover - 1998	Now	At the Time of Takeover - 1996	Now
1	Maximum Demand	MW	601	1,578	274	623
2	No. of 11kV Feeders	Nos.	280	1,281	125	431
3	No of DTs	Nos.	3,032	8,914	835	2,673
4	DTs capacity	MVA	1,037	3,874	507	1,558

Safe and legal connections for consumers

A large number of slum dwellers in Ahmedabad did not have access to legal power connections due to lack of proper documentation, leading to power theft. Torrent Power launched first-of-its-kind Special Electrification Programme that involved a door-to-door campaign encouraging them to take a legal connection offering a simplified documentation process and instalments towards the Service Line Charges. Today over 3.5 Lakh customers have been energised as part of this scheme. To increase transparency, we were the first electric utility to introduce the concept of Fixed Service Line Charges (FSLC), revealing the cost of the electric connection upfront to the consumer and enabling them to plan their projects and activities accordingly. Along with this, Power Supply Centres (PSC) were set up with smaller command areas to ensure faster processing of applications, timely resolution of customer complaints and fault, and closer monitoring of losses.

Enhancing System Efficiency

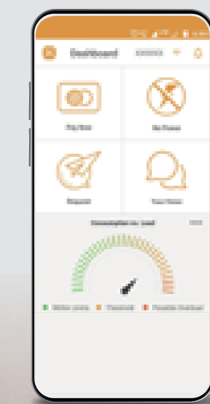
We undertook a Mass Meter Replacement programme (MMR), where old and defective meters were replaced with high quality electronic meters, which were tamper resistant. Meters were also installed at Distribution Transformers to identify those with high losses. A Revenue Assurance Group (RAG) was formed to monitor the high loss transformers, liaise closely with the police and other government agencies to conduct raids and prevent theft of energy. We also pushed for rationalisation of tariff and minimising cross subsidy in line with the National Tariff Policy to eliminate the disparity in cost per unit borne by industries and commercial establishment which indirectly drove them to misuse power by under-declaring their load or resort to theft of energy in order to reduce production costs.

Sr.	Performance Parameters	UoM	Ahmedabad		Surat	
			At the Time of Takeover – 1998	Now	At the Time of Takeover - 1996	Now
1	SAIFI	Nos.	46.30	2.70	24.90	1.14
2	SAIDI	Hrs	43.21	2.10	24.50	1.22
3	Distribution Losses	%	19.04	6.03	16.50	4.06
4	Collection Efficiency	%	92.00	99.85	86.00	98.77

CONSISTENT CUSTOMER SERVICE

Our customers are at the core of our business and providing the best service to them is our priority. We have the following best-in-class, customer-centric systems:

- Digitally-enabled customer service centres called Plug Points to provide an integrated customer care service with a SAP-based Customer Relationship Management (CRM) software to ensure seamless, real-time flow of information
- 24x7 active call centres enabled with Interactive Voice Response (IVR) service to register a complaint without interacting with a representative
- Digital technology offering a bouquet of online payment options and fully functional online application-processing module
- With rating of 4.1 stars, our mobile application is one of the highest rated utility applications on the Play Store with unique features that allow customers to register no power complaints, submit their own meter reading, check the credentials of visiting personnel, submit safety concerns, video chat with customer service representatives in regional language, book an appointment at the Plug Point and much more
- 65% of customers pay their bills online and avail incentives like waiver of registration charges while registering application online, free online statement of account services, etc.
- Special portal where Automated Meter Reading (AMR) data is shared on a daily basis with high-value consumers to help them keep track of consumption and billing parameters



1 MILLION+

Torrent Power Application downloads

CASE STUDY

How we turned around power distribution in Bhiwandi and Agra

We became the first Distribution Franchisee of the country in 2006 when Maharashtra State Electricity Distribution Company Limited (MSEDCL) introduced electricity reforms and awarded Bhiwandi Circle. The consistent track record of exemplary performance in its Licensee Business and success in managing Bhiwandi operations, helped TPL in appointment as a franchisee of Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) at Agra in 2010.

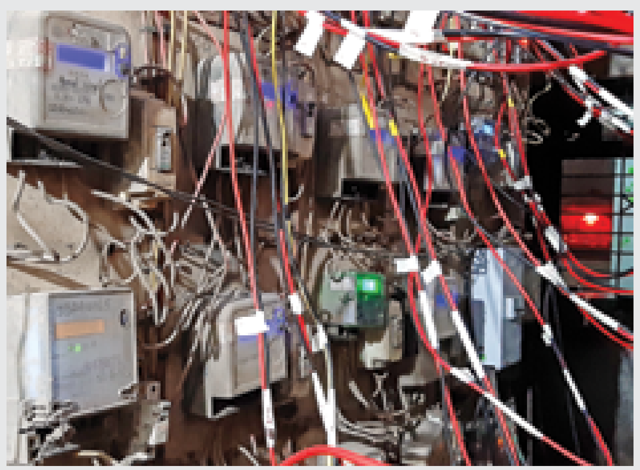
Both the Distribution Franchisees (DFs) had an overloaded, dilapidated, unsafe and poorly maintained network. The metering to cash system was in shambles and there was rampant power theft. Bhiwandi faced up to seven hours of power cuts everyday and the AT&C losses were as high as 57%. Within a short period of 4 years, we brought about a significant turnaround, with AT&C losses dropping to 18%. In fact the Distribution Franchisee Model came to be known as the Bhiwandi Model. Agra which was burdened with AT&C Losses of 61% at the time of takeover also showed a remarkable turnaround.

Demographic profile of customers and the state of the network were very different in both the locations but the techno-commercial issues at both locations were quite similar. We analysed the gaps and devised strategy for the turnaround.

Here is what we did:

- Invested in automation and SCADA control system for the EHV network and distribution automation in the LV network
- Ring-Main-Unit was developed at both EHV and HV level to ensure redundancy and proper load balancing
- At Bhiwandi, undergrounding of 22kV overhead lines and installation of HT capacitor banks with 160 MVAR capacity was undertaken to enhance safety and reliability
- **T&D Loss Reduction**
  - Installation of static meters with tamper-resistant features along with DT metering and indexing of consumers to monitor consumption and usage patterns
  - Route sequencing to ensure 100% meter reading
  - Set up a special taskforce to assess bills, replace defective meters, ensure recovery of arrears and ensure 100% collection efficiency
  - Camps to address customer grievances and provide resolutions on the spot
  - Operationalised a taskforce to ensure constant vigilance and avoid meter tampering
  - Special Electrification Scheme – Apni Bhiwandi Ujjwal Bhiwandi movement and the Taj Sa Roshan Apna Agra scheme – to encourage consumers to take safe and legal connections

Before



After

Meter repalcement at Bhiwandi

Customer care centre

Bill collection van

Customer care centre

- **Customer Service Initiatives**
  - Set up customer care centres powered by a modern and seamless CRM
  - 24x7 call centres manned by own employees to ensure real-time problem solving
  - Introduced Field Force Automation (FFA) to increase efficiency of the field staff and reduce turnaround time
  - Established mobile collection vans, 24x7 collection kiosk and multiple collection centres for easy bill payment
  - Customer portal and mobile app were launched to facilitate online interactions, including application processing, complaint registration, payments, among others.
  - Regular status updates to customers about payment schedules, outage and status of their complaints via SMS and WhatsApp messages

The Bhiwandi and Agra stories have been widely cited as important success stories in India's Power sector by respected national and international institutes.

Environment

Committed to conserve and preserve

We are conscious of the fact that we depend heavily on natural resources to operate our business. Being a responsible player, we take the onus of proactively taking steps to mitigate our impact on the environment.

Aerial view of township at Sugen Plant

Our key focus areas in environmental stewardship include decarbonisation of our energy footprint and regulating our water and air emissions. Complete recycling of fly ash, reduction in resource consumption and decreasing emissions are some of our ways to combat climate change.

Our gas-based power plants have been set up with the then best available modern technology of Combined Cycle Power Plant based on Advanced F-class gas turbines. The distinct and beneficial characteristics of this technology are high efficiency (more than 1.5 times of coal power plants) and low environmental impact in terms of emissions (less than half the CO_2 emissions of coal power plants, negligible SO_x and very low NO_x emission rate of less than 25 ppm, which is well below the regulatory standards of 50 ppm). Use of the single shaft configuration in these power plants has ensured high flexibility of operation to meet the grid demand and best efficiency even at partial loads. Water conservation practices have reduced our average rate of consumption to 1.1 m^3/MWh at our gas plants, which is less than about 1/3rd of a coal fired power plant.

We have taken several initiatives such as large-scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels and solar water heaters, recycling wastewater, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, etc. at our plants to enhance our efforts towards environmental conservation.

We maintain 43% green cover, which is 10% more than the statutory requirement; and the green periphery plantation stands at 50 meters, which is much higher than norm of 30 meters. Around 1,500 pre-existing trees at the project site were transplanted with a healthy survival rate of 77% and about 1.5 lakh new trees have been planted. Such abundant green cover is also home to a large and rare variety of birds and other living creatures. Organic farming is carried out in vacant areas across the plant.

We also strive to minimise impact of our project operations on wildlife. Regular monitoring of environmental parameters internally as well as by agencies approved by the Gujarat Pollution Control Board (GPCB) serves as a validation for our high environmental practices. While preserving the environment, we have ensured development of mangroves in an area of ~50 hectares in the coastal region near the DGEN project.

43%

Green cover against the norm of 33%

Environmental stewardship across the value-chain

GENERATION

- 100% utilisation of fly ash generated from coal plant
- ~90% generation capacity based on cleaner fuel
- ~70% capacity registered under the Clean Development Mechanism (CDM) of UNFCCC
- Annual reduction of ~8.5 million tonnes of CO_2 possible from gas-based power plants
- Re-use of treated effluent water in horticulture

DISTRIBUTION

- ~12.5% of power requirement sourced from Renewable Energy
- Reduction in T&D from >50% to ~15% at Bhiwandi and Agra, thereby reducing energy requirement
- Use of recycled paper for energy bills and stationery
- Installation of solar rooftop for captive consumption

OUR CERTIFICATIONS:

- ISO 14001 (Environment Management System) implemented at most of the units
- Some of our offices and employee residential townships have been certified by Indian Green Building Council (IGBC) with Platinum certification

Energy Conservation

Rooftop Solar for captive consumption

Energy conservation with VFD

We have taken measures to conserve energy at our facilities by using energy-efficient technology and implementing energy-saving SOPs and practices.

Solar rooftop systems have been installed at most of the units for captive consumption with a focus on ecological conservation.

Various procedures have been put in place to improve heat rate and reduce auxiliary power consumption at our generating stations. To reduce import power, transformer tap setting has been optimised at one of the renewable units. This has resulted in ~100 kWh import saving per day.

Optimisation of nitrogen plant operation at DGEN resulted in energy saving of ~82,125 kWh per annum, as well as reducing system start counters and thereby increasing reliability.

High efficiency energy meters and star-rated distribution transformers are installed for T&D loss reduction, thereby saving natural resources. As part of DSM scheme, energy audits as well as peak load shifting programmes have been carried out for benefit of the consumers.

New offices and substations are designed to ensure maximum use of natural light and to the extent possible are equipped with motion sensor-based lighting systems and star-rated air conditioners.

LED luminaries

Floating solar panel at SUGEN reservoir

GHG Emissions

SUGEN and UNOSUGEN with low CO_2 emissions

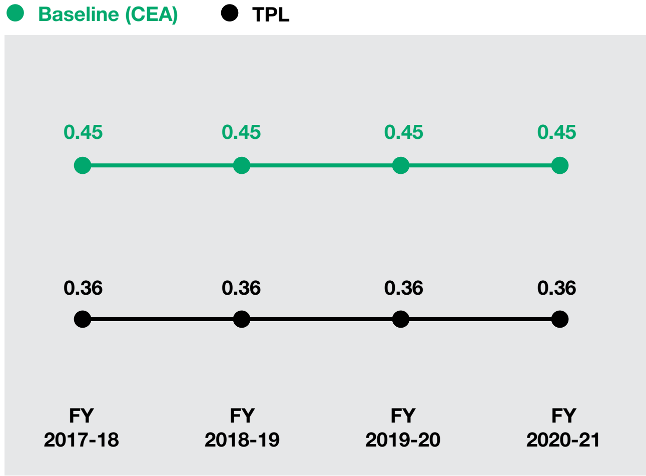
In line with the global agenda towards climate action (COP-21), we are reducing our carbon emissions gradually through increase in renewable portfolio.

~18 MILLION tCO_2

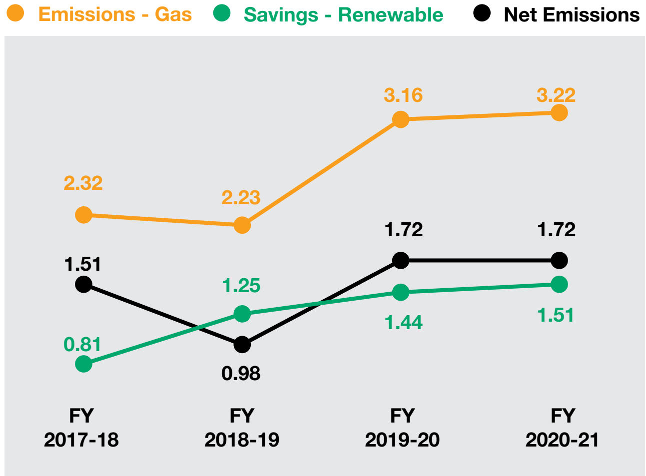
Total emissions reduction till date since CDM registration

We have 4 projects registered with the United Nations Framework Convention on Climate Change (UNFCCC) under Clean Development Mechanism (CDM). The SUGEN project was one of the largest and pioneering power generation projects approved under CDM globally in 2007. Annual emission reduction of ~8.5 Million tCO_2 can be achieved by generation of power through these projects. We have already achieved ~18 Million tCO_2 emissions reduction (approved by UNFCCC) as per the compliance reports filed till date.

GAS PLANTS - GHG Emissions (in tCO_2/MWh)



Net Carbon Emissions (in million MT)

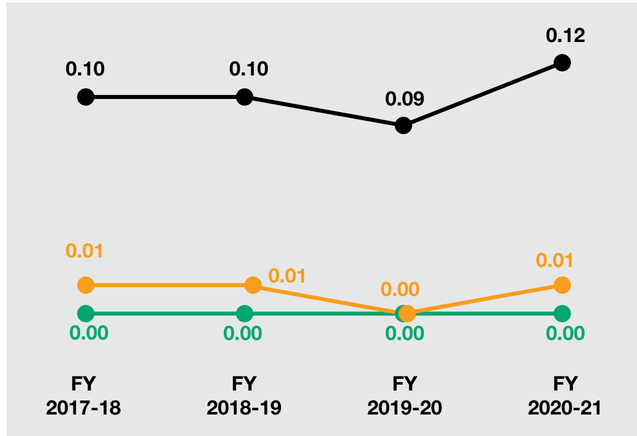


Air Emissions

In addition to GHG, we are conscious about other air pollutants released from our operations. While operating our plants, we generate minimum particulate matter (PM), sulphur oxide (SO_X) and nitrogen oxide (NO_X).

We continue to monitor and effectively manage these emissions. Emissions from our generation stations are well within the permissible limits as prescribed by Central Pollution Control Board and the State Pollution Control Board for FY 2020-21.

SO_X, NO_X, PM (in kg/MWh)

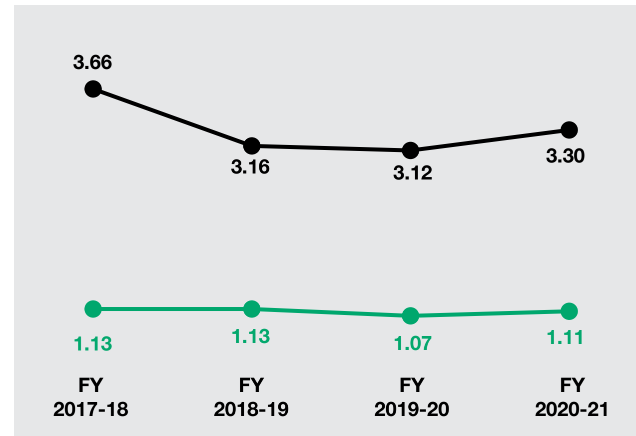


DGEN - Lowest air emissions in its class

Water

Water is required mainly for cooling purposes in our thermal power plants. We take cognizance of the fact that water may soon become a scarce resource and have mechanisms in place to ensure judicious consumption of water.

Water Consumption (in m^3/MWh)



Currently, the consumption of water at our facilities is well below the statutory limits. We have taken proactive measures to reduce the linear flow of water through our system by introducing water treatment plants at our facilities. Usage of water is optimised by optimising the Cycle of Concentration in cooling water and recycling of waste water. Water is recycled and reused for various secondary purposes such as gardening, sprinkling, among others. Our DGEN and SUGEN plants have recorded zero liquid discharge since April 2016 and August 2017, respectively. Rainwater harvesting initiative at DGEN plant collected 1.5 Lakh m^3 of water in FY 2020-21.

New offices and substations, to the extent possible, are equipped with contact-less water taps and waterless urinals. Installation of water meter to monitor the water usage is undertaken at few units.

Efficiently utilizing water for cooling at SUGEN

Waste Management

As a responsible corporate citizen, we believe in enhancing the circularity of our system, based on the 'Reduce-Reuse-Recycle' principle.

We have established processes to treat the generated waste and make every effort to minimise the quantity of waste sent to the landfill. We recycle 100% of the fly ash generated from the coal-based plant. Our distribution units undertake oil filtration of power and distribution transformers for reutilisation of oil. Wet waste is composted and used as manure. More than 90% of our PVC scrap is recycled and reused at our Cables unit. Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.

Hazardous waste such as used oils, batteries, e-wastes, bio-medical wastes, among others are disposed of only through SPCB authorised Treatment, Storage and Disposal Facilities (TSDF) and recyclers. Similarly, plastic and paper waste are handed over to authorised recyclers.

We have substituted materials to decrease the amount and kind of waste generated. One such example is the use of steel cable drums instead of wooden ones. Apart from this, we monitor our daily and monthly consumption of resources and implement methods to reduce our consumption as much as possible.

>90%

PVC scrap at Cables unit is recycled and reused

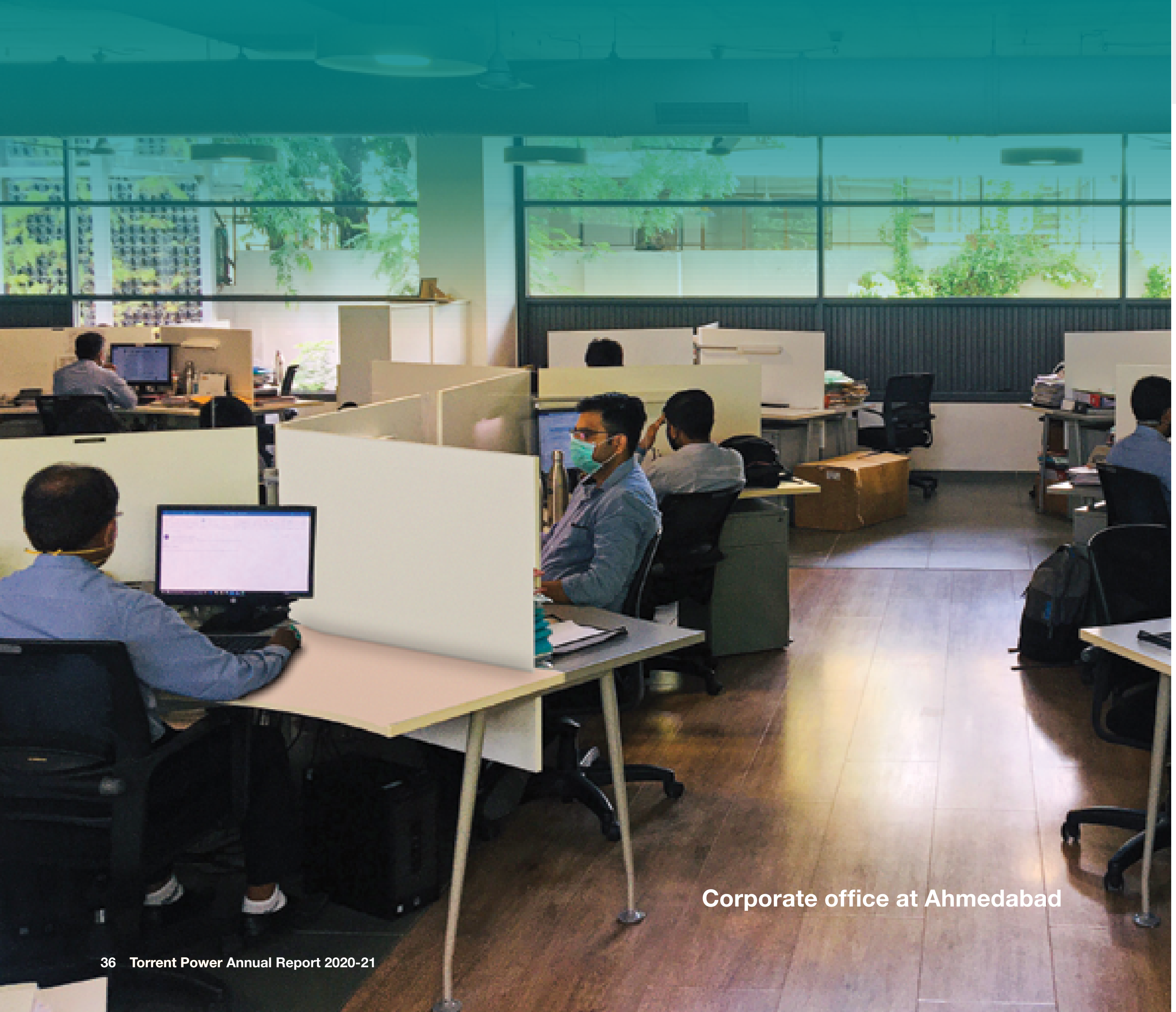
100%

Fly ash generated by coal-based plants is recycled

People

Nurturing a Productive Workforce

We believe that people perform to the best of their potential when extended a conducive and nurturing work environment. At Torrent Power, we have always undertaken employee-oriented activities and initiatives adhering to this philosophy.



Corporate office at Ahmedabad

7,803
Employees

9%
Women employees

36 YEARS
Average age

We strive to provide our workforce with the right exposure, freedom at work, unmatched leadership and the opportunity to grow at a rapid pace, ensuring a smooth professional journey for them. We design our programmes to target the enhancement of technical, managerial as well as behavioural skills of our employees using interesting and motivating assignments to enable and empower them to become better decision-makers. Providing maximum hands on exposure as well as close interactions with senior professionals enables our workforce to gain valuable experience. Our units also house recreation clubs, sports complexes, medical units, etc. Various social events and celebrations are organised periodically to add to the charm of life at Torrent Power.

Founder's Day Celebration Pre-COVID

HR Strategy

SKILLS AND CAPABILITY

- Competency development
- Succession planning
- Gap identified skill development
- Uniform HR practices across the Company

WELLNESS

- Mediclaim coverage (inclusive of COVID-19 cover)
- Focus on safety and well-being of employees
- Financial benefits in case of accidents or demise benefits to family members

EQUAL OPPORTUNITY

- Focus on gender diversity
- Enhanced women representation
- Maternity leave
- Tenure-based additional leave
- Balanced work life
- Safe work environment
- Creche facility

COMPENSATION

- Entry salary at par with industry
- Objective performance review
- Recognition and felicitation programme

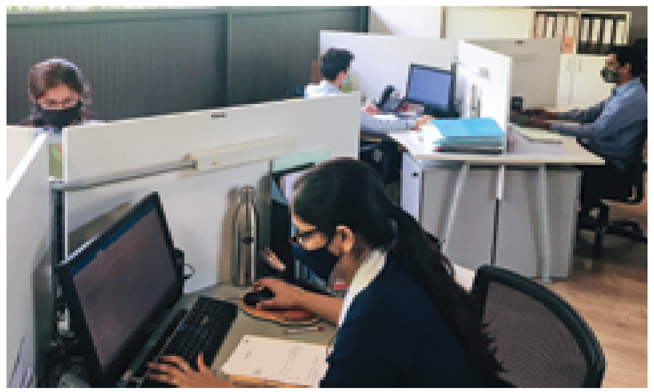
WORK HYGIENE

- Whistle Blower Policy
- Code of Conduct
- Implementation of POSH
- Equal benefits for all contractual workers

Key Focus Areas

LEADERSHIP AND TALENT DEVELOPMENT

HEALTH AND SAFETY



DIVERSITY AND INCLUSION

PERFORMANCE CULTURE

LEADERSHIP AND TALENT DEVELOPMENT

We believe in creating and developing a robust human resource pipeline. Talent development is thus an ongoing process within the organisation. The programmes commence at the time of joining and continue throughout a person's tenure and are designed to inculcate our values and foster a sense of collaboration.

Training and Development

We have an engaged, agile and future-ready workforce and we impart them training to help them keep pace with the ever-changing technological and other developments. The training programmes are conducted by external experts or in-house team after identification of knowledge gaps among employees and programmes are designed to guide their learning curve. Training helps to upskill the employees and identify our future leaders, with a penchant for continuous learning and application. Additionally, organisational value workshops are conducted to ensure cultural alignment of the new recruits. Towards operational excellence, 5S and Kaizen practices have been implemented and are celebrated at various units.

77%

Employees underwent training in FY 2020-21

Differently-abled at Work

We trained 22 differently abled persons (with hearing and speech impairments) in routine cleaning of solar panels at the GENSU solar plant, thus providing them a dignified livelihood. Specific training in use of cleaning equipment and work ethics is being provided to them. Special supervisors with knowledge of sign language are employed.

Leadership Development

Training sessions are organised by the HR team, customised as per the needs of the employees at the managerial positions. These sessions are based on a pragmatic approach with high applicability in their day-to-day work. The results of these programmes are monitored. Selected employees are promoted to higher levels and further given need-based training sessions to enhance their managerial and administrative skills. External training sessions are conducted for developing specific competencies. Internal promotions, transfers and job rotation have also been an essential factor in helping budding talents to become future leaders by experiencing different functions.

Safety

We have taken measures to make our workplaces safe for our workforce. All employees and contractors undergo health and safety training on periodic basis. Precautions are taken to prevent accidents. In case of unfortunate accidents, the Company substantially compensates the personnel or their families as per Conviction for Safety Policy (CSP) of the Company. A small voluntary contribution taken from employees goes a long way in helping fellow colleagues.

Ongoing training session

Safety training session

HEALTH AND SAFETY

The well-being of our employees is our top priority and creating a safe and healthy workplace is of utmost importance to us. We foster a culture that makes the workspace a safe working environment for all, mentally and physically.

Health

We ensure that the health of our employees is taken care of. To this end, health check-ups are conducted for all the employees on a periodic basis, followed by a doctor consultation and if needed, further assistance in specific cases. We have a full-time doctor available at all generation facilities to take care of any employee illness or unforeseen incidents. Our employees and their families are provided with medical insurance to meet any kind of hospitalisation expenses. We have also extended mediclaim limits to cover parents/parents-in-law of employees on voluntary basis. Enhanced limit of insurance coverage is provided in case of critical illness, on need basis.

3

CSP Committee meetings held during FY 2020-21

10

Claims of accident cases on duty were appropriately compensated

We also intend to make the workplace discrimination and harassment free. We have adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A mandatory programme is conducted annually to create awareness on this Policy.

ZERO

Complaints pertaining to sexual harassment

People (Contd.)

Work-life Balance

We understand the importance of balancing work with personal life. To promote this culture, we provide a total of 30 days leave annually with mandatory availment of 14 days per year. We provide compensatory off in case employees had to work extra hours and incentive leaves for long-term association. Within our organisation, we try to maintain a positive work ambience, provide a quality work place, and encourage celebration of events and festivals.

Safety Initiatives taken during FY 2020-21

We implemented several initiatives throughout the year to foster a better workplace and work culture. We established a comprehensive safety review mechanism at the department and unit levels along with implementing a safety scorecard mechanism. We organised departmental safety awareness drives for our frontline workers and contract employees. Our senior officers make periodic site rounds and provide counselling to the field staff in safety-related matters. To foster a culture of safety, we implemented a Consequence Management Framework for a fair and transparent process for initiating disciplinary decision with an intention to foster a safe culture. The staff was provided special training with a focus on workstation ergonomics and hazard management. We have set up a transparent system for sharing near-miss incidents for awareness and emphasis on taking necessary precautions. Mock drills were conducted for various emergency scenarios to ensure effective implementation of Emergency Response Plan. We celebrated National Safety Week by organising activities for the involvement of officers, staff and contractors. We conduct quarterly Safety Committee Meetings and ensure that our senior management walks the talk, setting an example for all our employees. We have detailed SOPs in place for each process and follow good safety practices. To make sure that all safety measures are implemented, we depute a contractual safety officer based on risk involved in an activity.

Special Benefits during Pandemic

The organisation took various measures during pandemic to ensure safety of its employees. A special online web page was also launched for the employees to monitor and track their daily health status. Majority of our employees, wherever possible, were given the facility to work from the safety of their homes. Operations were managed through staggered shifts and alternate days working wherever possible. Flexible time with a window of 2 hours was also implemented. Employees and their families were covered under COVID-19 insurane of upto ₹5 lakh in Group Mediclaim Policy, which helped many employees in getting access to quality healthcare. Employees who worked at the office/site during lockdown period were given additional incentive. Compensation was given to dependents of employees who expired due to COVID-19 as per the policy.

MHealth Webpage


Fire fighting awareness program

Workplace sanitisation


Session on COVID-19 precautionary measures

Precautionary Measures during Pandemic

Since many employees worked from home, our IT systems and security were quickly rejigged to ensure continued productivity. A safe ecosystem was provided to those employees who had to work on field. Workspaces were made COVID-safe, and employees were given detailed SOPs to be followed stringently. Virtual meetings were encouraged in place of physical meetings. Social distancing norms were implemented in the form of displays, walkways and signages and were followed strictly. The health status of employees was tracked regularly, and support was provided wherever needed. Regular temperature checks were carried out at all entrances of the office premises and face mask was made mandatory. Awareness drive on measures to be taken and a session with a renowned psychiatrist was conducted to ensure a stress-free work environment for all employees to help them deal with the ongoing pandemic.

Travel and Stay Policies

The travel and stay policies were revised from time to time, based on the impact of COVID-19 in different regions. All the visits were tracked. For the initial few months, air travel was restricted, and subsequently adjacent seat was also booked to avoid close contact.

Hospitalisation and Treatment Support

Guidelines related to COVID-19 safety particularly in relation to hospitalisation were issued for effective treatment. We also coordinated with pathological labs for employees to get COVID-19 tests at discounted rates. Periodic antigen testing and RT-PCR testing was carried out for all staff members and contractual support staff. Counselling of COVID-positive employees and their family members, monitoring their health condition, diet, medical check-up and follow up was done on a regular basis through the unit doctor. We also conducted COVID-19 vaccination drive for Torrentians for their ease and convenience.


Vaccination drive


Antigen testing

DIVERSITY AND INCLUSION

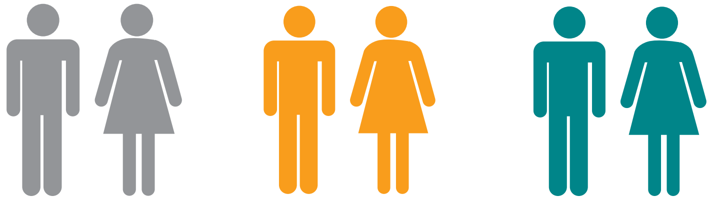
3 OUT OF 9

Directors are females

15.6%

Female employees recruited in FY 2020-21

AGE DIVERSITY



36% < 30 years

41% 30 to 45 years

23% > 45 years

Sangini Event — Pre-COVID

Gender diversity

We promote an inclusive and diverse work environment that provides a gamut of perspectives and cultivate an empowered, multi-faceted, fair, safe, respectful, balanced and globally agile work environment. We have implemented certain initiatives to make our workplace more conducive to female employees and encourage a better gender ratio. We provide engagement activities and facilities designed especially for our female employees. Our programme named "Sangini", held virtually this year, provides a platform for women employees to learn from the experts on health-related topics, work-life balance, personal effectiveness and growth. We also celebrated Women's Day virtually in appreciation of our female workforce. Our workplace is designed to be safe and comfortable for female employees and employees are made aware of our stringent POSH policies. We provide a conducive maternity policy and creche facility wherever possible to encourage women to return to work following pregnancy.

Creche Facility

Engagement

Engagement activities are done with a view to break monotony and build & maintain employee morale so as to create conducive and comfortable work environment for all its employees. Raas Garba, Khel Mahotsav, Yog Shivir are few such events which enable better networking among Torrentians and even their families. This year, to avoid social gathering and prevent the spread of virus, few events were not conducted.

Yog Shivir

PERFORMANCE CULTURE

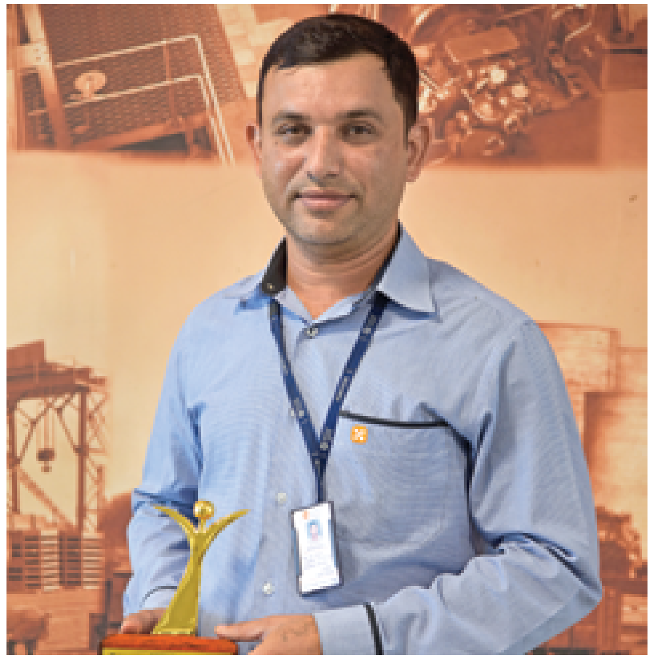
We believe that there is no shortcut to success, and we appreciate hard work, determination and performance. It contributes to personal and organisational growth. We also attribute our retention rate to the meritocratic culture and employee empowerment initiatives. Several members of Torrent Power's senior leadership are homegrown, and this encourages employees to stay with the organisation and grow to reach better heights. This is further enhanced by people policies that bind them to the organisation.

Rewards

The annual performance management system is a comprehensive mechanism to review an employee's performance for the year, provide feedback and offer them performance-linked compensation rise.

Recognition

Every year, Torrent Group celebrates its Founder's Day, to pay respect to the visionary Founder Chairman, Shri U N Mehta. During this event, we recognise and honour two most eligible employees (one from Pharma and one from Power/Gas) with 'Torrentian of the Year' award based on their contributions towards the organisation. These are the individuals who have exhibited professional competence, gone beyond the call of duty, are dependable and committed towards the organisation.



Parimal Kavaiya - Torrentian of the Year 2021 (Winner from Torrent Power)

HR Practices that reinforce the Torrentian culture

COMMITMENT	COMPETENCE	CONSISTENCY
Low attrition	Adaptability	Consistent performance
Job satisfaction	Skill development	Consistent practices
Job enrichment	Opportunity to shoulder higher responsibilities	
	Confidence building	

Communities

Giving Back to Society

We recognise our responsibility towards people and the planet, and thus strive to create long-term social and economic value. Being a leading energy company, we realise our enormous responsibility towards ensuring the welfare of local communities from whom we gain the social license to operate. This commitment is aligned with our strategy to drive sustainable growth for all our stakeholders.

Our thrust areas for carrying out CSR initiatives are Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern.

R EA CH

a movement, not an activity

Driven by the belief of Chairman Emeritus, Sudhir Mehta: 'Children are the future of our nation and this future must be well preserved', the flagship CSR programme of the Group REACH – Reach EAch CHild was initiated in the year 2016 under the aegis of Tornascent Care Institute, a section 8 company. REACH has three major pillars: (a) SHAISHAV (b) JATAN and (c) MUSKAN

SHAISHAV – GRASSROOT INTERVENTIONS

Medical camps were conducted in 351 villages, which screen across SUGEN, Dahej and Indrad in Gujarat. Medical health check-ups and consequent follow up activities were carried out for children in the age group between six months and six years. Children identified with malnourishment were provided with therapeutic food, free of cost. To overcome the challenges of the children not consuming food due to monotony of taste, alternate diet biscuits called Mauji were introduced through in-house research, keeping the same energy and protein constituents. These biscuits also have longer shelf life and sustaining nutritional values. These biscuits were found palatable and had desired results and were also provided to severely as well as moderately malnourished children. Of the children under our care, 74% could overcome malnourishment. Free iron supplements were provided to anaemic children, who attended the programme and more than 90% were completely brought out of anaemia. Additionally, 73% of the children with specific/chronic ailment were provided with referral services after convincing their parents to avail medical intervention from trained consultants of reputed hospitals.

351
Villages screened

71,387
Children screened

74%
Children brought out of malnourishment

90%
Children brought out of anaemia

Children relishing the taste of Mauji biscuits Pre-COVID

Paediatric checkup Pre-COVID

JATAN – GREENFIELD ACTIONS

In 2017, day care paediatric centres were established at locations; SUGEN, Dahej, Balasinor and Indrad, providing free specialist consultation, basic laboratory services and branded medicines to the underprivileged. These centres are closer to the beneficiaries especially in remote areas having inadequate healthcare facilities. During the pandemic, the services from these centres were stopped to avoid virus exposure, however, tele-consultation services were initiated at Dahej and SUGEN since September, 2020 to take care of community patients. As of March 31, 2021, 2,84,474 OPDs have been carried out across the centres. For treatment of routine ailments, people were hesitant to approach relevant medical experts and preferred to get treated by local untrained practitioners. This has been overcome by providing mobile medical services at their doorstep. During the pandemic, audio consultations were conducted across all four locations for spreading awareness on recommended food to increase immunity and general hygiene. In addition to camps, children in the age group till eighteen years were attended medically at paediatric centres unlike camps where age group was six months to six years.

4
Locations

2,84,474
OPDs carried out

46,000+
Parents received audio consultation during the pandemic

ShaishavMitrs spreading smiles | Pre-COVID

Distribution of sanitary kits | Pre-COVID

MUSKAN

To help in developing increased confidence as well as self-esteem among adolescent girls, we have conducted mass awareness programmes on health and hygiene in 125 camp villages, covering more than 5,000 adolescent girls. Free sanitary pads are being provided on a monthly basis along with health and hygiene related information and counselling to gradually eradicate psychological and social taboos. The Group has been continuously focused on creating awareness to prevent the occurrence of the common diseases, which is a pre-requisite for sustainable health and hygiene. Challenges like ineffectiveness of the programme, sometimes due to clear verbal communication and/or low grasping, among others were reduced using electronic media such as text messages, whatsapp etc.

125
Villages

5,000+
Girls covered

Reaching out to the REACH beneficiaries | Pre-COVID

ShaishavMitrs

For carrying out such mass level activities, instead of involving outside agencies, the Group has envisaged a unique concept of engaging 'ShaishavMitrs' employees as volunteers, contributing to various areas with their multi-faceted skills. Direct involvement of employees has resulted in developing a sense of ownership and hence a seamless relationship with beneficiary population.

Communities (Contd.)

rangtarang

social healthcare initiative of Torrent Group

સુમંગલ sumangal   બાલસંગમ balsangam

STATE-OF-THE-ART 150-BED PAEDIATRIC SECONDARY CARE HOSPITAL (FREE OF COST) (पूर्ण तयानि:शुल्क) AT SUGEN

Torrent Group has built and dedicated integrated medical complex; Rangtarang at SUGEN, catering to medical requirements of nearby 500 villages. Rangtarang comprises Sumangal, a multi-disciplinary clinic for patients of all age groups and Balsangam, a 150-bed, state-of-the-art paediatric hospital, spread over 20,000 sq m with 14 wings. Diagnostic facility, imaging facility, clinical facility, medication and surgical procedures are provided free of cost to the underprivileged. This project has been developed in technical collaboration with Sheffield Hospital UK. The hospital has modern facilities with high-end equipment comprising multi-specialty Out-patient Departments (OPD), Indoor Patient (IP), Emergency Ward (with defined criteria), Intensive Care Units, Operation Theatres, Diagnostic facilities like imaging and pathology laboratory, including Haematology, Biochemistry, Clinical Pathology and Micro-Biology, Blood Storage, Pharmacy, CSSD and other facilities. A specially customised software is being developed to manage the patient database.

WAY AHEAD

- To motivate patients to come to centres by adopting pull strategy against earlier push strategy
- Going forward on the outreach programme, carrying out intensive awareness programmes on malnourishment/general hygiene/anaemia in existing 351 camp villages (telecasting videos using mobile van, distributing handbills/pamphlets, SMS, WhatsApp messages, among others) and motivate patients to come to Rangtarang
- To increase phase-wise coverage for malnourished and anaemic children in additional 149 villages in Phase 1 and another 500 villages in phase 2 by using details from Anganwadis
- To extend 'Muskan' to another 174 villages across 3 locations (Indrad, Dahej, SUGEN) from current number of villages to all camp villages. Biodegradable and reusable sanitary napkins (can be reused upto 1.5 years) to be distributed to 100 beneficiaries as part of a pilot project to address the issue of napkin disposal. Further, based on feedback from the beneficiaries, cost analysis, environment impact, etc. this pilot project may be scaled up
- Studies/surveys are underway at remote/underprivileged areas near Four Centres – SUGEN, Dahej, Balasinor and Indrad with an objective to understand the existing facilities at these places, and check feasibility to expand medical facilities/infrastructure by setting up other 3 to 4 sub-centres, which may subsequently turn into PHCs

Balsangam at SUGEN

Making education interesting by using right blend of traditional pedagogies with innovative technologies   Pre-COVID

શિક્ષા સેતુ

Shikshasetu

We started this initiative in 2011 with an aim to provide quality learning to students and improve age appropriate skills at the level of primary education. This is a unique initiative to enhance quality education among underprivileged children at 21 government and trust-sponsored schools by bridging the gaps between teaching and learning processes at schools using modern technological methods. This initiative was implemented across schools in Banaskantha, Mehsana, Surat districts and urban slums in Ahmedabad. As a part of this initiative, the government teachers were trained to teach using innovative and interactive pedagogies so that students gain better clarity while learning. A total of 15 computer labs were established and more than 230 teachers and 6,500 students were reached through MindSpark, an e-learning programme and teacher training programme in Phase 1. Based on the learnings of Phase 1, additional facilities, such as smart digital classrooms, skill based adaptive self learning for five subjects through tablets, enhancing effective teaching & learning methodologies and soft skills of teachers and sensitisation of parents towards education were implemented in Phase 2. This was implemented in 13 schools across the four locations. Students were evaluated through an online assessment tool and overall improvement of 20.30% was observed over a period of three years. The programme not only mobilised educational institute but also the parent community for conducive and participative educational environment. As a part of capacity building for the teachers, online training sessions were arranged periodically.

11,000+ Students impacted

25+ Schools

53.2% Improvement in learning level in Phase 1

20.3% Overall improvement in 3 years of Phase 2

Children at Shardashish School   Pre-COVID

Shardashish School at AMGEN Power Plant

The school is situated in the premises of Amgen power plant's housing colony at Sabarmati in Ahmedabad. Majority of the students come from economically disadvantaged background from nearby slum areas. The school receives grants-in-aid from the government authorities to meet its expenses. We contribute to fund the deficit in the school expenditure in excess of government grants.

પ્રતીતિ
અનુભુતિ તમે, તમારું, તમારાં અને
જાણેલા થી વધારે અને વિશિષ્ટ

Pratiti - Development and maintainance of public parks

Torrent Group, along with India's best known landscape design firms developed six parks in Ahmedabad, measuring ~33,000 sq m, for public use in the first phase. The second phase of development is ongoing. The project has been received very well by the public and has set an example for public space development. We are also maintaining these gardens.

6
Public parks

~33,000 sq m
Area covered


Swati Bungalow Park Pre-COVID


Sindhubhavan Park


Ranip Park Pre-COVID

COVID-19 Contribution

Torrent Group committed ₹100 Crore to support the government's efforts to fight the pandemic and its fallout on less privileged sections of society. This included donation to the PM Cares fund and various initiatives, such as providing essential medicines to various government hospitals free of cost, contributions to state government relief funds and grassroot NGOs, PPE kits to healthcare workers and distribution of food grains/ration kits.

SUPPLYING LIFE-SAVING OXYGEN DURING THE PANDEMIC

The disparity between the supply and demand of oxygen was eased by providing liquid medical oxygen (LMO) at various hospitals. 50 PSA (pressure swing adsorption) medical oxygen production plants are being set up at 50 government hospitals across Gujarat, Uttar Pradesh, Maharashtra, Rajasthan, Punjab, Tamil Nadu and Telangana. Two cryogenic tankers of 18 MT each along with 1,000 oxygen cylinders were also deployed. Overall, Torrent Group distributed 200 oxygen concentrators and installed an oxygen generation plant with a bottling facility in Ahmedabad to supply oxygen free of cost to surrounding areas.

Donation of oxygen concentrators


Distribution of food grains

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements

Governance

Key to Sustained Business Growth

At Torrent Power, corporate governance is about upholding the highest standards of transparency, integrity and accountability. Our Board of Directors acts as custodians of good governance, and our senior management undertakes its strategic execution under the Board's guidance.

Corporate office at Ahmedabad

It has been our abiding belief that while implementation of the minimum governance framework is a pre-requisite, superior governance practices are vital for growing a successful business and retaining stakeholders' trust. Our values are ingrained in our culture and practices. For us, adhering to corporate governance norms is more than just complying with the letter of the law. It stems from our commitment to ethical business conduct.

Core governance principles underlying Board composition, Board functions and Committee responsibilities:

Principles of Governance - Transparency, Integrity and Accountability

Composition of Board

The Board is strengthened by diversity in terms of experience, skills and gender of individuals. The Board consists of persons of professional eminence and experience bringing to table diverse knowledge and ability.

>75%	>55%	33%
Non-Executive Directors	Independent Directors	Women Directors

Functions of the Board

The Board looks after overall functioning, ensuring smooth movement of business as well as providing guidance and strategic direction, managing policies and assessing their effectiveness, while ensuring the long-term interests of stakeholders and our Company.

Board Committees

Board Committees provide a platform for the Board to deal with specific issues that require specialised areas of expertise. With the support of the Board and its committees, we are focused on improving our performance efficiency.

AUDIT COMMITTEE

100% Independent Directors

RISK MANAGEMENT COMMITTEE

67% Independent Directors

NOMINATION AND REMUNERATION COMMITTEE

67% Independent Directors

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

67% Independent Directors

STAKEHOLDER RELATIONSHIP COMMITTEE

33% Independent Directors

Additionally, all the above Committees are chaired by Independent Directors.

HOLISTIC RISK MANAGEMENT

We understand that no process is without risks. Therefore, minimising risks by identifying risks and making policies to mitigate these risks is imperative. We have a robust risk management framework in place to ensure systematic approach. Our Risk Management Policy lays down detailed procedures for risk identification, assessment, monitoring, review and reporting. The policy also entails roles and responsibilities of the Board, Risk Management Committee (RMC), Chief Risk Officer, Risk Champions and Risk Co-ordinators. The process is reviewed and monitored by the functional heads.

The RMC meets twice a year to review the internal and external risks together with their potential impacts and likelihood of occurrence.

RATIONAL CAPITAL ALLOCATION AND EFFICIENT OPERATIONS

Our Board of Directors gives a strategic direction to our operations and functioning. Their foresight and guidance have helped us in making strategic and timely decisions that enabled us to achieve operational excellence. Decisions are made keeping in mind the best interests of our shareholders, customers and all other stakeholders. We have been able to achieve significant growth in operations owing to the rational decisions made by the top management which has led us to where we stand today.

STRONG COMPLIANCE PRACTICES

We are in compliance with all mandatory requirements of corporate governance applicable to us. We have a formalised system in place to track, monitor and document legal compliances applicable to us. The Board periodically reviews compliance reports (of all the laws applicable to the Company), prepared by the management.

HIGH STANDARDS OF PROBITY

We believe in executing operations honestly and ethically. Our top management has laid down stringent rules and policies to avoid malpractices. Our policies are formulated to strongly discourage unethical or dishonest practices, and strict punishments and penalties are prescribed for any such instances.

INVESTOR GRIEVANCES REDRESSAL

We have in place, an open communication channel for investors to present their grievances. In case any complaints are received, they are resolved to the satisfaction of the complainants within a reasonable period. Proper documentation and reporting of these complaints are made and recorded.

VIGIL MECHANISM

We believe in conducting our affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. We are committed to develop a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice. The Board has adopted a Whistle Blower Policy for the Company, under which we have institutionalised a mechanism for the stakeholders to disclose their concerns and grievances for appropriate action.

CODE OF CONDUCT

The Code of Conduct lays down important values that shape our value system and business practices. The Code provides guidance to all, including members of the Board and employees in recognising and dealing with important ethical issues, fostering a culture of honesty and accountability. Members of the Board and employees are required to comply with and strictly adhere to the standards of conduct contained in the Code and underlying policies and procedures. Members of the Board and senior management are additionally required to affirm to the Board their compliance with the Code.

Statutory Reports

Notice 56
Board's Report 66
Management Discussion and Analysis 88
Business Responsibility Report 95
Report on Corporate Governance 106

Financial Statements

Standalone Financial Statements 121
Consolidated Financial Statements 204

Notice

NOTICE is hereby given that 17th Annual General Meeting of the Members of **TORRENT POWER LIMITED** (herein after the "**Company**") will be held on Friday, August 06, 2021 at 9:30 am IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following:

ORDINARY BUSINESS

1. **Adoption of Standalone Financial Statements**

   To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, the Auditor's Report and the Board's Report thereon, by passing the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, the Auditor's Report and the Board's Report thereon be and are hereby considered and adopted."

2. **Adoption of Consolidated Financial Statements**

   To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Auditor's Report thereon, by passing the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Auditor's Report thereon be and is hereby considered and adopted."

3. **Confirmation of interim dividend and declaration of final dividend**

   To confirm payment of interim dividend and declare final dividend for the Financial Year ended March 31, 2021 by passing the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** payment of interim dividend of ₹5.50 per equity share for the Financial Year ended March 31, 2021 be and is hereby confirmed and final dividend of ₹5.50 per equity share as recommended by the Board of Directors for the same Financial Year be and is hereby declared."

4. **Re-appointment of Jinal Mehta as a Director**

   To appoint a Director in place of Jinal Mehta, who retires by rotation and being eligible, offers himself for re-appointment by passing the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Jinal Mehta (DIN: 02685284), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

5. **Ratification of Remuneration of Cost Auditors**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provision of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Cost Records and Audit) Rules, 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, rules or notifications of the Act including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct audit of cost records of the Company for FY 2021-22 be paid remuneration of ₹12,40,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of cost audit."

6. **Appointment of Usha Sangwan as an Independent Director**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV to the Companies Act, 2013 ("the Act") and other applicable provisions of the Act and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Usha Sangwan (DIN: 02609263), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 21, 2021 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from May 21, 2021 upto May 20, 2026 (both day inclusive) and shall not be liable to retire by rotation."

7. **Commission to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded to remuneration by way of annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21."

8. **Issuance of Non-Convertible Debentures on a private placement basis**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 180 and other applicable provisions, if any, of the Companies Act, 2013 and all applicable rules made thereunder for the time being in force ("the Act"), the Memorandum of Association and the Articles of Association of the Company, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI regulations, circulars and guidelines for the time being in force and Foreign Exchange Management Act and Reserve Bank of India directives, circulars and guidelines for the time being in force, approval of the Members be and is hereby accorded for issuance of Non-Convertible Debentures ("the NCDs") by way of offer or invitation, upto an aggregate amount of ₹2,000 Crore, on a private placement basis to the following identified investor classes viz.

   (a) Qualified Institutional Buyers as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (b) Banks other than scheduled commercial banks, companies, bodies corporates, Foreign Portfolio Investors (category III) registered with SEBI, financial institutions (including Non-Banking Financial Companies), pension / gratuity / provident / superannuation funds;

   in one or more tranches, within the overall borrowing limits approved for the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary for or incidental to the above resolution."

By Order of the Board
For Torrent Power Limited

May 20, 2021
Ahmedabad

Rahul Shah
Company Secretary

Registered Office:
"Samanvay",
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("the MCA") vide its Circular No. 02/2021 dated January 13, 2021 permitted the companies to hold the Annual General Meeting ("AGM" or "meeting") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "the MCA Circulars"). In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and the MCA Circulars, AGM of the Company for FY 2020-21 is being held through VC / OAVM. Registered Office of the Company shall be deemed to be the venue for AGM. **The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 26 and 27.**
2. Since AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for AGM.
3. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Members of the Company who are Institutional Investors are encouraged to attend and vote at AGM through VC / OAVM. Corporate Members intending to authorise their representatives to participate and vote through e-voting on their behalf at AGM are requested to send a certified copy of the Board Resolution / authorisation letter to the Company.
5. Members can join AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on a first come first served basis. This

will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend AGM without any restriction.

6. The statement pursuant to Section 102 of the Act and Regulation 36(3) of the Listing Regulations is annexed hereto and forms part of this Notice.

7. The dividend, if declared, would be paid after the conclusion of said AGM to those Members whose names appear in the Register of Members of the Company maintained by Registrar and Share Transfer Agent ("RTA") and Register of Beneficial Owners maintained by the Depositories under Section 11 of the Depositories Act, 1996, at the end of the business hours on Friday, June 25, 2021.

8. The final dividend, if declared at AGM, payment of such dividend will be made on or before September 03, 2021, subject to deduction of tax at source.

9. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates of Income Tax for various categories, please refer to the Finance Act, 2020 and amendments thereto.

   The Company had published advertisement for detailed instructions for deduction of Tax on Final Dividend for FY 2020-21 in "The Financial Express" (English – All India editions and Gujarati – Ahmedabad edition) on June 25, 2021 and the same were also uploaded on the website of the Company at https://www.torrentpower.com/pdf/download/CommunicationtoShareholderTaxonFinalDividend.pdf and website of the Stock Exchanges.

10. In terms of Section 124 of the Act, amount of dividend not encashed or claimed within 7 years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Government of India ("GoI"). Accordingly, the unclaimed dividend in respect of FY 2013-14 of the erstwhile Torrent Cables Ltd. (since amalgamated into the Company) and the Company will be due for transfer to the said Fund in September, 2021. Members who have not encashed their dividend warrants for FY 2013-14 are requested to approach the Company for payment.

    Further, pursuant to the provisions of Section 124 of the Act and IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all shares on which dividend has not been paid or claimed for 7 consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has sent intimation to all such Members who have not claimed their dividend for 7 consecutive years. All such Members are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to the Demat Account of IEPF Authority and no claim shall lay against the Company. The Members thereafter need to claim their shares from IEPF Authority by filing IEPF Form-5 and by following such procedures as prescribed therein.

11. Nomination facility is available for the Members as per Section 72 of the Act. Members of the Company have an option to nominate any person as their nominee to whom their shares shall vest in the unfortunate event of death of Member. It is advisable to avail this facility, especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to Depository Participant (DP).

12. Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, Members are requested to approach the RTA of the Company.

13. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the Members. Also, as per provisions of the Listing Regulations, transfer of listed securities shall not be processed unless the securities are in dematerialised form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialised form to eliminate all risks associated with physical shares**.

14. **With a view to conserve natural resources, we request the Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.**

    Members may register their Email addresses and Bank details by following below process:

Physical Holding	By clicking on the below link, the Member may register his / her email address, mobile number and bank details: https://web.linkintime.co.in/EmailReg/Email_Register.html
	After clicking the above link, the Member have to fill the relevant details in the respective fields and attach self attested copy of PAN, address proof and cancelled cheque leaf.
Demat Holding	By clicking on the link below, the Member may register his / her email address and mobile number: https://web.linkintime.co.in/EmailReg/Email_Register.html
	For registration of bank details, the Member may contact their respective DPs.

15. Members who hold shares in physical form in multiple folios, in identical names or joint holding in same order of names, are requested to send the share certificates to RTA, for consolidation of such multiple folios into a single folio.

16. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs in case shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

17. Members are requested to intimate changes, if any, pertaining to name, postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their DPs in case shares are held by them in electronic form and to RTA in case shares are held by them in physical form.

18. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM. Members seeking to inspect such documents can send an email to cs@torrentpower.com.

19. In compliance with the MCA Circulars and the SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of AGM along with Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company's RTA / DPs. Members may note that the Notice and Annual Report will also be available on the Company's website i.e. www.torrentpower.com, websites of the Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Ltd. (CDSL) at www.evotingindia.com.

20. In terms of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and the MCA Circulars, the Company has provided e-voting facility through CDSL. This facility is being provided to the Members holding shares in physical or dematerialised form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice.

    The information and other instructions regarding remote e-voting and e-voting during AGM are detailed in Note No. 26 and 27.

21. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) and failing him Jitesh Patel, Practicing Company Secretary (Membership No. A20400) have been appointed as the Scrutiniser to scrutinise the voting during AGM and remote e-voting process in a fair and transparent manner.

22. Results of voting shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from the Scrutiniser. The results declared along with the Scrutiniser's Report shall be placed on the Company's website i.e. www.torrentpower.com and on the website of CDSL and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

23. **The resolutions shall be deemed to have been passed on the date of AGM, subject to the same being passed with requisite majority**.

24. Since AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

25. **Members who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at cs@torrentower.com and register as a speaker. Only those Members who have registered as a speaker will be allowed to express their views / ask questions during the meeting.**

26. **Process regarding remote e-voting and e-voting during the meeting, and attending the meeting through VC / OAVM:**

    i. Remote e-voting period begins on **Monday, August 02, 2021 at 9:00 am and shall end on Thursday, August 05, 2021 at 5:00 pm**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date July 30, 2021** may cast their vote electronically. E-voting module shall be disabled by CDSL for voting thereafter.

    ii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

    A. For Individual Members holding shares in Demat mode:

    a) In terms of the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Individual Members holding securities in demat mode are required to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email address with their DPs in order to access e-voting facility.

b) Login method

Member having Demat account with	Login Method
CDSL	**CDSL Easi / Easiest facility** **If Members are already registered for Easi / Easiest facility:** 1. Visit web page of Easi by https://web.cdslindia.com/myeasi/home/login. 2. Member will have to enter their existing "USER NAME" and "PASSWORD". After successful authentication, the Member will be able to see "E-VOTING" menu. 3. On clicking the "E-VOTING" menu, the Member will be able to see the e-voting page. 4. Click on options available against the Company name or E-voting Service Provider (ESP) – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting. **If Members are not registered for Easi / Easiest facility:** 1. Visit the web page at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 2. Enter 16 digit "DEMAT ACCOUNT NUMBER" and "PASSWORD" as: "PAN" and first 4 digits of the "DOB" (DDMM) of first holder. 3. Tick check box of "TERMS AND CONDITIONS" and click on "CONTINUE". 4. "OTP" will be sent on the registered mobile number of Member. 5. Enter the "OTP" and click on "CONTINUE". 6. Registration form will appear, fill the form to create "USER NAME" and "PASSWORD" and answer to secrete question and click on "CONTINUE". 7. Upon successful registration, please follow steps given in points 1 to 4 above (Members are already registered for Easi / Easiest facility). **E-voting website of CDSL** 1. Visit e-voting website of CDSL at www.cdslindia.com. 2. Select "E-VOTING" and enter "DEMAT ACCOUNT NUMBER" and "PAN". 3. System will authenticate Member, by sending "OTP" on registered mobile & email as recorded in the Member's Demat Account. 4. After successful authentication, the Members will be able to see the e-voting page. 5. Click on options available against the Company name or ESP – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

NSDL	**NSDL IDeAS Facility**
	If Members are already registered for IDeAS facility:
	1. Visit e-Services website of NSDL at https://eservices.nsdl.com.
	2. On homepage of e-Services, click on "BENEFICIAL OWNER" under "LOGIN", available under "IDeAS" section.
	3. A new screen will open. Enter "USER ID" and "PASSWORD". After successful authentication, the Member will be able to see e-voting services.
	4. Click on "ACCESS TO E-VOTING" under e-voting services and the Member will be able to see e-voting page.
	5. Click on options available against the Company name or ESP – CDSL and the Member will be re-directed to CDSL e-voting website for casting vote before and during the meeting and joining the meeting.
	If Members are not registered for IDeAS e-Services:
	1. Visit the web page at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
	2. Enter 8-character "DP ID" followed by 8-digit "CLIENT ID" and registered mobile number.
	3. Select any of the following options for verification of demat account:
	   1. Option 1: Bank account – enter last 4 digit of bank account.
	   2. Option 2: OTP – enter 6 digit OTP sent on registered mobile number.
	4. Fill your personal information and click on "SUBMIT".
	5. Upon successful registration, please follow steps given in points 1 to 5 above (Members are already registered for IDeAS facility).
	E-voting website of NSDL
	1. Visit e-voting website of NSDL at https://www.evoting.nsdl.com/.
	2. On homepage of e-voting system, click on "LOGIN" icon, available under "SHAREHOLDER / MEMBER" section.
	3. A new screen will open and the Member will have to enter "USER ID" (i.e. 8-character "DP ID" followed by 8-digit "CLIENT ID") and "PASSWORD" / "OTP" and a verification code as shown on the screen.
	4. After successful authentication, the Member will be able to see e-voting page.
	5. Click on options available against the Company name or ESP – CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

Member having Demat account with	Login Method
Logging through their DPs	1. Member can login using the "LOGIN CREDENTIALS" of Demat account through their DPs registered with NSDL / CDSL for e-voting facility. 2. After successful login, the Members will be able to see "E-VOTING OPTION". Once the Member clicks on "E-VOTING OPTION", he / she will be redirected to NSDL / CDSL Depository site. 3. After successful authentication, the Member will be able to see e-voting page. 4. Click on option available against the Company name or ESP- CDSL and the Member will be redirected to e-voting website of CDSL for casting vote before and during the meeting and joining the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and / or Forget Password option available at above mentioned websites.

c) Casting vote electronically on CDSL e-voting system

1. After successfully logging by following the above process, the Members will be able to see EVSN of all companies in which they hold shares and whose voting cycle is active.
2. Click on "EVSN" for "TORRENT POWER LIMITED".
3. On the voting page, the Member will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select option "YES / NO" as desired. Option YES implies assent to the resolution and option NO implies dissent to the resolution.
4. Click on "RESOLUTIONS FILE LINK" if the Member wishes to view the entire resolution details.
5. After selecting the resolution, click on "SUBMIT". A confirmation box will be displayed. If the Member wishes to confirm, click on "OK", else to change, click on "CANCEL" and accordingly modify your vote.
6. Once the Member "CONFIRM" his / her vote on the resolution, he / she will not be allowed to modify.
7. Member can also take a print of the votes cast by clicking on "CLICK HERE TO PRINT" option on voting page.

Helpdesk for the Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 18001020990 and 1800224430

B. For the Members, other than the Individual Members holding shares in demat mode and the Members holding shares in Physical mode.

a. Visit the e-voting website at www.evotingindia.com.

b. Click on "SHAREHOLDERS".

c. Enter your User ID

   i. For CDSL: 16 digits beneficiary ID,

   ii. For NSDL: 8 character DP ID followed by 8 digits Client ID,

   iii. Members holding shares in physical form should enter Folio Number registered with the Company.

d. Enter Image verification as displayed and click on "LOGIN".

e. If Non-individual Members are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then their existing password is to be used.

f. If the Member is a first-time user follow the steps given below:

	For the Non-individual Members holding shares in Demat Form and the other Members holding shares in Physical Form
PAN	Enter 10 digit alpha-numeric "PAN" (applicable for both demat as well as physical Members) • Members who have not updated their PAN with the Company / DPs are requested to use sequence number indicated in PAN field of email sent to them. • Members who have not registered their email address may obtain sequence number from the Company after registering their email address as per process defined in Note No. 14.
Dividend Bank details OR Date of Birth (DoB)	Enter the "DIVIDEND BANK DETAILS" or "DOB" (in dd/mm/yyyy format) as recorded in the Member's demat account or in the Company records in order to login. • If both the details are not recorded with the DPs or Company please enter "MEMBER ID / FOLIO NUMBER" in Dividend Bank details field as mentioned in instruction (c).

g. After entering these details appropriately, click on "SUBMIT" tab.

h. Members holding shares in physical form will then directly reach the Company selection screen. However, the Non-Individual Members holding shares in demat form will now reach "PASSWORD CREATION" menu wherein they are required to mandatorily enter their login password in new password field.

Kindly note that this password is also to be used by Non-individual demat holders for voting for resolutions of any other Company on which they are eligible to vote. It is strongly recommended not to share password with any other person and take utmost care to keep password confidential.

i. For the Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j. Click on "EVSN" for "TORRENT POWER LIMITED" on which the Member chooses to vote.

k. On the voting page, the Member will see "RESOLUTION DESCRIPTION" and against the same; option "YES / NO" for voting. Select option "YES / NO" as desired. The option YES implies, assent to the resolution and the option NO implies dissent to the resolution.

l. Click on the "RESOLUTIONS FILE LINK" if the Member wishes to view the entire resolution details.

m. After selecting the resolution, click on "SUBMIT". A confirmation box will be displayed. If the Member wishes to confirm, click on "OK", else to change vote, click on "CANCEL" and accordingly, modify vote.

n. Once the Member "CONFIRM" his / her vote on the resolution, he / she will not be allowed to modify.

o. Member can also take a print of votes cast by clicking on "CLICK HERE TO PRINT" option on voting page.

p. Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to upload the scanned copy of the Board resolution and Power of Attorney, which they have issued in favour of the Custodian, if any, in PDF format in system for the scrutiniser to verify the same.

In case of any queries or issues regarding e-voting, Member may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call on 022- 23058738 and 022-23058542/43.

27. General Guideline for attending the meeting through VC / OAVM and e-voting on the day of AGM:

a) Procedure for e-voting on the day of AGM and attending AGM will remain same as the instructions mentioned above.

b) The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

c) Members are encouraged to join the meeting through Laptops / Desktops for better experience. Further, the Members will be required to allow camera and use Internet with good speed to avoid any disturbance during the meeting.

d) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

e) Only those Members, who will be present in AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting prior to meeting day and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during AGM.

f) If any votes are casted by the Members through e-voting available during AGM and if the same Members have not participated in the meeting through VC / OAVM facility, then the votes casted by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in the meeting.

g) Members who have voted through remote e-voting prior to the meeting day will be eligible to attend AGM. However, they will not be eligible to vote during AGM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

ITEM NO. 4

Brief profile of Jinal Mehta is set forth in the table below:

Age	38 years
Qualification	Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) in International Business and Finance from University of Technology Sydney (UTS), Sydney, Australia.
Experience / Brief resume	He has more than 14 years of experience across all facets of the power sector – generation, transmission and distribution. He was involved in project and operations phase of 1147.5 MW SUGEN Mega Power Project and 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). Subsequently, he was responsible for the implementation of the 1200 MW DGEN Mega Power Project. He took charge of the Distribution business of the Company in April, 2014 and led significant operational improvements in licensed and franchised distribution businesses, in terms of network modernisation, reduction in AT&C losses, improved customer services and timely regulatory approvals for recovery of costs. Under his leadership, the Company obtained a distribution license for Dholera Special Industrial Region (SIR) and won the franchised distribution area of Shil, Mumbra & Kalwa (SMK). He has been the Managing Director of the Company since April 01, 2018. He leads the Company's efforts at continuous operational improvement and delivering growth.
Date of first appointment on the Board	October 19, 2011
No. of shares held in the Company	8,000
Relationship with other Directors and Key Managerial Personnel	He is son of Sudhir Mehta, Chairman Emeritus and relative of Samir Mehta, Chairperson.
List of directorship of listed entities	Torrent Power Ltd.
Chairmanship / Membership of Committees of the Board in such Companies	**Torrent Power Ltd.** CSR Committee (Member) Stakeholders Relationship Committee (Member) Committee of Directors (Member)

Jinal Mehta holds 8,000 equity shares of the Company and is related to Sudhir Mehta, Chairman Emeritus and Samir Mehta, Chairperson. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 5

The Audit Committee at its meeting held on February 09, 2021 recommended and the Board at its meeting held on the same day approved the re-appointment of M/s Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of Cost Records of the Company for FY 2021-22 at a remuneration of ₹12,40,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of cost audit.

In accordance with the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

The resolution contained in Item no. 5 of the accompanying Notice, accordingly, seeks the Members' approval to ratify the remuneration to be payable to Cost Auditors of the Company for FY 2021-22 as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 6

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 20, 2021 appointed Usha Sangwan (DIN: 02609263) as an Additional Director (Non-Executive Independent) of the Company w.e.f. May 21, 2021 to hold office upto the date of this Annual General Meeting ("AGM") of the Company. She is eligible to be appointed as an Independent Director for a term of 5 consecutive years.

Usha Sangwan, 62 years, was the first ever woman Managing Director of LIC of India ("LIC"), the largest life insurer in the World in terms of number of customers. She is post graduate in Economics, a post graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. She joined LIC in 1981 as a Direct Recruit Officer and handled various important positions during her 37 years of stint in LIC, finally reaching the top position of Managing Director.

She has worked in all core areas of life insurance including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations, Corporate Communications, Investment-Risk Management and Research, Investment – Monitoring & Accounts, Customer Relationship, New Business and Reinsurance, Corporate

Planning, Estate, Office Services, Health Insurance and HRD. Her expertise lies in analytics, strategy, execution, executing people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.

She has featured in Forbes magazine amongst top 50 Power Business Women of Asia. She has also been awarded Most Powerful Business Woman Award by Business Today for three years consecutively. She was featured in Femina and on the cover page of Bureaucracy. She was honoured by 92.7 Big FM, Colour TV, Dun & Bradstreet and Loksatta among others. She has won many more accolades and awards. She is a member of Women Empowerment Programme of Niti Aayog, Govt of India, member of BCCI Fempower program and a Chartered member of the Association of International Wealth Managers of India. She was also a jury member to select Women Transforming India by Niti Ayog and jury member to select top 100 Women in Finance by AIWMI. She is a consultant to PB Fintech.

Details of her directorship in other companies and membership in the committees of these companies are given below:

Sr. No.	Directorship in Companies	Name of Committees
1.	Godrej Housing Finance Ltd.	Nomination and Remuneration Committee – Chairperson Risk Management Committee – Chairperson IT Strategy Committee – Chairperson Customer Strategy Committee – Chairperson Willful Defaulter Committee - Chairperson Audit Committee – Member Grievance Redressal Committee - Member
2.	Trident Ltd.	Nomination and Remuneration Committee – Chairperson Audit Committee - Member

As per the provision of Section 149(13) read with explanation to Section 152(6) of the Companies Act, 2013 ("the Act"), the period of office of Independent Director will not be liable to determination by retirement of directors by rotation at the AGM.

The Company has received a Notice in writing from a Member of the Company under Section 160 of the Act, proposing her candidature for the office of Independent Director. Usha Sangwan meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Usha Sangwan fulfils all other conditions as specified in the Act and the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management. In the opinion of the Board, she possesses requisite expertise, integrity and experience for appointment as an Independent Director and the Company will benefit from her valuable, experience, knowledge and counsel.

Copy of the draft letter for appointment of Usha Sangwan as an Independent Director setting out the terms and conditions would be available for inspection without any fees in electronic mode upto the date of AGM of the Company and will also be available electronically for inspection by the Members during AGM.

The resolution contained in Item no. 6 of the accompanying Notice, accordingly, seeks the Members' approval for appointment of Usha Sangwan as an Independent Director on the Board of the Company on the terms and conditions as specified in the draft letter of appointment as an Ordinary Resolution.

Usha Sangwan does not hold any equity shares of the Company. She is not related to any Director of the Company.

Usha Sangwan is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 7

Sudhir Mehta has, with his deep business insight and excellent relationships across the business & regulatory authorities, guided the Executive Directors and the Senior Management in achieving the business objectives, consistent growth and ensuring the highest standard of governance and compliances.

In recognition of his expertise, rich experience, contribution in the Company's stellar growth, his continuing guidance and mentoring to the Executive Directors and the Senior Management of the Company, the Board approved annual commission of ₹5 Crore for Sudhir Mehta, Non-Executive Director and Chairman Emeritus, subject to approval of the Members.

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members by way of a Special Resolution is sought for annual commission of ₹5 Crore to Sudhir Mehta, Non-Executive Director and Chairman Emeritus, for FY 2020-21.

The resolution contained in Item no. 7 of the accompanying Notice, accordingly, seeks the Members' approval as a Special Resolution.

Sudhir Mehta holds 6,882 equity shares of the Company and is related to Samir Mehta, Chairperson and Jinal Mehta, Managing Director. Sudhir Mehta, Samir Mehta and Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 8

Members of the Company at Annual General Meeting held on August 01, 2019 accorded consent to the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and create security on assets of the Company for such borrowing, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time does not exceed ₹20,000 Crore and for the said purpose authorised the Board inter-alia, to delegate all or any of the above powers to the Committee of Directors.

Out of above borrowing limit, the Company may, at an appropriate time consider offering or inviting subscriptions for Non-Convertible Debentures ("NCDs"), in one or more series / tranches, on private placement basis, in order to augment long-term resources for financing the ongoing capital expenditure and other general corporate purpose.

Section 42 of the Companies Act, 2013 read with Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a Company which intends to make private placement of its NCDs, shall obtain approval of its Members by means of a Special Resolution. It shall be sufficient if the Company passes a Special Resolution only once in a year for all the offers or invitations for such NCDs during the year.

It is, therefore, found desirable to have the requisite enabling approval in place for meeting the fund requirements of the Company in an efficient manner.

The resolution contained in Item no. 8 of the accompanying Notice, accordingly, seeks the Members' approval for issuance of NCDs upto an aggregate amount of ₹2,000 Crore, within overall approved borrowing limit of the Company as a Special Resolution. Such approval shall be valid in respect of all offers and invitations for such NCDs to be made in one or more series / tranches, within 12 months from the date of passing of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution.

By Order of the Board
For Torrent Power Limited

May 20, 2021
Ahmedabad

Rahul Shah
Company Secretary

Registered Office:
"Samanvay",
600 Tapovan,
Ambawadi, Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Phone: +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

Dear Members,

Your Directors are pleased to present Seventeenth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

1. OPERATIONAL & FINANCIAL HIGHLIGHTS

The Management Discussion and Analysis Report for FY 2020-21 is part of the Annual Report and explains the operating and financial performance of the business for the year.

Summary of the Financial Statements of the Company for the year under review is as under:

(₹ in Crore except per share data)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Total Income	12,027	13,687	12,314	13,818
Profit Before Tax and Exceptional Item	1,583	1,546	1,552	1,475
Exceptional Item	-	1,000	-	1,000
Profit Before Tax	1,583	546	1,552	475
Total Comprehensive Income for the year (after non-controlling interest)	**1,328**	**1,209**	**1,295**	**1,145**
Add: Balance brought forward	4,775	4,587	4,741	4,620
Balance available for Appropriation	**6,103**	**5,796**	**6,036**	**5,765**
Appropriations				
Transfer to/(from) Specific Reserves	(69)	62	(69)	62
Dividend Paid (including dividend distribution tax for FY 2019-20)	264	959	264	962
Balance carried to Balance Sheet	**5,908**	**4,775**	**5,841**	**4,741**
Basic and Diluted Earnings per Share (₹ per share)	**28**	**26**	**27**	**24**

2. SCHEME OF ARRANGEMENT

During the year under review, the Scheme of Arrangement between the Company and TCL Cables Pvt. Ltd., a wholly owned subsidiary of the Company, for transfer and vesting of its Cables Business Undertaking on a going concern basis, with effect from the appointed date being April 01, 2020, by way of slump sale for a cash consideration of ₹256.95 Crore was approved by the National Company Law Tribunal ("NCLT"), Ahmedabad Bench vide its order dated December 17, 2020. The Scheme became operative w.e.f. January 15, 2021.

3. DIVIDEND

The Board Meeting held on May 20, 2021, revised the Dividend Distribution Policy of the Company and the same can be accessed at the Company's website: https://www.torrentpower.com/pdf/investors/DividendDistributionPolicy.pdf.

As per the revised Dividend Distribution Policy, the Company shall endeavour to distribute approx. 40% (as per earlier policy - 30%) of its consolidated annual profits after tax as dividend in one or more tranches. The Board of Directors, on February 09, 2021 declared interim dividend of ₹5.50 per equity share on 48,06,16,784 nos. of equity shares for FY 2020-21.

The Board has recommended final dividend of ₹5.50 per equity share for FY 2020-21. This final dividend along with normal annual dividend distributed as interim dividend of ₹5.50 per equity share works out to total dividend of ₹11.00 per equity share for FY 2020-21 [PY ₹11.60 per equity share (including ₹5.00 per equity share as special dividend)].

The total outflow on account of dividend is ₹528.68 Crore (PY ₹672.11 Crore including dividend distribution tax of ₹114.60 Crore). i.e. 40.67% [PY 33.26% (excluding special dividend of ₹5.00 per equity share)] of consolidated total comprehensive income for FY 2020-21.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve for the year under review, other than ₹1.87 Crore to certain specific reserves, as described in the Statement of Changes in Equity being part of the Standalone Financial Statements. Further, an amount of ₹70.84 Crore has been transferred from Debenture Redemption Reserve to Retained Earnings pertaining to partial redemption of debentures during the year under review.

5. FINANCE

During the year under review, finance cost of the Company (on a consolidated basis) was substantially reduced to ₹776 Crore as against ₹955 Crore in FY 2019-20. This is mainly due to lower debt and reduction in interest rates. The Company raised long term debt of ₹900 Crore (including ₹600 Crore in subsidiaries) by way of issuance of secured and unsecured Non-convertible debentures ("NCD"s), mainly to refinance its existing debt at lower interest rates.

The Company has repaid long term debt of ₹1,989 Crore (including prepayments of ₹1,125 Crore), resulting in reducing net long-term debt by ₹1,089 Crore.

CRISIL has reaffirmed long term and short term credit rating of the Company at CRISIL AA/ Stable and CRISIL A1+ respectively. India Ratings has reaffirmed short term rating at IND A1+ to the Commercial Paper Programme of the Company.

New long-term debt raised by the Company and its subsidiaries by issuance of NCDs on private placement basis are mentioned below:

Issuer	Description of NCDs	Date of Allotment	Number of NCDs issued	Face Value and Issue Price (₹ in Lakh)	Amount raised (₹ in Crore)	Coupon Rate (p.a.)	Maturity Date (Series wise)
Torrent Power Ltd.	Secured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	July 06, 2020	3,000	10	300	7.30%	July 06, 2023
Jodhpur Wind Farms Pvt. Ltd.	Unsecured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	November 13, 2020	3,000	10	300	7.00%	1A: November 13, 2023 1B: November 13, 2024 1C: November 13, 2025
Latur Renewable Pvt. Ltd.	Unsecured, Rated, Listed, Taxable, Non-Cumulative, Redeemable NCDs	November 20, 2020	3,000	10	300	7.00%	1A: November 20, 2023 1B: November 20, 2024 1C: November 20, 2025

Outstanding consolidated long term debt as on March 31, 2021 was ₹7,809 Crore (Refer Note 23 to the Consolidated Financial Statements). Consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 2020-21 was 0.73 (Previous Year: 0.92). The particulars of loans given, guarantees provided and investments made during the year are disclosed in Note 57 to the Standalone Financial Statements.

6. SUBSIDIARIES AND ASSOCIATES

The Board has reviewed the affairs of the Company's Subsidiaries and Associates at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013 ("the Act"), the Company has prepared Consolidated Financial Statements incorporating the Financial Statements of all Subsidiaries and Associates, which form part of the Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's Subsidiaries and Associates is given in prescribed Form AOC-1, which forms part of the Annual Report (Refer page no. 282).

The said Form also highlights the financial performance of each of the Subsidiaries and Associates included in the Consolidated Financial Statements.

The details pertaining to the companies that have become or ceased to be the Subsidiary or Associate of the Company during the year are provided in Note no. 41 to the Consolidated Financial Statements, forming part of the Annual Report.

During the year, NCLT, Ahmedabad Bench has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute (Associate Companies) vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

In accordance with Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statemnts alongwith separate Audited Financial Statements in respect of Subsidiaries and Associates are available for inspection by the Members at the Registered Office of the Company during the business hours on all working days. Any person desirous of obtaining the said Financial Statements may write at cs@torrentpower.com. The Annual Report of the Company and Audited Financial Statements of each of the Subsidiaries and Associates have been placed on the website of the Company at www.torrentpower.com.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Members at their 16th Annual General Meeting ("the AGM") held on August 06, 2020 approved appointment of Sunaina Tomar, IAS (DIN: 03435543) as the Director of the Company.

The Board Meeting held on May 20, 2021 appointed Usha Sangwan (DIN: 02609263) as an Additional Director (Non-Executive Independent) of the Company w.e.f May 21, 2021 till the commencement of the ensuing AGM. The Board hereby recommends her appointment as the Independent Director for a period of 5 consecutive years from May 21, 2021 till May 20, 2026 (both days inclusive), not liable to retire by rotation. In the opinion of the Board, she possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company.

As per the provisions of the Act, Jinal Mehta (DIN: 02685284), Director, retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A brief resume and other relevant details of Jinal Mehta are given in the Explanatory Statement to the Notice convening the AGM.

The Board at its Meeting held on April 08, 2021 appointed Lalit Malik as Chief Financial Officer (CFO) & Whole-time KMP of the Company w.e.f May 01, 2021 in place of Sanjay Dalal, who retired as CFO & Whole-time KMP of the Company w.e.f April 30, 2021.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and they have registered their names in the Independent Director's Data Bank. The Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Act and the Code of Business Conduct adopted by the Company.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

The Nomination and Remuneration Committee ("the NRC") has approved following criteria and process for identification / appointment of the Directors:

Criteria for Appointment

i. Proposed Director ("Person") shall meet all statutory requirements and should:
   - possess the highest ethics, integrity and values
   - not have direct / indirect conflict with present or potential business / operations of the Company
   - have the balance and maturity of judgment
   - be willing to devote sufficient time and energy
   - have demonstrated leadership and vision at senior levels, and have the ability to articulate a clear direction for the Company
   - have relevant experience with respect to Company's business (in exceptional circumstances, specialisation / expertise in unrelated areas may also be considered)
   - have appropriate comprehension to understand or be able to acquire that understanding
     - relating to Corporate Functioning
     - concerning the scale, complexity of business and specific market and environmental factors affecting the functioning of the Company

ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

Process for Identification / Appointment of Directors

i. Board members may (formally or informally) suggest any potential person to the Chairperson of the Company, meeting the above criteria. If the Chairperson deems fit, necessary recommendation shall be made by him to the NRC.

ii. Chairperson of the Company can himself also refer any potential person meeting the above criteria to the NRC.

iii. The NRC will process the matter and recommend such proposal to the Board.

iv. The Board will consider such proposal on merit and decide suitably.

Remuneration Policy

The Company has in place a policy relating to the remuneration of the Directors, KMP and other employees of the Company. The policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/Remuneration_Policy.pdf.

10. EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of the Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors.

The proforma formats for facilitating the evaluation process of the Non-Independent Directors and the Board as a whole and the Committees were sent to all the Non-Executive Directors (except Promoter Director).

A presentation on functioning of the Board and the Committees, containing the outcome of their evaluation and feedback was reviewed by the Independent Directors in their separate Meeting and by the Board. Based on the feedback, the Board expressed satisfaction on overall functioning of the Board, the Committees and performance of the Directors.

11. MEETINGS OF THE BOARD, COMMITTEES & COMPLIANCE TO SECRETARIAL STANDARDS

The Board meets at regular intervals, with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.

The Board has six committees namely Audit Committee (AC), Nomination and Remuneration Committee (NRC), Corporate Social Responsibility Committee (CSR), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Committee of Directors (CoD). A detailed note on the composition of the Board and its Committees (AC, NRC, SRC and RMC) is provided in the Corporate Governance Report, forming part of the Annual Report. Composition of CSR Committee is given in the Report on CSR Activities (Annexure C). CoD is a Board Committee to facilitate routine executive decisions and exercise of authority granted by the Board in various matters. The minutes of all the Committee Meetings are reviewed at every Board Meeting.

During the year under review, the Company has complied with the provisions of Secretarial Standard 1 (relating to Meetings of the Board of Directors) and Secretarial Standard 2 (relating to General Meetings) issued by the Institute of the Company Secretaries of India.

12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Act, the Board of Directors states that:

a) in preparation of the Financial Statements, the applicable accounting standards have been followed and there are no material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profits for the year ended March 31, 2021;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Financial Statements have been prepared on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. AUDITORS

Statutory Auditors

The Members at the 13th AGM of the Company had appointed M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company to hold office from the close of the 13th AGM till conclusion of the 18th AGM.

The Auditors' Report for FY 2020-21 forms part of the Annual Report and does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to Section 148(3) of the Act, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 2020-21 by the Board of Directors for conducting audit of cost records maintained in respect of electricity. Their remuneration was ratified by the Members at the 16th AGM of the Company.

The Cost Audit Report for FY 2019-20 does not contain any qualification and was filed with the Central Government (within the prescribed time limit) on August 27, 2020 pursuant to Section 148(6) of the Act.

Secretarial Auditors

Pursuant to Section 204 of the Act read with the Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as the Secretarial Auditors of the Company for FY 2020-21. The Secretarial Audit Report for FY 2020-21 is annexed herewith as **Annexure A**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

14. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Statutory Auditors of the Company have audited such controls with reference to the financial reporting and their Audit Report is annexed as Annexure A to the Independent Auditors' Report under the Standalone Financial Statements and the Consolidated Financial Statements which forms part of the Annual Report.

15. CORPORATE GOVERNANCE

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, the Report on Corporate Governance forms part of the Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance is annexed to the Board's Report as **Annexure B**.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company incurred CSR expenditure of ₹33.74 Crore, which is 2.50% of the average net profit of the past three financial years as against statutory requirement of 2%. Additionally, ₹1.69 Crore was utilised by the CSR implementing agency out of the surplus arising from funds invested temporarily pending the expenditure. This has resulted in total CSR expenditure of ₹35.43 Crore for the year. The CSR Activities undertaken by the Company were under the thrust areas of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. The Board in its meeting held on May 20, 2021 revised the existing CSR Policy of the Company to harmonize with the amendments carried out by the Ministry of Corporate Affairs in Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The brief details of the major CSR Activities are described hereunder:

REACH: Driven by the belief of Chairman Emeritus, Sudhir Mehta '**Children are the future of our nation and this future must be well preserved**', the flagship CSR program of the Group "REACH" – Reach EAch CHild was initiated in the year 2016 under the aegis of Tornascent Care Institute, a section 8 company. REACH has three major pillars: **(a) SHAISHAV (b) JATAN and (c) MUSKAN**. Salient achievements are:

- **"Shaishav"** the first pillar of the Programme, targets to establish baseline health status of children in age group of 6 months to 6 years, through medical camps in 351 villages surrounding the industrial establishments of the Group. Till date 71,387 children have been screened, and by providing appropriate treatment more than 74% Malnourished children, more than 90% Anaemic children and 73% children having chronic illnesses were provided appropriate treatment with very encouraging outcomes. During FY 2020-21, inspite of massive challenges posed by COVID-19 pandemic, maintained an optimum balance of serving the community and at the same time avoiding any exposure by adopting 'Minimum Human Intervention Model', weight assessment of 5,307 Malnourished children was carried out, Mauji Biscuits were provided to beneficiaries and encouraging results have been observed. Similarly, on Anaemic front, Iron supplement were provided to 6,765 children without reassessment.
- **"Jatan"**, the second pillar of the Programme, encompasses provision of healthcare services to children upto 18 years. There are three primary paediatric health centers ("PPHCs") with basic laboratory and day care facility at Dahej, Balasinor and Indrad, while fourth centre near SUGEN power plant was converted into 150 bed paediatric hospital 'Balsangam' (part of 'Rangtarang' hospital complex) in FY 2019-20. Due to outbreak of COVID-19 pandemic and consequent nationwide lockdown, in H1 FY 2020-21 telephonic conversations with 46,000 parents of the beneficiaries across all four PPHCs were arranged for spreading awareness of consumption of healthy diet to boost immune system and maintain proper hygiene to reduce risk of COVID-19.

  With all precautions like sanitizing, social distancing and avoiding direct exposure to the patients, PPHC facilities at Balasinor and Indrad were started from September, 2020 and 7,225 beneficiaries were served. From September, 2020 onwards, started audio visual consultation of patients at PPHC facilities near SUGEN power plant and Dahej, and 4,099 beneficiaries have been served.
- **Under "Muskan"**, the third pillar of the Programme, counselling and support was provided to rural adolescent girls around SUGEN power plant, Dahej and Indrad centers covering menstrual hygiene and sanitation, by providing free health and hygiene kits. However, due to COVID-19 pandemic, this activity was not carried out till August, 2020 and with appropriate safety measures and also to avoid beneficiaries going back to using conventional practice, health and hygiene kits were provided to around 5,000 beneficiaries in 125 villages.

Shiksha Setu: The Teaching and Learning Programme, conducted through UNM Foundation (amalgamated with Tornascent Care Institute w.e.f. the appointed date being April 01, 2020) completed fifth year of Phase 2. This Programme covers 13 government primary schools located near SUGEN power plant, Chhatral, Chhapi, Memadpur and Ahmedabad having 4,500+ students and 150+ teachers of 1st to 8th standard. During FY 2020-21, practice assignments prepared for students containing questions and activities based on skills of previous standards and current curriculum. These assignments were based on learning outcomes prescribed in National Curriculum Framework on the expected skills / knowledge for each standard and the same was well received by 4500+ students from 3rd to 8th standard and 120+ teachers.

Various virtual workshops on important concepts of Maths, Science and Computer as per revised curriculum were organised for teachers of 6th to 8th standard, in which 78+ teachers from 36 schools of Siksha Setu / Chappi / Memadpur / other schools (around Project schools) participated and benefitted. Continuous interaction was carried out with teachers, students and parents to provide support, counsel and address specific concerns regarding education.

Development and Maintenance of Public Parks: The Company along with one of India's best known landscape design firm developed an approach for development of urban public parks. Six small sized parks measuring approx. 33,000 sq. mt. have been fully developed and opened for public use since FY 2018-19 and one small sized park was fully developed and opened for public use in FY 2020-21. Another two large parks measuring approx. 66,975 sq. mt. are under development and will be opened for public in FY 2021-22, if situation caused due to COVID-19 allows. Maintenance of above public parks is also funded from CSR funds of the Company.

In addition to above, the Company continued other social activities during the year, as described hereunder:

Creating livelihoods:

- Job opportunities for the local youth commensurate to the education profile and capabilities is a continues process with preference to youth hailing from immediate vicinity, for jobs like Technicians, Healthcare workers, Security Guards, Drivers, Horticulture and Housekeeping. Imparting training to youth hailing from adjacent areas and thereafter, providing them livelihood has been on hold due to the COVID-19 pandemic but will resume once the situation is in control.
- Differently abled persons (with impaired hearing and speech) are provided employemnt once trained for routine cleaning of solar panels at GENSU power plant, thus providing them a dignified livelihood.
- Employment opportunities for uneducated and destitute locals for horticulture, house keeping and canteen work at industrial and office facilities have been a continuous source of goodwill amongst the neighbouring villages.

Community Healthcare: Sumangal- a daycare Clinic for Adults (the erstwhile 'Swadhar'), a community healthcare facility was integrated into 'Rangtarang' hospital complex, which caters to medical requirements of nearby 500 villages by providing specialised consultations in the areas of dental care, ophthalmology, dermatology, gynaecology, physiotherapy and orthopeadic. Due to outbreak of COVID-19 pandemic and consequent nationwide lockdown, a method of Minimum Human Intervention (Audio calls / Tele- Consultation) evolved wherein there is no / minimum contact with the community and hence, all the safety precautions followed to the maximum extend possible and hence, the community is still being served, and there is a constant rapport with the community. This model maintains an optimum balance between serving the beneficiaries and not putting any employee at the risk of exposure to COVID-19.

The Report on CSR Activities is annexed herewith as **Annexure C**.

Donations

The Company has made donations amounting to ₹26.55 Crore toward various social causes as detailed below:

- ₹10.05 Crore to various organisations engaged in activities related to healthcare, education, arts & culture, science, relief to disaster victims; socio-economic development including de-addiction, skill development, self-help groups, upliftment of women, integrated development of tribes, protection of consumer rights, building of toilets etc.
- ₹5 Crore to the Prime Minister's Citisen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).
- ₹11.5 Crore to various charitable organisations and Chief Minister's Relief Fund to fight effects of COVID -19 pandemic and its fallout on poorer sections of the society.

Shardashish School: The Company has earmarked Donation of ₹3 Crore (₹6 Crore donated in FY 2019-20) to UNM Foundation (amalgamated with Tornascent Care Institute w.e.f. the appointed date being April 01, 2020) for construction of new school building and related infrastructure at Shardashish School (earlier known as Urja Vidyalaya) situated in the premises of Amgen power plant's housing colony at Sabarmati in Ahmedabad. Majority of the students are with economically disadvantaged background from nearby slum areas. The new school building will cater facilities like Computer room, Smart room with Projector, Laboratory, Library, Assembly Hall, additional new classes etc.

17. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to EHS in its various operations. The key developments concerning EHS during FY 2020-21 include:

- Integrated Management System (IMS) to ensure a safe, healthy and environmental friendly working at SUGEN, GENSU and DGEN power plants, which includes Quality Management System (QMS) (ISO 9001:2015), Environment Management System (EMS) (ISO 14001:2015), Occupational Health and Safety

Standard (ISO 45001:2018), Energy Management System (EnMS) (ISO 50001:2018), Asset Management System (AMS) (ISO 55001:2014), Information Security Management System (ISMS) (ISO 27001:2013) and were periodically certified with surveillance audit by TUV India.

- SUGEN power plant has received "International Safety Award" from British Safety Council for EHS practices and DGEN power plant has been awarded Gold Trophy for FY 2020-21 by ACCQC- Ankaleshwar Chapter Convention of Quality Concept for Five-S (Workplace Management System).
- SUGEN, DGEN and GENSU power plants and all Renewable sites have achieved "reportable Lost Time Accident free" man-hours as on March 31, 2021.
- Employees at DGEN power plant have participated in capability building workshop organised by the PNGRB (the Petroleum and Natural Gas Regulatory Board) covering the PNGRB Regulations.
- Residential townships: Shardashish at SUGEN power plant and Meghdhanush at DGEN power plant are certified as per Environment Management System (EMS) (ISO 14001:2015) and Occupational Health and Safety Management Standard (ISO 45001:2018). Indian Green Building Council (IGBC) has certified Meghdhanush with Platinum certification under IGBC Green Residential Societies Rating System in August, 2020 for the period of three years.
- Rainwater harvesting system resulted in rainwater collection of 1.50 Lakh m3 at DGEN power plant.
- Vertical Garden on outer periphery of building provided at all new PSC buildings, to protect environment and reduce heat load on airconditioning system at Ahmedabad distribution units.
- AMGEN power plant has introduced safety commitment yearly drive to strengthen workplace safety and to nullify any potentiality of safety incidents.
- Safety initiatives like; workplace safety surveys, periodic inspection of tools and tackles, internal / external mock drills for strengthening emergency preparedness, campaign for encouraging near-miss-reporting, basic training on electric safety and its hazards etc. were taken throughout the year by specific shop floor teams for positive engagement of work force in safety to further enhance safety culture.
- Safety improvement initiatives such as installation of emergency key boxes at all locations inside plants, special tool, Laser Distance Meter, Magnetic Insulation Sheet, Portable Electrical Boards were purchased to prevent injury from electric hazard. Electric (battery operated) Bicycles were purchased for environment friendly transportation within plants.
- Ahmedabad, Surat and Dahej distribution units have been awarded Five Star rating from British Safety Council for occupational health & safety practices.
- Dahej distribution unit has been awarded prestigious Sword of Honour by British Safety Council in December 2020 for its commitment to excellence in occupational health and safety.
- Risk Life Assessment (RLA) of civil structures of office premises and EHV substations were done by structural consultant at Surat and Dahej distribution units.
- Amid COVID-19, implemented robust annual shut down safety system with initiatives like safety awareness with practical demonstration, deputation of cross function team in addition to third party safety officers for ensuring safe execution and confirmed safe annual shut down with zero safety incident.
- Specialised training programs were organised on prevention and precaution for COVID-19, such as boosting immune system, yoga for daily life, health management for healthy and positive lifestyle, managing emotions amid COVID-19 era etc., online health talks on common health problems such as hypertension, diabetes, lifestyle diseases, knowledge and competence enhancement for imparting different safety awareness, chemical handling, fire prevention and emergency preparedness etc. Also, E-learning initiatives taken up for EHS training.
- To tackle difficult situation of COVID-19, with proactive and predictive approach adequate necessary measures strategised and implemented like strict surveillance at entrance, frequent sanitization of all work places, barriers installation at work desks / vehicles / cafeteria, compliance of covid protocol with continuous awareness and frequent audits, periodic covid testing of employees, allowing work from home and home to field wherever feasible, contact tracing etc.

Moreover, the Company has in place the "Conviction for Safety" policy, which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents and creating more awareness at the work place about safety and compliance so as to avoid accidents at the work place.

18. VIGIL MECHANISM

The Company has in place a Vigil Mechanism / Whistle Blower Policy pursuant to the applicable statutory requirements. The details of the Vigil Mechanism / Whistle Blower Policy are explained in the Report on Corporate Governance.

19. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company has, during the year under review, credited unpaid / unclaimed dividend to IEPF Authority and equity shares to the demat account of IEPF Authority as per the details mentioned below:

Financial Year	Unpaid / Unclaimed Dividend transferred (in ₹)	No. of equity shares transferred
2012-13 (Final)	72,82,747/-	84,949

During the year under review, the Company has also credited following dividend to IEPF Authority against equity shares already transferred:

Financial Year	Dividend (in ₹)	Amount credited to IEPF* (in ₹)	No. of equity shares already transferred
2020-21 (Interim dividend)	5.50 per share	87,38,110/-	19,83,174

* Net of Tax Deducted at Source (includes Tax + Surcharge + Cess as applicable) which was ₹21,69,347/-.

The Members whose shares and unclaimed dividend have been transferred to the IEPF Demat Account and IEPF account respectively, may claim the shares or apply for refund of dividend by making an application to the IEPF Authority in web Form IEPF-5 (available on http://www.iepf.gov.in). The details of the Members whose dividend remained unpaid / unclaimed for 7 consecutive years or more may be accessed at the Company's website at www.torrentpower.com.

The details of unpaid / unclaimed dividend lying in unpaid dividend accounts as on March 31, 2021 are mentioned below:

Sr. No.	Dividend for Financial Year	Due date for transfer to IEPF	Amount of Unpaid/Unclaimed Dividend (in ₹)
1.	2013-14 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2021	4,69,359.00
2.	2013-14 (Final) of Torrent Power Ltd.	September 02, 2021	17,93,605.00
3.	2014-15 (Final) of erstwhile Torrent Cables Ltd.	September 02, 2022	3,08,692.00
4.	2014-15 (Final) of Torrent Power Ltd.	September 09, 2022	52,55,281.50
5.	2015-16 (Interim) of Torrent Power Ltd.	April 15, 2023	1,60,94,308.50
6.	2016-17 (Final) of Torrent Power Ltd.	September 06, 2024	1,18,20,729.80
7.	2017-18 (Final) of Torrent Power Ltd.	September 06, 2025	1,53,53,685.00
8.	2018-19 (Final) of Torrent Power Ltd.	September 10, 2026	1,18,20,280.00
9.	2019-20 (Interim) of Torrent Power Ltd.	March 19, 2027	2,62,37,007.60
10.	2020-21 (Interim) of Torrent Power Ltd.	March 17, 2028	1,16,99,632.50

Note: Torrent Cables Ltd. was amalgamated into Torrent Power Ltd. w.e.f. October 01, 2015.

The actual amount lying in unpaid dividend accounts along with corresponding equity shares related thereto will be transferred to IEPF Authority within statutory timeline as applicable.

Rahul Shah, Company Secretary, has been appointed as the Nodal Officer of the Company and the details of the Nodal Officer are available on the website of the Company at https://www.torrentpower.com/index.php/investors/iepf.

20. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report forms part of the Annual Report.

21. RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of the Board, Risk Management Committee , Chief Risk Officer, Risk Champions and Risk Co-ordinators. The Risk Management process is reviewed and monitored by the functional heads.

Management and Discussion Analysis Report of the Annual Report identifies key risks, which can affect the performance of the Company.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with the related parties are given in the prescribed Form AOC-2, annexed herewith as **Annexure D** and in the section on the Related Party Transactions in the Report on Corporate Governance.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are forming part of this Report as **Annexure E**.

24. PROTECTION OF WOMEN AGAINST SEXUAL HARASSMENT AT WORKPLACE

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. THE EXTRACT OF THE ANNUAL RETURN

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at https://www.torrentpower.com/index.php/investors/annualreturn.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 are given in the **Annexure F**, which forms part of this Report.

27. OTHER DISCLOSURES

- During the year under review, the Company has neither accepted nor renewed any fixed deposits.
- During the year under review, there are no changes in the nature of business.
- There are no material changes and commitments affecting the financial position of the Company, which has occurred between end of Financial Year i.e. March 31, 2021 and the date of Board's Report i.e. May 20, 2021.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

28. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued support received from all stakeholders including government, regulatory authorities and financing institutions. The Board is thankful to the Members and employees for their unstinted support and contribution.

The Directors express their regret at the loss of human life due to COVID-19 pandemic and have immense respect and gratitude for every person who has risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

May 20, 2021
Ahmedabad

Annexure A

Form No. MR-3
Secretarial Audit Report

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan,
Ambawadi, Ahmedabad – 380015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Torrent Power Limited (CIN: L31200GJ2004PLC044068) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Torrent Power Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**.

vi. The Company has complied with following other laws specifically applicable to the Company:

(a) Electricity Act, 2003

(b) Gujarat Electricity Duty Act, 1958

(c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003

(d) Gujarat Electricity Grid Code, 2013

(e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. Issued Secured, Listed, Rated, Taxable, Non-Cumulative, Redeemable, Non-Convertible Debentures aggregating to ₹300 Crore through Private Placement basis.
2. Commercial Papers aggregating to ₹700 Crore were issued and redeemed.
3. Pursuant to the Orders of Hon. National Company Law Tribunal ("NCLT"), Ahmedabad Bench dated July 21, 2020 read with Order dated June 30, 2020 in the matter of the Scheme of Arrangement between the Company and TCL Cables Private Limited ("TCPL") and their respective Shareholders and Creditors ("the Scheme") for transfer and vesting of Cable Business Undertaking of the Company to TCPL, Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company were convened and held on September 15, 2020. Hon. NCLT has approved the Scheme vide its Order dated December 07, 2020. The said Scheme became effective from January 15, 2021 having appointed date as April 01, 2020.
4. The 16th Annual General Meeting of the Members of the Company was held on August 06, 2020 through VC / OAVM in terms of MCA General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579/2019
UDIN: F002047C000348217

Place: Ahmedabad
Date: May 20, 2021

Note: This Report is to be read with our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

Annexure "A"

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan,
Ambawadi, Ahmedabad – 380015

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. As the employees of the Corporate Office of the Company are working from home due to continuous effect of COVID-19 in India and with a view to meet the statutory timelines, we have relied upon the information and online data provided by the Company, required to conduct the Secretarial Audit and also the clarifications given by the Management. We have conducted the Secretarial Audit based upon the online information so provided with limitation to access to all the records maintained by the Company, due to inability to have personal visit to Company's office(s).
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. C. Gupta & Co.
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review No. 579/2019
UDIN: F002047C000348217

Place: Ahmedabad
Date: May 20, 2021

Annexure B

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Torrent Power Limited

We have examined the compliance of conditions of Corporate Governance by Torrent Power Limited ("the Company"), for the year ended March 31, 2021 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 SEBI Listing Regulations, 2015.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAA9713

Place: Mumbai
Date: May 20, 2021

Annexure C

Report on CSR Activities for FY 2020-21

1. **Brief outline on CSR Policy of the Company:**
   - Torrent has always been committed to the cause of social service and has consistently channelised a part of its resources and activities, such that it positively impact the society socially, ethically and also environmentally. The Company has taken up various CSR initiatives improving the quality of life of the people and making quality value addition to the society.
   - The Company channelizes its CSR Activities in light of its guiding principle as enumerated by its founder - Shri U. N. Mehta: ***"Giving back to the society, for all the years of care, support and nurturance that is being bestowed upon the organisation".***
   - The Policy focuses on three thrust areas in which CSR Activities are planned - (a) Community Healthcare, Sanitation & Hygiene (b) Education & Knowledge Enhancement and (c) Social Care & Concern.
   - The CSR Activities are conducted, preferably in areas where the Company has industrial or business presence, after approval of the CSR Committee and the Board.
   - CSR Activities are implemented directly by the Company or indirectly by Implementing Agencies, which include section 8 company / registered public trust / registered society established by the Company / an external entity engaged in CSR Activities etc.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Bhavna Doshi	Chairperson of Committee, Independent Director	3	3
2	Samir Barua	Member of Committee, Independent Director	3	3
3	Jinal Mehta	Member of Committee, Director	3	3

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

   CSR Committee: https://www.torrentpower.com/index.php/investors/corporateinformation

   CSR Policy: https://www.torrentpower.com/pdf/investors/AmendedCSRPolicy.pdf

   CSR Projects: https://www.torrentpower.com/pdf/investors/20200528_CSR%20Activities%20FOR%20FY%2020-21_website.pdf

4. **Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable for FY 2020-21

5. **Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any :**

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Years (₹ in crore)	Amount required to be set-off for the Financial Year, if any (₹ in crore)
		Nil	

6. **Average net profit of the Company as per Section 135(5) :** ₹1,349 Crore

7. a) **Two percent of average net profit of the Company as per Section 135(5):** ₹27 Crore

   b) **Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years:** *

   c) **Amount required to be set off for the Financial Year, if any:** Nil

   d) **Total CSR obligation for the Financial Year (7a+7b-7c) :** ₹27 Crore

* ₹1.69 Crore surplus, arising at implementing agency level from temporary investment of the funds, has not been included in Sr. No. 7 (b).

8. a) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (₹ in Crore)	Amount Unspent (₹ in Crore)				
	Total Amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹ in crore)	Date of transfer	Name of the Fund	Amount (₹ in crore)	Date of transfer
33.74**	Nil				

**Excluding ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

b) Details of CSR amount spent against Ongoing Projects for the Financial Year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of Activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the Project: State	(5) Location of the Project: District	(6) Project duration*	(7) Amount allocated for the Project (₹ in Crore)	(8) Amount spent in the current Financial Year (₹ in Crore)	(9) Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in Crore)	(10) Mode of Implementation - Direct (Yes / No)	(11) Mode of Implementation - Through Implementing Agency: Name	(11) CSR Registration number
1.	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation & Hygiene (Promoting healthcare including preventive healthcare)	Yes	Various districts in the state of Gujarat like Kamrej, Mandvi, Mangrol, Olpad in Surat, Vagra, Amod in Bharuch, Balasinor in Mahisagar, Jotana, Kadi in Mehsana, Galteshwar, Kapadvanj, Kathlal, Thasra, Nadiad in Kheda, Kalol in Gujarat		3 years	32.83	32.83**	Nil	No	Tornascent Care Institute (section 8 company)	CSR00004202 (received on April 29, 2021)
2.	Development of Public Parks (Phase II)	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmedabad district in the State of Gujarat		3 years	-	1.35***	Nil	No	UNM Foundation (section 8 company)	Amalgamated with Tornascent Care Institute and hence, not applied for registration
3.	Shiksha Setu (Quality Education Programme in Rural and Urban Slum Area)	Education and Knowledge Enhancement (Promoting education)	Yes	Sabarmati in Ahmedabad, Kamrej in Surat, Vadgam in Banaskantha, Kadi in Mehsana, in the State of Gujarat		3 years	-	0.37***	Nil	No		

* Excluding year of commencement.

** Contribution to the implementing agency during the Financial Year.

*** Out of the funds lying with the implementing agency prior to FY 2020-21.

Note: CSR spend as mentioned above excludes ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

c) Details of CSR amount spent against other than Ongoing Projects for the Financial Year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of Activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the Project: State	(5) Location of the Project: District	(6) Amount spent for the Project (₹ in Crore)	(7) Mode of Implementation - Direct (Yes / No)	(8) Mode of Implementation - Through Implementing Agency: Name	(8) CSR Registration number
1.	Maintenance of Public Parks	Social Care & Concern (ensuring environmental sustainability, ecological balance and protection of flora and fauna)	Yes	Ahmedabad district in the State of Gujarat		0.75*	No	UNM Foundation (section 8 company)	Amalgamated with Tornascent Care Institute and hence, not applied for registration
2.	Shardashish School (for urban slum children)	Education and Knowledge Enhancement (promoting education)	Yes	Sabarmati in Ahmedabad district in the State of Gujarat		0.16	No	Amdavad Vidyut Kelavani Samaj Trust	Registration in progress
	Total					0.91			

*₹0.56 Crore is not included above, which was spent additionally during the Financial Year out of the funds lying with the implementing agency prior to FY 2020-21.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹33.74 Crore*

* CSR spend disclosed under Sr. No. 8 (b) (2) & (3) have not been considered, as spent out of the funds lying with the implementing agency prior to FY 2020-21.

(g) Excess amount for set off, if any: ₹6.74 Crore

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	27.00
(ii)	Total amount spent for the Financial Year	33.74*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	6.74
(iv)	Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years, if any	**
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	**6.74**

* CSR spend disclosed under Sr. No. 8 (b) (2) & (3) have not been considered, as spend out of the funds lying with the implementing agency prior to FY 2020-21.

** Excluding ₹1.69 Crore surplus arising at implementing agency level from temporary investment of the funds.

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

(1) Sr. No.	(1) Preceding Financial Year	(2) Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in Crore)	(3) Amount spent in the reporting Financial Year (₹ in Crore)	(4) Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any: Name of the Fund	(4) Amount (₹ in Crore)	(4) Date of transfer	(5) Amount remaining to be spent in succeeding Financial Years (₹ in Crore)
Nil							

(b) Details of CSR amount spent in the Financial Year for Ongoing Projects of the preceding Financial Year(s):

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the Project was commenced	(5) Project duration	(6) Total Amount allocated for the Project (₹ in Crore)	(7) Amount spent on the Project in the reporting Financial Year (₹ in Crore)	(8) Cumulative Amount spent at the end of reporting Financial Year (₹ in Crore)	(9) Status of the Project - Completed / Ongoing
No Project was classified as an Ongoing Project in the preceding Financial Year								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital assets (₹ in Crore)	Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.	Details of the capital assets created or acquired (including complete address and location of the capital asset)
March 31, 2021	12.65	Tornascent Care Institute "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015	Part of expenditure for construction of Hospital building of REACH Project and related road construction. Situated near SUGEN power plant, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For and on behalf of the Board of Directors

Ahmedabad
May 20, 2021

Samir Barua
Director
DIN: 00211077

Bhavna Doshi
Chairperson CSR Committee
DIN: 00400508

Annexure D

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transaction including value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				Nil				

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any	Date on which shareholders resolution was passed in general meeting u/s 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
				Nil			

For and on behalf of the Board of Directors

Ahmedabad
May 20, 2021

Samir Mehta
Chairperson
DIN: 00061903

Annexure E

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2020-21 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median Remuneration of employees (Sub-clause (i) of Rule 5(1))	% increase in Remuneration in FY 2020-21 (Sub-clause (ii) of Rule 5(1))
1.	Sudhir Mehta	Chairman Emeritus	112.37	0.00%
2.	Samir Mehta	Chairperson	224.75	0.00%
3.	Pankaj Patel	Independent Director	6.29	24.44%
4.	Samir Barua	Independent Director	10.23	5.81%
5.	Keki Mistry	Independent Director	7.42	32.00%
6.	Bhavna Doshi	Independent Director	10.23	12.35%
7.	Dharmishta Raval	Independent Director	8.54	16.92%
8.	Sunaina Tomar, IAS	Non-Executive Director	1.24	Not Applicable*
9.	Jinal Mehta	Managing Director	292.30	13.09%
10.	Sanjay Dalal	Chief Financial Officer	Not Applicable	9.00%
11.	Rahul Shah	Company Secretary	Not Applicable	7.00%

* Appointed as Director w.e.f. February 13, 2020.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees (excluding employees covered under wage settlement and employees who were employed for part of the year) in FY 2020-21 increased by 7.25%.

3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the roll of Company as on March 31, 2021 was 7,429.

4. Sub-clause (viii) of Rule 5(1): The average percentage increase made in the remuneration:

   - of employees (excluding Directors, Managerial Personnel, employees covered under wage settlement and employees who were employed for part of the year) is 7.54%;
   - of Managerial Personnel is 7.00%.

5. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

6. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of the Annual Report. Having reference to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the Registered Office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
May 20, 2021

Samir Mehta
Chairperson
DIN: 00061903

Annexure F

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

A. SUGEN AND UNOSUGEN Power Plants:

- Energy conservation initiatives implemented have resulted in annual energy savings to the tune of 73,80,847 kWh in FY 2020-21.
- SUGEN and UNOSUGEN power plants continue to be one of the most efficient power generating stations in the Country and have improved the performance targets under Perform, Achieve and Trade (PAT) scheme of the Bureau of Energy Efficiency (BEE), earning Energy Saving Certificates and helping the national mission of emissions reduction.

B. DGEN Power Plant:

- Energy conservation measures have resulted in annual energy savings to the tune of 24,15,506 kWh.
- DGEN power plant continues to be one of the most efficient power generating station in the Country and has improved the performance targets under BEE PAT scheme, earning Energy Saving Certificates and helping the national mission of emissions reduction.
- Rain water harvesting for FY 2020-21 was 1.5 Lakh m^3.
- Optimisation of Nitrogen plant operation resulted in energy saving of approx. 82,125 kWh per annum, as well as reducing system start counters and thereby increasing reliability.

C. AMGEN Power Plant:

- Secondary air heater internals replacement, and Computational Flow Dynamics (CFD) and Cold Air Velocity Test (CAVT) based rectification carried out in boiler second pass at E Unit.
- Old ductable AC machine replaced with energy efficient AC machine at 2nd floor of administration building and cafeteria.
- Replacement of old conventional lights with energy efficient LED lamps at D/E/F boiler, MCC area, CHP surrounding area, cafeteria & stores and SAP administration building.

D. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Replacement of High energy consuming HPSV/ HPMV light fittings with energy efficient LED light fittings at office premises and EHV sub-stations at Ahmedabad distribution unit.
- Timer based Forced Basement Ventilation System at Ahmedabad distribution unit.
- All external glasses are Double Glazed Units (DGU) to reduce external heat load as well as noise disturbances within offices at Ahmedabad distribution unit.
- Installation of APFCs to improve PF at LT side of DTCs at Ahmedabad, Surat and Dahej distribution units.
- Establishment of additional Distribution sub-stations to optimise HV-LV networks and thereby reducing technical losses.
- Energy conservation campaign for awareness of consumers through leaflets, energy bills, display at the Company's customer care centres and through customer meet.
- Replacement of old / high energy consuming Air conditioners with star rated energy efficient Air conditioners and distribution transformers.
- Commissioned / Bifurcation of new feeders to reduce overloading, load growth, load balancing & to improve the network reliability and reduction in technical losses.
- Automation of 3 Nos. of 33/11 kV sub-station. A way ahead for improving reliability at Agra distribution unit.
- State of art technology numerical relays for system protection and SCADA for 220/ 33/ 11kV substations at Dholera distribution unit.
- Laid 630 sq mm cable in 33 kV (18.64 KM in FY 2020-21) and 240 sq mm cable in 11 kV (57.07 KM in FY 2020-21) at Agra distribution unit.

E. RENEWABLE SITE (SOLAR CHARANKA):

- To reduce import power, transformer tap setting has been optimised. This has resulted in ~100kWh import saving per day.
- Module cleaning cycle has been optimised to improve generation and reduce soiling loss.
- All lesser performing modules have been reshuffled to one location / string to improve generation. This has been done based on analysis of inverter and string generation data.

ii) The steps taken by the Company for utilising alternate sources of energy:

A. SUGEN, UNOSUGEN & DGEN Power Plants:

- 50 kW solar roof top installed on the common buildings at Shardashish township at SUGEN power plant generated 57,057 kWh in FY 2020-21.
- 6.30 kW floating solar installed inside water reservoir at SUGEN power plant generated 3,317 kWh in FY 2020-21.
- 42.70 kW solar roof top installed on office administration building at SUGEN power plant generated 54,258 kWh in FY 2020-21.
- Solar power to the tune of 17,448 kWh generated and utilised at the Meghdhanush housing colony at DGEN power plant.

B. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Since the launch of Rooftop Solar Policy, Ahmedabad distribution unit has facilitated installation of over 150 MW of solar power across numerous residential, commercial, industrial premises and HT consumers.
- Surat distribution unit facilitated installation of 3,620 nos. of solar rooftop aggregating 16.74 MW during FY 2020-21 (Since inception of rooftop policy till March 31, 2021, 6,622 nos. of solar rooftop Projects with 32.14 MW for residential and non-residential).
- 135 kW solar rooftop Projects installed at Central store, Bhatar and Dabholi EHV stations generated 1,48,000 kWh in FY 2020-21. One more 45 kW solar rooftop system installed at Ring Road EHV station to promote use of renewable source of energy at Surat distribution unit.
- Bhiwandi distribution unit facilitated installation of 88 solar rooftop Projects aggregating 3.92 MW in FY 2020-21.
- Agra unit facilitated installation of 191 nos. of solar rooftop Projects aggregating 2.10 MW during FY 2020-21 (since inception of rooftop policy till March 31, 2021, 531 nos. solar rooftop with 7.50 MW for residential and non-residential).

iii) The capital investment on energy conservation equipment:

A. SUGEN and DGEN Power Plants:

- ₹50,000 spent on VFD of DM Distribution Pump at SUGEN power plant.
- ₹87,729 spent on LED lighting at DGEN power plant.

B. AHMEDABAD, SURAT and AGRA Distribution Units:

- ₹23.40 Crore spent on conversion of HT (33 and 11 kV) overhead network into underground network at Agra distribution unit.
- ₹5.13 Crore spent on Automation of 33/11 kV sub-stations at Agra distribution unit.
- ₹3.24 Crore spent on conversion of LT overhead network into underground network at Agra distribution unit.
- ₹0.01 Crore spent on LED Lighting conversion at Agra distribution unit.
- ₹0.13 Crore spent on AC replacement at Agra distribution unit.
- ₹10.06 Crore spent on HVAC, electrical and building works at Ahmedabad distribution unit.
- ₹0.06 Lakh incurred on account of DSM expenses at Surat distribution unit.

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

A. SUGEN AND UNOSUGEN Power Plants:

- Unit 20 Distribution Control system upgraded from TXP 2000 to T3000 with cyber security compliance.
- Data Center Infrastructure upgraded which includes replacement of Desktops, Firewall, Core Network Switches (Layer-3), DMZ Network Switches, Servers, Storage, Backup System, Fortinet Sandbox for Ransomware protection solution and Cisco Identity Service Engine for Network Access Control in compliance with cyber security requirements.
- Gas Turbine Air Intake - Unit-20: Installation of new design E10 class safety filters downstream of F-9 pulse air filters, to minimise compressor fouling and hence increasing efficiency.
- Unit 10-30 at SUGEN power plant – 400kV equipments of generating bays such as LA, CT, CVT, Insulators, CB, Isolators have been

applied with high voltage silicon spray coating, for enhancing life and reducing losses on account of corona discharge.

- Unit 10-30 at SUGEN power plant – 6.6kV Hi-Pass Filters (for harmonics control) insulators have been applied with high voltage silicon spray coating to enhance life and reduce losses on account of corona discharge.
- At UNOSUGEN power plant – Unit Gas Metering (40UEN02), Raw Water and Demineralised Water Treatment plants PLC system, have been provided with automatic changeover scheme using in-house resources to enhance plant availability on account of failure of single supply.
- Unit 10 & 20 at SUGEN power plant – housing cabinets have been provided for DC resister for DC seal oil pump and DC lube oil pumps to protect from abnormal weather conditions and thereby helped in improving availability and reliability of critical drives.
- Reliability improvement and reduction in energy loss by condition based monitoring and maintenance helped to reduce loss of availability due to forced outage.

B. GENSU Solar Plant:

- Solar module thermography carried out with drone thermography camera has resulted in identifying 47 nos. of poor performing solar modules requiring corrective actions.
- IV test conducted on solar strings for poor performance identification has resulted in identifying 160 nos. of poor performing solar modules, requiring corrective actions.
- Installation of fuses on negative (polarity) side of all String Monitoring Boxes (SMBs) for Inverters 1 to 15 to prevent fire in SMBs and tripping of Inverters.

C. DGEN Power Plant:

- Microsoft exchange server replaced with latest version, to increase communication speed and to comply with cyber security .
- HP Bypass and GT Pneumatic Compressor alarm and warning configured for extensive running of the drives. This will prevent losses and major damage of the system and proactive actions can be taken by O&M persons.
- Nitrogen blanketing system has been provided in unit 53 for HP bypass Hydraulic station and ST Hydraulic system to prevent Hydraulic oil quality deterioration on account of moisture ingress.

D. AMGEN Power Plant:

- Old and obsolete Coal conveyor Metal detectors replaced with latest electronics units – 5 nos.
- Obsolete rail weigh bridge measurement system at old C1 replaced with latest electronics and latest Operating System based work station.
- CW MCC replaced with latest IEC-61439 standard at D unit for safety.

E. AHMEDABAD, SURAT, DAHEJ, DHOLERA, BHIWANDI, AGRA and SHIL-MUMBRA-KALWA Distribution Units:

- Fuse type MSP introduced for faster fault restoration and to enhance safety at Ahmedabad distribution unit. It will be helpful in fault grading and local isolation.
- Pilot study of Ground Penetration Radar (GPR) carried out for 10 Kilometer length at Ahmedabad distribution unit, which will be helpful in safe operation and faster execution.
- Designing vertical and ultra compact CSS for less environmental footprint and ease of operation carried out at Ahmedabad distribution unit.
- Introducing Thermoplastic fuse base instead of Porcelain fuse base in distribution Network Assets to enhance reliability and safety at Ahmedabad distribution unit.
- Implementation of SMC box in place of OTTP / OTDP to enhanced safety at Ahmedabad distribution unit.
- Implementation of HDPE muff in place of RCC muff for ease of operation and reduce wastage at Ahmedabad distribution unit.
- Implementation of field force mobile application for quality supervision during field visits, HT / LT network cable patrolling, asset survey and Meter (O&M) Activities.
- High Velocity Water spray (HVWS) system for all power Transformers, GIS & Control room buildings. Linear Heat Sensing Cable (LHSC) for cable trey / trench at Ahmedabad distribution unit.
- Installation of COVID-19 safety signages across all the offices, stores and switching stations.
- Implementation of SAP & FFA (for meter reading) at Surat, Dahej and Shil-Mumbra-Kalwa Distribution units.
- Implementation of Loss of service continuity (LSC) in 220kv GIS to avoid outage of adjacent bay or both bus for maintenance, repair, replacement, testing within GIS at Dholera distribution unit. Gas tight separator on each bay including busbar chambers would provide safety during attending maintenance / trouble shooting as well as faster restoration.
- Installation and extension of SCADA and addition of automated RMUs at 11kV feeders at Agra distribution unit.
- Use of CYMDIST software for network designing. All HT and LT UG network modelling has been completed at Agra distribution unit.
- Commissioning of 220 kV cable connectivity between Ring Road (C) station to Dabholi (F) station along with GIS bays at Surat distribution unit.
- Introduced intimation to consumers through SMS for power failure / shutdown before 10 mins with the reason and the tentative restoration time at Surat & Dahej distribution unit.

F. RENEWABLE SITES (SOLAR CHARANKA, LALPUR, MAHIDAD, JAMANWADA, NAKHATRANA and MAHUVA):

- Power forecasting and scheduling system has been established across the renewable sites; communication channel has been established with forecasting agency and other stake holders to minimise deviation in forecasting.
- Installed meters to improve accuracy of scheduling & forecasting of power at renewable sites.
- At Lalpur and Mahidad wind sites retrofitting is being done on WTGs drainage system to prevent generator failure due to water ingress during rainy season.
- Anti-theft alarm systems have been installed on WTG door to ensure safety and prevent theft at Lalpur and Mahidad wind sites.
- Flame retardant polypropylene clamps are being used to avoid fire in panels, cables and junction box at Lalpur and Mahidad wind sites.
- At Charankha site increased height of DC Combiner Box (DCB) foundation (18 nos.) to avoid damage of DCB component during flood or heavy rain.
- Identified low performing modules by thermal imaging (100% module thermography through drone) and shuffled underperforming modules at single location/string which has resulted in improvement generation at Charanka site.
- Concertina coil has been installed on boundary wall to improve the safety and security at Charanka site.
- 33 kV insulators were replaced at Nakhatrana and Jamanwada sites to improve reliability of 33 kV grid.
- Various modifications, anti-tracking paint on CT&PT, strengthening of fixture for grease collecting bottle, relocation of humidity sensor in power cabinet were done to improve reliability and availability of WTG at Nakhatrana and Jamanwada sites.

ii) The benefits derived:

A. GENERATION & RENEWABLE SITES:

- Cost reduction.
- Improved availability & efficiency, reliability and safety.
- Better efficiency.

B. DISTRIBUTION :

- Better availability, reliability and safety.
- Reduced power interruptions & enhanced customer satisfaction.
- Reduction in energy losses and theft.
- Increase in evacuation capacity utilizing same corridor.
- Creating awareness on safety with respect to network assets.
- Ease & Safe maintenance.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

I. The details of technology imported:

T3000 Plant DCS Systems with cyber security compliance for Unit 20 at SUGEN power plant.

II. The year of import: FY 2020-21

III. Whether the technology been fully absorbed: Yes

IV. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

iv) The expenditure incurred on Research and Development: No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Description	₹ in Crore
Foreign Exchange Earned (Actual Inflow)	0.01
Foreign Exchange Used (Actual Outflow)	2097.27

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Ahmedabad
May 20, 2021

Management Discussion and Analysis

POWER SECTOR–STRUCTURE AND DEVELOPMENTS

India continues to grapple with COVID-19's crippling consequences not only related to health but also creating enormous economic and social problems. The pandemic has reinforced the importance of round-the-clock power supply, particularly for the healthcare system and business establishments in view of increasing adoption of "Work from Home" model. During FY 2020-21, power demand witnessed a "V" shaped recovery; H1 was down by 8.7% attributable to nationwide lockdown imposed by the Government of India (GoI), whereas H2 saw power demand growth of 7.4% as compared to the previous year, with overall year-on-year (YOY) decline of just 1% due to pick up in economic activities in H2.

The GoI is clear on its outlook for power sector with its thrust on Renewables in line with the world's commitment to clean and green future for posterity. Considering the pace at which new renewable capacities are coming up across the world and especially in India, it is no longer an "alternate source of energy". However, till March 2021, India has been able to achieve just about 54% of its ambitious renewable capacity target of 175 GW by 2022 due to a slow-down in signing of new Power Purchase Agreements (PPAs) by DISCOMs as they are becoming circumspect due to the declining tariff environment and COVID-19 related disruptions. India needs a massive 80.5 GW installation to achieve this target of 175 GW by 2022, giving companies in the sector a significant headroom for environmentally friendly growth. In FY 2020-21, for the first time, solar power outpaced wind power in terms of aggregate installed capacity having total installed capacity of approx. 40.6 GW. As per the estimates of International Energy Agency, the share of solar energy in India's power generation could be equal to coal-fired energy output by 2040. The overall share of renewable energy is expected to increase further with growing priority of ESG (Environmental, Social and Governance) investments among strategics, global investors and government. There is also a renewed thrust for hydro power by GoI, which is evident from introduction of Hydro Power Obligation.

Though India's transmission grid is one of the best in the world given the investments made over the last two decades in EHV/HV network, continuous investments in EHV/HV network are required to handle new generation capacities specifically from renewables. This has opened up avenues of growth for transmission sector with new projects being announced for evacuation of green power through Green Energy Corridor in the country.

Another focus area of the Government is the Distribution segment, which is already reeling under heavy financial stress due to low operational efficiencies. Though the GoI has announced various reforms including schemes as a part of COVID-19 relief package, the ultimate objective of DISCOMs' financial sustainability and turnaround continues to remain a matter of concern. Such objective can be achieved only when inherent inefficiencies of various State DISCOMs are improved. The increasing GAP between ACS and ARR, high Aggregate Technical & Commercial (AT&C) losses, mounting dues towards electricity bills, etc. have reduced the reliability and affordability of power. Recognising the fact that every DISCOM has its own set of problems and that the plan should be tailor-made for each DISCOM's requirement with mapping of problems and solutions clearly demarcated, the government during the year came up with "Revamped reforms-linked results-based distribution sector scheme", whereby the government will provide grant towards developing smart metering and distribution infrastructure targeting loss reduction and system strengthening. Further, the GoI's announcement to privatise DISCOMs of all the Union Territories (UTs) is a welcome step in the direction of addressing inefficiencies of the distribution sector. In case the State DISCOMs are not able to improve the technical and financial parameters, they too will have to gradually move towards privatisation.

In the coming year, a sharp rebound in power demand is expected. However, the outlook remains clouded due to the recent surge in COVID-19 cases sweeping the country. On the back of increasing demand and ongoing vaccination drive, India is expected to grow at a double-digit rate in FY 2021-22 as per the IMF estimates. Resolution of stressed thermal assets which is almost at a standstill amid COVID-19 led disruptions, is also expected to pick-up in the coming year.

BUSINESS MODEL

The Company is an integrated power utility engaged in the businesses of electricity generation, transmission and distribution with operations spread across the states of Gujarat, Maharashtra, Uttar Pradesh and Karnataka.

1. Generation

The Company has total generation capacity of 4,694 MW spread across thermal and renewable generating assets (including under development).

A. 3,092 MW Thermal Generation

i. 362 MW Coal-fired Thermal Generation

The 362 MW AMGEN Power Plant at Ahmedabad in Gujarat is an embedded generation unit for the licensed distribution area of Ahmedabad. It is regulated by Gujarat Electricity Regulatory Commission (GERC) which allows cost plus post-tax Return on Equity (ROE) of 14% as part of the regulated tariff.

ii. 2,730 MW Gas-fired Thermal Generation

The Company has three gas based plants namely 1,147.5 MW SUGEN Mega Power Plant, 382.5 MW UNOSUGEN Power Plant and 1,200 MW DGEN Mega Power Plant. SUGEN and UNOSUGEN are regulated by Central Electricity Regulatory Commission (CERC) which allows cost plus post-tax ROE of 15.5% as part of the regulated tariff structure. 1,200 MW capacity of DGEN is stranded for want of demand.

B. 1,602 MW Renewable Generation

i. 787 MW Operational Projects

The operational renewable generation capacity of 787 MW (138 MW Solar and 649 MW Wind) is tied up under long-term PPAs. 491 MWs or 62% of operational capacities have attractive preferential feed-in-tariff based PPAs with the Company operated distribution utilities.

ii. 815 MW Projects Under Development

100 MW Solar Power Project

The Project was won by the Company in an auction conducted by Gujarat Urja Vikas Nigam Limited (GUVNL) in FY 2020-21 at a tariff of ₹1.99 per kWh for a period of 25 years with scheduled commissioning by July 2022. The Project is being implemented by Torrent Solar Power Private Limited, a wholly owned subsidiary of the Company.

300 MW Solar Power Project

The Company registered lowest price (L1) of ₹2.47 per kWh for 300 MW capacity in solar auction by Andhra Pradesh Green Energy Corporation Limited (APGECL) in FY 2020-21. The tender is currently sub-judice.

300 MW Solar Power Project

The Company won 150 MW in reverse auction and further 150 MW of capacity was awarded under green-shoe option in auction conducted by distribution arm of the Company in FY 2020-21 to service Renewable Purchase Obligations (RPO) at a tariff of ₹2.22 per kWh for a period of 25 years with scheduled commissioning by November 2022. The project is being implemented by Torrent Saurya Urja 2 Private Limited, a wholly owned subsidiary of the Company.

115 MW Wind Power Project

Torrent Solargen Limited, a wholly owned subsidiary of the Company is under discussion with developer and Original Equipment Manufacturer (OEM) for development of 115 MW Wind Power Project won under the SECI V auction held in FY 2018-19 at a tariff of ₹2.76 per kWh for a period of 25 years with scheduled commissioning extended till February 2022.

2. Distribution

The Company is the licensed operator for electricity distribution in the cities of Ahmedabad, Gandhinagar, Surat and Dahej SEZ, aggregating to 425 sq kms of area. It is also developing a state-of-the-art distribution network as a licensee in Dholera Special Investment Region (DSIR) spanning 920 sq kms area. DSIR is part of the prestigious Delhi-Mumbai Industrial Corridor (DMIC) Project and is being developed in phases as a manufacturing hub on the concept of plug-and-play model. DSIR will have infrastructure facilities comparable to any smart industrial city in the world. DSIR represents a long term growth opportunity for the Company. The licensed distribution businesses of the Company in Gujarat are regulated by GERC, which allows cost plus post-tax ROE of 14% as part of a regulated tariff structure.

During the year, the Company emerged as the highest bidder for the sale of 51% stake in Power Distribution Company having distribution license for a term of 25 years in the UT of Dadra and Nagar Haveli and Daman and Diu, covering 603 sq. kms area and serving around 1.5 Lakh customers. It is regulated by Joint Electricity Regulatory Commission (JERC) which allows post-tax RoE of 15.5% for wires business and 16% for retail business as part of the regulated tariff. The Letter of Award is pending to be received as the privatisation process has been challenged before Hon'ble Bombay High Court. The Company has also submitted its bid for 100% stake in the power distribution license for the UT of Chandigarh, the result of which is awaited.

The Company operates as a franchisee (of the license holder) for electricity distribution in the cities of Bhiwandi, Agra and Shil-Mumbra-Kalwa (SMK), aggregating to 1,007 sq kms of area. The term of the franchise agreement for Bhiwandi is upto 2027, for Agra is upto 2030 and for SMK is upto 2040, which may be renewed on expiry. The franchised distribution businesses of the Company are governed by the respective Distribution Franchise Agreements executed between the Company and State DISCOMs as the license holders. The main thrust of the Company is to reduce AT&C losses, improve electricity supply and customer services in the franchised areas.

In addition to above, the Company has non-material transmission and electrical cables manufacturing businesses.

OPERATIONAL AND FINANCIAL PERFORMANCE

1. Operating Performance

The following tables set forth the key operational parameters:

A. Thermal Generation

Particulars	AMGEN#		SUGEN^		UNOSUGEN^		DGEN^	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
PAF (%)	90.43	92.77	96.09	96.75	97.36	98.04	99.25	100
PLF (%)	44.27	72.90	59.89	59.89	57.76	60.13	9.78	6.52
Generation (MUs)	1,266	2,112	5,855	5,870	1,882	1,964	1,000	668

\# Coal based

^ Gas based

AMGEN faced severe reduction in demand in H1 due to lower offtake by long term beneficiaries due to COVID-19 induced low demand, post which the demand reached nearly pre-covid levels.

The Gas based operations of the Company, however were not impacted significantly due to COVID-19 induced low demand in the country in view of the highly efficient operations and capability to directly import LNG at affordable prices leading to reasonable cost of power. In fact, DGEN had a PLF higher than previous year as it was able to operate on back of short-term power supply contracts. PLF of UNOSUGEN Plant was slightly lower in view of lower offtake by long term beneficiaries partially offset by higher merchant sales.

Due to reduced demand at AMGEN, it could not lift the agreed quantity of coal as per contract with SECL. It has declared Force Majeure for the period from March 21, 2020 to September 30, 2020 seeking relief for lower offtake of coal. CIL has permitted Force Majeure for the period of April and May 2020. For the remaining period, response of SECL is awaited.

During the year, the Company contracted domestic gas supply of 8,250 MMBTU per day for UNOSUGEN starting from January 01, 2021 from R Cluster Field in KG-D6 block of consortium of Reliance Industries Limited (RIL) and BP Exploration (Alpha) Limited (BPEAL) for 6 years.

Major overhaul for two units of SUGEN plant was scheduled during Jan/Feb 21. However, due to travel and other restrictions, OEM (i.e. Siemens AG) postponed the overhaul and carried out free of cost minor inspection.

B. Renewables

Particulars	Solar		Wind	
	FY 21	FY 20	FY 21	FY 20
Capacity (MW)	138	138	648.5	648.5
PLF (%)	17.61	17.14	24.99	29.04
Net Generation (MUs)	213	208	1,420	1,350

Wind PLF was lower due to substantial and abnormal drop in wind speed, heavy rain & extended monsoon and un-scheduled outages.

C. Licensed Distribution

Particulars	Ahmedabad & Gandhinagar		Surat		Dahej	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
Area (sq. km.)	~356	~356	~52	~52	~17	~17
Sales (MUs)	6,947	7,822	2,604	3,286	453	481
Growth (%) over PY	(11.18)		(20.77)		(5.74)	
T&D Loss (%) – Actual	6.03	4.98	4.06	3.43	0.49	0.31
T&D Loss (%) – Normative	6.55	6.70	3.59	3.64	2.00	2.00
Consumer Base (Lakh, except Dahej)	20.06	19.79	6.24	6.20	114*	111*
Peak Demand (MW)	1,578	2,018	623	695	78	72

* Represents number of industrial consumers; Dahej licensed area comprises the Dahej SEZ area, which is made up of export oriented manufacturing units.

The effect of COVID-19 led disruptions including the countrywide lockdown was reflected in the lower sales of the licensed distribution business particularly during first half of the financial year, followed by sharp recovery in the second half. Sales in Ahmedabad during H1 fell by 21.84% and increased by 3.55% during H2 as compared to the corresponding period of the previous year. Similarly, sales in Surat fell by 43.18% during H1 and increased by 6.19% during H2 as compared to the corresponding period of the previous year.

Transmission and Distribution (T&D) losses were higher as compared to the previous year due to lower sales to industrial segment, which comprises of lower T&D loss consumers and increased sales to residential segment, which comprises of higher T&D loss consumers and lower vigilance activities conducted due to COVID-19 lockdowns. Despite this, the Company was able to keep the T&D loss lower than the normative levels at Ahmedabad and Dahej.

Tariff for FY 2021-22 (including true-up of FY 2019-20) was determined by GERC vide order dated March 31, 2021 for Ahmedabad and Surat licensed areas. Tariff in Ahmedabad was increased by 10 paisa per unit for all categories except GLP & RGP & BPL (less than 50 units) wherein tariff hike is NIL and 51-150 Units for RGP & BPL category wherein tariff hike is 5 paisa/unit. No tariff hike has been allowed for Surat. The Company's profits are not directly impacted by the tariff order, as its returns in licensed distribution businesses are determined by 14% post-tax ROE prescribed in the tariff regulations. The tariff order results in creation of cashflow surplus/deficit based on annual costs incurred, which is settled through true-up mechanism in the subsequent years.

During the year, a favourable judgement was received from the Appellate Tribunal for Electricity (APTEL) in respect of entitlement of carrying cost on regulatory gap, pertaining to FY 2013-14 and FY 2015-16, pursuant to which the Company accrued income of ₹251 Crore (net of tax) in the financial statements. Consequent to APTEL decision, GERC issued the consequential order allowing carrying cost of ₹165 Crore i.e. lower by ₹86 Crore. The lower amount is on account of certain arithmetical mistakes and omissions; against which the Company has filed a review petition before GERC.

The aggregate amount of regulatory gap of past periods approved and expected to be approved by GERC as on March 31, 2021 is ₹1,158 Crore and the same is appropriately accrued in the financial statements. In addition, aggregate amount of regulatory gap of ₹443 Crore is under dispute at various forums (primarily comprising of claims on account of carrying costs) and not accrued in the financial statements; the same will be accrued in the financial statements of the period in which such disputes are determined by the appropriate statutory authorities in favour of the Company.

The operations are yet to commence at Dholera licensed area and currently the focus is primarily on graded planning and development of an efficient distribution network involving setting up of basic infrastructure and provision of temporary construction power to new industries to be set up. Based on current development plans of the DSIR Authority, an investment of about ₹1,200 Crore is envisaged over next 10 years to cater to demand of about 425 MVA out of which approx. ₹160 Crore has been incurred till FY 2020-21.

D. Franchised Distribution

Particulars	Bhiwandi		Agra		Shil-Mumbra-Kalwa*	
	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20
Area (sq. km.)	~721	~721	~221	~221	~65	~65
Sales (MUs)	2,466	3,243	1,656	1,801	389	27
Growth (%) over PY	(23.95)		(8.07)		-	
T&D Loss (%)	16.22	11.93	13.50	12.51	44.89	55.02
Consumer Base (Lakh)	3.44	3.34	4.76	4.70	2.59	2.48
Peak Demand (MVA)	574	580	449	473	126	-

* Operations taken over from March 01, 2020.

Sales of Bhiwandi and Agra franchised business were impacted severely during H1 primarily due to the fallout of the pandemic, with marked recovery seen during H2. Sales in Bhiwandi fell by 47.96% during H1 as majority of the customers at Bhiwandi comprise of commercial/ industrial category; whereas sales during H2 was at previous years' levels. Agra witnessed comparatively lower fall in sales i.e. 14.32% during H1 due to majority of consumers being residential, with growth of 2.47% during H2 as compared to the previous year.

T&D losses in Bhiwandi and Agra were higher as compared to the previous year as surveillance and vigilance, theft deterrent systems, distribution transformer cleaning, law enforcement against illegal connections etc. could not be carried out during H1. Also, sales to industrial segment got impacted, which comprises of lower T&D loss consumers.

On the positive note, there was a significant improvement in collection efficiency due to revival of vigilance activities, disconnection drive and pick up in industrial economic activities during H2 which also led to reversal of higher provisions made during the previous year as well as in H1 in view of the lower collections. Bhiwandi achieved collection efficiency of 103.07% (FY 2019-20– 96%) and Agra achieved collection efficiency of 98.91% (FY 2019-20– 95%).

2. Consolidated Financial Performance

The key financial data from the Consolidated Statement of Profit and Loss is set out below:

(₹ in Crore)

Particulars	FY 21	FY 20	Change in %
Revenue from Operations	12,173	13,641	(11%)
Fuel/Power Purchase/Material Cost	7,130	8,266	(14%)
Contribution	**5,043**	**5,375**	**(6%)**
Other Income	142	178	(20%)
Other Expenses	1,577	1,819	(13%)
PBDIT	**3,607**	**3,734**	**(3%)**
Finance Cost	776	955	(19%)
Depreciation and Amortisation Expense	1,280	1,304	(2%)
Other Comprehensive Income/(Expense)	6	(45)	(113%)
Profit Before Tax and Exceptional Items	**1,558**	**1,430**	**9%**
Exceptional Items	-	1,000	(100%)
Profit Before Tax	**1,558**	**430**	**262%**
Tax Expense	258	(720)	(136%)
Total Comprehensive Income	**1,300**	**1,150**	**13%**

Overall contribution from all businesses decreased from ₹5,375 Crore to ₹5,043 Crore i.e. decrease of ₹332 Crore (6%).

The decrease was mainly on account of deterioration of key operating parameters particularly on account of COVID-19 lockdowns and subsequent disruptions during the first half of financial year viz. lower volumes and increase in T&D loss at all the distribution units, lower long term as well as lower merchant sales at the thermal generating units and low PLFs at the renewable generating units partially offset by full year operations of renewable capacities commissioned in FY 20. Favourable settlement of prior period regulatory matters/disputes resulted in entitlement for recovery of revenue gap of approx. ₹280 Crore of earlier years. Finance cost decreased on account of lower interest rate by approx. 1% coupled with reduction in loan balance. The variation in tax expense is due to utilisation of MAT credit during previous year.

Liquidity, Capex and Debt Positions

The Company's liquidity, including mutual fund investments and deposits with banks/financial institution, was ₹1,159 Crore at the beginning of the year. Liquidity as at the end of the year was ₹917 Crore, a decrease of ₹242 Crore. For the year:

- net cash generated from operating activities was ₹2,300 Crore and
- net cash utilised for (a) capital expenditure was ₹1,180 Crore; (b) dividend distribution was ₹269 Crore; and (c) repayments including short term debt net of new borrowing was ₹1,093 Crore; leaving a closing liquidity balance of ₹917 Crore.

During the year, the Company incurred capital expenditure (i.e. capitalisation, capital work-in-progress and capital advances) of ₹1,358 Crore as under:

Particulars	Amount (₹ in Crore)
Licensed Distribution	1,061
Franchised Distribution	200
Thermal Generation	74
Renewable Generation	4
Others	19
Total	**1,358**

The long term debt of the Company at the year-end was ₹7,809 Crore, net decrease of ₹1,089 Crore over the previous year (new debt raised ₹900 Crore less repayment of debt ₹1,989 Crore). The weighted average rate of interest at the year-end was 7.58% with repayment profile as under:

Financial Year	Repayment Amount (₹ in Crore)
2021-22	1,111
2022-23 to 2025-26	3,543
2026-27 to 2029-30	2,059
2030-31 to 2032-33	1,095
Total	**7,809**

The Company's rating was unchanged during the year and was as follows at end of the year:

Long term rating : CRISIL AA/Stable

Short term rating : CRISIL A1+/IND A1+

The following table sets forth key financial ratios based on the consolidated financials:

Particulars	FY 21	FY 20
Debtors Turnover Ratio	8.79 (~42 days)	10.68 (~34 days)
Interest Coverage Ratio	4.81	4.01
Current Ratio	0.97	1.02
Long Term Debt to Equity Ratio	0.73	0.92
Net Debt to EBITDA	1.98	2.18
EBITDA Margin	28.57%	25.99%
Net Profit Margin	10.43%	8.22%
Return on Net Worth	12.42%	11.05%

Note:

1. The profitability ratios are calculated without considering the exceptional item pertaining to DGEN plant impairment in FY 2019-20.
2. There is a significant change (i.e. variation of 25% or more) as compared to the previous year in Net Profit Margin as indicated above, mainly due to reduced revenue on account of reasons explained in the preceding para.

RISKS AND CONCERNS

Key risks and concerns in the businesses of the Company are briefly explained below:

- The Company has operational gas-based power generation capacity of 2,730 MW, out of which 1,188 MW is tied up as on March 31, 2021 under long term PPAs and balance 1,542 MW untied capacity is dependent on short term power contracts for their operation. During the year, certain portion of such capacity remained unutilised for want of short term power contracts or unviability of prices in the short term power market.

  The Company has built capabilities to import LNG from international markets at efficient prices to operate its power plants. However, such prices are subject to fluctuations and associated foreign exchange risks, consequent to which, there would be periods during which power from these plants would be uncompetitive.

  The fuel (coal and gas) contracts of the Company contain Take or Pay obligations. During the year, owing to reduced demand, the Company could not draw fuel as per the contract and hence there was a potential liability. However, the situation being in the nature of Force Majeure, relief to a great extent has been provided by the Fuel suppliers to the Company.

  The Company is making efforts to get long term PPAs for its unutilised gas power capacity. However, large stranded coal based capacities, Government's thrust to increase renewable generation capacity in the country coupled with falling tariffs of renewable power poses a risk to the Company's uncontracted generation capacity. Nonetheless, the Company is relying on the Hon'ble Prime Minister's vision to increase the share of natural gas and hence is optimistic of utilisation of the current unutilised gas based capacity in the medium term.

- The Company's 362 MW AMGEN coal-based power plant is required to comply with stricter emission norms by December 2022. Such compliance is expected to involve significant capital expenditure, which will significantly increase the cost of electricity from this plant in view of limited remaining useful life of the plant. In absence of compliance, the Company may be required to phase out AMGEN on or before December 2022. AMGEN is also situated in a densely populated area where lot of town planning schemes are coming up. These aspects pose a risk to AMGEN's continued operations.

- The Company's licensed distribution business faces the risk of delay in recovery of some part of cost of supply due to regulatory stipulations. The unrecovered and undisputed regulatory claim as at year end was ₹1,158 Crore, recognised in the financial statements for the year. While such recoveries are permitted with carrying costs for delayed recovery, the same may delay the cash flows of the Company.

  In addition, regulatory disputes also cause delay in recovery of some part of the cost of supply. Such disputed regulatory claim as at the year end was ₹443 Crore, which is not recognised in the financial statements for the year.

- Increasing digitisation and digital inter-connections in the power system of the country have made the stakeholders (generators, transmission entities, distribution entities and load dispatch centres) exposed to increased risks of cyberattacks and made vulnerable to widespread and prolonged service disruptions and data leakage, fraud, etc. The Company has adopted Zero Trust Network approach for its IT systems and adopted ISO 27001 framework or IT security. Periodic audit and risk assessment is carried out and vulnerabilities, if any, are addressed.

- The devastating second wave of COVID-19 is much more severe than the first wave. Regional lockdowns are already a reality due to which the demand as well as collection efficiency are expected to fall in some of the businesses of the Company, more particularly the franchised distribution business and merchant sales. There could be several other unforeseeable impacts due to the pandemic.

BUSINESS OUTLOOK

1. **Thermal Generation**

   SUGEN and UNOSUGEN plants are expected to operate at reasonable PLF levels on back of long term PPAs for 76% capacity and availability of reasonably priced LNG. They will continue to harvest opportunities in short term power market by operating uncontracted capacity; however due to reduction in demand and price of electricity, the volume and contribution will be lower than historical levels.

In the short term, DGEN plant is expected to operate intermittently for supplies in merchant power market, albeit at lower volume and contribution. In the medium to long term, several favourable developments are likely to improve the prospects for DGEN plant such as: (i) availability of gas at favourable price; (ii) expected growth in power demand, including peak demand due to several governmental initiatives; (iii) emphasis of the Government on developing a gas market in India with all supportive infrastructure; (iv) need for balancing power to manage the intermittency of renewable power; (v) ability to service peak load and provide ancillary services in the power system; and (vi) expected increase in pollution tax/costs on coal based plants, thus creating a level playing field.

2. **Renewables**
The Company expects its renewable power assets to operate efficiently in the coming years as per given climatic conditions. With focus of the government on renewable power generation, and with the Company's experience of executing and operating renewable projects, it intends to grow further in the renewables segment with focus on solar. The Company submitted bids and won 700 MW of solar power projects in FY 2020-21; is actively procuring land for solar power project development; and putting in efforts to explore and seize opportunities as they come up. The Company is also actively looking at acquisition opportunities in the renewable segment.

3. **Distribution**
In Licensed Distribution business, the Company will focus on developing the licensed area of Dholera SIR and expanding and upgrading its network in existing areas of Ahmedabad, Gandhinagar, Surat and Dahej SEZ to cater to the growth in demand and further reduce T&D losses.

In Franchised Distribution business, the Company will focus on developing the operations at franchised area of SMK and expanding and upgrading its network in existing areas of Bhiwandi and Agra to cater to the growth in demand and further reduce AT&C losses.

The Company will continue to look out for new opportunities in distribution sector in the form of privatisation or franchise of existing areas. Having recognised that the only way forward to reduce the AT&C losses is privatisation; the Ministry of Power is pushing for privatisation in the distribution sector; thereby creating growth opportunities for the Company. The Company has already emerged as the highest bidder in the privatisation process for 51% stake in the DISCOM for the UT of Diu, Daman, Dadra and Nagar Haveli.

It is expected that other UTs such as Puducherry, Jammu & Kashmir, State of Goa may announce privatisation. The Purvanchal DISCOM and other DISCOMs of State of Uttar Pradesh may also come up for privatisation. However, strong protests by employee unions may delay the process in some key states.

The stringent operational norms proposed for DISCOMs will also lead to greater franchise opportunities for the Company in the near to medium term.

4. **Transmission**
Currently, the Company has limited investments in the transmission segment; however, given the huge investment opportunity available in this segment, robust regulatory mechanisms, limited counter-party risks and the Company's strengths in financing and executing large Projects, this is an area earmarked for future growth. The Company intends to selectively participate in tariff based competitive bidding for transmission projects (inter-state and intra-state) at attractive returns.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control Systems are commensurate with the size and nature of its operations, aimed at achieving efficiency in operations, optimum utilisation of resources, reliable financial reporting and compliances with all applicable laws and regulations. Deloitte Haskins and Sells LLP is the Internal Auditor of the Company. It carries out extensive internal audit throughout the year across all functional areas and submits reports to Management and Audit Committee. The recommendations from such internal audit and follow up actions for improvements of the business processes and controls are also periodically reviewed and monitored by the Audit Committee.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis may be forward-looking. Actual outcomes may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify, update or revise any such statements on the basis of subsequent developments, information or events.

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered Address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380015.
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	FY 2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution. NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Generation, transmission & distribution of electricity and manufacturing & sale of electric cables.
9.	Total number of locations where business activity is undertaken by the Company	17
10.	Number of international locations	NA
11.	Number of national locations	17
12.	Markets served by the Company – Local/ State/ National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details (Standalone basis)
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹11,776.52 Crore
3.	Total profit after taxes (TCI)	₹1,328.30 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.54% of Total Comprehensive Income (TCI) of FY 2020-21.
5.	List of activities in which expenditure in 4 above has been incurred	The list of activities in which CSR expenditure in 4 above has been incurred is part of the Board's Report included in this Annual Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has the following Subsidiary Companies: (a) Torrent Solargen Limited (b) Torrent Power Grid Limited (c) Torrent Pipavav Generation Limited (d) Latur Renewable Private Limited (e) Jodhpur Wind Farms Private Limited (f) TCL Cables Private Limited (g) Torrent Solar Power Private Limited (h) Torrent Saurya Urja 2 Private Limited (i) Torrent Saurya Urja 3 Private Limited
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	The BR Initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in BR Initiatives of the Company.
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes, the Company's contractors and suppliers are required to participate in some of the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/ policies

Sr. No.	Particulars	Details
1.	DIN	02685284
2.	Name	Shri Jinal Mehta
3.	Designation	Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628300
5.	E-mail Id	cs@torrentpower.com

2. Principle-wise (as per NVGs) BR Policy/ policies

(a) Details of compliance (Reply in Y/N)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for…	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all the policies have been approved by the Board, except the Human Resource policies and Integrated Management System (IMS) policies, which have been approved by Chairperson or MD.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at www.torrentpower.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why:

Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors/ its Committees/ Chairman or any authorised officials of the Company, as the case may be, assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes Business Responsibility Report and the same can be accessed at www.torrentpower.com The same is published annually.

SECTION E: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:
The Company received 6 shareholder complaints during FY 2020-21. 100% of such complaints were satisfactorily resolved.

Other Stakeholder Complaints:
The Company received 4 complaints from other stakeholders (i.e. employees and contractors) during FY 2020-21 via the Whistle Blowing Mechanism. 75% of such complaints were satisfactorily resolved, with 1 case pending to be resolved.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated measures covering social as well as environmental concerns, risks and/or opportunities in each of these as under:

- Most of the units of the Company are IMS certified covering ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) and ISO 45001 (Occupational Health and Safety Management System). Some of the units have also additionally obtained ISO 50001 (Energy Management System), ISO 55001 (Asset Management System) and ISO 27001:2013 (Information Security Management System).
- The Company has become the first electric utility in India to achieve Five Star rating in British Safety Council (BSC) Audit for Occupational Health and Safety (OH&S) and subsequently accorded the prestigious Sword of Honor award for one of its licensed distribution units.
- State-of-the-art technologies in its gas based plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), Combined Cycle Power Plants (CCPPs) in single shaft configuration thereby reducing the land and carbon footprint etc. have been resorted to, duly taking into consideration societal and environmental sustainability. Such CCPPs are also registered under Clean Development Mechanism (CDM).
- The effluent water generated from the generating plants is utilised in horticulture thus avoiding/ minimizing discharge of the same outside plant premises.
- Generation plants have also implemented Five-S (Workplace Management System) and have been certified by Quality Circle Forum of India (QCFI) and Union of Japanese Scientists and Engineers (JUSE).
- The Company has established systems and procedures through Standard Operating Procedures (SOPs) for safe and effective operation and maintenance of its plants as well as its transmission and distribution

network duly mitigating risks and health hazards. Suppliers are also made participants in our systems and procedures. To enhance safety consciousness amongst all stakeholders and inculcate the safety culture, Behaviour Based Safety (BBS) has been implemented at Generation plants and Distribution units.

- The Company regularly undertakes network revamping and uprating to replace old and dilapidated overhead/ underground network including undergrounding of network, revamping of consumer end installations, Mini Section Pillars (MSPs), etc. with a primary objective of improving the reliability of the network and safety of employees and general public. The Company uses high efficiency energy meters and star rated distribution transformers. Accordingly, the Company's Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas thus saving on energy. The Company has undertaken implementation of smart grid technology including automatic meter reading and distribution automation to remotely monitor the assets and reading of meters and set up multiple customer convenience centers reducing travel and thereby reducing use of fossil fuel.
- The Company's Distribution units have installed more than 7,000 state-of-the-art technology SF6 gas insulated switchgears for protection and operation of 11KV distribution network. Such units undertake activity of earthing reactivation of DSS equipment and MSPs for safety of public and other stake holders. Distribution units also undertake installation of dry type transformers, hermetically sealed and ester filled distribution transformers located in crowded and densely populated areas including pole mounted transformers for enhancement of public safety and environment protection. The Company has installed Very Early Smoke Detection and Alarm (VESDA) system for its major stores.
- Various other initiatives include introduction of spill management system to reduce spillage of mineral oil to minimise soil contamination, use of Horizontal Directional Drilling technology instead of soil excavation for cable laying, use of mobiles and handheld gadgets as substitute to paper for field data collection, use of nets around outdoor EHV substation to prevent intrusion of birds and animals, continuous improvement in safety standards, regular safety and environment audits, mock drills, Demand Side Management (DSM) and energy conservation awareness programmes amongst customers in Distribution units. Further, the Company has adopted biodegradable and environment friendly packaging for materials being procured and uses steel drums instead of wood cable drums, resulting in reduction of consumption of wooden drums by 25%. Further the same out bound vehicle, which is sent for dispatching the finished cable, is arranged to bring back the empty drums there by reducing carbon emissions during transportation. Usage of single use plastic in packaging material has been stopped at some units of the Company.
- The Company is promoting installation of Solar Rooftop amongst its customers so as to contribute to increase in share of renewables in the country.
- Products at cables unit include 132 KV cables with aluminum corrugation (in place of lead sheath); 66 KV cables with HDPE outer sheath in place of PVC outer sheath which is less environment friendly, wooden drum using reusable PP sheet in place of wooden planks and returnable steel drums in place of wooden drums.
- Safety of employees and general public is given high importance in the organisation. Safety Committees are formed and headed by senior officers with participation from supervisors and experienced workers who effectively contribute to improving the safety performance of the organisation.
- Occupational health of the employees is given equal priority. Various measures including installation of adequate number and appropriate type of fire extinguishers, fire suppression system, fire detection and alarm system, emergency siren system, besides Automated External Defibrillators, Self-contained Breathing Apparatus, Stretchers, First aid boxes and Ambubags (for artificial respiration) are made available. The Company has also trained suitable number of employees for first aid treatment and emergency response. Quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (workplace and ambient), drinking water, food and DG stack emission etc. is carried out. The Company has conducted various inhouse surveys i.e. noise, vibration, stress monitoring, Display Screen Equipment (DSE), asbestos, fragile roof, legionella and safety culture to foster safety culture and enhance safety standards based on outcome of that. New offices and substations are designed to ensure maximum use of natural light and to the extent possible are equipped with contact less water taps, waterless urinals, motion sensor based lighting systems and star rated air conditioners. Installation of water meter to monitor the water usage is undertaken at few units.
- The Company has established various policies like OH&S, Road Safety, Fire Safety and Health & Wellbeing. The Company has arranged various trainings on OH&S topics for relevant stakeholders to ensure competent workforce. The Company celebrates the National Safety Week with the objective to spread and enhance the desired safety culture across the organisation. The Company also celebrates environment day to reemphasize to its employees its concern for environment while carrying out various activities. Further, the Company celebrates the national energy conservation day to spread awareness amongst the customers & employees regarding energy conservation, demand side management and use of energy efficient appliances.
- Further, the Company is engaged with its neighbourhood by providing employment opportunities, skill development and health care facilities. The Company has set up ultra modern health care facility near SUGEN, named Rangtarang.
- The Company has launched an upgraded version of mobile app for customer convenience. Features like language of choice, service over video call etc. are offered for customer convenience. SAP has been launched across all business units for uniform customer experience. Proactive updates and notifications are sent to consumers for all services including billing, metering, outages and application process etc.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its generating stations. These initiatives include timely maintenance of plants by following preventive and predictive maintenance philosophy. The Company's gas based plants continue to be some of the most efficient power generating stations in the country and have bettered the performance targets under BEE PAT scheme earning Energy Saving Certificates and helping the national mission of emissions reduction.
- Large scale replacement of conventional luminaires with LED devices, installation of rooftop solar panels and solar water heaters, installation of Air Turbo Ventilator at rooftop for air ventilation, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting, use of recycled paper and packaging material, recycling of the paper consumed, etc. Solar power is being used for common facilities of townships.
- As a part of DSM Scheme, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalise the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.
- The Company has put in place various procedures to improve generation estimation, consumables used for maintenance activities and water consumption for domestic as well as cleaning of solar panels.
- Water consumption is recorded and optimised to reduce the wastage. Energy consumption mainly during lean wind velocity in case of wind power plants and low solar radiation is being measured and optimised.
- Further, the Company has carried out energy audit of all offices and substations in all its licensed distribution areas to identify the opportunities of energy conservation. As a part of its outcome, various energy conservation initiatives including replacement of air-conditioners by star-rated air conditioners, conventional lights by LED, etc. have been undertaken.
- Converting DC drive system to AC drive system has enabled energy conservation by around 10% in some of the machines at Cables unit.
- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel, disposal of food waste for composting through authorised vendors, bill on WhatsApp and online payment promotions.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, sustainability is extended to suppliers/ vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Prevention of Bribery

& Corruption are in place. Counselling and monitoring of suppliers/ vendors is being done regularly.

Some of the initiatives include procurement of power transformers with environment friendly ester oil instead of mineral oil, procurement of cobalt free silica gel, procurement of asbestos free products, use of CNG vehicles for commuting purpose and digitalisation of all documents to minimise printing/re-printing.

The Company has also incorporated procedures e.g. TREM card, stringent pre-qualification criteria etc. in its IMS to ensure that transportation of equipments, chemicals and other materials are compliant with rules and regulations and Company's own procedures. Fuel gas lines are maintained as per Petroleum and Natural Gas Regulatory Board (PNGRB) guidelines and safety audits are carried out at regular intervals. Usage of water is optimised by optimizing the Cycle of Concentration in cooling water and recycling of waste water.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker sections/ women of the society, wherever possible) in order to promote entrepreneurship among them. Continuous engagement takes place with such suppliers to improve their capacity & capability. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of the units.
- Local people have been trained and employed as security guards at some of the plants.
- All packing materials (steel & wooden drums & planks) and some of the raw materials such as PVC Fillers & GI Armour Strips for one of its unit are procured locally from small vendors.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, horticulture, housekeeping, gardening, transportation, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units during construction phase have been absorbed in employment and external technical training has been imparted to them at eminent institutes prior to or during employment.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in "Reduce-Reuse-Recycle" principle. Some of the initiatives taken as part of this principle include:

- 100% utilisation of fly ash generated as waste from the coal based plant.
- Re-use of treated effluent water.
- Use of waste water for gardening, sprinkling, etc.
- Zero liquid discharge since August 2017 at SUGEN plant and since April 2016 at DGEN plant.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used for landfill.
- PVC Scrap (>90%) is recycled & reused in inner sheath, outer sheath & PVC fillers at Cables unit.
- Hazardous wastes e.g. used oils, batteries, e-wastes, bio-medical wastes, etc. are disposed of only to State Pollution Control Boards approved authorised Treatment, Storage and Disposal Facilities (TSDF) & recyclers.
- The distribution units undertake oil filtration activity of its power and distribution transformers for reutilisation of oil and conservation of natural resources.
- Recycling of non-hazardous plastic waste through authorised recyclers.
- Use of steel cable drums and reusing them as substitute to wooden cable drums.
- Use of recycled papers for energy bills and other stationeries and recycling of papers through paper recycler.
- Other initiatives include monthly/ daily monitoring of resource consumption including paper, water, electricity, food waste, LPG & PNG, petrol and diesel and disposal of food waste for composting through authorised vendors.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

Total number of permanent employees is 7,803 as on March 31, 2021.

3.2 Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

Total number of employees hired on temporary/ contractual/ casual basis is 8,966 as on March 31, 2021.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 670 as on March 31, 2021.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 25 as on March 31, 2021.

3.5 Do you have an employee association that is recognised by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognised employee association?

~37% of the total permanent employees of the Company are members of such recognised employee association.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the last financial year and pending, as on the end of the financial year.

The Company does not engage any child labour, forced labour or involuntary labour.

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in FY 2020-21.

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/ Temporary/ Contractual Employees

(d) Employees with Disabilities

Percentage of employees who were given safety & skill up-gradation training in the last year is as under:

(a) Permanent Employees – 76.62%

(b) Permanent Women Employees – 66.87%

(c) Casual/ Temporary/ Contractual Employees – 64.30%

(d) Employees with Disabilities – 80.00%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

4.1 Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's Report included in this Annual Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Various Company Policies as indicated below promote Human Rights:

- Policy on Protection of Women against Sexual Harassment at Workplace
- Conviction for Safety Policy
- Policy on Financial Support in the event of Demise
- Mediclaim Policy for Employees
- Policy for Medically challenged employees
- Grievance Redressal Mechanism
- Equal pay for Equal work without discrimination on the basis of gender.

Besides covering the Company, the policies are also extended to various stakeholders including Group companies, Suppliers, Contractors, etc. as relevant.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY 2020-21.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of the Company also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company. Further, the IMS covering ISO 14001 for Environment Management at most of the units spells out dedication to maintain the ecological balance while carrying out operations.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company recognises the value of the environment to the community and future generations and is committed to managing its business as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address global environmental issues such as Climate Change, Global Warming, etc. include most of its generation capacity being natural gas based, which is a cleaner fuel and renewable based comprising solar and wind.

The Company is seized of the global environmental scenario and in its efforts to contribute towards sustainability, the Company has chosen state-of-the-art technology for its CCPPs with advanced class Gas Turbines using clean fuel technology of natural gas leading to lower carbon footprint and very low NOx emission. The Company's CCPPs are also registered under CDM.

Renewable energy, being considered as clean technology, have least impact on climate change and global warning. As a responsible corporate citizen, the Company has forayed into renewable energy arena in a big way by installing solar and wind energy plants. The Company believes that maximum utilisation of renewable energy sources will significantly contribute towards environment protection and preservation.

Further, continuous investments in power distribution infrastructure are made and appropriate measures are taken to reduce technical losses. Power is also procured from power plants using environment friendly fuels and renewable power plants to the extent possible.

Further, various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's Report included in this Annual Report and is available at the following link: www.torrentpower.com.

6.3 Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company believes in following world class practices in its operations. The Company has implemented ISO 14001 for Environment Management at most of the units and has established systems and processes for assessing the environmental risks arising out of various activities being carried out and measures to minimise the environmental impact are in place and captured in onsite/ offsite emergency plans and in risk registers more particularly under IMS.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company have been registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. SUGEN Project was one of the largest and pioneering generation project approved under CDM globally in 2007.

Annual reduction of ~8.5 million CO_2 can be achieved by generation of power through these Projects. The Company has already achieved ~18 million of CO_2 emission reduction (approved by UNFCCC) as per the Compliance reports filed till date.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Bulk of generating capacity of the Company is with the cleanest fuel, namely natural gas. In addition, it has installed solar and wind plants at different locations. The Company intends to further expand its renewable energy generation portfolio.

Further, treated effluent water is being reused, attaining Zero Liquid Discharge (ZLD) since August 2017 at SUGEN and since April 2016 at DGEN. Vegetation and food waste are used in making compost, which in turn is used as manure. Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure/ for landfill. Solar power is being used for common facilities of townships.

Hazardous wastes viz used oils, e-waste are disposed off only to authorised recyclers. Further, replacement of conventional luminaires with LED devices, recycling wastewater, rainwater harvesting etc. have been implemented.

In order to promote clean technology and renewable energy, besides what is stated above, the Company has sourced about 12.5% of its total power requirement of licensed distribution business from wind and solar plants. The Company has also installed Solar Rooftop system for its captive consumption. The Company strives for reduction in distribution losses by improving the network and reducing the theft of electricity. Unauthorised use of electricity has been curtailed which otherwise also invokes safety hazards. Mass meter replacement activity was initiated at one of the units. The Company promotes solar power for residential units as per the solar policy.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's Report included in this Annual Report and are available at the following link: www.torrentpower.com.

6.6 Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, the emissions generated from the Generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 2020-21. The data of emissions, where required, is also being shared with the CPCB and SPCB through online servers. Waste generated by the Company during FY 2020-21 was also within the permissible limits given by CPCB and SPCB. Hazardous waste is disposed of only to authorised recyclers.

6.7 Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices have been received during FY 2020-21 either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of various trade associations and chambers. The major ones are as under:

- Confederation of India Industries (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Coal Consumers' Association of India (CCAI)
- Gujarat Safety Council
- National Safety Council
- Indian Smart Grid Forum

7.2 Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement/ improvement of power sector and cable industry majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the Company have specified programmes/ initiatives/ projects in pursuit of the Policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes/ projects in pursuit of the Policy related to Principle 8. The details of such programmes/ projects are part of the Board's Report included in this Annual Report.

8.2 Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

The identified programmes/projects were carried out directly by the Company itself including through two of its Section 8 companies namely "Tornascent Care Institute" and "UNM Foundation" (amalgamated with Tornascent Care Institute w.e.f. April 26, 2021 having appointed date as April 1, 2020) which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions/ NGOs/ local Governments/ implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene, etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes/projects undertaken either on its own or through external agencies are part of the Board's Report included in this Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessment of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

8.4 What is your Company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.

During FY 2020-21, the Company contributed ₹33.73 Crore to various community development programmes/ projects as part of its CSR initiatives. The details of such programmes/ projects are part of the Board's Report included in this Annual Report.

Besides this, the Company undertook various other initiatives, details of which are part of Board's Report included in this Annual Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Various steps taken to ensure that the community development initiatives are successfully adopted by the community are part of Board's Report included in this Annual Report.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

In the generation and transmission business there were no complaints.

~100% of complaints in Distribution business were resolved within the turnaround time as prescribed by Hon'ble GERC/MERC/UPERC.

3.7% of complaints were pending as on March 31, 2021 for the cables business.

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Not Applicable as the Company has no packaged product.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Distribution segment of the Company's business caters to over 3 million consumers as on March 31, 2021. The Company has taken advantage of technological developments and captured feedbacks through SMS and mobile application. Also, through an internally developed platform named "Sampark", 4 calls per week are made to customers to record their first hand feedback. During the period from January 2020 to December 2020, the Distribution segment collated over 63,000 feedbacks. Every negative feedback is processed, resolved and closed with the customer. The overall satisfaction level was 92%.

At the Cables Unit, Customer Satisfaction Index (CSI) has been defined & is monitored on ongoing basis.

Report on Corporate Governance

This report sets forth the disclosures for FY 2020-21, pertaining to Corporate Governance of Torrent Power Limited ("the Company"), as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy comprises of three core principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILITY in organising and managing all aspects of its activities. Based on this philosophy, the Company develops its practices on various aspects and elements of governance, ensuring that these at the minimum comply with the requirements of applicable laws and regulations. In the matters not covered by the applicable laws and regulations, the governance practices are developed in consonance with the core principles and keeping in balance interests of all stakeholders.

For FY 2020-21, the Company is in compliance with the Corporate Governance norms stipulated in the Listing Regulations.

2. BOARD OF DIRECTORS

a) Composition and Category of the Board

As at the year end, the Board had an optimum combination of Executive and Non-Executive Directors with three Women Directors. More than 75% of the Board members are Non-Executive and more than 55% of the Board members are Independent Directors.

As at the year end, the Board composition consisted of 9 Directors with following composition:

Executive Director	2 (both Promoter Directors)
Independent Director	5 (includes 2 Women Directors)
Non-Executive Non-Independent Director	2 (1 Promoter Director & 1 Woman Director)
Total	**9**

Composition of the Board is in conformity with the applicable law and regulations.

b) Details of Memberships / Chairpersonships of the Directors in other Boards and in Committees of the Board

The table below sets forth the above particulars for each Director as on March 31, 2021.

Name of the Director	Category	Other Directorships	Other Board Committee Memberships	Other Board Committees in which Chairperson	Directorship in other listed entities	
					Name of Entity	Category
Sudhir Mehta, Chairman Emeritus	Non-Executive Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Non-Executive Director (Promoter)
Samir Mehta	Chairperson & Managing Director (Promoter)	1	-	-	Torrent Pharmaceuticals Ltd.	Chairperson & Managing Director (Promoter)
Pankaj Patel	Independent Director	3	3	1	Bayer Cropscience Ltd.	Independent Director, Chairperson
					Cadila Healthcare Ltd.	Non-Executive Non-Independent, Chairperson
Samir Barua	Independent Director	3	2	1	-	-
Keki Mistry	Independent Director	5	6	2	Tata Consultancy Services Ltd.	Independent Director
					HDFC Life Insurance Company Ltd.	Non-Executive (Nominee Director)
					HDFC Asset Management Company Ltd.	Non-Executive Non- Independent Director
					Housing Development Finance Corporation Ltd.	Managing Director, Vice Chairman & Chief Executive Officer
Bhavna Doshi	Independent Director	8	6	5	Indusind Bank Ltd.	Independent Director
					Sun Pharma Advanced Research Company Ltd.	Independent Director
					Everest Industries Ltd.	Independent Director
Dharmishta Raval	Independent Director	6	3	2	Zydus Wellness Ltd.	Independent Director
					Cadila Healthcare Ltd.	Independent Director
					Nocil Ltd.	Independent Director
Sunaina Tomar	Non-Executive Director, Nominated by Govt. of Gujarat (a shareholder)	9	1	-	Gujarat State Petronet Ltd.	Non-Executive (Nominee Director)
					Gujarat Gas Ltd.	Non-Executive Non- Independent Director
					Gujarat State Fertilisers & Chemicals Ltd.	Non-Executive Non- Independent Director
					Gujarat Industries Power Company Ltd.	Non-Executive (Nominee Director), Chairperson
Jinal Mehta	Managing Director (Promoter)	1	-	-	-	-

Notes: For the purpose of considering the above numbers :

(a) All public companies excluding the Company, are considered and all other companies including private companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 ("Act") are excluded.

(b) Only Audit and Stakeholders' Relationship Committee memberships / chairpersonships are reckoned.

Sudhir Mehta and Samir Mehta are brothers. Jinal Mehta is son of Sudhir Mehta. All other Directors are not related inter-se.

All the Directors have periodically and regularly disclosed to the Company information on their directorship and membership on the Boards / Committees of other companies. Based on the disclosures received, none of the Directors of the Company hold directorships / memberships / chairpersonships more than the prescribed limits across all companies in which he / she is a Director.

c) **Board Meetings**

The Board of Directors met four times during FY 2020-21 on May 18, 2020, August 06, 2020, November 05, 2020 and February 09, 2021.

The calendar of Board Meetings of FY 2020-21 was communicated to all the Directors well in advance. The Board Meetings of FY 2020-21 were conducted from the registered office in Ahmedabad via Audio Video Conferencing due to nationwide lockdown and restriction imposed by the Government of India in view of prevalent COVID-19 situation. The Board met at least once in a quarter and time gap between two consecutive meetings did not exceed 120 days.

The agenda for the Board Meeting was circulated to all the Directors at least 7 days prior to the date of the Meeting, except for table agenda items, which were placed before the Board with approval of the Independent Directors. The agenda for the Board Meetings included detailed notes on the matters to be considered at the Meeting to facilitate the Directors to take informed decisions. Minimum information to be placed before the Board under Regulation 17(7) read with Schedule II of the Listing Regulations was placed before the Board for its consideration. The requisite quorum was present in all the Meetings.

The attendance of each of the Directors at the Board Meetings and Annual General Meeting ("AGM") held during the year under review, are as under:

Name of the Director	Board Meetings held during the year	Board Meetings Attended	Attendance at the last AGM
Sudhir Mehta	4	4	Yes
Samir Mehta	4	4	Yes
Pankaj Patel	4	4	Yes
Samir Barua	4	4	Yes
Keki Mistry	4	4	Yes
Bhavna Doshi	4	4	Yes
Dharmishta Raval	4	4	Yes
Sunaina Tomar, IAS	4	1	No
Jinal Mehta	4	4	Yes

d) **Independent Directors**

Based on the declaration of independence and other disclosures made by the Independent Directors, the Board has noted that they fulfil the conditions of independence specified in the Act and the Listing Regulations.

Based on the disclosures made by them, no Independent Director served as an Independent Director in more than 7 listed companies and where the Independent Director was a Whole-time Director / Managing Director in any listed company, he / she was not Independent Director in more than 3 listed companies.

A separate Meeting of the Independent Directors was held on February 09, 2021 under the Chairpersonship of Dharmishta Raval to review the matters as required by Schedule IV of the Act and the Listing Regulations.

e) **Criteria for selection of new Directors and Committee Membership**

The Company has in place a policy, which provides criteria as well as process for the identification / appointment of the Directors of the Company. The Policy on Directors' appointment forms part of the Board's Report. The table below sets forth the core skills / expertise / competencies identified by the Board alongwith names of Directors who have such skills / expertise / competence for effective functioning of the Board of Directors:

Skills, Expertise, Competencies	Sudhir Mehta	Samir Mehta	Pankaj Patel	Samir Barua	Keki Mistry	Bhavna Doshi	Dharmishta Raval	Sunaina Tomar, IAS	Jinal Mehta
Strategic Leadership	Significant leadership experience to think strategically and develop effective strategies to drive change and growth in context of the Company's overall objectives.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Experience and / or knowledge of the industry in which the Company operates.								
	Yes	Yes	--	--	--	--	--	Yes	Yes
Financial expertise	Qualification and / or experience in accounting and / or finance coupled with ability to analyse key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.								
	--	Yes	--	Yes	Yes	Yes	--	Yes	Yes
Governance, Risk and compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.								
	--	--	--	--	--	Yes	Yes	Yes	--

f) **Familiarisation Programme**

The familiarisation process for the Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board / Committee Meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including capex plan), strategy discussions and exceptional developments, if any, in the Company.

The details of such familiarisation program have been disclosed on the Company's website at https://www.torrentpower.com/pdf/investors/familiarisationPrograme.pdf.

g) **Shareholding of Non-Executive Directors as on March 31, 2021**

Sudhir Mehta, Chairman Emeritus	6,882 equity shares
Bhavna Doshi, Independent Director (Jointly with spouse)	1,900 equity shares

Apart from the above, none of the Non-Executive Directors holds any shares of the Company.

3. AUDIT COMMITTEE

a) **Terms of Reference**

Major Terms of Reference of the Committee include:

- Overseeing financial reporting process and review of financial statements of the Company and its unlisted subsidiaries;
- Review functioning of vigil mechanism / whistle blower policy;
- Review and approval of related party transactions;
- Scrutiny of inter-corporate loans and investments, review of utilisation of loans and / or advances from / investment by the Company in the subsidiary;
- Review of internal audit function and reports;
- Evaluation of internal financial control and risk management system;
- Recommending to the Board appointment and remuneration of auditors and review their performance and adequacy of internal control systems.

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Qualification	Chairperson / Member	No. of Meetings attended
Samir Barua	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph. D in Management from IIM, Ahmedabad	Chairperson	4
Keki Mistry	Independent Director	C.A., C.P.A. (USA)	Member	4
Bhavna Doshi	Independent Director	M. Com, C.A.	Member	4
Dharmishta Raval	Independent Director	B. Sc., LL.M	Member	4

Composition of the Committee was in compliance with the provisions of the Act and the Listing Regulations.

During the year under review, four Meetings of the Committee were held on May 18, 2020, August 06, 2020, November 05, 2020 and February 09, 2021. The Committee met once in a quarter and time gap between two consecutive Meetings did not exceed 120 days. Senior Management of the Company and representatives of Statutory and Internal Auditors were invited to the Meetings. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Evaluation and recommendation of composition of the Board and its sub-committees;
- Formulation of criteria for determining qualification, positive attributes and independence of a Director;
- Identification of persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommend the same to the Board for their appointment and removal;
- Recommendation to the Board, remuneration proposed to be paid to Directors / Key Managerial Personnel (KMP) / Senior Management;
- Recommendation of Remuneration Policy to the Board;
- Formulation of policy on Board Diversity of the Company;
- Formulation of criteria for performance evaluation of Board, Committees, Individual Directors.

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	2
Sudhir Mehta	Non-Executive Director (Promoter)	Member	2
Dharmishta Raval	Independent Director	Member	2

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, two Meetings of the Committee were held on May 18, 2020 and August 06, 2020. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

c) Performance Evaluation Criteria for Independent Directors

The criteria as well as process for evaluation of the Independent Directors are given below:

Criteria

i. Fulfillment of functions

ii. Participation in the Board in terms of adequacy (time & content)

iii. Contribution at meetings

iv. Guidance / support to the management outside the Board / the Committee meetings

v. Independent views and judgement

Process

i. The Chairperson of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.

ii. The Chairperson to consolidate the comments and give the feedback to individual Directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Resolution of the grievances of all stakeholders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate share certificates, general meetings, etc;
- Review of transfer / transmission / name deletion requests and issuance of duplicate share certificate;
- Overseeing performance of Registrar and Share Transfer Agent in respect of adherence to service standards adopted by the Company;
- Determination of Book Closure period and Record date in respect of shares, debentures, other securities and General meetings of the Company;

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

Powers to approve share transfers / transmission and related requests have been delegated by the Committee to Senior Officials of the Company for expeditious disposal of the Members' requests and complaints.

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below:

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Pankaj Patel	Independent Director	Chairperson	13
Samir Mehta	Chairperson (Promoter)	Member	12
Jinal Mehta	Managing Director (Promoter)	Member	11

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, thirteen Meetings of the Committee were held. All the recommendations / submissions made by the Committee during the year were accepted by the Board. Rahul Shah, Company Secretary is the Compliance Officer of the Company.

c) Investor Grievance Redressal

The Company received 6 complaints during the year under review and the same have been resolved to the satisfaction of the complainants within a reasonable period. No valid requests for share transfer, transmission etc. were pending beyond 15 days or days of extension provided by the SEBI vide its various circulars because of the nationwide lockdown and restrictions imposed in view of COVID-19.

6. RISK MANAGEMENT COMMITTEE

a) Terms of Reference

Major Terms of Reference of the Committee include:

- Formulation of risk management policy including its framework for identification of internal and external risks, measures for risk mitigation, business continuity plan etc.
- Ensuring that appropriate methodology, processes, controls and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy, including evaluating adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering changing industry dynamics and evolving complexity;
- Informing Board about nature and content of its discussions, recommendations and actions to be taken;
- Appointment, removal and approving terms of remuneration of the Chief Risk Officer (if any);

The Terms of Reference were in full compliance with provisions of the Act and the Listing Regulations.

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements

b) Composition and Committee Meetings

The particulars of the Committee as on March 31, 2021 are set forth below.

Name of the Director	Category of Directorship	Chairperson / Member	No. of Meetings attended
Samir Barua	Independent Director	Chairperson	2
Bhavna Doshi	Independent Director	Member	2
Sanjay Dalal*	Chief Financial Officer	Member	2
Lalit Malik#	Chief Financial Officer	Member	NA

* till April 30, 2021

\# w.e.f. May 01, 2021

Composition of the Committee was in compliance with provisions of the Act and the Listing Regulations.

During the year under review, two Meetings of the Committee were held on June 12, 2020 and January 28, 2021. All the recommendations / submissions made by the Committee during the year were accepted by the Board.

Note: All the meetings of Committees were held through Audio-Video Conferencing as allowed by the Ministry of Corporate Affairs.

7. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to remuneration of the Directors, KMP and other employees of the Company. As required by the Act, the Remuneration Policy has been uploaded on the website of the Company at: https://www.torrentpower.com/pdf/investors/20191014_remuneration_policy.pdf.

b) Non-Executive Directors

Non-Executive Directors are compensated by way of Sitting Fees (except promoter category Non-Executive Director) for Meetings attended and annual Commission for participation in Meetings attended. Members have approved payment of annual Commission to Non-Executive Directors, in addition to Sitting Fees, within the limits laid down under the provisions of the Act. The Board of Directors in terms of authorisation granted by the Members, approved the Commission to be paid to each Non-Executive Director. Detailed criteria for remuneration of Non-Executive Directors are part of Remuneration Policy as mentioned above.

c) Particulars of remuneration paid to the Directors for FY 2020-21

(₹ in Crore)

Name of the Director $	Sitting Fees	Salary & Perquisites #	Commission	Total
Sudhir Mehta	-	-	5.00	5.00
Samir Mehta	-	-	10.00	10.00
Pankaj Patel	0.07	-	0.21	0.28
Samir Barua	0.14	-	0.32	0.46
Keki Mistry	0.09	-	0.24	0.33
Bhavna Doshi	0.14	-	0.32	0.46
Dharmishta Raval	0.11	-	0.27	0.38
Sunaina Tomar, IAS @	0.01	-	0.05	0.06
Jinal Mehta	-	10.50	2.50	13.00
Total	**0.56**	**10.50**	**18.91**	**29.97**

$ None of the Directors are entitled to severance pay.

\# Includes Salary, House Rent Allowance, contribution to Provident / Superannuation Funds and approved Allowances / Perquisites (excluding premium for Group Personal Accident and Group Mediclaim Insurance).

@Sitting fees and Commission of Sunaina Tomar, IAS (nominated by the Government of Gujarat (GoG)) is paid / payable to the GoG.

Directors have not been granted any stock options during the year under review.

Apart from payment of Sitting Fees, Annual Commission and Shareholding of Non-Executive Directors disclosed in part 2(g) above, there was no other pecuniary relationship or transactions between the Company and the Non-Executive Directors.

8. GENERAL BODY MEETINGS

- **Last 3 Annual General Meetings of the Company**

Meeting	Date	Time	Venue	No. of Special Resolutions passed
14th AGM	August 01, 2018	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	7
15th AGM	August 05, 2019	09:30 am	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2
16th AGM	August 06, 2020	09:30 am	Through Video Conferencing / Other Audio Visual Means from "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad- 380015	2

No Postal Ballot was conducted during the year under review and as of the date of this Report, there is no proposal to pass any Special Resolution through Postal Ballot.

- **Hon'ble National Company Law Tribunal ("NCLT") convened Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company**

Meetings of Equity Shareholders, Unsecured Creditors of Cables Business Undertaking only and Secured Creditors of the Company were convened during the Financial Year, pursuant to the Order of NCLT, Ahmedabad Bench dated July 21, 2020 read with Order dated June 30, 2020 in the matter of the Scheme of Arrangement between the Company and TCL Cables Pvt. Ltd. ("TCPL") and their respective Shareholders and Creditors ("the Scheme") for transfer and vesting of Cable Business Undertaking of the Company to TCPL. The detail of Meetings are as given below:

Meetings	Date and Time	Venue
Equity Shareholders	September 15, 2020 09:30 am	Through Video Conferencing or Other Audio-Visual Means from "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad- 380015
Unsecured Creditors of Cables Business Undertaking	September 15, 2020 11:00 am	
Secured Creditors	September 15, 2020 02:00 pm	

9. MEANS OF COMMUNICATION

During the year, quarterly Unaudited Financial Results with Limited Review Report and annual Audited Financial Results of the Company with the Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board. The Company published its quarterly Financial Results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company also submitted to the Stock Exchanges the schedule of analysts' or institutional investors' meets and presentations to them. The Company's website: www.torrentpower.com also displays the official news releases, schedules and presentations for investors, key Company policies, its values, CSR and other relevant information in addition to the Financial Results. An exclusive section as "Investors" serves to inform and service the Members, enabling access information at their convenience.

Considering the impact of COVID-19 and consequent restrictions including that on large gatherings and social distancing, the SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 extended the relaxation provided vide SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 from sending physical copies of Annual Report to those Members whose email IDs are not registered with the Depository Participants ("DP"s) and / or with the Company's Registrar and Share Transfer Agent ("RTA") and who have opted for physical copies. In view of the same, the Company will send soft copy of Annual Report for FY 2020-21 to those Members whose email IDs are registered with the DPs and / or with the Company's RTA. Also, soft copy of Annual Report will be available on the Company's website: www.torrentpower.com.

10. GENERAL SHAREHOLDER INFORMATION

a) 17th Annual General Meeting (AGM)

Date	:	Friday, August 06, 2021
Time	:	9:30 am
Venue	:	Video Conference / Other Audio-Visual Means
Remote E-voting Period	:	From 9:00 am on August 02, 2021 to 5:00 pm on August 05, 2021
Cut-off date for Remote E-voting	:	July 30, 2021

b) Tentative Financial Calendar for the year ended March 31, 2022

Financial year	:	April 01, 2021 – March 31, 2022
First quarter results	:	First week of August 2021
Second quarter results	:	Last week of October 2021
Third quarter results	:	First week of February 2022
Results for the year end	:	Third week of May 2022

c) Dividend Payment date

The final dividend, if declared at the AGM, payment of such dividend will be made on or before September 03, 2021, subject to deduction of tax at source.

d) Listing on Stock Exchanges and Security Codes

- Equity shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. in India:

Stock Exchange	ISIN	Security Code
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	INE813H01021	532779
National Stock Exchange of India Ltd. (NSE) "Exchange Plaza", C – 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400051	INE813H01021	TORNTPOWER

- Non-Convertible Debentures ("NCDs") of the Company are listed on the Wholesale Debt Market segment of NSE:

Series	Secured/Unsecured	Coupon rate (p.a.)	ISIN	Security Code
Series 1 *	Secured	10.35%	INE813H07010	TOPO22
Series 2A #	Secured	10.35%	INE813H07051	TOPO21
Series 2B	Secured	10.35%	INE813H07069	TOPO22
Series 2C	Secured	10.35%	INE813H07077	TOPO23
Series 3A	Secured	8.95%	INE813H07085	TOPO21
Series 3B	Secured	8.95%	INE813H07093	TOPO22
Series 3C	Secured	8.95%	INE813H07101	TOPO23
Series 4A	Unsecured	10.25%	INE813H08018	TOPO22
Series 4B	Unsecured	10.25%	INE813H08026	TOPO23
Series 4C	Unsecured	10.25%	INE813H08034	TOPO24
Series 5	Secured	7.65%	INE813H07119	TOPO23
Series 6	Secured	7.30%	INE813H07127	TOPO23

* Series 1: 550 NCDs were partly redeemed on September 28, 2020.
# Series 2A: 100 NCDs were fully redeemed on March 25, 2021.

- Annual listing fees for both, Equity and Debt securities for FY 2020-21 have been paid to the Stock Exchanges, where the securities of the Company are listed.

e) Market price data

Closing market price of equity shares on March 31, 2021 was ₹423.75 on BSE and ₹423.80 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE:

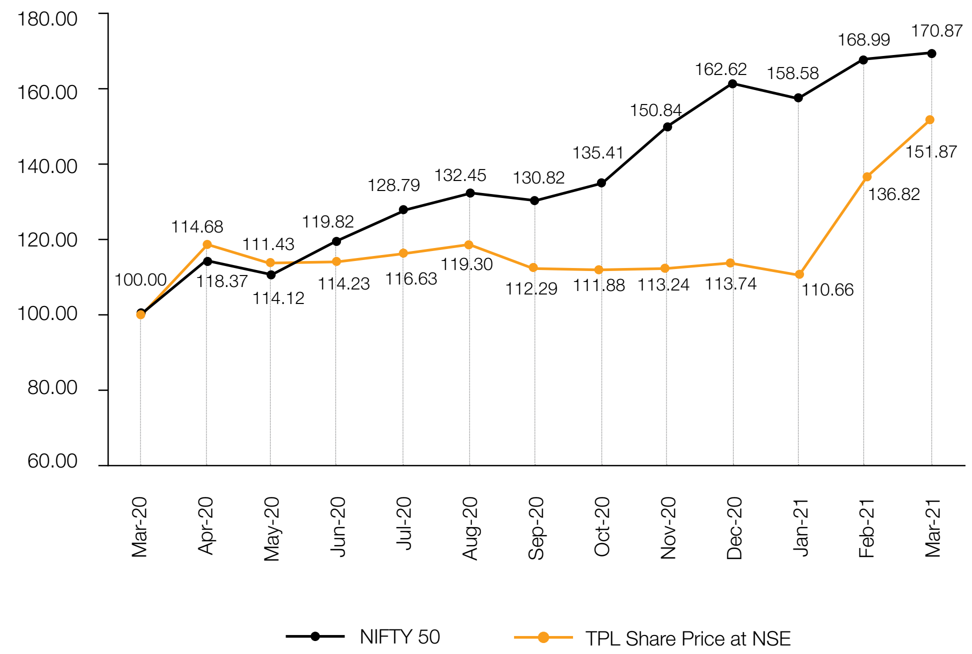
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2020	335.40	272.60	8,69,013	335.65	272.65	2,17,74,548
May, 2020	338.80	291.50	16,46,654	338.70	291.45	3,63,66,435
June, 2020	348.95	314.70	10,18,911	349.95	314.00	2,67,05,537
July, 2020	338.50	313.00	8,32,790	338.70	312.90	2,29,52,277
August, 2020	368.75	325.60	13,77,597	368.90	325.40	4,55,24,451
September, 2020	344.90	305.35	5,03,700	345.10	305.10	2,04,33,390
October, 2020	325.95	293.05	5,31,276	327.10	293.20	1,98,80,749
November, 2020	324.05	301.15	6,09,236	325.00	302.00	2,66,61,850
December, 2020	338.00	293.30	12,82,182	337.35	293.00	3,27,35,173
January, 2021	348.50	298.00	14,39,456	348.75	296.50	3,29,57,737
February, 2021	406.75	304.60	26,25,472	395.75	304.15	5,96,52,237
March, 2021	434.90	379.95	17,25,712	434.45	379.65	3,82,32,791

f) Performance of Equity Share Price vis-à-vis Nifty 50 is as under:

Month	TPL Share Price at NSE (₹)*	NIFTY 50 during the Month* (₹)	Relative Index for comparison purpose	
			TPL share price (%)	NIFTY 50 (%)
March, 2020	279.05	8,597.75	100.00	100.00
April, 2020	330.30	9,859.90	118.37	114.68
May, 2020	318.45	9,580.30	114.12	111.43
June, 2020	318.75	10,302.10	114.23	119.82
July, 2020	325.45	11,073.45	116.63	128.79
August, 2020	332.90	11,387.50	119.30	132.45
September, 2020	313.35	11,247.55	112.29	130.82
October, 2020	312.20	11,642.40	111.88	135.41
November, 2020	316.00	12,968.95	113.24	150.84
December, 2020	317.40	13,981.75	113.74	162.62
January, 2021	308.80	13,634.60	110.66	158.58
February, 2021	381.80	14,529.15	136.82	168.99
March, 2021	423.80	14,690.70	151.87	170.87

* Closing data on the last trading day of the month. Closing equity share price at NSE and NIFTY 50 of March 31, 2020 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s Nifty 50



g) Registrar and Share Transfer Agent

Members are requested to send all documents pertaining to duplicate / transmission / name deletion / demat requests and other communications in relation thereto directly to the Registrar and Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd.
506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat)
Telephone: +91 079 26465179 / 86 / 87
Fax : +91 079 26465179
E-mail: ahmedabad@linkintime.co.in

h) Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, except in case of transmission of securities or transposition of names. The Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of equity shares in electronic form are affected through the depositories with no involvement of the Company.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to the Senior Officials of the Company for expeditious disposal of the Members' requests and complaints. Details of transfers / transmission approved by the delegates were noted by the Stakeholders Relationship Committee at its meeting once in a quarter, which were subsequently noted by the Board of Directors.

i) Distribution of shareholding as on March 31, 2021

- **By size of shareholding**

No. of Shares	No. of Members	% Members	No. of Shares	% of Shareholding
001 to 500	1,02,757	90.04	59,00,657	1.23
501 to 1000	5,878	5.15	39,98,656	0.83
1001 to 2000	2,392	2.10	34,37,173	0.72
2001 to 3000	978	0.86	24,69,972	0.51
3001 to 4000	437	0.38	15,31,893	0.32
4001 to 5000	355	0.31	16,16,734	0.34
5001 to 10000	658	0.57	47,04,088	0.97
10001 & above	672	0.59	45,69,57,611	95.08
Total	**1,14,127**	**100.00**	**48,06,16,784**	**100.00**

- **By category of Members**

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Mutual Funds	7,23,06,112	15.04
3	Foreign Portfolio Investors	4,05,90,333	8.45
4	Insurance Companies	1,64,91,973	3.43
5	Central Government / State Government(s)	70,58,501	1.47
6	Financial Institutions and Banks	12,22,220	0.25
7	Body Corporates	4,87,58,625	10.15
8	Non-Institutional Individuals	3,17,50,853	6.61
9	Others	49,94,849	1.03
	Total	**48,06,16,784**	**100.00**

j) Dematerialisation and Liquidity of shares

Equity Shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). Demat security (ISIN) code for the equity shares of the Company is INE813H01021. As on March 31, 2021, 97.48% of the equity shares have been dematerialised. The shares of the Company are frequently traded on both the Stock Exchanges and hence, the equity shares of the Company are liquid.

k) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

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

l) Disclosure of commodity price risk / foreign exchange risk and hedging Activities

The Company has exposure to US$ / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Company does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such exposures are not likely to have material financial impact on the Company.

The following were the material commodity exposures of the Company during FY 2020-21:

Commodity	Exposure in INR (₹ in Crore)	Exposure in Quantity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Imported & domestic Coal	181	7,16,254 MT	-	-	-	-	-
Liquefied Natural Gas & domestic natural gas	2,499	6,32,89,727 MMBTU	-	-	-	-	-

The commodity exposure was mainly on account of fuel, a substantial part of which was pass through cost and hence, the commodity price exposure was not likely to have a material financial impact on the Company.

m) Registered Office and Plant / Unit Locations

Registered Office	Generation
"Samanvay", 600 Tapovan, Ambawadi, Ahmedabad-380015 (Gujarat)	i. SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat) ii. AMGEN, Ahmedabad-380005 (Gujarat) iii. DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat) iv. Renewable generation Projects located at Patan, Surat, Jamnagar, Rajkot, Kutch in Gujarat, Osmanabad in Maharashtra and Gulbarga and Raichur in Karnataka.
	Distribution
	i. AEC cross roads, Sola Road, Naranpura, Ahmedabad – 380013 (Gujarat) ii. Torrent House, Station Road, Surat-395003 (Gujarat) iii. Plot No. Z/21, Dahej SEZ, Part I, Taluka Vagra, Dist. Bharuch – 392130 (Gujarat) iv. Plot 3a, C7 Road, Dholera Smart City, Taluka: Dhandhuka, Dist. Ahmedabad Gujarat 382455 v. Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra) vi. 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra-282002 (Uttar Pradesh) vii. Nature's Glory Phase – I. Behind Amit Garden Hotel, Mumbra – Kalva Road, Parshik Nagar, Kalwa – 400605

n) Address for Correspondence

Company Secretary
Torrent Power Limited
"Samanvay",
600, Tapovan,
Ambawadi, Ahmedabad - 380015 (Gujarat)
CIN: L31200GJ2004PLC044068
Telephone : + 91 79 26628300
Fax : +91 79 26764159
E-mail : cs@torrentpower.com
Website : www.torrentpower.com

o) Debenture Trustees

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai - 400001 (Maharashtra)
Telephone : (022) 40807005

p) Credit Rating

During the year, CRISIL has reaffirmed long term and short-term credit rating of Company at CRISIL AA / Stable and CRISIL A1+ respectively. India Ratings has reaffirmed short term rating of IND A1+ to Commercial Paper Programme of the Company.

11. OTHER DISCLOSURES

a) Related Party Transactions

The Company has formulated Related Party Transaction Policy, which is in compliance with provisions of the Act and the Listing Regulations. The policy can be accessed on the website of the Company at the web link: https://www.torrentpower.com/pdf/investors/Policy_on_Materiality_of_Related_Party_Transactions.pdf.

During the year, the Company did not enter into any transaction with related parties which were material in nature as defined in the Listing Regulations. The related party contracts / arrangements and transactions entered into by the Company were put forth for the prior approval of the Audit Committee and the Board, as applicable, in compliance with the said policy. The Company has not entered into any transactions, which requires approval of the Members.

Statement of related party transactions was presented to the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts / arrangements and transactions entered into by the Company with related parties are set out in the Notes to the Financial Statements forming part of this Annual Report.

b) Legal Compliances

The Company has formalised a system to track, monitor and document legal compliances applicable to the Company. The Board periodically reviews compliance reports (of all the laws applicable to the Company), prepared by the management. There were no instances of material non-compliances during the year under review. No strictures were passed, or penalties imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

c) Vigil Mechanism / Whistle Blower Policy

The Board has adopted Vigil Mechanism / Whistle Blower Policy for the Company, under which the Company has institutionalised a mechanism for the stakeholders to disclose their concerns and grievances on unethical behaviour and improper / illegal practices and wrongful conduct and instances of leak or suspected leak of Unpublished Price Sensitive Information ("UPSI") taking place in the Company for appropriate action. The policy was amended by the Board on May 20, 2021 and amended policy is available on the website of the Company at https://www.torrentpower.com/pdf/investors/WhistleBlowerPolicy.pdf.

During the year, functioning of the Vigil Mechanism was reviewed by the Audit Committee on quarterly basis. No employee intending to report under Vigil Mechanism was denied access to the Audit Committee.

d) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company.

e) Material Subsidiary Policy

The Company has formulated a Policy for determining Material Subsidiary and same is available on Company's website at https://www.torrentpower.com/pdf/investors/19-01-2019_2vueh_policy_materialsubsidiaries2.pdf.

f) Utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations. However, during the year under review, the Company has issued NCDs on private placement basis, listed on debt market segment of NSE. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed NCDs of the Company.

g) Certificate of Practicing Company Secretary

The Company has obtained a certificate from M/s Rajesh Parekh & Co., Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company have been debarred / disqualified from being appointed / continuing as Directors of any company, by the SEBI and the Ministry of Corporate Affairs or any such Statutory authority.

h) Fees paid to Statutory Auditors

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors - Price Waterhouse Chartered Accountants LLP (012754N/N500016) and to all entities in the network of which Auditor is a part are as under:

	(₹ in Crore)
Audit Fees	1.53
Other Services certificates etc.	0.57
Reimbursement of expenses	0.03
Total	**2.13**

i) Protection of Women against Sexual Harassment at Work-Place

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place". Pursuant to the said Policy, the Company has formed Internal Complaints Committee with majority women members at each of the Unit / Administrative Office. During the year, no complaints were filed with the Internal Complaints Committee.

j) Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

For and on behalf of the Board

Ahmedabad
May 20, 2021

Jinal Mehta
Managing Director
DIN: 02685284

Certificate of Compliance with the Code of Business Conduct

To,
The Members,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the "Code") for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors have received affirmation on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

For and on behalf of the Board

Ahmedabad
May 20, 2021

Jinal Mehta
Managing Director
DIN: 02685284

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Torrent Power Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 62 to the standalone financial statements which describes that the scheme of arrangement (the 'Scheme') between the Company and TCL Cables Private Limited (the 'Transferee Company') for transfer of the Cable business undertaking of the Company to the Transferee Company, has been approved by the National Company Law Tribunal ('NCLT') vide its Order dated December 17, 2020. Accordingly, these financial statements have been prepared after considering the effect of the Scheme with effect from the appointed date of April 01, 2020, as per NCLT approved Order. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
i) Impairment assessment for Power Plant located at Dahej (Refer to note 43(1) to the standalone financial statements):	
The carrying amount of Property, Plant & Equipment ("PPE") includes an amount of ₹2,879.40 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during the current financial year. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 'Impairment of Assets' and has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future price of fuel, exchange rate, expected tariff rates of electricity, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry. The value in use arrived at by the management is higher than the carrying amount of PPE pertaining to DGEN and accordingly, no additional impairment provision is considered necessary as at March 31, 2021 by management. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2021 is significant to the Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management's impairment assessment of DGEN included the following: • Assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment. • Perused the report issued by the external valuer engaged by the management. • Evaluated independence, competence, capability and objectivity of the external valuer. • Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions used. • With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. • Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonable foreseeable range. We noted that the resulting valuation was not materially different to Company's valuation. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Reviewed the adequacy of disclosure in the standalone financial statements. Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.
ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 44 to the standalone financial statements)	
The Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Company did not have normal taxable profit. The assets have been recognised on the basis of Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plans.	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. • Reviewed the Company's accounting policy in respect of recognising deferred tax assets on unutilised tax credits. • Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators. • Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the arithmetic accuracy of the underlying calculations of the profit projections. • Performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board's report, management discussion and analysis, business responsibility report, report on corporate governance but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements – Refer Note 46(a) to the standalone financial statements;
        ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Torrent Power Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements for the year ended March 31, 2021

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets and Note 5 on Right-of-use assets to the standalone financial statements, are held in the name of the Company except for gross block of ₹43.14 crore and net block ₹41.20 crore where such immovable properties have been transferred pursuant to the Scheme of amalgamation approved by the courts in earlier years.

ii. The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 46(a) to the standalone financial statements regarding management's assessment on the matter relating to provident fund.

Further, for the period April 01, 2020 to April 30, 2020, the Company has paid Goods and Service Tax and filed GSTR 1 and GSTR3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 35/2020- GST dated April 03, 2020 on fulfilment of conditions specified therein.

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone financial statements as of and for the year ended March 31, 2021

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise, service tax and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General, Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax, Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	High court for the State of Telangana
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax
Gujarat Value Added Tax Act, 2003	Value Added Tax	6.99	2.41	2007-08 to 2010-11	Gujarat Value Added Tax Tribunal
Finance Act, 1994	Service tax	0.49	0.49	2014-15 & 2016-17	Principal Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	2.75	2.45	2018-19	Commissioner of Income Tax (Appeals)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans and debt instruments have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAE2229

Place: Mumbai
Date: May 20, 2021

Balance Sheet

as at March 31, 2021

(₹ in Crore)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	15,384.78	15,587.93
Right-of-use assets	5	178.35	187.94
Capital work-in-progress	6	837.73	567.40
Investment property	7	0.37	-
Intangible assets	8	18.39	14.98
Intangible assets under development		-	0.19
Investments in subsidiaries	9	414.73	402.82
Financial assets			
Investments	10	124.20	115.95
Loans	11	1,087.04	1,123.92
Other financial assets	12	57.21	1.08
Non-current tax assets (net)	13	8.32	16.44
Other non-current assets	14	333.37	327.36
		18,444.49	**18,346.01**
Current assets			
Inventories	15	386.16	597.89
Financial assets			
Investments	16	241.63	502.20
Trade receivables	17	1,275.52	1,180.58
Cash and cash equivalents	18	95.55	79.42
Bank balances other than cash and cash equivalents	19	93.22	144.78
Loans	20	145.40	91.39
Other financial assets	21	2,024.55	1,825.44
Other current assets	22	71.49	111.92
		4,333.52	**4,533.62**
		22,778.01	**22,879.63**
Equity and liabilities			
Equity			
Equity share capital	23	480.62	480.62
Other equity	24	9,770.61	8,706.65
		10,251.23	**9,187.27**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	25	6,071.12	7,296.28
Trade payables	26		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		116.11	109.71
Lease liabilities	49	30.96	33.05
Other financial liabilities	27	10.00	0.24
Deferred tax liabilities (net)	44	518.15	542.51
Other non-current liabilities	28	1,157.39	1,129.07
		7,903.73	**9,110.86**
Current liabilities			
Financial liabilities			
Borrowings	29	-	-
Trade payables	30		
Total outstanding dues of micro and small enterprises		36.51	24.83
Total outstanding dues other than micro and small enterprises		934.26	1,002.43
Lease liabilities	49	5.05	4.91
Other financial liabilities	31	2,762.29	2,607.45
Other current liabilities	32	537.29	575.54
Provisions	33	303.20	344.71
Current tax liabilities (net)	34	44.45	21.63
		4,623.05	**4,581.50**
		22,778.01	**22,879.63**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	35	11,776.52	13,442.04
Other income	36	250.28	245.09
Total income		**12,026.80**	**13,687.13**
Expenses			
Electrical energy purchased		3,358.36	3,709.40
Fuel cost		3,610.55	4,250.54
Cost of materials consumed	37	-	250.60
Purchase of stock-in-trade		48.24	53.69
Changes in inventories of finished goods and work-in-progress	38	-	1.45
Employee benefits expense	39	521.76	528.49
Finance costs	40	718.96	891.86
Depreciation and amortization expense	41	1,179.85	1,230.16
Other expenses	42	1,005.84	1,225.04
Total expenses		**10,443.56**	**12,141.23**
Profit before exceptional items and tax		1,583.24	1,545.90
Exceptional items	43	-	1,000.00
Profit before tax		**1,583.24**	**545.90**
Tax expense			
Current tax	44	284.48	305.94
Deferred tax	44	(26.15)	(998.18)
		258.33	**(692.24)**
Profit for the year		**1,324.91**	**1,238.14**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	50	5.18	(44.57)
Tax relating to remeasurement of the defined benefit plans	44	1.79	(15.57)
Other comprehensive income for the year, net of tax		**3.39**	**(29.00)**
Total comprehensive income for the year		**1,328.30**	**1,209.14**
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	54	27.57	25.76

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit before tax		1,583.24	545.90
Adjustments for :			
Depreciation and amortization expense	41	1,179.85	1,230.16
Amortisation of deferred revenue	35	(82.20)	(73.67)
Provision of earlier years written back	35	(2.47)	(3.69)
Loss on sale / discarding of property, plant and equipment	42	12.03	16.19
Gain on disposal of property, plant and equipment	36	(3.39)	(2.89)
Bad debts written off (net of recovery)	42	49.81	(17.41)
Provision for onerous contracts	42	1.02	161.78
Allowance for doubtful debts (net)	42	21.48	82.43
Exceptional items	43	-	1,000.00
Finance costs	40	718.96	891.86
Interest income	36	(154.29)	(142.22)
Dividend income	36	(30.75)	(15.32)
Rent income from investment property	36	(0.24)	-
Allowance / impairment for non-current investments	42	1.60	1.55
Gain on sale of current investments in mutual funds	36	(17.59)	(40.76)
Gain on sale of non-current investments	36	-	(8.64)
Gain on slump sale pursuant to scheme of arrangement [Refer note 62]	36	(7.27)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	36	(0.56)	0.36
Net gain arising on financial assets / liabilities measured at amortised cost	36	(11.39)	(13.84)
Financial guarantee commission (amortised)	36	(1.22)	-
Net unrealised loss / (gain) on foreign currency transactions		10.67	12.30
Operating profit before working capital changes		**3,267.29**	**3,624.09**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		150.46	28.78
Trade receivables		(322.45)	(75.07)
Loans		(15.14)	(1.16)
Other financial assets		(168.59)	(27.53)
Other assets		61.76	(26.71)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(41.61)	204.18
Other financial liabilities		65.76	41.06
Provisions		(34.16)	12.92
Other liabilities		(39.36)	(21.05)
Cash generated from operations		**2,923.96**	**3,759.51**
Taxes paid (net)		(253.54)	(290.43)
Net cash flow generated from operating activities		**2,670.42**	**3,469.08**
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,280.70)	(680.11)
Proceeds from sale of property, plant and equipment & intangible assets		7.23	9.55
Consideration received on slump sale [Refer note 62]		256.95	-
Non-current Investment in subsidiaries		(0.15)	(2.00)
Non-current redemption of debentures from associates		-	191.62
Purchase of non-current investments		(1.86)	(1.92)
Loans to related parties		(253.67)	(1,575.62)

Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(₹ in Crore)

		Year ended March 31, 2021	Year ended March 31, 2020
Repayment of loans from related parties		221.33	736.22
(Investments) / redemption in bank deposits (net) (maturity more than three months)		47.70	68.75
(Investments) / redemption in inter corporate deposits		(100.24)	25.00
Interest received		198.61	106.45
(Purchase of) / proceeds from current investments (net)		278.72	10.66
Dividend received from non-current investments		30.75	15.32
Rent income from investment property		0.24	-
Net cash generated from / (used in) investing activities		**(595.09)**	**(1,096.08)**
Cash flow from financing activities			
Proceeds from long-term borrowings		300.00	1,770.00
Proceeds from short-term borrowings		700.00	250.00
Repayment of long-term borrowings		(808.12)	(317.89)
Prepayment of long-term borrowings		(628.58)	(1,970.64)
Repayment of short-term borrowings		(700.00)	(550.05)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan		(3.82)	(3.82)
Receipt of contribution from consumers		116.04	185.69
Dividend paid (including dividend distribution tax)		(264.34)	(958.67)
Principal elements of lease payments		(7.10)	(5.71)
Finance costs paid		(762.94)	(806.82)
Net cash generated from / (used in) financing activities		**(2,058.86)**	**(2,407.91)**
Net (decrease) / increase in cash and cash equivalents		16.47	(34.91)
Cash and cash equivalents as at beginning of the year		79.42	114.33
Cash and cash equivalents transferred pursuant to slump sale [Refer note 62]		(0.34)	-
Cash and cash equivalents as at end of the year		**95.55**	**79.42**
Footnotes:			
1 Cash and cash equivalents as at end of the year:			
Balances with banks			
Balance in current accounts		93.19	78.14
Cheques on hand		0.58	0.94
Cash on hand		1.78	0.34
		95.55	**79.42**

2 The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows" .

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL [Refer note 23]

(₹ in Crore)

Balance as at April 01, 2019	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**480.62**

B. OTHER EQUITY [Refer note 24]

(₹ in Crore)

	Reserves and surplus						Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at April 01, 2019	**0.03**	**197.90**	**9.76**	**78.07**	**3,583.89**	**4,586.53**	**8,456.18**
Profit for the year	-	-	-	-	-	1,238.14	1,238.14
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(29.00)	(29.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,209.14**	**1,209.14**
Transfer to debenture redemption reserve	-	60.20	-	-	-	(60.20)	-
Transfer to contingency reserve	-	-	1.83	-	-	(1.83)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(797.82)	(797.82)
Dividend distribution tax paid	-	-	-	-	-	(160.85)	(160.85)
Balance as at March 31, 2020	**0.03**	**258.10**	**11.59**	**78.07**	**3,583.89**	**4,774.97**	**8,706.65**
Profit for the year	-	-	-	-	-	1,324.91	1,324.91
Other comprehensive income for the year, net of income tax	-	-	-	-	-	3.39	3.39
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,328.30**	**1,328.30**
Transfer to debenture redemption reserve	-	(70.84)	-	-	-	70.84	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-
Transaction with owners in their capacity as owners:							
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)
Balance as at March 31, 2021	**0.03**	**187.26**	**13.46**	**78.07**	**3,583.89**	**5,907.90**	**9,770.61**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 1: GENERAL INFORMATION

Torrent Power Limited ("the Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Company is engaged in the business of generation, transmission and distribution of Electricity.

NOTE 1A: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE COMPANY

The Company has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2020:

i) Ind AS - 1 and Ind AS – 8, Definition of Material

ii) Ind AS - 103, Definition of a Business

iii) Ind AS - 116, COVID-19 related concessions

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following which have been measured at fair value;

- Defined benefit plan assets

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 Business combinations and goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred; and
- acquisition-date fair value of any previous equity interest in the acquired entity

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.3 Investments in subsidiaries, joint ventures and associates:

Investments in associates, joint ventures and subsidiaries are measured at cost less provision for impairment, if any.

2.4 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Company should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.5 Property, plant and equipment:

Tangible fixed assets

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as of April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of tangible assets of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of Assets	Rate of Depreciation		
	Regulated Business	Franchisee Business @	Other Business
Buildings	1.80% to 6.00%	3.34%	3.34%
Railway siding	1.80% to 5.28%	-	-
Plant and machinery	1.80% to 7.00%	5.28%	3.60%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33%
Vehicles	9.50%	9.50%	9.50%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 15.00%

@ governed by the applicable regulations of U. P. Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

2.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

2.7 Intangible assets – acquired:

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of tangible and intangible assets:

Tangible and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalised up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

2.10 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.11 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Revenue recognition:

Revenue is recognised, when the control of the goods or services has been transferred to consumers net of discounts and other similar allowances.

(i) Revenue from power supply is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved FPPPA which are recognised considering applicable tariff regulations / tariff orders, past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 21, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(iv) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.13 Foreign currency translation:

Functional and presentation currency

The financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Company.

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the Statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expense in the financial year in which they arise.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.14 Employee benefits:

Defined contribution plans

Contributions to retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.18 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

iii) Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Company recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted as and when recovered.

Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Company's financial liabilities are measured at amortised cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

v) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

2.19 Contributed equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.20 Leases:

Company as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.21 Exceptional items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items.

2.22 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹50,000 are denoted by '*'.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Company has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Company has not recognised those truing up adjustment claims which are disputed and for which the Company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 35 & 45]

3.2 Property, plant and equipment:

i) Service concession arrangements

The Company has assessed applicability of Appendix D of Ind AS115 "Service Concession Arrangements" with respect to its property, plant and equipment. In assessing the applicability, the Company has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledge the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to 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 etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 43(1)]

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Contd.)

3.3 Impairment of investments in subsidiaries

At the end of each reporting period, the Company reviews the carrying amounts of its investments in subsidiaries when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. [Refer note 43(2)]

Impairment of loans

The Company applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for loans granted by the Company to its subsidiaries.

3.4 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits [Refer note 44(d)]

3.5 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 46(a)]

3.6 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 50.2

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss						Net carrying amount
	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	For the year: Depreciation	For the year: Impairment	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	422.99	-	-	-	(0.37)	422.62	-	-	-	-	-	-	422.62
Buildings	1,545.97	(17.10)	118.01	0.09	21.89	1,668.68	241.50	1.55	55.15	-	0.02	298.18	1,370.50
Railway siding	1.86	-	-	-	-	1.86	0.25	-	0.05	-	-	0.30	1.56
Plant and machinery	19,681.87	(63.61)	844.41	27.03	(6.47)	20,429.17	6,000.80	(33.54)	1,080.68	-	12.12	7,035.82	13,393.35
Electrical fittings and apparatus	43.32	(0.93)	8.59	0.28	0.32	51.02	15.27	(0.40)	3.16	-	0.12	17.91	33.11
Furniture and fixtures	48.53	(0.58)	8.76	0.12	-	56.59	14.08	(0.16)	3.30	-	0.08	17.14	39.45
Vehicles	27.28	(0.26)	2.40	1.28	-	28.14	9.27	(0.13)	2.53	-	0.83	10.84	17.30
Office equipment	142.36	(1.43)	23.35	0.69	0.25	163.84	45.08	(0.64)	12.96	-	0.45	56.95	106.89
Total	**21,914.18**	**(83.91)**	**1,005.52**	**29.49**	**15.62**	**22,821.92**	**6,326.25**	**(33.32)**	**1,157.83**	**-**	**13.62**	**7,437.14**	**15,384.78**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2020	As at April 01, 2019	For the year: Depreciation	For the year: Impairment	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Freehold land	403.10	19.89	*	-	422.99	-	-	-	-	-	422.99
Buildings	1,505.68	43.38	5.62	2.53	1,545.97	187.46	54.11	-	0.07	241.50	1,304.47
Railway siding	1.86	-	-	-	1.86	0.20	0.05	-	-	0.25	1.61
Plant and machinery	18,981.05	728.83	27.94	(0.07)	19,681.87	3,873.64	1,138.87	1,000.00	11.71	6,000.80	13,681.07
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	43.32	12.27	3.06	-	0.06	15.27	28.05
Furniture and fixtures	45.11	3.63	0.21	*	48.53	10.92	3.28	-	0.12	14.08	34.45
Vehicles	23.42	5.52	1.66	-	27.28	7.86	2.60	-	1.19	9.27	18.01
Office equipment	121.06	22.46	1.24	0.08	142.36	34.06	11.76	-	0.74	45.08	97.28
Total	**21,121.54**	**826.83**	**36.74**	**2.55**	**21,914.18**	**4,126.41**	**1,213.73**	**1,000.00**	**13.89**	**6,326.25**	**15,587.93**

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Footnotes:

1 The above property, plant & equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].

2 Capital commitment:

Refer note 46(c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the year include capitalisation of borrowing costs of ₹15.99 Crore (Previous year - ₹2.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

4 Adjustments during the year include change in nature of freehold land from Property, plant & equipment to Investment property of ₹0.37 Crore.

5 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.81% to 7.95% (Previous year - 9.00%).

6 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Company under various headings.

7 Refer note 43(1) for impairment loss in respect of DGEN power plant.

8 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹1,014.07 Crore (March 31, 2020 - ₹1,014.07 Crore).

9 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at March 31, 2021	As at March 31, 2020
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	2.52

NOTE 5 : RIGHT-OF-USE ASSETS

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Land	170.11	-	1.83	-	171.94	6.85	6.94	-	13.79	158.15
Buildings	27.70	-	-	-	27.70	3.45	4.39	-	7.84	19.86
Plant and machinery	0.38	-	-	-	0.38	0.05	0.05	-	0.10	0.28
Office equipment	0.14	-	-	-	0.14	0.04	0.04	-	0.08	0.06
Total	**198.33**	**-**	**1.83**	**-**	**200.16**	**10.39**	**11.42**	**-**	**21.81**	**178.35**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Land	-	174.59	-	4.48	170.11	-	6.90	0.05	6.85	163.26
Buildings	-	13.21	14.49	-	27.70	-	3.45	-	3.45	24.25
Plant and machinery	-	0.38	-	-	0.38	-	0.05	-	0.05	0.33
Office equipment	-	0.14	-	-	0.14	-	0.04	-	0.04	0.10
Total	**-**	**188.32**	**14.49**	**4.48**	**198.33**	**-**	**10.44**	**0.05**	**10.39**	**187.94**

Footnotes:

1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].

2 Refer note 49 for disclosure relating to right-of-use asset.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 6 : CAPITAL WORK-IN-PROGRESS

As at March 31, 2021

(₹ in Crore)

Particulars	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	**567.40**	**1,239.03**	**968.70**	**-**	**837.73**

As at March 31, 2020

(₹ in Crore)

Particulars	As at April 01, 2019	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2020
Capital work-in-progress	358.77	988.23	737.04	(42.56)	567.40
Total	**358.77**	**988.23**	**737.04**	**(42.56)**	**567.40**

Footnotes:

1 The above capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].

2 Capital work-in-progress include borrowing costs of ₹12.37 Crore (March 31, 2020 - ₹11.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

3 Adjustment during the previous year includes ₹26.23 Crore transfer of project to subsidiary company and ₹16.33 Crore write off.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE - 7 : INVESTMENT PROPERTY

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	-	-	-	0.37	0.37	-	-	-	-	0.37
Total	**-**	**-**	**-**	**0.37**	**0.37**	**-**	**-**	**-**	**-**	**0.37**

Footnotes:

1 The Company had leased the part of freehold land with effect from January 15, 2021 as disclosed above to TCL Cables Private Limited for the lease term of 10 years.

2 The fair value of the Company's investment property as at March 31, 2021 has been arrived based on a valuation report by external independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

3 Adjustments during the year include change in nature of freehold land to Investment property from Property, plant & equipment of ₹0.37 Crore.

4 Details of the Company's investment property and information about the fair value hierarchy as at March 31, 2021 are as follows:

Particulars	As at March 31, 2021
Fair value of investment property (₹ in Crore)	110.55
Fair value hierarchy	Level 2 [Refer note 58]

5 The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.

6 Amount recognised in statement of profit and loss for investment property :

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment property [Refer note 36]	0.24	-
Direct operating expenses arising from investment property that generated rental income	-	-
Direct operating expenses arising from investment property that did not generate rental income	-	-

7 Minimum undiscounted lease payments receivable (excluding tax) on leases of investment property are as follows:

(₹ in Crore)

Particulars	As at March 31, 2021
Within 1 Year	1.16
After one year but not more than five years	4.89
More than 5 years	6.73
	12.78

NOTE 8 : INTANGIBLE ASSETS

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortization					Net carrying amount
	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	Transfer due to scheme of arrangement [Refer note 62]	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Computer software	42.31	(0.83)	14.21	-	55.69	27.33	(0.73)	10.70	-	37.30	18.39
Total	**42.31**	**(0.83)**	**14.21**	**-**	**55.69**	**27.33**	**(0.73)**	**10.70**	**-**	**37.30**	**18.39**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Computer software	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98
Total	**36.96**	**5.80**	**0.45**	**42.31**	**19.65**	**8.13**	**0.45**	**27.33**	**14.98**

Footnote:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 25].

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 9 : INVESTMENTS IN SUBSIDIARIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (unquoted) (at cost)		
Torrent Power Grid Limited		
Equity shares of ₹10 each fully paid up	66.60	66.60
(No. of shares - March 31, 2021: 6,66,00,000, March 31, 2020: 6,66,00,000)		
[2,70,00,000 (March 31, 2020 - 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited]		
Torrent Pipavav Generation Limited [Refer note 43(2)]		
Equity shares of ₹10 each fully paid up	47.50	47.50
(No. of shares - March 31, 2021: 4,75,00,000, March 31, 2020: 4,75,00,000)		
Less: Impairment in value of investment	(15.95)	(14.35)
Torrent Solargen Limited		
Equity shares of ₹10 each fully paid up	80.07	80.07
(No. of shares - March 31, 2021: 8,00,50,000, March 31, 2020: 8,00,50,000)		
Jodhpur Wind Farms Private Limited		
Equity shares of ₹10 each fully paid up	117.68	111.00
(No. of shares - March 31, 2021: 11,10,00,000, March 31, 2020: 11,10,00,000)		
[Nil (March 31, 2020 - 5,66,10,000) equity shares pledged as security in respect of the term loan and working capital facility provided to Jodhpur Wind Farms Private Limited]		
Latur Renewable Private Limited		
Equity shares of ₹10 each fully paid up	116.68	110.00
(No. of shares - March 31, 2021: 11,00,00,000, March 31, 2020: 11,00,00,000)		
[Nil (March 31, 2020 - 5,61,00,000) equity shares pledged as security in respect of the term loan and working capital facility provided to Latur Renewable Private Limited]		
TCL Cables Private Limited		
Equity shares of ₹10 each fully paid up	2.00	2.00
(No. of shares - March 31, 2021:20,00,000, March 31, 2020: 20,00,000)		
Torrent Solar Power Private Limited		
Equity shares of ₹10 each fully paid up	0.05	-
(No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)		
Torrent Saurya Urja 2 Private Limited		
Equity shares of ₹10 each fully paid up	0.05	-
(No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)		
Torrent Saurya Urja 3 Private Limited		
Equity shares of ₹10 each fully paid up	0.05	-
(No. of shares - March 31, 2021:50,000, March 31, 2020: Nil)		
	414.73	**402.82**
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	414.73	402.82
	414.73	**402.82**
Aggregate amount of impairment in value of investments	15.95	14.35
Aggregate amount of market value of quoted investments	-	-

Footnotes:

1 In the current year, Investments in subsidiaries have been disclosed separately as it is considered more appropriate classification and disclosure.

2 During the year, Company has given financial guarantees in favour of the debenture trustee for NCD issued by subsidiary companies and has recognised fair value of financial guarantee as equity investment in both Jodhpur Wind Farms Private Limited and Latur Renewable Private Limited.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 10 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Private Ltd.		
Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2021: 9,070, March 31, 2020: 9,070)	110.18	103.78
	110.18	**103.78**
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 9,61,500, March 31, 2020: 9,61,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.61 Cr, Impairment in value of investment - ₹0.61 Cr)	-	-
Tidong Hydro Power Ltd.		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 24,500, March 31, 2020: 24,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.02 Cr, Impairment in value of investment - ₹0.02 Cr)	-	-
Tornascent Care Institute @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 50,000, March 31, 2020: 25,000)	0.05	0.03
UNM Foundation @ #		
Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: Nil, March 31, 2020: 25,000)	-	0.03
	0.05	**0.06**
Contingency reserve investments - statutory (quoted) (at amortised cost) $		
8.28% GOI Bond - 2032	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32
8.40% GOI Bond - 2024	1.63	1.63
6.68% GOI Bond - 2031	1.69	1.69
7.37% GOI Bond - 2023	1.93	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	-
	13.97	**12.11**
	124.20	**115.95**
Aggregate amount of quoted investments	13.97	12.11
Aggregate amount of unquoted investments	110.23	103.84
	124.20	**115.95**
Aggregate amount of impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	14.85	13.03

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 companies, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 24- Contingency reserve]

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 11 : NON-CURRENT LOANS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Loans to related parties (including interest accrued) [Refer note 57(d)]	1,070.24	1,106.29
Security deposits	16.80	17.63
	1,087.04	**1,123.92**

NOTE 12 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	53.54	-
Bank fixed deposits	3.59	0.98
Other advances	0.08	0.10
	57.21	**1.08**

include ₹53.54 Crore (March 31, 2020 - ₹Nil) on which a lien has been created in favour of lenders

NOTE 13 : NON- CURRENT TAX ASSETS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	8.32	16.44
	8.32	**16.44**

NOTE 14 : OTHER NON-CURRENT ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Capital advances	103.63	68.62
Advances for goods and services	148.85	170.28
Balances with government authorities	59.12	63.42
Prepaid expenses	21.77	25.04
	333.37	**327.36**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Stores and spares	226.17	294.90
Fuel	157.80	241.82
Raw materials	-	27.85
Work-in-progress	-	7.37
Finished goods	-	23.13
Packing materials	-	1.25
Loose tools	2.19	1.57
	386.16	**597.89**

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹3.73 Crore (Previous year - ₹2.70 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company.

3 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Stores and spares	0.57	-
Fuel	2.49	-
	3.06	**-**

NOTE 16 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units - March 31, 2021: 85,635, March 31, 2020: Nil)	19.57	-
ICICI Liquid Plan - Regular - Growth (No. of units - March 31, 2021: 18,04,960, March 31, 2020: Nil)	55.00	-
ICICI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,67,90,598)	-	180.92
IDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 14,07,462)	-	150.00
SBI Liquid Fund Direct Growth (No. of units- March 31, 2021: 3,94,356, March 31, 2020: Nil)	127.05	-
SBI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 4,61,238)	-	150.07
Tata Liquid Fund Direct Plan - Growth (No. of units - March 31, 2021: 1,23,190, March 31, 2020: Nil)	40.01	-
Tata Overnight Fund- Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 2,01,286)	-	21.21
	241.63	**502.20**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 16 : CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	241.63	502.20
	241.63	**502.20**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

NOTE 17 : TRADE RECEIVABLES

(₹ in Crore)

		As at March 31, 2021	As at March 31, 2020
Trade receivables			
Secured	- Considered good #	557.27	514.65
Unsecured	- Considered good	718.25	665.93
	- Credit impaired	249.07	234.24
		1,524.59	**1,414.82**
Less: Allowance for bad and doubtful debts		249.07	234.24
		1,275.52	**1,180.58**

Company holds security deposits in respect of electricity receivables.

Footnotes:

1 Refer note 58 for credit risk related disclosures.

2 Refer note 25 for charge on current assets including trade receivables.

NOTE 18 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Balance in current accounts	93.19	78.14
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.34
	95.55	**79.42**

NOTE 19 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	10.01	9.55
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	82.86	134.88
	93.22	**144.78**

include ₹Nil (March 31, 2020 - ₹56.50 Crore) on which a lien has been created in favour of lenders

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 20 : CURRENT LOANS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Loans to related parties (including interest accrued) [Refer note 57(d)]	116.33	76.10
Security deposits	29.07	15.29
	145.40	**91.39**

NOTE 21 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	326.70	280.00
Interest accrued on non-current investments	0.24	0.21
Interest accrued on deposits	7.78	23.81
Unbilled revenue (including revenue gap / surplus) [Refer note 45(a)(2)]	1,673.80	1,502.95
	2,008.52	**1,806.97**
Other advances / receivables		
Considered good	16.03	18.47
Considered credit impaired	6.06	6.06
	22.09	**24.53**
Less : Allowance for doubtful advances	6.06	6.06
	16.03	**18.47**
	2,024.55	**1,825.44**

include ₹123.20 Crore (March 31, 2020 - ₹130.00 Crore) on which a lien has been created in favour of lenders

NOTE 22 : OTHER CURRENT ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Advances for goods and services	40.30	85.72
Balances with government authorities	0.72	0.82
Prepaid expenses	30.47	25.38
	71.49	**111.92**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 23 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2020) equity shares of ₹10 each	4,370.00	4,370.00
	4,370.00	**4,370.00**
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2020) equity shares of ₹10 each	480.62	480.62
	480.62	**480.62**

Footnotes:

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at March 31, 2021	No. of shares As at March 31, 2020
At the beginning of the year	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	**48,06,16,784**	**48,06,16,784**

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2020) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as Torrent Private Limited).

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend,if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Ltd.	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Ltd.	3,75,81,431	7.82%	2,95,72,552	6.15%

5 Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

During FY 2015-16, the Company allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide its order dated August 13, 2015.

6 Distributions made and proposed:

Interim dividend for FY 2020-21 of ₹5.50 per equity share [Previous year - ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend)] aggregating to ₹264.34 Crore [Previous year - ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore)] was paid in March, 21.

The Board of Directors at its meeting held on May 20, 2021 has recommended a dividend of 55.00% (₹5.50 per equity share of par value ₹10 each).The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of ₹264.34 Crore.

NOTE 24 : OTHER EQUITY

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	187.26	258.10
Contingency reserve	13.46	11.59
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,907.90	4,774.97
	9,770.61	**8,706.65**

Footnotes:

1 Securities premium :

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Company was required to create a Debenture Redemption Reserve(DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

NOTE 25 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	366.68
10.35% Series 2A, 2B & 2C	100.00	200.00
8.95% Series 3A, 3B & 3C	165.00	245.00
7.65% Series 5	100.00	100.00
7.30% Series 6	300.00	-
	848.37	**911.68**
Term loans @		
From banks	4,940.11	6,098.30
	4,940.11	**6,098.30**
	5,788.48	**7,009.98**
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.65	269.48
	269.65	**269.48**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	12.99	16.82
	12.99	**16.82**
	282.64	**286.30**
	6,071.12	**7,296.28**

@ After considering unamortised expense of ₹20.37 Crore as at March 31, 2021 and ₹22.16 Crore as at March 31, 2020.

After considering unamortised expense of ₹0.35 Crore as at March 31, 2021 and ₹0.52 Crore as at March 31, 2020.

	As at March 31, 2021	As at March 31, 2020
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	80.00	-
	363.32	**283.32**
Term loans $		
From banks	725.85	718.63
	725.85	**718.63**
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	**3.82**
	1,092.99	**1,005.77**
Amount disclosed under the head 'Other current financial liabilities' [Refer note 31]	(1,092.99)	(1,005.77)
	-	**-**

$ After considering unamortised expense of ₹3.09 Crore as at March 31, 2021 and ₹3.71 Crore as at March 31, 2020.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 25 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1 Nature of security

The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹5,689.42 Crore and non convertible debentures of ₹1,211.69 Crore along with lenders of cash credits and non-fund based credit facilities. (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;

(ii) Assets not given as security to non convertible debenture holders of Series no. 6

a. immovable and movable assets of Renewable Projects;

b. debt service reserve accounts maintained for the benefit of lenders of term loans;

c. investments / deposits made out of Non-Convertible Debenture Reserve;

d. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

e. non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;

f. immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.

2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:-.

(₹ in Crore)

Financial year	Term loans	Non convertible debentures
2021-22	732.76	363.32
2022-23	319.15	558.37
2023-24	360.25	470.00
2024-25	469.87	90.00
2025-26	670.48	-
2026-27	690.76	-
2027-28	490.95	-
2028-29	438.46	-
2029-30	438.46	-
2030-31	438.46	-
2031-32	383.65	-
2032-33	272.98	-

3 Undrawn term loans from banks, based on approved facilities, were ₹980.00 Crore as at March 31, 2021.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 26 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	116.11	109.71
	116.11	**109.71**

NOTE 27 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Payables for purchase of property, plant and equipment	0.04	0.24
Sundry payables	1.13	-
Financial guarantee obligation liability	8.83	-
	10.00	**0.24**

NOTE 28 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	1,085.69	1,054.97
Capital grant from government [Refer note 61(b)]	16.39	18.85
Sundry payables	55.31	55.25
	1,157.39	**1,129.07**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 29 : CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Secured loans		
Cash credit from banks	-	-
	-	**-**

Footnotes:

1 The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.

2 Undrawn cash credit from banks, based on approved facilities, were ₹1,150.00 Crore as at March 31, 2021.

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	95.55	79.42
Current investments	241.63	502.20
Non-current borrowings (including current maturities and interest accrued but not due)	(7,251.52)	(8,428.51)
Lease liabilities	(36.01)	(37.96)
	(6,950.35)	**(7,884.85)**

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2019	**114.33**	**472.46**	**(300.05)**	**(8,875.42)**	**-**	**(8,588.68)**
Cash flows	(34.91)	(10.66)	300.05	522.35	5.71	782.54
New lease	-	-	-	-	(41.13)	(41.13)
Interest expense	-	-	(3.63)	(790.24)	(2.54)	(796.41)
Interest paid	-	-	3.63	714.80	-	718.43
Gain on sale of current investments	-	40.76	-	-	-	40.76
Fair value adjustment	-	(0.36)	-	-	-	(0.36)
Net balance as at March 31, 2020	**79.42**	**502.20**	**-**	**(8,428.51)**	**(37.96)**	**(7,884.85)**
Cash flows	16.13 #	(278.72)	-	1,140.52	7.10	885.03
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.82)	(650.53)	(3.32)	(663.67)
Interest paid	-	-	9.82	687.00	-	696.82
Gain on sale of current investments	-	17.59	-	-	-	17.59
Fair value adjustment	-	0.56	-	-	-	0.56
Net balance as at March 31, 2021	**95.55**	**241.63**	**-**	**(7,251.52)**	**(36.01)**	**(6,950.35)**

Cash and cash equivalents increased by ₹16.47 Crore less ₹0.34 Crore transferred to TCL Cables Private limited pursuant to slump sale

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 30 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 48]	36.51	24.83
Total outstanding dues other than micro and small enterprises	934.26	1,002.43
	970.77	**1,027.26**

NOTE 31 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt [Refer note 25]	1,092.99	1,005.77
Interest accrued but not due on loans and security deposits	63.60	100.07
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.01	9.55
Unclaimed fractional coupons	0.35	0.35
Book overdraft	5.23	14.88
Security deposits from consumers @	1,221.06	1,173.10
Other deposits	3.39	4.01
Payables for purchase of property, plant and equipment^	232.71	189.56
Financial guarantee obligation liability	3.32	-
Sundry payables (including for employees related payables)	129.63	110.16
	2,762.29	**2,607.45**

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2021.

@ Security deposits from consumers in the Company's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹7.85 Crore (March 31, 2020 - ₹1.08 Crore) [Refer note 48]

NOTE 32 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Credit balances of consumers [Refer note 45(d)]	84.47	81.68
Service line deposits from consumers [Refer note 45(c)]	189.85	194.82
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	82.85	77.01
Capital grant from government [Refer note 61(b)]	2.46	2.72
Statutory dues	170.63	200.51
Sundry payables	7.03	18.80
	537.29	**575.54**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 33 : CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity [Refer note 50.2(d)]	11.46	54.60
Provision for compensated absences $	128.94	128.23
	140.40	**182.83**
Other provisions		
Provision for indirect taxes	-	0.10
Provision for onerous contracts [Refer note 60]	162.80	161.78
	162.80	**161.88**
	303.20	**344.71**

$ In the current year, provision for compensated absences is disclosed under current provision as the entity does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in provision for indirect taxes :		
Opening balance as on April 01	0.10	0.07
Transfer pursuant to scheme of arrangement [Refer note 62]	(0.10)	-
Additional provision recognised	-	0.03
Closing balance as on March 31	**-**	**0.10**
Movement in provision for onerous contracts:		
Opening balance as on April 01	161.78	-
Additional provision recognised	1.02	161.78
Closing balance as on March 31	**162.80**	**161.78**

NOTE 34 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of tax paid)	44.45	21.63
	44.45	**21.63**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 35 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	11,527.36	12,926.06
Revenue from sale of cable products		
Manufactured goods	-	322.14
Revenue from trading of RLNG	112.48	51.13
	11,639.84	**13,299.33**
Less: Discount for prompt payment of bills	17.57	23.97
	11,622.27	**13,275.36**
Other operating income		
Provisions of earlier years written back	2.47	3.69
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 45(b)(ii)] #	79.48	70.95
Capital grant from government [Refer note 61(b)]	2.72	2.72
Income from Generation Based Incentive	22.53	29.24
Insurance claim receipt	0.34	2.67
Miscellaneous income	46.71	57.41
	154.25	**166.68**
	11,776.52	**13,442.04**

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:

1 Disclosure given above presents disaggregated revenue from contracts with customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.

3 Revenue from operations for year ended March 31, 2021 includes ₹250.62 Crore (Previous year - ₹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.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 36 : OTHER INCOME

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost		
Deposits	26.93	36.62
Consumers	36.40	28.27
Contingency reserve investments	1.01	0.87
Loans to related parties [Refer note 57(b)]	89.41	68.59
Others	0.54	7.87
	154.29	**142.22**
Dividend income from non-current investments carried at cost	30.75	15.32
Rent income from investment property [Refer note 7]	0.24	-
Gain on disposal of property, plant and equipment	3.39	2.89
Gain on sale of current investments in mutual funds	17.59	40.76
Gain on sale of non-current investments	-	8.64
Net gain arising on financial assets / liabilities measured at amortised cost	11.39	13.84
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	0.56	(0.36)
Financial guarantee commission (amortised)	1.22	-
Net gain on foreign currency transactions	0.04	0.01
Gain on slump sale pursuant to scheme of arrangement [Refer note 62]	7.27	-
Miscellaneous income	23.54	21.77
	250.28	**245.09**

NOTE 37 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of materials consumed	-	346.64
Less: Allocated to capital works	-	96.04
	-	**250.60**

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of finished goods		
Opening stock	23.13	23.31
Less: Closing stock	-	23.13
Less:Transfer pursuant to scheme of arrangement [Refer note 62]	23.13	-
	-	**0.18**
Inventory of work-in-progress		
Opening stock	7.37	8.75
Less: Closing stock	-	7.37
Less:Transfer pursuant to scheme of arrangement [Refer note 62]	7.37	-
	-	**1.38**
Less: Allocated to capital works	-	0.11
	-	**1.45**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 39 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	589.24	602.05
Contribution to provident and other funds [Refer note 50.1]	40.71	39.58
Employees welfare expenses	25.36	26.02
Compensated absences	18.80	33.89
Gratuity [Refer note 50.2(e)(3)]	19.45	13.68
	693.56	**715.22**
Less: Allocated to capital works, repairs and other relevant revenue accounts #	171.80	186.73
	521.76	**528.49**

includes allocated to capital works of ₹76.53 Crore (Previous year - ₹88.71 Crore)

NOTE 40 : FINANCE COSTS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities classified as amortised cost		
Term loans	498.98	655.64
Non convertible debentures	151.55	134.60
Working capital loans	9.82	3.63
Security deposits from consumers	53.14	70.20
Lease liabilities	3.32	2.54
Others	1.93	2.23
Other borrowing costs	8.00	10.77
Amotisation of borrowing costs	5.63	13.60
Unwinding of discount	3.40	10.08
	735.77	**903.29**
Less: Allocated to capital works	16.81	11.43
	718.96	**891.86**

NOTE 41 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense on property, plant and equipment	1,157.83	1,213.73
Depreciation expense on right-of-use assets	11.42	10.44
Amortization expense on intangible assets	10.70	8.13
	1,179.95	**1,232.30**
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	-	2.04
	1,179.85	**1,230.16**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 42 : OTHER EXPENSES

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	193.50	217.97
Rent and hire charges	14.85	15.77
Repairs to		
Buildings	7.84	11.25
Plant and machinery	351.04	355.03
Others	17.73	15.58
	376.61	**381.86**
Insurance	33.37	24.92
Rates and taxes	10.56	11.42
Vehicle running expenses	36.87	31.01
Electricity expenses	19.21	27.39
Security expenses	40.78	40.55
Water charges	18.35	20.75
Power transmission and scheduling charges	31.55	34.65
Corporate social responsibility expenses [Refer note 52]	33.74	20.36
Loss on sale / discarding of property, plant and equipment	12.03	16.19
Commission to non-executive directors [Refer note 57(b)]	8.42	6.41
Directors sitting fees [Refer note 57(b)]	0.66	0.59
Auditors remuneration [Refer note 51]	1.85	1.90
Legal, professional and consultancy fees	31.45	33.03
Donations [Refer note 53]	36.55	69.79
Net loss on foreign currency transactions	10.71	12.32
Allowance / impairment for non-current investments	1.60	1.55
Bad debts written off (net of recovery)	49.81	(17.41)
Provision for onerous contracts [Refer note 60]	1.02	161.78
Allowance for doubtful debts (net)	21.48	82.43
Miscellaneous expenses	81.54	103.30
	1,066.51	**1,298.53**
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	60.67	73.49
	1,005.84	**1,225.04**

^ includes allocated to capital works of ₹0.53 Crore (Previous year - ₹11.49 Crore)

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 43: IMPAIRMENT ASSESSMENT

(1) DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") as at March 31, 2021 includes ₹2,879.42 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 year ended March 31, 2021.

In view of the above and given the current economic environment, the Company has carried out an impairment assessment of DGEN as at March 31, 2021 by considering the recoverable amount based on value in use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value in use is determined considering a discount rate of 13% and cash flow projections over a period of 19 years (March 31, 2020 - 20 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power purchase agreements. Based on the assessment, recoverable value of PPE by using value in use is ₹3,007.00 Crore which is higher than the carrying amount of PPE and accordingly no additional impairment provision is required as at March 31, 2021. The management has conducted sensitivity analysis on impairment tests of the value in use of DGEN. The management believes that reasonable possible change in key assumption would not materially impact the impairment assessment as at March 31, 2021.

During the previous year, the Company had provided for impairment loss of ₹1,000.00 Crore, which has been disclosed as 'Exceptional items'.

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.

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Ltd. ("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. 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 timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2021 have been prepared on a non - going concern basis. The recovery of carrying amount of equity and loan ₹92.53 Crore (March 31, 2020 ₹92.38 Crore) is also dependent on the availability of buyer for above mentioned land. The Company has invested equity and loan aggregating to ₹108.48 Crore (March 31, 2020 ₹106.73 Crore) in TPGL and impairment in value of investment is of ₹15.95 Crore as at March 31, 2021 (March 31, 2020 ₹14.35 Crore).

NOTE 44: INCOME TAX EXPENSE

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	284.47	305.50
Adjustment for current tax of prior periods	0.01	0.44
	284.48	**305.94**
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(119.50)	(896.91)
(Decrease) / increase in deferred tax liabilities	93.35	(101.27)
	(26.15)	**(998.18)**
Income tax expense	**258.33**	**(692.24)**

(b) Reconciliation of income tax expense

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	1,583.24	545.90
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	553.25	190.76
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	15.89	54.25
Income not taxable under Income Tax Act	(2.54)	(5.35)
Tax incentives / deductions	(331.64)	(326.55)
Impairment loss of DGEN unit	-	160.65
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	-	(464.19)
Other adjustments including relating to accumulated MAT credit	23.36	(302.25)
Total	**258.32**	**(692.68)**
Adjustment for current tax of prior periods	0.01	0.44
Total expense as per statement of profit and loss	**258.33**	**(692.24)**

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

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 previous year includes the impact of this change amounting to ₹464.19 Crore, due to the Company's ability to utilise accumulated MAT credit in future years, not previously recognised. Further the net deferred tax credit in the previous year includes ₹533.99 Crore, mainly arising on account of a provision for impairment in the carrying value of DGEN Power Plant [Refer note 43], provision for certain onerous contracts [Refer note 60] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilise such additional MAT Credit.

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	5.18	(44.57)
Income tax expense / (income) recognised in other comprehensive income	1.79	(15.57)

NOTE 44: INCOME TAX EXPENSE (contd.)

(d) Deferred tax balances

(1) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	1,678.34	1,560.63
Deferred tax liabilities	(2,196.49)	(2,103.14)
	(518.15)	**(542.51)**

(2) Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,103.14)	(93.35)	-	(2,196.49)
Provision for compensated absences	41.59	1.36	-	42.95
Provision for onerous contracts	56.53	0.36	-	56.89
Allowance for doubtful debts	33.29	12.92	-	46.21
MAT credit entitlement	1,430.77	99.23	-	1,530.00
Others	(1.55)	5.63	(1.79)	2.29
	(542.51)	**26.15**	**(1.79)**	**(518.15)**

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,204.41)	101.27	-	(2,103.14)
Provision for compensated absences	35.01	6.58	-	41.59
Provision for onerous contracts	-	56.53	-	56.53
Allowance for doubtful debts	18.69	14.60	-	33.29
MAT credit entitlement	596.35	834.42	-	1,430.77
Others	(1.90)	(15.22)	15.57	(1.55)
	(1,556.26)	**998.18**	**15.57**	**(542.51)**

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Accumulated MAT credit entitlement	-	-
	-	**-**

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement available to the Company.

The assessment of taxable income involved several key assumptions including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

NOTE 45: REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Unbilled revenue

(1) Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Company has not recognised those truing up adjustment claims which are subject of dispute and for which the Company is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) **Movement in unbilled revenue**

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,502.95	1,435.41
Add: Income accrued during the year as per tariff regulations / orders	2,185.51	2,488.26
Less: Amount billed during the year to the consumers as per tariff orders	(2,036.63)	(2,420.72)
Closing balance	**1,651.83**	**1,502.95**
Disclosed under		
Unbilled revenue [Refer note 21]	1,673.80	1,502.95
Sundry payables [Refer note 27 & note 31]	(21.97)	-
	1,651.83	**1,502.95**

(b) Contribution received from consumers

(1) **Nature of contribution received from consumers**

Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue over its useful life.

(2) **Movement of contribution received from consumers**

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,131.98	1,017.24
Add: Contribution received during the year	116.04	185.69
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 35]	(79.48)	(70.95)
Closing balance	**1,168.54**	**1,131.98**
Non-current portion [Refer note 28]	1,085.69	1,054.97
Current portion [Refer note 32]	82.85	77.01
	1,168.54	**1,131.98**

Notes
forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 45: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(c) Service line deposit from consumers

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	194.82	258.73
Add: Received during the year (net of refund)	111.07	121.78
Less: Transferred to contribution received from consumers	(116.04)	(185.69)
Closing balance [Refer note 32]	**189.85**	**194.82**

Footnote:

1 Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head liabilities.

(d) Credit balance of consumers

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	81.68	66.82
Add / (less) : Adjustment to current billing (net)	2.79	14.86
Closing balance [Refer note 32]	**84.47**	**81.68**

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Disputed income tax matters	29.27	17.83
Disputed sales tax matters	0.96	5.25
Disputed service tax matters	0.49	-
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	0.18	2.88
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	2.94	3.26
Disputed central sales tax matters	-	3.04
Claims against the Company not acknowledged as debt [Refer footnote 3 below]	148.06	21.39

The Company has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Company is not material and accordingly, no provision has been made in the financial statements.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS (Contd.)

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the company will likely be upheld in the appellate process and accordingly no provision has been made in the standalone financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Company not acknowledged as debt as under;

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Claim of regulatory surcharge including interest in franchise distribution business	68.59	-
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	-
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	15.35	12.88
Compensation payable for short lifting for material	8.46	-
Others	5.13	8.51
	148.06	**21.39**

(b) Contingent assets

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Claim for coal grade slippage	9.39	12.41
Claim of compensation for short lifting of material	8.46	-
	17.85	**12.41**

(c) Capital and other commitments

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	455.19	408.39
ii) Other commitments		
(a) Guarantees given to lenders of subsidiary company	-	284.50
(b) Guarantees given in favour of the debenture trustee for NCD issued by subsidiary companies including interest thereon	615.59	-

Footnote:

1 The guarantees given to lenders of subsidiaries are unlikely to be called, as subsidiaries are in a position to service the loans and interest, covered by such guarantees.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 47: THE COMPANY HAS GIVEN LOANS TO ITS SUBSIDIARY AND ASSOCIATE COMPANIES AS UNDER:

Disclosure under Regulation 34(3) read with para A of Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Crore)

	Maximum amount outstanding during the year		Amount outstanding	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Subsidiary Companies				
Torrent Pipavav Generation Limited	60.98	59.23	60.98	59.23
Torrent Solargen Limited	827.28	827.28	750.83	827.28
Jodhpur Wind Farms Private Limited	72.76	75.52	-	72.76
Latur Renewables Private Limited	65.17	70.68	-	65.17
TCL Cables Private Limited	219.05	-	219.05	-
			1,030.86	**1,024.44**
Associate Company				
Wind Two Renergy Private Limited	157.95	157.95	155.71	157.95
			155.71	**157.95**
			1,186.57	**1,182.39**

Footnotes:

1 The Company has not given any loans or advances in the nature of loan to any firms / companies, in which Directors are interested.

2 The above loans were given to the subsidiaries and associate for their normal business activities.

The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) of the Act. Accordingly, disclosure under Section 186 (4) of the Act, is not applicable to the Company.

NOTE 48: MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid [Refer notes 30 and 31]	44.31	25.73
(b) Interest due thereon	0.03	0.03
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
(i) Principal amounts paid to the suppliers beyond the appointed day during the year	4.77	1.07
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	*	0.01
(d) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	0.02	0.15
(e) The amount of interest accrued and remaining unpaid [b+d]	0.05	0.18
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 49: LEASES

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

(₹ in Crore)

	Notes	As at March 31, 2021	As at March 31, 2020
Land	5	158.15	163.26
Buildings	5	19.86	24.25
Plant and machinery	5	0.28	0.33
Office equipment	5	0.06	0.10
Total		**178.35**	**187.94**

Lease liabilities

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Current	5.05	4.91
Non-current	30.96	33.05
Total	**36.01**	**37.96**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of right-of-use assets	41	11.42	10.44
Interest expense (included in finance costs)	40	3.32	2.54
Expense relating to short-term leases (included in other expenses)	42	1.55	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	42	0.17	0.39
Total		**16.46**	**17.28**

(iii) Maturities of lease liabilities

As at March 31, 2021:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	**47.23**	**6.77**

NOTE 49: LEASES (Contd.)

As at March 31, 2020:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	**50.17**	**6.95**

(iv) The total cash outflow for leases for the year was ₹7.10 Crore (March 31, 2020 ₹5.71 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited ("TPL") has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

(vi) Impact on the financial statements as on April 01, 2019 due to adoption of Ind AS 116

The Company has adopted Ind AS - 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

On adoption of Ind AS - 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS - 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

NOTE 49: LEASES (Contd.)

(a) Practical expedients applied :

In applying Ind AS - 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS - 17 and Appendix C to Ind AS - 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

	(₹ in Crore)
Operating lease commitments disclosed as at March 31, 2019*	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	-
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	**26.63**

* The Company's significant leasing arrangements, are in respect of land, residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range, (i) for land between 20 years to 99 years & (ii) for other than land between 11 months to 10 years generally, and are usually renewable by mutual consent on mutually agreeable terms or can be terminated at the option of the Company during the tenure of the lease term. Further the Company has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS - 17.

^ The Company has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Company. Accordingly the Company on adoption of Ind AS 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore

NOTE 50: EMLOYEE BENEFIT PLANS

50.1 Defined contribution plan

The Company has defined contribution retirement benefit plans for its employees.

The Company's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Company's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Company's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Company has no further obligation in respect of such plans beyond the contributions made.

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

The Company's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹40.71 Crore (Previous year - ₹39.58 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 39].

50.2 Defined benefit plans

(a) Gratuity

The Company operates through various gratuity trust, a plan, covering all its employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the tenure of employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.

The Company makes annual contribution to the gratuity schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below:

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2021	As at March 31, 2020
Discount rate	7.08%	6.93%
Salary escalation rate	8.50%	8.50%

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

(d) The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	280.38	289.07
Fair value of plan assets	268.92	234.47
Net (asset) / liability [Refer note 33]	**11.46**	**54.60**

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	289.07	243.64
Transfer pursuant to scheme of arrangement [Refer note 62]	(7.64)	-
Current service cost	15.71	12.22
Interest cost	19.50	19.30
Actuarial (gains) / losses from changes in demographic assumptions	-	2.39
Actuarial (gains) / losses arising changes in financial assumptions	(3.61)	21.61
Actuarial (gains) / losses from experience adjustments	(1.31)	19.92
Liability transferred in	0.26	0.65
Liability transferred out	(1.39)	(0.64)
Benefits paid directly by employer	(1.57)	(2.80)
Benefits paid	(28.64)	(27.22)
Obligation at the end of the year	**280.38**	**289.07**
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	234.47	225.30
Transfer pursuant to scheme of arrangement [Refer note 62]	(7.01)	-
Interest income	15.76	17.84
Return on plan assets (excluding interest income)	0.26	(0.65)
Contributions received	54.08	19.20
Benefits paid	(28.64)	(27.22)
Plan assets at the end of the year, at fair value	**268.92**	**234.47**
(3) Gratuity cost recognised in the statement of profit and loss		
Current service cost	15.71	12.22
Interest cost, net	3.74	1.46
Net gratuity cost recognised in the statement of profit and loss [Refer note 39]	**19.45**	**13.68**
(4) Gratuity cost recognised in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	(0.26)	0.65
Actuarial (gains) / losses	(4.92)	43.92
Net (income) / expense for the period recognised in OCI	**(5.18)**	**44.57**

NOTE 50: EMLOYEE BENEFIT PLANS (Contd.)

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis given below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crore)

Change in assumptions	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.40)	(11.35)
50 basis points decrease in discount rate	12.42	12.35
50 basis points increase in salary escalation rate	12.19	10.41
50 basis points decrease in salary escalation rate	(11.30)	(13.02)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 19 years (Previous year - 19 years).

(i) Expected contribution to the plan for the next annual reporting period is ₹11.46 Crore (Previous year - ₹54.60 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
1st following year	35.78	32.12
2nd following year	19.60	22.52
3rd following year	29.44	32.90
4th following year	27.94	28.95
5th following year	25.88	27.60
sum of years 6 to 10th	87.66	95.78

50.3 Other long-term employee benefit obligations

The leave obligation covers the Company's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 33 and 39 for the leave encashment provision / change in the balance sheet and statement of profit and loss.

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 51: AUDITORS REMUNERATION (INCLUDING TAXES)

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
As audit fees	1.30	1.13
For other services	0.52	0.52
For reimbursement of expenses	0.03	0.25
	1.85	**1.90**

NOTE 52: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Company	26.99	20.35
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 42]	33.74	20.36
	33.74	**20.36**
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	33.56	17.24
(ii) UNM Foundation	-	1.71
	33.56	**18.95**

NOTE 53: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Electoral Bonds	-	35.00
Prudent Electoral Trust	10.00	-
	10.00	**35.00**

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 54: EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share (₹)	27.57	25.76
Diluted earnings per share (₹)	27.57	25.76

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year used in calculation of basic earning per share (₹ in Crore)	1,324.91	1,238.14
Weighted average number of equity shares	48,06,16,784	48,06,16,784

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

NOTE 55: OPERATING SEGMENTS

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The Company's operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 56: CERTIFIED EMISSION REDUCTION (CERs)

	As at March 31, 2021	As at March 31, 2020
No. of CERs inventory	3,91,411	3,052
No. of CERs under certification	52,04,387	3,91,411

Inventories of CERs are valued at cost or market price whichever is lower.

NOTE 57: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship:

1	**Parent Company**	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2	**Subsidiaries**	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited, Latur Renewable Private Limited, TCL Cables Private Limited (w.e.f. November 05, 2019), Torrent Solar Power Private Limited (w.e.f. July 28, 2020), Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021), Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)
3	**Associates**	Wind Two Renergy Private Limited, Wind Four Renergy Private Limited (upto June 04, 2019), Wind Five Renergy Private Limited (upto August 30, 2019)
4	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
5	**Key management personnel**	Samir Mehta
		Jinal Mehta
6	**Non-executive directors**	Sudhir Mehta
		Pankaj Patel
		Samir Barua
		Keki Mistry
		Bhavna Doshi
		Dharmishta Raval
		Pankaj Joshi (upto December 17, 2019)
		Sunaina Tomar (w.e.f. February 13, 2020)
7	**Relatives of key management personnel***	Varun Mehta
8	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company***	Tornascent Care Institute #, UNM Foundation #, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited (formerly known as Mahesh Gas Limited), Torrent Gas Private Limited, Torrent Fincorp Private Limited

* where transactions have taken place during the year and / or previous year or where balances are outstanding at the year end

#The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Nature of transactions												
Sale of cables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.97**	**-**	**0.97**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	0.16	-	0.16
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	0.81	-	0.81
Sale of electricity	**-**	**-**	**-**	**-**	**-**	**-**	**0.31**	**0.23**	**17.53**	**9.57**	**17.84**	**9.80**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	17.48	9.54	17.48	9.54
Executive and non-executive directors	-	-	-	-	-	-	0.31	0.23	-	-	0.31	0.23
UNM Foundation	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.05	-	0.05	-
Dividend income	**30.75**	**15.32**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30.75**	**15.32**
Torrent Power Grid Ltd.	11.99	15.32	-	-	-	-	-	-	-	-	11.99	15.32
Latur Renewable Private Ltd.	12.10	-	-	-	-	-	-	-	-	-	12.10	-
Jodhpur Wind Farms Private Ltd.	6.66	-	-	-	-	-	-	-	-	-	6.66	-
Interest income	**76.39**	**62.30**	**13.02**	**6.29**	**-**	**-**	**-**	**-**	**-**	**-**	**89.41**	**68.59**
Torrent Solargen Ltd.	67.85	52.15	-	-	-	-	-	-	-	-	67.85	52.15
Latur Renewable Private Ltd.	2.49	4.79	-	-	-	-	-	-	-	-	2.49	4.79
Jodhpur Wind Farms Private Ltd.	2.43	5.36	-	-	-	-	-	-	-	-	2.43	5.36
TCL Cables Private Ltd.	3.62	-	-	-	-	-	-	-	-	-	3.62	-
Wind Two Renergy Private Ltd.	-	-	13.02	6.29	-	-	-	-	-	-	13.02	6.29
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**141.58**	**427.32**	**141.58**	**427.32**
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	141.58	427.32	141.58	427.32
Services provided (rent income including tax)	**0.29**	**0.05**	**-**	**-**	**-**	**-**	**-**	**-**	**0.41**	**0.40**	**0.70**	**0.45**
UNM Foundation	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Power Grid Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Pipavav Generation Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Solargen Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Latur Renewable Private Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Jodhpur Wind Farms Private Ltd.	0.01	0.01	-	-	-	-	-	-	-	-	0.01	0.01
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-

Corporate Overview | Performance Review | Operational Excellence | ESG | Statutory Reports | Financial Statements

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
TCL Cables Private Ltd.	0.24	-	-	-	-	-	-	-	-	-	0.24	-
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.39	0.37	0.39	0.37
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Services received / remuneration paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.60**	**1.33**	**1.60**	**1.33**
Varun Mehta	-	-	-	-	-	-	-	-	1.60	1.33	1.60	1.33
Transfer of capital work-in-progress	**-**	**26.23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26.23**
Torrent Solargen Ltd.	-	26.23	-	-	-	-	-	-	-	-	-	26.23
Purchase of cables	**95.38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**95.38**	**-**
TCL Cables Private Ltd.	95.38	-	-	-	-	-	-	-	-	-	95.38	-
Shared expenditure charged to	**1.73**	**2.02**	**0.28**	**0.27**	**-**	**-**	**-**	**-**	**0.06**	**-**	**2.07**	**2.29**
Torrent Pipavav Generation Ltd.	0.39	0.37	-	-	-	-	-	-	-	-	0.39	0.37
Torrent Solargen Ltd.	0.67	1.04	-	-	-	-	-	-	-	-	0.67	1.04
Torrent Power Grid Ltd.	0.09	0.05	-	-	-	-	-	-	-	-	0.09	0.05
Latur Renewable Private Ltd.	0.20	0.20	-	-	-	-	-	-	-	-	0.20	0.20
Jodhpur Wind Farms Private Ltd.	0.38	0.36	-	-	-	-	-	-	-	-	0.38	0.36
Wind Two Renergy Private Ltd.	-	-	0.28	0.24	-	-	-	-	-	-	0.28	0.24
Wind Five Renergy Private Ltd.	-	-	-	0.03	-	-	-	-	-	-	-	0.03
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Impairment in value of investment	**1.60**	**1.55**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.60**	**1.55**
Torrent Pipavav Generation Ltd.	1.60	1.55	-	-	-	-	-	-	-	-	1.60	1.55
Transfer of gratuity/leave liability to / (from)	**0.89**	**(0.24)**	**-**	**-**	**-**	**-**	**-**	**-**	**0.59**	**0.29**	**1.48**	**0.05**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.51	(0.20)	0.51	(0.20)
Torrent Power Grid Ltd.	0.16	(0.24)	-	-	-	-	-	-	-	-	0.16	(0.24)
TCL Cables Private Ltd.	0.73	-	-	-	-	-	-	-	-	-	0.73	-
Tornascent Care Institute	-	-	-	-	-	-	-	-	-	0.07	-	0.07

Notes
forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	-	(0.22)	0.01	(0.22)	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Managerial remuneration@	**-**	**-**	**-**	**-**	**-**	**-**	**22.69**	**21.23**	**-**	**-**	**22.69**	**21.23**
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	12.69	11.23	-	-	12.69	11.23
Commission to non-executive directors^	**-**	**-**	**-**	**-**	**-**	**-**	**6.41**	**6.26**	**-**	**-**	**6.41**	**6.26**
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	-	-	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	-	-	0.27	0.23	-	-	0.27	0.23
Sunaina Tomar#	-	-	-	-	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	-	-	0.09	-	-	-	0.09
Sitting fees to non-executive directors^	**-**	**-**	**-**	**-**	**-**	**-**	**0.56**	**0.50**	**-**	**-**	**0.56**	**0.50**
Samir Barua	-	-	-	-	-	-	0.14	0.13	-	-	0.14	0.13
Keki Mistry	-	-	-	-	-	-	0.09	0.07	-	-	0.09	0.07
Pankaj Patel	-	-	-	-	-	-	0.07	0.06	-	-	0.07	0.06
Bhavna Doshi	-	-	-	-	-	-	0.14	0.12	-	-	0.14	0.12
Dharmishta Raval	-	-	-	-	-	-	0.11	0.10	-	-	0.11	0.10
Sunaina Tomar#	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Pankaj Joshi#	-	-	-	-	-	-	-	0.02	-	-	-	0.02
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.51**	**6.00**	**1.51**	**6.00**
Tornascent Care Institute	-	-	-	-	-	-	-	-	1.51	-	1.51	-
UNM Foundation	-	-	-	-	-	-	-	-	-	6.00	-	6.00
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**33.56**	**18.95**	**33.56**	**18.95**
Tornascent Care Institute	-	-	-	-	-	-	-	-	33.56	17.24	33.56	17.24
UNM Foundation	-	-	-	-	-	-	-	-	-	1.71	-	1.71
Contribution to employee benefit plans (net)	**-**	**-**	**-**	**-**	**63.05**	**25.84**	**-**	**-**	**-**	**-**	**63.05**	**25.84**
TPL (Ahmedabad) Gratuity Trust	-	-	-	-	47.69	11.80	-	-	-	-	47.69	11.80
TPL (Ahmedabad) Superannuation Fund	-	-	-	-	6.87	6.00	-	-	-	-	6.87	6.00

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
TPL (Surat) Gratuity Trust	-	-	-	-	4.51	5.50	-	-	-	-	4.51	5.50
TPL (Surat) Superannuation Fund	-	-	-	-	1.29	1.19	-	-	-	-	1.29	1.19
TPL (SUGEN) Gratuity Trust	-	-	-	-	1.60	0.35	-	-	-	-	1.60	0.35
TPL (SUGEN) Superannuation Fund	-	-	-	-	0.49	0.46	-	-	-	-	0.49	0.46
TPL (DGEN) Gratuity Trust	-	-	-	-	0.28	0.20	-	-	-	-	0.28	0.20
TPL (DGEN) Superannuation Fund	-	-	-	-	0.32	0.34	-	-	-	-	0.32	0.34
Equity contribution	**0.15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.15**	**-**
Torrent Solar Power Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 2 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 3 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Purchase of shares	**-**	**2.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**
Torrent Solargen Ltd.	-	2.00	-	-	-	-	-	-	-	-	-	2.00
Redemption of non-convertible debentures	**-**	**-**	**-**	**64.54**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64.54**
Wind Four Renergy Private Ltd.	-	-	-	20.33	-	-	-	-	-	-	-	20.33
Wind Five Renergy Private Ltd.	-	-	-	44.21	-	-	-	-	-	-	-	44.21
Loans given	**234.97**	**1,422.60**	**18.70**	**153.02**	**-**	**-**	**-**	**-**	**-**	**-**	**253.67**	**1,575.62**
Torrent Pipavav Generation Ltd.	1.75	1.61	-	-	-	-	-	-	-	-	1.75	1.61
Torrent Solargen Ltd.	8.25	1,398.14	-	-	-	-	-	-	-	-	8.25	1,398.14
Latur Renewable Private Ltd.	2.00	20.65	-	-	-	-	-	-	-	-	2.00	20.65
Jodhpur Wind Farms Private Ltd.	0.50	2.20	-	-	-	-	-	-	-	-	0.50	2.20
TCL Cables Private Ltd.	222.47	-	-	-	-	-	-	-	-	-	222.47	-
Wind Two Renergy Private Ltd.	-	-	18.70	153.02	-	-	-	-	-	-	18.70	153.02
Loans received back	**202.33**	**735.42**	**19.00**	**0.80**	**-**	**-**	**-**	**-**	**-**	**-**	**221.33**	**736.22**
Torrent Solargen Ltd.	85.65	712.82	-	-	-	-	-	-	-	-	85.65	712.82
Latur Renewable Private Ltd.	55.40	15.40	-	-	-	-	-	-	-	-	55.40	15.40
Jodhpur Wind Farms Private Ltd.	54.51	7.20	-	-	-	-	-	-	-	-	54.51	7.20
TCL Cables Private Ltd.	6.77	-	-	-	-	-	-	-	-	-	6.77	-
Wind Two Renergy Private Ltd.	-	-	19.00	0.80	-	-	-	-	-	-	19.00	0.80
Deposits received	*****	*****	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	*****	*****
Latur Renewable Private Ltd.	-	*	-	-	-	-	-	-	-	-	-	*

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Jodhpur Wind Farms Private Ltd.	-	*	-	-	-	-	-	-	-	-	-	*
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Consideration received pursuant to scheme of arrangement	**256.95**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**256.95**	**-**
TCL Cables Private Ltd.	256.95	-	-	-	-	-	-	-	-	-	256.95	-
Utilisation of non-fund based limit of the Company by	**32.87**	**24.40**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32.87**	**24.40**
Torrent Solargen Ltd.	-	23.00	-	-	-	-	-	-	-	-	-	23.00
Jodhpur Wind Farms Private Ltd.	0.70	0.70	-	-	-	-	-	-	-	-	0.70	0.70
Latur Renewable Private Ltd.	0.70	0.70	-	-	-	-	-	-	-	-	0.70	0.70
Torrent Solar Power Private Ltd.	9.44	-	-	-	-	-	-	-	-	-	9.44	-
TCL Cables Private Ltd.	22.03	-	-	-	-	-	-	-	-	-	22.03	-
Guarantees given in favour of the debenture trustee for NCD	**600.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**600.00**	**-**
Jodhpur Wind Farms Private Ltd.	300.00	-	-	-	-	-	-	-	-	-	300.00	-
Latur Renewable Private Ltd.	300.00	-	-	-	-	-	-	-	-	-	300.00	-

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.
# Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.
^ excluding Goods and Services Tax.

(c) Key management personnel compensation

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	22.69	21.23
	22.69	**21.23**

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Balances at the end of the year												
Current liabilities	**34.41**	**-**	**-**	**-**	**-**	**-**	**18.91**	**18.76**	**0.81**	**0.49**	**54.13**	**19.25**
Torrent Power Grid Ltd.	0.16	*	-	-	-	-	-	-	-	-	0.16	*
Torrent Solargen Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Torrent Pipavav Generation Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Latur Renewable Private Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
Jodhpur Wind Farms Private Ltd.	*	*	-	-	-	-	-	-	-	-	*	*
TCL Cables Private Ltd.	34.25	-	-	-	-	-	-	-	-	-	34.25	-
Torrent Solar Power Private Ltd.	*	-	-	-	-	-	-	-	-	-	*	-
UNM Foundation	-	-	-	-	-	-	-	-	-	*	-	*
Tornascent Care Institute	-	-	-	-	-	-	-	-	*	0.07	*	0.07
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	0.51	-	0.51	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	-	*	*	*	*
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	-	*	-	*	-
Sudhir Mehta	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Mehta	-	-	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	-	-	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	-	-	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	-	-	0.27	0.23	-	-	0.27	0.23
Sunaina Tomar#	-	-	-	-	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	-	-	0.09	-	-	-	0.09
Investment in equities	**417.32**	**417.17**	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**	**0.06**	**417.37**	**417.23**
Torrent Power Grid Ltd.	66.60	66.60	-	-	-	-	-	-	-	-	66.60	66.60
Torrent Pipavav Generation Ltd.	47.50	47.50	-	-	-	-	-	-	-	-	47.50	47.50
Torrent Solargen Ltd.	80.07	80.07	-	-	-	-	-	-	-	-	80.07	80.07

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.05	0.03	0.05	0.03
UNM Foundation	-	-	-	-	-	-	-	-	-	0.03	-	0.03
Latur Renewable Private Ltd.	110.00	110.00	-	-	-	-	-	-	-	-	110.00	110.00
Jodhpur Wind Farms Private Ltd.	111.00	111.00	-	-	-	-	-	-	-	-	111.00	111.00
TCL Cables Private Ltd.	2.00	2.00	-	-	-	-	-	-	-	-	2.00	2.00
Torrent Solar Power Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 2 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Torrent Saurya Urja 3 Private Ltd.	0.05	-	-	-	-	-	-	-	-	-	0.05	-
Impairment in value of investment	**15.95**	**14.35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15.95**	**14.35**
Torrent Pipavav Generation Ltd.	15.95	14.35	-	-	-	-	-	-	-	-	15.95	14.35
Investment in non-convertible debentures (including amortise premium)	**-**	**-**	**110.18**	**103.78**	**-**	**-**	**-**	**-**	**-**	**-**	**110.18**	**103.78**
Wind Two Renergy Private Ltd.	-	-	110.18	103.78	-	-	-	-	-	-	110.18	103.78
Loans (including interest) (current)	**116.33**	**76.03**	**-**	**0.07**	**-**	**-**	**-**	**-**	**-**	**-**	**116.33**	**76.10**
Torrent Pipavav Generation Ltd.	60.98	59.23	-	-	-	-	-	-	-	-	60.98	59.23
Torrent Solargen Ltd.	52.00	16.66	-	-	-	-	-	-	-	-	52.00	16.66
Latur Renewable Private Ltd.	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Jodhpur Wind Farms Private Ltd.	-	0.09	-	-	-	-	-	-	-	-	-	0.09
TCL Cables Private Ltd.	3.35	-	-	-	-	-	-	-	-	-	3.35	-
Wind Two Renergy Private Ltd.	-	-	-	0.07	-	-	-	-	-	-	-	0.07
Loans (including interest) (non-current)	**914.53**	**948.41**	**155.71**	**157.88**	**-**	**-**	**-**	**-**	**-**	**-**	**1,070.24**	**1,106.29**
Torrent Solargen Ltd.	698.83	810.62	-	-	-	-	-	-	-	-	698.83	810.62
Latur Renewable Private Ltd.	-	65.12	-	-	-	-	-	-	-	-	-	65.12
Jodhpur Wind Farms Private Ltd.	-	72.67	-	-	-	-	-	-	-	-	-	72.67
TCL Cables Private Ltd.	215.70	-	-	-	-	-	-	-	-	-	215.70	-
Wind Two Renergy Private Ltd.	-	-	155.71	157.88	-	-	-	-	-	-	155.71	157.88
Trade and other receivables	**0.34**	**0.24**	**0.07**	**-**	**-**	**-**	**0.03**	**-**	**1.39**	**0.83**	**1.83**	**1.07**
Tornascent Care Institute	-	-	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Solargen Ltd.	0.20	-	-	-	-	-	-	-	-	-	0.20	-

NOTE 57: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Subsidiaries		Associates		Employee benefits plans		Key management personnel / Non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Torrent Power Grid Ltd.	-	0.24	-	-	-	-	-	-	-	-	-	0.24
Latur Renewable Private Ltd.	0.04	-	-	-	-	-	-	-	-	-	0.04	-
Jodhpur Wind Farms Private Ltd.	0.10	-	-	-	-	-	-	-	-	-	0.10	-
Wind Two Renergy Private Ltd.	-	-	0.07	-	-	-	-	-	-	-	0.07	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	1.38	0.83	1.38	0.83
Executive and non-executive directors	-	-	-	-	-	-	0.03	-	-	-	0.03	-
Utilisation of non-fund based limit of the Company by	**92.17**	**50.30**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92.17**	**50.30**
Torrent Solargen Ltd.	28.50	48.38	-	-	-	-	-	-	-	-	28.50	48.38
Jodhpur Wind Farms Private Ltd.	0.96	0.96	-	-	-	-	-	-	-	-	0.96	0.96
Latur Renewable Private Ltd.	0.96	0.96	-	-	-	-	-	-	-	-	0.96	0.96
Torrent Solar Power Private Ltd.	9.44	-	-	-	-	-	-	-	-	-	9.44	-
TCL Cables Private Ltd.	52.31	-	-	-	-	-	-	-	-	-	52.31	-
Guarantees given in favour of the debenture trustee for NCD including interest thereon	**615.59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**615.59**	**-**
Jodhpur Wind Farms Private Ltd.	308.00	-	-	-	-	-	-	-	-	-	308.00	-
Latur Renewable Private Ltd.	307.59	-	-	-	-	-	-	-	-	-	307.59	-
Guarantees given to lenders of subsidiaries	**-**	**284.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**284.50**
Jodhpur Wind Farms Private Ltd.	-	284.50	-	-	-	-	-	-	-	-	-	284.50

Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

(e) Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

Footnote:

1 Loans granted to related parties carries interest rate of 8.50% (Previous year - 9.00%).

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 23,24) and debt (borrowings as detailed in note 25).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Debt	7,803.51	8,612.94
Total equity	10,750.99	9,714.61
Debt to equity ratio	**0.73**	**0.89**

Footnotes :

1 Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development

Loan Covenants

The company has complied with financial covenants specified as per the terms of borrowing facilities.

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	95.55	95.55	79.42	79.42
Bank balance other than cash and cash equivalents	93.22	93.22	144.78	144.78
Investment in bonds and debentures	124.15	124.15	115.89	115.89
Trade receivables	1,275.52	1,275.52	1,180.58	1,180.58
Loans	1,232.44	1,232.44	1,215.31	1,215.31
Other financial assets	2,081.76	2,081.76	1,826.52	1,826.52
	4,902.64	**4,902.64**	**4,562.50**	**4,562.50**
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	241.63	241.63	502.20	502.20
Investment in equity instruments	0.05	0.05	0.06	0.06
	241.68	**241.68**	**502.26**	**502.26**

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(₹ in Crore)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Measured at amortised cost				
Borrowings	6,071.12	6,127.19	7,296.28	7,345.53
Trade payables	1,086.88	1,086.88	1,136.97	1,136.97
Other financial liabilities	2,772.29	2,790.95	2,607.69	2,621.06
	9,930.29	**10,005.02**	**11,040.94**	**11,103.56**

Footnotes:

1 The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

2 Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Investment in mutual fund units	241.63	502.20	Level 1	Quoted bid prices in an active market
	241.63	**502.20**		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Fixed rate borrowings (Non-convertible debentures)	1,556.42	1,527.62	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	1,556.42	**1,527.62**		

Notes

forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(d) Financial risk management objectives

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

Foreign currency risk

The Company is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognised assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Company's exposure with regards to foreign currency risk which are not hedged are given below. However, these risks are not significant to the company's operation and accordingly sensitivity analysis is not given.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
Trade payable	USD	-	32.66
Trade payable	EURO	235.94	196.57
Capital liability	EURO	0.06	0.06

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Company.

The Company has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Company does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Company.

Interest rate risk

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings^	1,498.50	1,485.64
Floating rate borrowings^	5,689.42	6,842.80
	7,187.92	**8,328.44**

^ Transactions cost reduced from the borrowing is excluded.

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit before tax .

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit before tax - increase in 50 basis points	(28.45)	(34.21)
Impact on profit before tax - decrease in 50 basis points	28.45	34.21

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Company is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Company has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2021 and March 31, 2020. The Company is dependent on the domestic market for its business and revenues.

The Company's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Company generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(4) Age of receivables and expected credit loss

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

The age of receivables and provision matrix at the end of the reporting period is as follows.

As at March 31, 2021

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,243.21	80.20
More than 6 months but less than or equal to 1 year	99.55	62.79
More than one year	181.83	106.08
	1,524.59	**249.07**

As at March 31, 2020

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,208.31	88.93
More than 6 months but less than or equal to 1 year	74.75	38.40
More than one year	131.76	106.91
	1,414.82	**234.24**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	234.24	151.81
Transfer pursuant to scheme of arrangement [Refer note 62]	(6.65)	-
Movement in expected credit loss allowance on trade receivable, net [Refer note 42]	21.48	82.43
Closing balance [Refer note 17]	**249.07**	**234.24**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Company is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. With respect to investments, the Company limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Company's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Company therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

NOTE 58: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities:

The Company's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2021

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,313.34	3,960.75	8,274.09
Trade payables	-	111.23	31.54	142.77
Lease liabilities	-	17.73	29.50	47.23
Other financial liabilities	-	10.00	-	10.00
	-	**4,452.30**	**4,021.79**	**8,474.09**
Current financial liabilities				
Trade payables	970.77	-	-	970.77
Lease liabilities	6.77	-	-	6.77
Other financial liabilities (including interest and current maturity of borrowings)^	3,278.67	-	-	3,278.67
	4,256.21	**-**	**-**	**4,256.21**
Total financial liabilities	**4,256.21**	**4,452.30**	**4,021.79**	**12,730.30**

As at March 31, 2020

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	4,995.18	5,626.58	10,621.76
Trade payables	-	73.88	61.40	135.28
Lease liabilities	-	22.69	27.48	50.17
Other financial liabilities	-	0.24	-	0.24
	-	**5,091.99**	**5,715.46**	**10,807.45**
Current financial liabilities				
Trade payables	1,027.26	-	-	1,027.26
Lease liabilities	6.95	-	-	6.95
Other financial liabilities (including interest and current maturity of borrowings)^	3,287.01	-	-	3,287.01
	4,321.22	**-**	**-**	**4,321.22**
Total financial liabilities	**4,321.22**	**5,091.99**	**5,715.46**	**15,128.67**

^ Transactions cost reduced from the borrowing is excluded.

Notes
forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 59: 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 Company to recover the dues, has improved the collection efficiency and consequently there is a reversal of past provision for doubtful debts made in earlier periods in the distribution franchisee business.

The Company has considered the all possible impact of COVID-19 pandemic including the second wave of COVID-19 in India in preparation of these standalone financial statements for the year ended March 31, 2021. The Company has made detailed assessment of its liquidity position, recoverability of carrying values of its financial and non-financial assets and impact on revenues and believes that there is no material adjustments required to be made in the financial statements for the year ended March 31, 2021. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company.

NOTE 60: PROVISION FOR ONEROUS CONTRACTS

The Company has a provision of ₹162.80 Crore (March 31, 2020 - ₹161.78 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Company in a prior period under a competitive bidding process. The expected outflow will be determined at the time of final resolution of the matter.

NOTE 61: GOVERNMENT GRANT

(a) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Company. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) Movement of government grant

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	**21.57**	**24.29**
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 35]	(2.72)	(2.72)
Closing balance	**18.85**	**21.57**
Non-current portion [Refer note 28]	16.39	18.85
Current portion [Refer note 32]	2.46	2.72
	18.85	**21.57**

NOTE 62: SCHEME OF ARRANGEMENT

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 Private Limited 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 statements for the year ended March 31, 2021 with effect from the Appointed Date.

The CBU had a book value (net of related liabilities) of ₹249.68 Crore (Refer point (b) below) 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. The surplus of consideration over book value of ₹7.27 Crore has been included in Other Income for the financial year ended March 31, 2021.

(a) Gain on account of Scheme of Arrangement

	(₹ in Crore)
Cash consideration received (net of cost to sell)	256.95
Net assets transferred (b)	249.68
Gain on account of Scheme of Arrangement	**7.27**

(b) Summary of net assets of Cable Business Undertaking as at the Appointed Date, in terms of Scheme of Arrangement:

(₹ in Crore)

	As at April 01, 2020
Non-current assets	
Property, plant and equipment	50.59
Intangible assets	0.10
Financial assets	
Loans	1.06
Other financial assets	0.03
Other non-current assets	3.60
Current assets	
Inventories	61.27
Financial assets	
Trade receivables	156.22
Cash and cash equivalents	0.34
Bank balances other than cash and cash equivalents	1.88
Loans	1.11
Other financial assets	0.17
Other current assets	4.07
Total assets (A)	**280.44**
Non-current liabilities	
Financial liabilities	
Provisions	2.18
Current liabilities	
Financial liabilities	
Trade payables	
Total outstanding dues of micro and small enterprises	0.91
Total outstanding dues other than micro and small enterprises	17.17
Other financial liabilities	5.10
Other current liabilities	4.40
Provisions	1.00
Total liabilities (B)	**30.76**
Book value (net of related liabilities) (A-B)	**249.68**

Notes
forming part of the standalone financial statements for the year ended March 31, 2021

NOTE 62: SCHEME OF ARRANGEMENT (Contd.)

(c) The key financial data pertaining Cable Business Undertaking (including inter unit transactions) for the financial year ended March 31, 2020 included in Company's results are as below:

(₹ in Crore)

	Year ended March 31, 2020
Total income	440.97
Total expense	420.03
Profit before tax	**20.94**

NOTE 63: SOCIAL SECURITY CODE

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Company 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.

NOTE 64: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 20, 2021.

Signature to Note 1 to 64

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group" hereinafter), its associate (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   The following Key Audit Matters have been reproduced from our report, of even date, on the audit of standalone financial statements of the Holding Company.

Key Audit Matter	How our audit addressed the key audit matter
i) Impairment assessment for Power Plant located at Dahej (Refer to note 42(1) to the consolidated financial statements):	
The carrying amount of Property, Plant & Equipment ("PPE") includes an amount of ₹2,879.40 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after COD, including during the current financial year. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN with the help of an external valuer, in accordance with Ind AS 36 'Impairment of Assets' and has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future price of fuel, exchange rate, expected tariff rates of electricity, discount rate and current electricity market scenario considered by management based on past trends and current and likely future state of the industry. The value in use arrived at by the management is higher than the carrying amount of PPE pertaining to DGEN and accordingly, no additional impairment provision is considered necessary as at March 31, 2021 by management. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2021is significant to the Holding Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management's impairment assessment of DGEN included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment. • Perused the report issued by the external valuer engaged by the management. • Evaluated independence, competence, capability and objectivity of the external valuer. • Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions used. • With the involvement of auditors experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. • Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonable foreseeable range. We noted that the resulting valuation was not materially different to Holding Company's valuation. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Reviewed the adequacy of disclosure in the consolidated financial statements. Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.
ii) Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 43 to the consolidated financial statements)	
The Holding Company has recognised deferred tax assets on the unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Holding Company did not have normal taxable profit. The assets have been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/ agreements and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. • Reviewed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised tax credits. • Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends, available tariff orders and relevant economic and industry indicators. • Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the arithmetic accuracy of the underlying calculations of the profit projections. • Performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, management discussion and analysis, business responsibility report, report on corporate governance, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The consolidated financial statements include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹Nil for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate, is based solely on the report of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors and the financial statements

Report on other Legal and Regulatory requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate– Refer Note 45(a) to the consolidated financial statements.
        ii. The Group and its associate have long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group and its associate did not have any derivative contracts as at March 31, 2021.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate company during the year ended March 31, 2021.
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
16. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAD7145

Place: Mumbai
Date: May 20, 2021

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2021

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, is based on the corresponding reports of the auditors of such company. Our opinion is not modified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 21109553AAAAAD7145

Place: Mumbai
Date: May 20, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in Crore)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	17,129.25	17,366.37
Right-of-use assets	5	178.35	187.94
Capital work-in-progress	6	837.73	567.40
Intangible assets	7	18.44	14.98
Intangible assets under development		-	0.19
Financial assets			
Investments	8	124.20	115.95
Loans	9	174.31	176.19
Other financial assets	10	57.22	1.09
Deferred tax assets (net)	43	24.50	19.86
Non-current tax assets (net)	11	12.83	22.06
Other non-current assets	12	337.48	327.35
		18,894.31	**18,799.38**
Current assets			
Inventories	13	450.35	598.24
Financial assets			
Investments	14	341.58	607.59
Trade receivables	15	1,420.29	1,279.75
Cash and cash equivalents	16	107.28	91.16
Bank balances other than cash and cash equivalents above	17	95.14	189.10
Loans	18	30.61	15.38
Other financial assets	19	2,122.80	1,925.33
Other current assets	20	76.36	117.11
		4,644.41	**4,823.66**
		23,538.72	**23,623.04**
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	9,703.62	8,672.92
		10,184.24	**9,153.54**
Non-controlling interests		36.36	35.63
		10,220.60	**9,189.17**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	6,672.18	7,796.30
Trade payables	24		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		116.11	109.71
Lease liabilities	47	30.96	33.05
Other financial liabilities	25	1.17	0.24
Deferred tax liabilities (net)	43	527.51	552.80
Other non-current liabilities	26	1,160.34	1,132.44
		8,508.27	**9,624.54**
Current liabilities			
Financial liabilities			
Borrowings	27	-	3.28
Trade payables	28		
Total outstanding dues of micro and small enterprises		38.17	25.19
Total outstanding dues other than micro and small enterprises		936.62	1,012.72
Lease liabilities	47	5.05	4.91
Other financial liabilities	29	2,908.14	2,784.65
Other current liabilities	30	542.02	584.01
Provisions	31	335.30	372.87
Current tax liabilities (net)	32	44.55	21.70
		4,809.85	**4,809.33**
		23,538.72	**23,623.04**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	33	12,172.66	13,640.63
Other income	34	141.81	177.59
Total income		**12,314.47**	**13,818.22**
Expenses			
Electrical energy purchased		3,358.36	3,709.40
Fuel cost		3,610.55	4,250.54
Cost of materials consumed	35	104.21	250.60
Purchase of stock-in-trade		48.24	53.69
Changes in inventories of finished goods and work-in-progress	36	8.86	1.45
Employee benefits expense	37	538.94	532.05
Finance costs	38	775.73	954.55
Depreciation and amortisation expense	39	1,279.55	1,304.27
Other expenses	40	1,038.26	1,286.83
Total expenses		**10,762.70**	**12,343.38**
Profit before exceptional items and tax		**1,551.77**	**1,474.84**
Exceptional items	42	-	1,000.00
Profit before tax		**1,551.77**	**474.84**
Tax expense			
Current tax	43	287.85	309.26
Deferred tax	43	(31.95)	(1,013.30)
		255.90	**(704.04)**
Profit for the year		**1,295.87**	**1,178.88**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	6.13	(44.60)
Tax relating to remeasurement of the defined benefit plans	43	2.02	(15.58)
Other comprehensive income for the year, net of tax		**4.11**	**(29.02)**
Total comprehensive income for the year		**1,299.98**	**1,149.86**
Profit for the year attributable to:			
Owners of the Company		1,290.93	1,174.15
Non-controlling interests		4.94	4.73
		1,295.87	**1,178.88**
Other comprehensive income for the year attributable to:			
Owners of the Company		4.11	(29.02)
Non-controlling interests		-	-
		4.11	**(29.02)**
Total comprehensive income for the year attributable to:			
Owners of the Company		1,295.04	1,145.13
Non-controlling interests		4.94	4.73
		1,299.98	**1,149.86**
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	52	26.86	24.43

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit before tax		1,551.77	474.84
Adjustments for :			
Depreciation and amortisation expense	39	1,279.55	1,304.27
Amortisation of deferred revenue	33	(82.62)	(74.09)
Provision of earlier years written back	33	(2.47)	(3.69)
Loss on sale / discarding of property, plant and equipment	40	12.03	39.64
Gain on disposal of property, plant and equipment	34	(3.56)	(2.89)
Bad debts written off (net of recovery)	40	54.55	(17.41)
Provision for onerous contracts	40	1.02	189.78
Allowance for doubtful debts (net)	40	14.62	82.43
Exceptional items	42	-	1,000.00
Finance costs	38	775.73	954.55
Interest income	34	(79.66)	(81.96)
Gain on sale of current investments in mutual funds	34	(19.35)	(49.77)
Gain on sale of non-current investments	34	-	(8.64)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	(2.75)	1.79
Net gain arising on financial assets / liabilities measured at amortised cost	34	(11.39)	(13.84)
Net unrealised loss / (gain) on foreign currency transactions		10.49	12.30
Operating profit before working capital changes		**3,497.96**	**3,807.31**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		147.89	28.79
Trade receivables		(209.71)	(115.08)
Loans		(15.60)	(1.81)
Other financial assets		(168.57)	(27.51)
Other assets		65.89	(31.14)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(66.11)	209.45
Other financial liabilities		71.55	45.83
Provisions		(32.46)	12.81
Other liabilities		(47.50)	(20.56)
Cash generated from operations		**3,243.34**	**3,908.09**
Taxes paid (net)		(255.78)	(297.68)
Net cash flow generated from operating activities		**2,987.56**	**3,610.41**
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,295.97)	(1,356.78)
Proceeds from sale of property, plant and equipment & intangible assets		7.42	9.55
Non-current redemption of debentures from associates		-	191.62
Purchase of non-current investments		(1.86)	(1.92)
Loans to related parties		(18.70)	(153.02)
Repayment of loans from related parties		19.00	0.80
(Investments) / redemption in bank deposits (net) (maturity more than three months)		91.90	24.43
(Investments) / redemption in inter corporate deposits		(100.24)	25.00
Interest received		99.88	63.94
(Purchase of) / proceeds from current investments (net)		288.11	67.25
Net cash generated from / (used in) investing activities		**(910.46)**	**(1,129.13)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(₹ in Crore)

		Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from financing activities			
Proceeds from long-term borrowings		900.00	1,778.05
Proceeds from short-term borrowings		700.00	263.36
Repayment of long-term borrowings		(860.75)	(360.36)
Prepayment of long-term borrowings		(1,124.84)	(1,970.64)
Repayment of short-term borrowings		(703.28)	(560.13)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan		(3.82)	(3.82)
Receipt of contribution from consumers		116.04	185.69
Dividend paid (including dividend distribution tax)		(268.55)	(968.31)
Principal elements of lease payments		(7.10)	(5.71)
Finance costs paid		(808.68)	(864.32)
Net cash generated from / (used) in financing activities		**(2,060.98)**	**(2,506.19)**
Net (decrease) / increase in cash and cash equivalents		16.12	(24.91)
Cash and cash equivalents as at beginning of the year		91.16	116.07
Cash and cash equivalents as at end of the year		**107.28**	**91.16**
Footnotes:			
1 Cash and cash equivalents as at end of the year:			
Balances with banks			
Balance in current accounts		104.92	89.87
Cheques on hand		0.58	0.94
Cash on hand		1.78	0.35
		107.28	**91.16**

2 The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Mumbai, May 20, 2021

Ahmedabad, May 20, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL [Refer note 21]

(₹ in Crore)

Balance as at April 01, 2019	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**480.62**

B. OTHER EQUITY [Refer note 22]

(₹ in Crore)

	Reserves and surplus						Other equity attributable to equity holders of the Company	Non-controlling interests	Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings			
Balance as at April 01, 2019	**0.03**	**197.90**	**9.76**	**78.07**	**3,583.89**	**4,619.96**	**8,489.61**	**37.39**	**8,527.00**
Profit for the year	-	-	-	-	-	1,174.15	1,174.15	4.73	1,178.88
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(29.02)	(29.02)	-	(29.02)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,145.13**	**1,145.13**	**4.73**	**1,149.86**
Transfer to debenture redemption reserve	-	60.20	-	-	-	(60.20)	-	-	-
Transfer to contingency reserve	-	-	1.83	-	-	(1.83)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(797.82)	(797.82)	(5.38)	(803.20)
Dividend distribution tax paid	-	-	-	-	-	(164.00)	(164.00)	(1.11)	(165.11)
Balance as at March 31, 2020	**0.03**	**258.10**	**11.59**	**78.07**	**3,583.89**	**4,741.24**	**8,672.92**	**35.63**	**8,708.55**
Profit for the year	-	-	-	-	-	1,290.93	1,290.93	4.94	1,295.87
Other comprehensive income for the year, net of income tax	-	-	-	-	-	4.11	4.11	-	4.11
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,295.04**	**1,295.04**	**4.94**	**1,299.98**
Transfer to debenture redemption reserve	-	(70.84)	-	-	-	70.84	-	-	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)	(4.21)	(268.55)
Balance as at March 31, 2021	**0.03**	**187.26**	**13.46**	**78.07**	**3,583.89**	**5,840.91**	**9,703.62**	**36.36**	**9,739.98**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 1: GENERAL INFORMATION

These financial statements comprise financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") and associate for the year ended March 31, 2021.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, transmission and distribution of electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

NOTE 1A: NEW STANDARDS OR INTERPRETATIONS ADOPTED BY THE GROUP

The Group has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2020:

i) Ind AS - 1 and Ind AS – 8, Definition of Material

ii) Ind AS - 103, Definition of a Business

iii) Ind AS - 116, COVID-19 related concessions

The above other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Group has applied this norm while preparing the financial statements.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following which have been measured at fair value;

- Defined benefit plan assets

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e. year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 Business combinations and goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2.4 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.5 Property, plant and equipment:

Tangible fixed assets

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of tangible assets of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of Assets	Rate of Depreciation		
	Regulated Business	Franchisee Business @	Other Business
Buildings	1.80% to 6.00%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Plant and machinery	1.80% to 7.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33% to 9.50%
Vehicles	9.50%	9.50%	9.50% to 11.88%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of U. P. Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

2.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.7 Intangible assets – acquired

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of tangible and intangible assets :

Tangible and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

2.9 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalised up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the consolidated statement of profit and loss in the period of their accrual.

2.10 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.11 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.12 Revenue recognition:

Revenue is recognised, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved FPPPA which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 21, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(iv) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.13 Foreign currency translation:

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expense in the financial year in which they arise.

2.14 Employee benefits:

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.18 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

iii) Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Group recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted as and when recovered.

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Group's financial liabilities are measured at amortised cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Contributed equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.20 Leases:

The group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹50,000 are denoted by '*'.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognised those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33 & 44]

3.2 Property, plant and equipment:

i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to 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 etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 42(1)]

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 43(d)]

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Contd.)

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 45(a)]

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 48.2.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year Depreciation	For the year Impairment	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Freehold land	441.74	-	-	-	441.74	-	-	-	-	-	441.74
Buildings	1,545.97	118.33	0.09	22.88	1,687.09	241.51	56.44	-	0.02	297.93	1,389.16
Railway siding	1.86	-	-	-	1.86	0.25	0.05	-	-	0.30	1.56
Plant and machinery	21,631.97	860.13	27.30	(6.47)	22,458.33	6,191.44	1,181.22	-	12.37	7,360.29	15,098.04
Electrical fittings and apparatus	43.32	8.60	0.28	0.32	51.96	15.27	3.21	-	0.12	18.36	33.60
Furniture and fixtures	48.53	8.77	0.12	0.04	57.22	14.08	3.37	-	0.08	17.37	39.85
Vehicles	27.55	2.60	1.28	-	28.87	9.30	2.59	-	0.83	11.06	17.81
Office equipment	142.37	23.39	0.69	0.25	165.32	45.09	13.19	-	0.45	57.83	107.49
Total	**23,883.31**	**1,021.82**	**29.76**	**17.02**	**24,892.39**	**6,516.94**	**1,260.07**	**-**	**13.87**	**7,763.14**	**17,129.25**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2020	As at April 01, 2019	For the year Depreciation	For the year Impairment	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Freehold land	409.10	32.64	*	-	441.74	-	-	-	-	-	441.74
Buildings	1,505.68	43.38	5.62	2.53	1,545.97	187.47	54.11	-	0.07	241.51	1,304.46
Railway siding	1.86	-	-	-	1.86	0.20	0.05	-	-	0.25	1.61
Plant and machinery	20,093.15	1,567.41	28.52	(0.07)	21,631.97	3,990.35	1,212.96	1,000.00	11.87	6,191.44	15,440.53
Electrical fittings and apparatus	40.26	3.12	0.07	0.01	43.32	12.27	3.06	-	0.06	15.27	28.05
Furniture and fixtures	45.11	3.63	0.21	*	48.53	10.92	3.28	-	0.12	14.08	34.45
Vehicles	23.50	5.71	1.66	-	27.55	7.87	2.62	-	1.19	9.30	18.25
Office equipment	121.07	22.46	1.24	0.08	142.37	34.07	11.76	-	0.74	45.09	97.28
Total	**22,239.73**	**1,678.35**	**37.32**	**2.55**	**23,883.31**	**4,243.15**	**1,287.84**	**1,000.00**	**14.05**	**6,516.94**	**17,366.37**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 4 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Footnotes:

1 The above property, plant & equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].

2 Capital commitment:

Refer note 45 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the year include capitalisation of borrowing costs of ₹15.99 Crore (Previous year - ₹2.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs" and ₹1.03 Crore pertaining to reversal of Goods and Services Tax Credit.

4 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.81% to 7.95% (Previous year - 9.00%).

5 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.

6 Refer note 42(1) for impairment loss in respect of DGEN power plant

7 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹1,014.07 Crore (March 31, 2020- ₹1,014.07 Crore).

8 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at March 31, 2021	As at March 31, 2020
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	2.52

NOTE 5 : RIGHT-OF-USE ASSETS

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Land	170.11	-	1.83	-	171.94	6.85	6.94	-	13.79	158.15
Buildings	27.70	-	-	-	27.70	3.45	4.39	-	7.84	19.86
Plant and machinery	0.38	-	-	-	0.38	0.05	0.05	-	0.10	0.28
Office equipment	0.14	-	-	-	0.14	0.04	0.04	-	0.08	0.06
Total	**198.33**	**-**	**1.83**	**-**	**200.16**	**10.39**	**11.42**	**-**	**21.81**	**178.35**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Transition impact of Ind AS 116	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Land	-	174.59	-	4.48	170.11	-	6.90	0.05	6.85	163.26
Buildings	-	13.21	14.49	-	27.70	-	3.45	-	3.45	24.25
Plant and machinery	-	0.38	-	-	0.38	-	0.05	-	0.05	0.33
Office equipment	-	0.14	-	-	0.14	-	0.04	-	0.04	0.10
Total	**-**	**188.32**	**14.49**	**4.48**	**198.33**	**-**	**10.44**	**0.05**	**10.39**	**187.94**

Footnotes:
1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2 Refer note 47 for disclosure relating to right-of-use asset.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 6 : CAPITAL WORK-IN-PROGRESS

As at March 31, 2021

(₹ in Crore)

Particulars	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	**567.40**	**1,239.03**	**968.70**	**-**	**837.73**

As at March 31, 2020

(₹ in Crore)

Particulars	As at April 01, 2019	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2020
Capital work-in-progress	359.27	1,838.57	1,587.88	(42.56)	567.40
Total	**359.27**	**1,838.57**	**1,587.88**	**(42.56)**	**567.40**

Footnotes:
1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2 Capital work-in-progress include borrowing costs of ₹12.37 Crore (March 31, 2020 - ₹11.55 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".
3 Adjustment during the previous year includes ₹23.03 Crore of impairment provision [Refer note 58] and ₹19.53 Crore write off.

NOTE 7 : INTANGIBLE ASSETS

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Computer software	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44
Total	**42.31**	**14.21**	**-**	**56.52**	**27.33**	**10.75**	**-**	**38.08**	**18.44**

As at March 31, 2020

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Deductions during the year	As at March 31, 2020	As at March 31, 2020
Computer software	36.96	5.80	0.45	42.31	19.65	8.13	0.45	27.33	14.98
Total	**36.96**	**5.80**	**0.45**	**42.31**	**19.65**	**8.13**	**0.45**	**27.33**	**14.98**

Footnote:
1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [Refer note 23].

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 8 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Pvt. Ltd. Zero coupon secured, redeemable with premium non-convertible debentures of ₹1,00,000 each (No. of debentures - March 31, 2021: 9,070, March 31, 2020: 9,070)	110.18	103.78
	110.18	**103.78**
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Ltd. Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 9,61,500, March 31, 2020: 9,61,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.61 Cr, Impairment in value of investment - ₹0.61 Cr)	-	-
Tidong Hydro Power Ltd. Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 24,500, March 31, 2020: 24,500) (As at March 31, 2021 & March 31, 2020 Gross investment - ₹0.02 Cr, Impairment in value of investment - ₹0.02 Cr)	-	-
Tornascent Care Institute @ # Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: 50,000, March 31, 2020: 25,000)	0.05	0.03
UNM Foundation @ # Equity shares of ₹10 each fully paid up (No. of shares - March 31, 2021: Nil, March 31, 2020: 25,000)	-	0.03
	0.05	**0.06**
Contingency reserve investments - statutory (quoted) (at amortised cost) $		
8.28% GOI Bond - 2032	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32
8.40% GOI Bond - 2024	1.63	1.63
6.68% GOI Bond - 2031	1.69	1.69
7.37% GOI Bond - 2023	1.93	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	-
	13.97	**12.11**
	124.20	**115.95**
Aggregate amount of quoted investments	13.97	12.11
Aggregate amount of unquoted investments	110.23	103.84
	124.20	**115.95**
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	14.85	13.03

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 companies, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 9 : NON-CURRENT LOANS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Loans to related parties (including interest accrued) [Refer note 55(d)]	155.70	157.88
Security deposits	18.61	18.31
	174.31	**176.19**

NOTE 10 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	53.54	-
Bank fixed deposits	3.59	0.99
Other advances	0.09	0.10
	57.22	**1.09**

include ₹53.54 Crore (March 31, 2020 - ₹Nil) on which a lien has been created in favour of lenders

NOTE 11 : NON-CURRENT TAX ASSETS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	12.83	22.06
	12.83	**22.06**

NOTE 12 : OTHER NON-CURRENT ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Capital advances	103.89	68.62
Advances for goods and services	148.85	170.28
Balances with government authorities	62.97	63.42
Prepaid expenses	21.77	25.03
	337.48	**327.35**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 13 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Stores and spares	228.31	295.24
Fuel	158.00	241.82
Raw materials	36.23	27.85
Work-in-progress	6.36	7.37
Finished goods	18.09	23.13
Packing materials	1.17	1.25
Loose tools	2.19	1.58
	450.35	**598.24**

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹3.73 Crore (Previous year - ₹2.70 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries.

3 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Stores and spares	0.57	-
Fuel	2.49	-
	3.06	**-**

NOTE 14 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Investment in mutual funds (unquoted)		
Axis Liquid Fund- Growth (No. of units- March 31, 2021: 85,635, March 31, 2020: Nil)	19.57	-
HDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,13,069)	-	33.57
ICICI Liquid Plan - Regular - Growth (No. of units- March 31, 2021: 36,98,890, March 31, 2020: Nil)	112.19	-
ICICI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 1,96,72,586)	-	211.97
IDFC Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 14,07,462)	-	150.00
SBI Liquid Fund Direct Growth (No. of units- March 31, 2021: 3,94,356, March 31, 2020: Nil)	127.05	-
SBI Overnight Fund - Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 4,61,238)	-	150.07
Tata Liquid Fund Direct Plan - Growth (No. of units- March 31, 2021: 2,53,251, March 31, 2020: Nil)	82.77	-
Tata Overnight Fund- Growth (No. of units- March 31, 2021: Nil, March 31, 2020: 5,88,180)	-	61.98
	341.58	**607.59**
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	341.58	607.59
	341.58	**607.59**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

NOTE 15 : TRADE RECEIVABLES

(₹ in Crore)

		As at March 31, 2021	As at March 31, 2020
Trade receivables			
Secured	- Considered good #	557.28	514.65
Unsecured	- Considered good	863.01	765.10
	- Credit impaired	250.42	235.80
		1,670.71	**1,515.55**
Less: Allowance for bad and doubtful debts		250.42	235.80
		1,420.29	**1,279.75**

Group holds security deposits in respect of electricity receivables.

Footnotes:

1 Refer note 56 for credit risk related disclosures.

2 Refer note 23 for charge on current assets including trade receivables.

Corporate Overview
Performance Review
Operational Excellence
ESG
Statutory Reports
Financial Statements

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 16 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Balance in current accounts	104.92	89.87
Cheques on hand	0.58	0.94
Cash on hand	1.78	0.35
	107.28	**91.16**

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	10.09	9.55
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	84.70	179.20
	95.14	**189.10**

include ₹Nil (March 31, 2020 - ₹100.81 Crore) on which a lien has been created in favour of lenders

NOTE 18 : CURRENT LOANS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Loans to related parties [Refer note 55(d)]	-	0.07
Security deposits	30.61	15.31
	30.61	**15.38**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Inter-corporate deposits #	326.70	280.00
Interest accrued on non-current investments	0.24	0.21
Interest accrued on deposits	7.78	25.64
Unbilled revenue (including revenue gap / surplus) [Refer note 44(a)]	1,677.46	1,506.47
	2,012.18	**1,812.32**
Other advances / receivables		
Considered good	110.62	113.01
Considered credit impaired	6.06	6.06
	116.68	**119.07**
Less : Allowance for doubtful advances	6.06	6.06
	110.62	**113.01**
	2,122.80	**1,925.33**

include ₹123.20 Crore (March 31, 2020 - ₹130.00 Crore) on which a lien has been created in favour of lenders

NOTE 20 : OTHER CURRENT ASSETS

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Advances for goods and services	42.47	89.06
Balances with government authorities	0.94	0.82
Prepaid expenses	32.95	27.23
	76.36	**117.11**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2020) equity shares of ₹10 each	4,370.00	4,370.00
	4,370.00	**4,370.00**
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2020) equity shares of ₹10 each	480.62	480.62
	480.62	**480.62**

Footnotes:

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at March 31, 2021	No. of shares As at March 31, 2020
At the beginning of the year	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	**48,06,16,784**	**48,06,16,784**

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2020) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as Torrent Private Limited).

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Ltd.	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Ltd.	3,75,81,431	7.82%	2,95,72,552	6.15%

5 Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

During FY 2015-16, the Company allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide its order dated August 13, 2015.

6 Distributions made and proposed:

Interim dividend for FY 2020-21 of ₹5.50 per equity share [Previous year - ₹11.60 per equity share (including ₹5.00 per equity share as a special dividend)] aggregating to ₹264.34 Crore [Previous year - ₹672.11 Crore (including dividend distribution tax of ₹114.60 Crore)] was paid in March 2021.

The Board of Directors at its meeting held on May 20, 2021 has recommended a dividend of 55.00% (₹5.50 per equity share of par value ₹10 each).The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of ₹264.34 Crore.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 22 : OTHER EQUITY

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	187.26	258.10
Contingency reserve	13.46	11.59
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,840.91	4,741.24
	9,703.62	**8,672.92**

Footnotes:

1 Securities premium :

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Company was required to create a Debenture Redemption Reserve(DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

NOTE 23 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	366.68
10.35% Series 2A, 2B & 2C	100.00	200.00
8.95% Series 3A, 3B & 3C	165.00	245.00
7.65% Series 5	100.00	100.00
7.30% Series 6	300.00	-
	848.37	**911.68**
Term loans @		
From banks	4,945.31	6,598.32
	4,945.31	**6,598.32**
	5,793.68	**7,510.00**
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	269.65	269.48
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	297.94	-
7.00% Series 1 (In respect of Latur Renewable Private Limited)	297.92	-
	865.51	**269.48**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	12.99	16.82
	12.99	**16.82**
	878.50	**286.30**
	6,672.18	**7,796.30**

@ After considering unamortised expense of ₹20.37 Crore as at March 31, 2021 and ₹25.93 Crore as at March 31, 2020.

After considering unamortised expense of ₹4.49 Crore as at March 31, 2021 and ₹0.52 Crore as at March 31, 2020.

Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.32	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	80.00	-
	363.32	**283.32**
Term loans $		
From banks	741.23	783.74
	741.23	**783.74**
Unsecured loans - at amortised cost		
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	**3.82**
	1,108.37	**1,070.88**
Amount disclosed under the head 'Other current financial liabilities' [Refer note 29]	(1,108.37)	(1,070.88)
	-	**-**

$ After considering unamortised expense of ₹3.09 Crore as at March 31, 2021 and ₹4.27 Crore as at March 31, 2020.

NOTE 23 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹5,689.42 Crore and non convertible debentures of ₹1,211.69 Crore along with lenders of cash credits and non-fund based credit facilities. (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;

(ii) Assets not given as security to non convertible debenture holders of Series no. 6

a. immovable and movable assets of Renewable Projects;

b. debt service reserve accounts maintained for the benefit of lenders of term loans;

c. investments / deposits made out of Non-Convertible Debenture Reserve;

d. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;

e. non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;

f. immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.

(ii) Amount of term loan of ₹20.58 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.

2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:-.

(₹ in Crore)

Financial year	Term loans	Non convertible debentures
2021-22	748.14	363.32
2022-23	324.35	558.37
2023-24	360.25	670.00
2024-25	469.87	290.00
2025-26	670.48	200.00
2026-27	690.76	-
2027-28	490.95	-
2028-29	438.46	-
2029-30	438.46	-
2030-31	438.46	-
2031-32	383.65	-
2032-33	272.98	-

3 Undrawn term loans from banks, based on approved facilities, were ₹980.00 Crore as at March 31, 2021.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 24 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	116.11	109.71
	116.11	**109.71**

NOTE 25 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Payables for purchase of property, plant and equipment	0.04	0.24
Sundry payables	1.13	-
	1.17	**0.24**

NOTE 26 : OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	1,088.64	1,058.34
Capital grant from government [Refer note 59(b)]	16.39	18.85
Sundry payables	55.31	55.25
	1,160.34	**1,132.44**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 27 : CURRENT BORROWINGS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Secured loans		
Cash credit from banks	-	3.28
	-	**3.28**

Footnotes:

1 The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.

2 Undrawn cash credit from banks, based on approved facilities, were ₹1,150.00 Crore as at March 31, 2021.

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	107.28	91.16
Current investments	341.58	607.59
Current borrowings	-	(3.28)
Non-current borrowings (including current maturities and interest accrued but not due)	(7,887.70)	(9,002.72)
Lease Liabilities	(36.01)	(37.96)
	(7,474.85)	**(8,345.21)**

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2019	**116.07**	**626.86**	**(300.05)**	**(9,479.31)**	**-**	**(9,036.43)**
Cash flows	(24.91)	(67.25)	296.77	556.77	5.71	767.09
New lease	-	-	-	-	(41.13)	(41.13)
Interest expense	-	-	(4.08)	(846.39)	(2.54)	(853.01)
Interest paid	-	-	4.08	766.21	-	770.29
Gain on sale of current investments	-	49.77	-	-	-	49.77
Fair value adjustment	-	(1.79)	-	-	-	(1.79)
Net balance as at March 31, 2020	**91.16**	**607.59**	**(3.28)**	**(9,002.72)**	**(37.96)**	**(8,345.21)**
Cash flows	16.12	(288.11)	3.28	1,089.41	7.10	827.80
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.90)	(699.43)	(3.32)	(712.65)
Interest paid	-	-	9.90	725.04		734.94
Gain on sale of current investments	-	19.35	-	-	-	19.35
Fair value adjustment	-	2.75	-	-	-	2.75
Net balance as at March 31, 2021	**107.28**	**341.58**	**-**	**(7,887.70)**	**(36.01)**	**(7,474.85)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 28 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 46] #	38.17	25.19
Total outstanding dues other than micro and small enterprises	936.62	1,012.72
	974.79	**1,037.91**

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act,2006) have been determined based on the information available with the Group.

NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt [Refer note 23]	1,108.37	1,070.88
Interest accrued but not due on loans and security deposits	79.20	104.82
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.09	9.55
Unclaimed fractional coupons	0.35	0.35
Book overdraft	7.81	14.96
Security deposits from consumers @	1,221.06	1,173.10
Other deposits	3.39	4.01
Payables for purchase of property, plant and equipment^	331.16	287.91
Sundry payables (including for employees related payables)	146.71	119.07
	2,908.14	**2,784.65**

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2021.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹7.91 Crore (March 31, 2020 - ₹1.08 Crore) [Refer note 46]

NOTE 30 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Credit balances of consumers [Refer note 44(d)]	85.71	87.48
Service line deposits from consumers [Refer note 44(c)]	189.85	194.82
Deferred revenue		
Contribution received from consumers [Refer note 44(b)]	83.26	77.42
Capital grant from government [Refer note 59(b)]	2.46	2.72
Statutory dues	172.98	202.77
Sundry payables	7.76	18.80
	542.02	**584.01**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 31 : CURRENT PROVISIONS

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	12.25	54.60
Provision for compensated absences $	132.00	128.39
	144.25	**182.99**
Other provisions		
Provision for indirect taxes	0.25	0.10
Provision for onerous contracts [Refer note 58]	190.80	189.78
	191.05	**189.88**
	335.30	**372.87**

$ In the current year, provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in provision for indirect taxes:		
Opening balance as on April 01	0.10	0.07
Additional provision recognised	0.15	0.03
Closing balance as on March 31	**0.25**	**0.10**
Movement in provision for onerous contracts:		
Opening balance as on April 01	189.78	-
Additional provision recognised	1.02	189.78
Closing balance as on March 31	**190.80**	**189.78**

NOTE 32 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net of tax paid)	44.55	21.70
	44.55	**21.70**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 33 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	11,772.45	13,124.52
Revenue from sale of cable products		
Manufactured goods	149.54	322.14
Revenue from trading of RLNG	112.48	51.13
	12,034.47	**13,497.79**
Less: Discount for prompt payment of bills	17.73	24.27
	12,016.74	**13,473.52**
Other operating income		
Provisions of earlier years written back	2.47	3.69
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 44(b)(ii)] #	79.90	71.37
Capital grant from government [Refer note 59(b)]	2.72	2.72
Income from Generation Based Incentive	22.53	29.24
Insurance claim receipt	0.34	2.67
Miscellaneous income	47.96	57.42
	155.92	**167.11**
	12,172.66	**13,640.63**

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:

1 Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.

3 Revenue from operations for year ended March 31, 2021 includes ₹250.62 Crore (Previous year - ₹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

NOTE 34 : OTHER INCOME

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost		
Deposits	28.38	38.66
Consumers	36.40	28.27
Contingency reserve investments	1.01	0.87
Loans to related parties [Refer note 55(b)]	13.02	6.29
Others	0.85	7.87
	79.66	**81.96**
Gain on disposal of property, plant and equipment	3.56	2.89
Gain on sale of current investments in mutual funds	19.35	49.77
Gain on sale of non-current investments	-	8.64
Net gain arising on financial assets / liabilities measured at amortised cost	11.39	13.84
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	2.75	(1.79)
Net gain on foreign currency transactions	0.22	0.01
Miscellaneous income	24.88	22.27
	141.81	**177.59**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 35 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of materials consumed	190.47	346.64
Less: Allocated to capital works	86.26	96.04
	104.21	**250.60**

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of finished goods		
Opening stock	23.13	23.31
Less: Closing stock	18.09	23.13
	5.04	**0.18**
Inventory of work-in-progress		
Opening stock	7.37	8.75
Less: Closing stock	6.36	7.37
	1.01	**1.38**
Less: Allocated to capital works	(2.81)	0.11
	8.86	**1.45**

NOTE 37 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	610.60	605.32
Contribution to provident and other funds [Refer note 48.1]	42.67	39.79
Employees welfare expenses	26.26	26.02
Compensated absences	19.31	33.95
Gratuity [Refer note 48.2(e)(3)]	19.96	13.70
	718.80	**718.78**
Less: Allocated to capital works, repairs and other relevant revenue accounts #	179.86	186.73
	538.94	**532.05**

includes allocated to capital works of ₹84.60 Crore (Previous year - ₹88.71 Crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 38 : FINANCE COSTS

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense for financial liabilities classified as amortised cost		
Term loans	532.28	711.79
Non convertible debentures	167.15	134.60
Working capital loans	9.90	4.08
Security deposits from consumers	53.14	70.20
Lease liabilities	3.32	2.54
Others	2.42	2.23
Other borrowing costs	10.42	16.29
Amotisation of borrowing costs	10.51	14.17
Unwinding of discount	3.40	10.08
	792.54	**965.98**
Less: Allocated to capital works	16.81	11.43
	775.73	**954.55**

NOTE 39 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense on property, plant and equipment	1,260.07	1,287.84
Depreciation expense on right-of-use assets	11.42	10.44
Amortisation expense on intangible assets	10.75	8.13
	1,282.24	**1,306.41**
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.59	2.04
	1,279.55	**1,304.27**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 40 : OTHER EXPENSES

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	195.91	220.57
Rent and hire charges	15.07	15.85
Repairs to		
Buildings	8.03	11.25
Plant and machinery	359.81	361.48
Others	17.84	15.58
	385.68	**388.31**
Insurance	36.03	25.85
Rates and taxes	11.68	11.47
Vehicle running expenses	37.28	31.42
Electricity expenses	27.38	27.69
Security expenses	42.76	41.59
Water charges	18.35	20.75
Power transmission and scheduling charges	34.36	34.69
Corporate social responsibility expenses [Refer note 50]	34.32	20.76
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	12.03	39.64
Commission to non-executive directors [Refer note 55(b)]	8.42	6.41
Directors sitting fees	0.73	0.67
Auditors remuneration [Refer note 49]	2.13	2.05
Legal, professional and consultancy fees	34.44	35.58
Donations [Refer note 51]	36.55	69.79
Net loss on foreign currency transactions	10.71	12.32
Bad debts written off (net)	54.55	(17.41)
Provision for onerous contracts [Refer note 58]	1.02	189.78
Allowance for doubtful debts (net of recovery)	14.62	82.43
Miscellaneous expenses	94.19	103.70
	1,108.21	**1,363.91**
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	69.95	77.08
	1,038.26	**1,286.83**

^ includes allocated to capital works of ₹9.82 Crore (Previous year - ₹11.49 Crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 41: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2021	As at March 31, 2020
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited (w.e.f. November 05, 2019)	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited (w.e.f. July 28, 2020)	Power Generation	India	100%	NA
Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021)	Power Generation	India	100%	NA
Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)	Power Generation	India	100%	NA

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2021:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	100.30%	10,251.23	102.24%	1,324.91	82.48%	3.39	102.18%	1,328.30
Torrent Solargen Limited	(0.16)%	(16.26)	(1.67)%	(21.62)	-	-	(1.66)%	(21.62)
Torrent Pipavav Generation Limited	0.31%	31.55	(0.12)%	(1.57)	-	-	(0.12)%	(1.57)
Torrent Power Grid Limited	0.97%	98.67	1.10%	14.29	(0.24)%	(0.01)	1.10%	14.28
Latur Renewable Private Limited	1.08%	110.65	0.54%	6.95	-	-	0.53%	6.95
Jodhpur Wind Farms Private Limited	1.08%	110.07	0.03%	0.38	-	-	0.03%	0.38
TCL Cables Private Limited	(0.14)%	(14.10)	(0.74)%	(9.55)	17.76%	0.73	(0.68)%	(8.82)
Torrent Solar Power Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 2 Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 3 Private Limited	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Non-controlling interests	0.36%	36.36	0.38%	4.94	-	-	0.38%	4.94
Consolidation adjustments	(3.80)%	(387.69)	(1.76)%	(22.83)	-	-	(1.76)%	(22.83)
Total	**100.00%**	**10,220.60**	**100.00%**	**1,295.87**	**100.00%**	**4.11**	**100.00%**	**1,299.98**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 41: COMPOSITION OF THE GROUP (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2021
			As at March 31, 2021	As at March 31, 2020		
Wind Two Renergy Private Limited	Power Generation	India	0%	0%	Unlisted	#
Wind Four Renergy Private Limited (upto June 04, 2019)	Power Generation	India	NA	NA	Unlisted	@
Wind Five Renergy Private Limited (upto August 30, 2019)	Power Generation	India	NA	NA	Unlisted	@

As at March 31, 2021 the Company had made investments in the one entity in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹90.70 Crore (March 31, 2020, ₹90.70 Crore) made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹90.70 Crore (March 31, 2020, ₹90.70 Crore) have been carried at amortized cost.

@ During the previous year, Wind Four Renergy Private Limited and Wind Five Renergy Private Limited have ceased to be associates of the Company. There is no impact of this development on the consolidated financial statements for the previous year.

NOTE 42: IMPAIRMENT ASSESSMENT

(1) DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") as at March 31, 2021 includes ₹2,879.42 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 year ended March 31, 2021.

In view of the above and given the current economic environment, the Group has carried out an impairment assessment of DGEN as at March 31, 2021 by considering the recoverable amount based on value in use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value in use is determined considering a discount rate of 13% and cash flow projections over a period of 19 years (March 31, 2020 - 20 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Group expects to supply power in the future, inter alia, under long term power purchase agreements. Based on the assessment, recoverable value of PPE by using value in use is ₹3,007.00 Crore which is higher than the carrying amount of PPE and accordingly no additional impairment provision is required as at March 31, 2021. The management has conducted sensitivity analysis on impairment tests of the value in use of DGEN. The management believes that reasonable possible change in key assumption would not materially impact the impairment assessment as at March 31, 2021.

During the previous year, the Group had provided for impairment loss of ₹1,000.00 Crore, which has been disclosed as 'Exceptional items'.

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.

NOTE 42: IMPAIRMENT ASSESSMENT (Contd.)

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Ltd. ("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. 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 timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2021 have been prepared on a non - going concern basis. The recovery of the amount invested for land is dependent on the ability of GoG to find a suitable buyer for the land.

NOTE 43: INCOME TAX EXPENSE

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax on profits for the year	287.84	308.82
Adjustment for current tax of prior periods	0.01	0.44
	287.85	**309.26**
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(230.96)	(914.18)
(Decrease) / increase in deferred tax liabilities	199.01	(99.11)
	(31.95)	**(1,013.30)**
Income tax expense	**255.90**	**(704.04)**

(b) Reconciliation of income tax expense

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	1,551.77	474.84
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	542.25	165.93
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	16.33	60.10
Tax incentives / deductions	(327.57)	(333.00)
Impairment loss of DGEN unit	-	160.65
Unutilised Minimum Alternate Tax (MAT) credit recognised due to change in MAT rate from 21.55% to 17.47%	-	(463.40)
Unabsorbed depreciation / tax credits and other items	24.88	(294.76)
Total	**255.89**	**(704.48)**
Adjustment for current tax of prior periods	0.01	0.44
Total expense as per statement of profit and loss	**255.90**	**(704.04)**

NOTE 43: INCOME TAX EXPENSE (Contd.)

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

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 previous year includes the impact of this change amounting ₹463.40 Crore, due to the Group's ability to utiliseaccumulated MAT credit in future years, not previously recognized. Further the net deferred tax credit in the previous year includes ₹549.90 crore, mainly arising on account of a provision for impairment in the carrying value of DGEN Power Plant [Refer note 42], provision for certain onerous contracts [Refer note 58] and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilisesuch additional MAT Credit.

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	6.13	(44.60)
Income tax expense / (income) recognised in other comprehensive income	2.02	(15.58)

(d) Deferred tax balances

(1) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	1,834.73	1,605.79
Deferred tax liabilities	(2,337.74)	(2,138.73)
	(503.01)	**(532.94)**
Disclosed as deferred tax assets (net)	24.50	19.86
Disclosed as deferred tax liabilities (net)	(527.51)	(552.80)
	(503.01)	**(532.94)**

(2) Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,138.73)	(199.01)	-	(2,337.74)
Provision for compensated absences	41.59	2.07	-	43.66
Provision for onerous contracts	56.53	0.36	-	56.89
Allowance for doubtful debts	33.29	12.92	-	46.21
Unabsorbed depreciation / MAT credit entitlement	1,477.02	210.28	-	1,687.30
Others	(2.64)	5.33	(2.02)	0.67
	(532.94)	**31.95**	**(2.02)**	**(503.01)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 43: INCOME TAX EXPENSE (Contd.)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(2,237.84)	99.11	-	(2,138.73)
Provision for compensated absences	35.01	6.58	-	41.59
Provision for onerous contracts	-	56.53	-	56.53
Allowance for doubtful debts	18.69	14.60	-	33.29
Unabsorbed depreciation / MAT credit entitlement	625.96	851.06	-	1,477.02
Others	(3.64)	(14.58)	15.58	(2.64)
	(1,561.82)	**1,013.30**	**15.58**	**(532.94)**

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Accumulated MAT credit entitlement	16.81	18.47
	16.81	**18.47**

As at March 31, 2021, Unused tax credit that shall expire as follows:

(₹ in Crore)

Financial year	Amount
2021-22	1.95
2022-23	1.29
2023-24	4.21
2024-25	4.61
2025-26	4.47
2026-27	0.28
	16.81

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement available to the Company.

The assessment of taxable income involved several key assumptions including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 44: REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Unbilled revenue

(1) Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Group has not recognized those truing up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,498.72	1,435.11
Add: Income accrued during the year as per tariff regulations / orders	2,227.37	2,491.78
Less: Amount billed during the year to the consumers as per tariff orders	(2,083.76)	(2,428.17)
Closing balance	**1,642.33**	**1,498.72**
Disclosed under		
Unbilled revenue [Refer note 19]	1,677.46	1,506.47
Sundry payables [Refer note 25 & note 29]	(35.13)	(7.75)
	1,642.33	**1,498.72**

(b) Contribution received from consumers

(i) Nature of contribution received from consumers

Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue over its useful life.

(ii) Movement of contribution received from consumers

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,135.76	1,021.44
Add: Contribution received during the year	116.04	185.69
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(79.90)	(71.37)
Closing balance	**1,171.90**	**1,135.76**
Non-current portion [Refer note 26]	1,088.64	1,058.34
Current portion [Refer note 30]	83.26	77.42
	1,171.90	**1,135.76**

(c) Service line deposit from consumers

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	194.82	258.73
Add: Received during the year (net of refund)	111.07	121.78
Less: Transferred to contribution received from consumers	(116.04)	(185.69)
Closing balance [Refer note 30]	**189.85**	**194.82**

Footnote:

1 Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head liabilities.

NOTE 44: REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

(d) Credit balance of consumers

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	87.48	71.89
Add / (less) : Adjustment to current billing (net)	(1.77)	15.59
Closing balance [Refer note 30]	**85.71**	**87.48**

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Disputed income tax matters	29.27	17.96
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	-
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	0.35	0.35
Disputed value added tax matters	3.36	3.26
Disputed central sales tax matters	4.78	3.04
Claims against the Group not acknowledged as debt [Refer footnote 3 below]	148.36	21.39

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Group not acknowledged as debt

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Claim of regulatory surcharge including interest in franchise distribution business	68.59	-
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	-
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	15.35	12.88
Compensation payable for short lifting for material	8.46	-
Others	5.43	8.51
	148.36	**21.39**

NOTE 45: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS (Contd.)

(b) Contingent assets

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Claim for coal grade slippage	9.39	12.41
Claim of compensation for short lifting of material	8.46	-
	17.85	**12.41**

(c) Capital and other commitments

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	455.19	408.39

NOTE 46: MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Group and the required disclosures are given below:

(₹ in Crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Principal amount remaining unpaid [Refer notes 28 and 29]	45.96	26.09
(b)	Interest due thereon	0.03	0.03
(c)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
	(i) Principal amounts paid to the suppliers beyond the appointed day during the year	4.77	1.07
	(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	*	0.01
(d)	The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	0.09	0.15
(e)	The amount of interest accrued and remaining unpaid [b+d]	0.12	0.18
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 47: LEASES

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)

	Notes	As at March 31, 2021	As at March 31, 2020
Land	5	158.15	163.26
Buildings	5	19.86	24.25
Plant and machinery	5	0.28	0.33
Office equipment	5	0.06	0.10
Total		**178.35**	**187.94**

Lease liabilities

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Current	5.05	4.91
Non-current	30.96	33.05
Total	**36.01**	**37.96**

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

(₹ in Crore)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge of right-of-use assets	39	11.42	10.44
Interest expense (included in finance costs)	38	3.32	2.54
Expense relating to short-term leases (included in other expenses)	40	1.55	3.91
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.17	0.39
Total		**16.46**	**17.28**

(iii) Maturities of lease liabilities:

As at March 31, 2021

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	**47.23**	**6.77**

NOTE 47: LEASES (Contd.)

As at March 31, 2020

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.95
Between 1 year and 5 years	22.69	-
5 years and above	27.48	-
Total	**50.17**	**6.95**

(iv) The total cash outflow for leases for the year was ₹7.10 Crore (March 31, 2020 ₹5.71 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited ("TPL") has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Group Ltd. ("MSEDCL") whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

(vi) Impact on the financial statements as on April 01, 2019 due to adoption of Ind AS 116

The Group has adopted Ind AS - 116 retrospectively from April 01, 2019, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 01, 2019. The new accounting policies are disclosed in note 2.20.

On adoption of Ind AS - 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS - 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.00%.

NOTE 47: LEASES (Contd.)

(a) Practical expedients applied :

In applying Ind AS - 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities:

	(₹ in Crore)
Operating lease commitments disclosed as at March 31, 2019*	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	-
Add: finance lease liabilities recognised as at March 31, 2019	-
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	-
Add / (less): contracts reassessed as lease contracts	-
Add / (less): adjustments as a result of extension and termination options^	26.63
Add / (less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at April 01, 2019	**26.63**

* The Group's significant leasing arrangements, are in respect of land, residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range, (i) for land between 20 years to 99 years & (ii) for other than land between 11 months to 10 years generally, and are usually renewable by mutual consent on mutually agreeable terms or can be terminated at the option of the Group during the tenure of the lease term. Further the Group has not entered into any material financial lease. Accordingly there were no future minimum lease payments under non-cancellable operating leases required to be disclosed under the previous standard Ind AS - 17.

^ The Group has extension and termination options available in the lease contracts and the majority of extension and termination options are exercisable by the Group. Accordingly the Group on adoption of Ind AS 116 Leases has recognised such lease liabilities by measuring present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019.

(c) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Right-of-use assets – increased by ₹188.32 Crore
- Prepayments – decreased by ₹161.69 Crore
- Lease liabilities – increased by ₹26.63 Crore

Notes
forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 48: EMPLOYEE BENEFIT PLANS

48.1 Defined contribution plan

The Group has defined contribution retirement benefit plans for its employees.

The Group's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹42.67 Crore (Previous year - ₹39.79 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

48.2 Defined benefit plans

(a) Gratuity

The Group operates through various gratuity trust, a plan, covering all its employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the tenure of employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group makes annual contribution to the gratuity schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2021	As at March 31, 2020
Discount rate	7.08%	6.93%
Salary escalation rate	8.50%	8.50%

(d) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	288.99	289.52
Fair value of plan assets	276.74	235.02
Net (asset) / liability [Refer note 31]	**12.25**	**54.50**

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	289.52	244.20
Current service cost	16.18	12.24
Interest cost	20.06	19.34
Actuarial (gains) / losses from changes in demographic assumptions	-	2.39
Actuarial (gains) / losses arising changes in financial assumptions	(3.72)	21.64
Actuarial (gains) / losses from experience adjustments	(2.15)	19.92
Liability transferred in	0.23	0.16
Liability transferred out	(0.66)	(0.35)
Benefits paid directly by employer	(1.57)	(2.80)
Benefits paid	(28.90)	(27.22)
Obligation at the end of the year	**288.99**	**289.52**
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	235.02	225.81
Interest income	16.28	17.88
Return on plan assets (excluding interest income)	0.26	(0.65)
Contributions received	54.08	19.20
Benefits paid	(28.90)	(27.22)
Plan assets at the end of the year, at fair value	**276.74**	**235.02**
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	16.18	12.24
Interest cost, net	3.78	1.46
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	**19.96**	**13.70**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	(0.26)	0.65
Actuarial (gains) / losses	(5.87)	43.95
Net (income) / expense for the year recognized in OCI	**(6.13)**	**44.60**

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crore)

Change in assumptions	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(11.73)	(11.37)
50 basis points decrease in discount rate	12.78	12.37
50 basis points increase in salary escalation rate	12.53	10.43
50 basis points decrease in salary escalation rate	(11.62)	(13.03)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 19 years (Previous year - 19 years).

(i) Expected contribution to the plan for the next annual reporting period is ₹12.25 Crore (Previous year - ₹54.60 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

	Funded plan- Gratuity	
	As at March 31, 2021	As at March 31, 2020
1st following year	36.23	32.13
2nd following year	20.07	22.52
3rd following year	29.94	32.91
4th following year	28.60	29.19
5th following year	26.35	27.60
sum of years 6 to 10th	92.85	96.03

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 48: EMPLOYEE BENEFIT PLANS (Contd.)

48.3 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 31 and 37, for the leave encashment provision / change in the balance sheet and statement of profit and loss.

NOTE 49: AUDITORS REMUNERATION (INCLUDING TAXES)

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
As audit fees	1.53	1.24
For other services	0.57	0.56
For reimbursement of expenses	0.03	0.25
	2.13	**2.05**

NOTE 50: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Group	27.57	20.76
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above [Refer note 40]	34.32	20.76
	34.32	**20.76**
(c) Contribution to section 8 related companies, included in (b) above, in relation to CSR expenditure		
(i) Tornascent Care Institute	34.14	17.24
(ii) UNM Foundation	-	2.11
	34.14	**19.35**

NOTE 51: DONATIONS INCLUDE POLITICAL CONTRIBUTIONS AS UNDER

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Electoral Bonds	-	35.00
Prudent Electoral Trust	10.00	-
	10.00	**35.00**

NOTE 52: EARNINGS PER SHARE

	Year ended March 31, 2021	Year ended March 31, 2020
Basic earnings per share (₹)	26.86	24.43
Diluted earnings per share (₹)	26.86	24.43

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	1,290.93	1,174.15
Weighted average number of equity shares	48,06,16,784	48,06,16,784

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

NOTE 53: OPERATING SEGMENT

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and applies the resources to whole of the 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".

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

NOTE 54: CERTIFIED EMISSION REDUCTION (CERs)

	As at March 31, 2021	As at March 31, 2020
No. of CERs inventory	3,91,411	3,052
No. of CERs under certification	52,04,387	3,91,411

Inventories of CERs are valued at cost or market price whichever is lower.

NOTE 55: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship:

1 Parent Company	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2 Associates	Power Grid Corporation of India Ltd., Wind Two Renergy Private Ltd., Wind Four Renergy Private Ltd. (upto June 04, 2019), Wind Five Renergy Private Ltd. (upto August 30, 2019)
3 Employee benefits plans*	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund
4 Key management personnel	Samir Mehta
	Jinal Mehta
5 Non-executive directors	Sudhir Mehta
	Pankaj Patel
	Samir Barua
	Keki Mistry
	Bhavna Doshi
	Dharmishta Raval
	Pankaj Joshi (upto December 17, 2019)
	Sunaina Tomar (w.e.f. February 13, 2020)
6 Relatives of key management personnel*	Varun Mehta
7 Other entities where the company has 50% voting right / enterprises controlled by the Parent Company*	Tornascent Care Institute #, UNM Foundation #, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited (formerly known as Mahesh Gas Ltd.), Torrent Gas Private Limited, Torrent Fincorp Private Limited

* where transactions have taken place during the year and / or previous year or where balances are outstanding at the year end

\# The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date").

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Nature of transactions										
Sale of cables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.97**	**-**	**0.97**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	0.16	-	0.16
Tornascent Care Institute	-	-	-	-	-	-	-	0.81	-	0.81
Sale of electricity	**-**	**-**	**-**	**-**	**0.31**	**0.23**	**17.53**	**9.57**	**17.84**	**9.80**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	17.48	9.54	17.48	9.54
Executive and non-executive directors	-	-	-	-	0.31	0.23	-	-	0.31	0.23
UNM Foundation	-	-	-	-	-	-	-	0.03	-	0.03
Tornascent Care Institute	-	-	-	-	-	-	0.05	-	0.05	-
Interest income	**13.02**	**6.29**	**-**	**-**	**-**	**-**	**-**	**-**	**13.02**	**6.29**
Wind Two Renergy Private Ltd.	13.02	6.29	-	-	-	-	-	-	13.02	6.29
Dividend paid	**4.21**	**5.38**	**-**	**-**	**-**	**-**	**141.58**	**427.32**	**145.79**	**432.70**
Torrent Investments Private Ltd.	-	-	-	-	-	-	141.58	427.32	141.58	427.32
Power Grid Corporation of India Ltd.	4.21	5.38	-	-	-	-	-	-	4.21	5.38
Services provided (rent income including tax)	**-**	**-**	**-**	**-**	**-**	**-**	**0.41**	**0.40**	**0.41**	**0.40**
UNM Foundation	-	-	-	-	-	-	-	0.01	-	0.01
Tornascent Care Institute	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Investments Private Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.39	0.37	0.39	0.37
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	*	-	*	-
Services received / remuneration paid	**0.79**	**0.76**	**-**	**-**	**-**	**-**	**1.60**	**1.33**	**2.39**	**2.09**
Power Grid Corporation of India Ltd.	0.79	0.76	-	-	-	-	-	-	0.79	0.76
Varun Mehta	-	-	-	-	-	-	1.60	1.33	1.60	1.33
Transmission income	**41.86**	**43.53**	**-**	**-**	**-**	**-**	**-**	**-**	**41.86**	**43.53**
Power Grid Corporation of India Ltd.	41.86	43.53	-	-	-	-	-	-	41.86	43.53
Shared expenditure charged to	**0.29**	**0.27**	**-**	**-**	**-**	**-**	**0.06**	**-**	**0.35**	**0.27**
Wind Two Renergy Private Ltd.	0.28	0.24	-	-	-	-	-	-	0.28	0.24
Wind Five Renergy Private Ltd.	-	0.03	-	-	-	-	-	-	-	0.03
Torrent Gas Pune Ltd.	-	-	-	-	-	-	0.06	-	0.06	-
Torrent Gas Private Ltd.	-	-	-	-	-	-	*	-	*	-
Power Grid Corporation of India Ltd.	0.01	.	-	-	-	-	-	-	0.01	-

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Transfer of gratuity / leave liability to / (from)	**-**	**-**	**-**	**-**	**-**	**-**	**0.59**	**0.29**	**0.59**	**0.29**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	0.51	(0.20)	0.51	(0.20)
Tornascent Care Institute	-	-	-	-	-	-	-	0.07	-	0.07
Torrent Gas Pune Ltd.	-	-	-	-	-	-	(0.22)	0.01	(0.22)	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.30	0.41	0.30	0.41
Managerial remuneration@	**-**	**-**	**-**	**-**	**22.69**	**21.23**	**-**	**-**	**22.69**	**21.23**
Samir Mehta	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	12.69	11.23	-	-	12.69	11.23
Commission to non-executive directors^	**-**	**-**	**-**	**-**	**6.41**	**6.26**	**-**	**-**	**6.41**	**6.26**
Sudhir Mehta	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Samir Barua	-	-	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	-	-	0.27	0.23	-	-	0.27	0.23
Sunaina Tomar#	-	-	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	-	-	0.09	-	-	-	0.09
Sitting fees to non-executive directors^	**-**	**-**	**-**	**-**	**0.58**	**0.52**	**-**	**-**	**0.58**	**0.52**
Samir Barua	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Keki Mistry	-	-	-	-	0.09	0.07	-	-	0.09	0.07
Pankaj Patel	-	-	-	-	0.07	0.06	-	-	0.07	0.06
Bhavna Doshi	-	-	-	-	0.14	0.12	-	-	0.14	0.12
Dharmishta Raval	-	-	-	-	0.11	0.10	-	-	0.11	0.10
Sunaina Tomar#	-	-	-	-	0.01	-	-	-	0.01	-
Pankaj Joshi#	-	-	-	-	-	0.02	-	-	-	0.02
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**1.51**	**6.00**	**1.51**	**6.00**
Tornascent Care Institute	-	-	-	-	-	-	1.51	-	1.51	-
UNM Foundation	-	-	-	-	-	-	-	6.00	-	6.00
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**34.14**	**19.35**	**34.14**	**19.35**
Tornascent Care Institute	-	-	-	-	-	-	34.14	17.24	34.14	17.24
UNM Foundation	-	-	-	-	-	-	-	2.11	-	2.11

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20	Year ended 31.03.21	Year ended 31.03.20
Contribution to employee benefit plans (net)	**-**	**-**	**63.09**	**25.88**	**-**	**-**	**-**	**-**	**63.09**	**25.88**
TPL (Ahmedabad) Gratuity Trust	-	-	47.69	11.80	-	-	-	-	47.69	11.80
TPL (Ahmedabad) Superannuation Fund	-	-	6.87	6.00	-	-	-	-	6.87	6.00
TPL (Surat) Gratuity Trust	-	-	4.51	5.50	-	-	-	-	4.51	5.50
TPL (Surat) Superannuation Fund	-	-	1.29	1.19	-	-	-	-	1.29	1.19
TPL (SUGEN) Gratuity Trust	-	-	1.60	0.35	-	-	-	-	1.60	0.35
TPL (SUGEN) Superannuation Fund	-	-	0.49	0.46	-	-	-	-	0.49	0.46
TPL (DGEN) Gratuity Trust	-	-	0.28	0.20	-	-	-	-	0.28	0.20
TPL (DGEN) Superannuation Fund	-	-	0.32	0.34	-	-	-	-	0.32	0.34
TPG Superannuation Fund	-	-	0.04	0.04	-	-	-	-	0.04	0.04
Redemption of non-convertible debentures	**-**	**64.54**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64.54**
Wind Four Renergy Private Ltd.	-	20.33	-	-	-	-	-	-	-	20.33
Wind Five Renergy Private Ltd.	-	44.21	-	-	-	-	-	-	-	44.21
Loan Given	**18.70**	**153.02**	**-**	**-**	**-**	**-**	**-**	**-**	**18.70**	**153.02**
Wind Two Renergy Private Ltd.	18.70	153.02	-	-	-	-	-	-	18.70	153.02
Loan received back	**19.00**	**0.80**	**-**	**-**	**-**	**-**	**-**	**-**	**19.00**	**0.80**
Wind Two Renergy Private Ltd.	19.00	0.80	-	-	-	-	-	-	19.00	0.80
Deposits received	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	*****	**-**
Torrent Investments Private Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	*	-	*	-

^ excluding Goods and Services Tax.
@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.
# Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

(c) Key management personnel compensation

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	22.69	21.23
	22.69	**21.23**

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Balances at the end of the year								
Current liabilities	**-**	**-**	**18.91**	**18.76**	**0.81**	**0.49**	**19.72**	**19.25**
UNM Foundation	-	-	-	-	-	*	-	*
Tornascent Care Institute	-	-	-	-	*	0.07	*	0.07
Torrent Investments Private Ltd.	-	-	-	-	*	-	*	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.51	-	0.51	-
Torrent Power Services Private Ltd.	-	-	-	-	*	*	*	*
Torrent Gas Pune Ltd.	-	-	-	-	-	0.01	-	0.01
Torrent Gas Private Ltd.	-	-	-	-	0.30	0.41	0.30	0.41
Torrent Fincorp Private Ltd.	-	-	-	-	*	-	*	-
Sudhir Mehta	-	-	5.00	5.00	-	-	5.00	5.00
Samir Mehta	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	0.32	0.30	-	-	0.32	0.30
Keki Mistry	-	-	0.24	0.18	-	-	0.24	0.18
Pankaj Patel	-	-	0.21	0.17	-	-	0.21	0.17
Bhavna Doshi	-	-	0.32	0.29	-	-	0.32	0.29
Dharmishta Raval	-	-	0.27	0.23	-	-	0.27	0.23
Sunaina Tomar#	-	-	0.05	-	-	-	0.05	-
Pankaj Joshi#	-	-	-	0.09	-	-	-	0.09
Investment in equities	**-**	**-**	**-**	**-**	**0.05**	**0.06**	**0.05**	**0.06**
Tornascent Care Institute	-	-	-	-	0.05	0.03	0.05	0.03
UNM Foundation	-	-	-	-	-	0.03	-	0.03
Investment in non-convertible debentures (including amortise premium)	**110.18**	**103.78**	**-**	**-**	**-**	**-**	**110.18**	**103.78**
Wind Two Renergy Private Ltd.	110.18	103.78	-	-	-	-	110.18	103.78
Loans (including interest) (current)	**-**	**0.07**	**-**	**-**	**-**	**-**	**-**	**0.07**
Wind Two Renergy Private Ltd.	-	0.07	-	-	-	-	-	0.07

Notes
forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 55: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right		Total	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Loans (including interest) (non-current)	**155.70**	**157.88**	**-**	**-**	**-**	**-**	**155.70**	**157.88**
Wind Two Renergy Private Ltd.	155.70	157.88	-	-	-	-	155.70	157.88
Trade and other receivables	**8.44**	**10.49**	**0.03**	**-**	**1.39**	**0.83**	**9.86**	**11.32**
Tornascent Care Institute	-	-	-	-	0.01	-	0.01	-
Wind Two Renergy Private Ltd.	0.07	-	-	-	-	-	0.07	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	1.38	0.83	1.38	0.83
Executive and non-executive directors	-	-	0.03	-	-	-	0.03	-
Power Grid Corporation of India Ltd.	8.37	10.49	-	-	-	-	8.37	10.49

Sitting fees and Commission of Miss Sunaina Tomar and Shri Pankaj Joshi (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

(e) Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured.

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

Gearing ratio

The gearing ratio at end of the reporting year is as follows.

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Debt	7,808.50	8,897.90
Total equity	10,705.17	9,706.94
Debt to equity ratio	**0.73**	**0.92**

Footnotes:

1 Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development

Loan Covenants

The group has complied with financial covenants specified as per the terms of borrowing facilities.

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	107.28	107.28	91.16	91.16
Bank balance other than cash and cash equivalents	95.14	95.14	189.10	189.10
Investment in bonds and debentures	124.15	124.15	115.89	115.89
Trade receivables	1,420.29	1,420.29	1,279.75	1,279.75
Loans	204.92	204.92	191.57	191.57
Other financial assets	2,180.02	2,180.02	1,926.42	1,926.42
	4,131.80	**4,131.80**	**3,793.89**	**3,793.89**
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	341.58	341.58	607.59	607.59
Investment in equity instruments	0.05	0.05	0.06	0.06
	341.63	**341.63**	**607.65**	**607.65**

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(₹ in Crore)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Measured at amortised cost				
Borrowings	6,672.18	6,733.38	7,799.58	7,848.83
Trade payables	1,090.90	1,090.90	1,147.62	1,147.62
Other financial liabilities	2,909.31	2,927.97	2,784.89	2,798.26
	10,672.39	**10,752.25**	**11,732.09**	**11,794.71**

Footnotes:

1 The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

2 Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Investment in mutual fund units	341.58	607.59	Level 1	Quoted bid prices in an active market
	341.58	**607.59**		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Fixed rate borrowings (Non-convertible debentures)	2,161.55	1,527.62	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	2,161.55	**1,527.62**		

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimisepotential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Group's exposure with regards to foreign exchange risk which are not hedged are given below. However, these risks are not significant to the group's operation and accordingly sensitivity analysis is not given.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2021	As at March 31, 2020
Financial liabilities			
Trade payable	USD	2.00	32.66
Trade payable	EURO	235.94	196.57
Capital liability	EURO	0.06	0.06

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings^	2,098.50	1,485.64
Floating rate borrowings^	5,710.00	7,415.54
	7,808.50	**8,901.18**

^ Transactions cost reduced from the borrowing is excluded.

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit before tax - increase in 50 basis points	(28.55)	(37.08)
Impact on profit before tax - decrease in 50 basis points	28.55	37.08

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2021 and March 31, 2020. The Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(4) Age of receivables and expected credit loss

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The age of receivables and provision matrix at the end of the reporting period is as follows.

As at March 31, 2021

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,373.86	80.20
More than 6 months but less than or equal to 1 year	113.95	63.07
More than one year	182.90	107.15
	1,670.71	**250.42**

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

As at March 31, 2020

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,307.42	88.93
More than 6 months but less than or equal to 1 year	75.19	38.77
More than one year	132.94	108.10
	1,515.55	**235.80**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	235.80	153.37
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	14.62	82.43
Closing balance [Refer note 15]	**250.42**	**235.80**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Group is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities:

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 56: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

As at March 31, 2021

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,028.78	3,960.75	8,989.53
Trade payables	-	111.23	31.54	142.77
Lease liabilities	-	17.73	29.50	47.23
Other financial liabilities	-	1.17	-	1.17
	-	**5,158.91**	**4,021.79**	**9,180.70**
Current financial liabilities				
Trade payables	974.79	-	-	974.79
Lease liabilities	6.77	-	-	6.77
Other financial liabilities (including interest and current maturity of borrowings)^	3,467.56	-	-	3,467.56
	4,449.12	**-**	**-**	**4,449.12**
	4,449.12	**5,158.91**	**4,021.79**	**13,629.82**

As at March 31, 2020

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,323.70	6,109.83	11,433.53
Trade payables	-	73.88	61.40	135.28
Lease liabilities	-	22.69	27.48	50.17
Other financial liabilities	-	0.24	-	0.24
	-	**5,420.51**	**6,198.71**	**11,619.22**
Current financial liabilities				
Borrowings	3.28	-	-	3.28
Trade payables	1,037.91	-	-	1,037.91
Lease liabilities^	6.95	-	-	6.95
Other financial liabilities (including interest and current maturity of borrowings)^	3,515.44	-	-	3,515.44
	4,563.58	**-**	**-**	**4,563.58**
	4,563.58	**5,420.51**	**6,198.71**	**16,182.80**

^ Transactions cost reduced from the borrowing is excluded.

NOTE 57: 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 reversal of past provision for doubtful debts made in earlier periods in the distribution franchisee business.

The Group has considered the all possible impact of COVID-19 pandemic including the second wave of COVID-19 in India in preparation of these consolidated financial statements for the year ended March 31, 2021. The Group has made detailed assessment of its liquidity position, recoverability of carrying values of its financial and non-financial assets and impact on revenues and believes that there is no material adjustments required to be made in the financial statements for the year ended March 31, 2021. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Group.

NOTE 58: PROVISION FOR ONEROUS CONTRACTS

The Group has a provisions of ₹190.80 Crore (March 31, 2020 - ₹189.78 Crore) in respect of certain onerous contracts, towards potential damages and provisions of ₹23.03 Crore (March 31, 2020 - ₹23.03 Crore) in respect of other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Group in a prior period under a competitive bidding process. The expected outflow will be determined at the time of final resolution of the matter.

NOTE 59: GOVERNMENT GRANT

(a) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) Movement of government grant

(₹ in Crore)

	As at March 31, 2021	As at March 31, 2020
Opening balance	21.57	24.29
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.72)	(2.72)
Closing balance	**18.85**	**21.57**
Non-current portion [Refer note 26]	16.39	18.85
Current portion [Refer note 30]	2.46	2.72
	18.85	**21.57**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2021

NOTE 60: SOCIAL SECURITY CODE

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.

NOTE 61: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on May 20, 2021.

Signature to Note 1 to 61

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, May 20, 2021

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

FORM AOC - 1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

(a) Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited	Torrent Saurya Urja 2 Private Limited	Torrent Saurya Urja 3 Private Limited	Torrent Solar Power Private Limited
1. Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited	Torrent Saurya Urja 2 Private Limited	Torrent Saurya Urja 3 Private Limited	Torrent Solar Power Private Limited
2. Financial year ended on	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3. Share capital	90.00	50.00	80.05	111.00	110.00	2.00	0.05	0.05	0.05
4. Reserves and surplus	43.33	(16.76)	(96.31)	(0.93)	0.65	(16.10)	(0.01)	(0.01)	(0.02)
5. Total assets	178.18	94.34	915.58	432.48	434.26	244.46	0.05	0.05	0.04
6. Total liabilities (excluding share capital and reserves and surplus)	44.85	61.10	931.84	322.41	323.61	258.56	0.01	0.01	0.01
7. Investments	26.67	-	68.63	2.51	2.15	-	-	-	-
8. Turnover (Revenue from operations)	42.12	-	87.26	54.03	61.94	242.97	-	-	-
9. Profit / (loss) before taxation	19.39	(1.65)	(24.37)	0.41	9.18	(11.68)	(0.01)	(0.01)	(0.01)
10. Provision for taxation (including deferred tax)	0.08	-	(2.75)	0.03	2.23	(2.13)	-	-	-
11. Profit / (loss) after taxation	19.31	(1.65)	(21.62)	0.38	6.95	(9.55)	(0.01)	(0.01)	(0.01)
12. Other comprehensive income (net of tax)	(0.01)	-	-	-	-	0.73	-	-	-
13. Total comprehensive income	19.30	(1.65)	(21.62)	0.38	6.95	(8.82)	(0.01)	(0.01)	(0.01)
14. Proposed dividend	1.20	-	-	-	-	-	-	-	-
15. Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Footnote :

1 Torrent Pipavav Generation Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited and Torrent Solar Power Private Limited are yet to commence its operations.

FORM AOC - 1 (Contd.)

(b) Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Company

(₹ in Crore)

Name of Assosicates	**Wind Two Renergy Private Limited**
1. Latest audited balance sheet date	March 31, 2021
2. Date on which the associate was associated or acquired	December 12, 2017
3. Shares of associate held by the company on the year end	
(i) Numbers	-
(ii) Amount of investment in associates	-
(iii) Extend of holding (in percentage)	0%
4. Description of how there is significant influence	The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above company.
5. Reason why the associate is not consolidated	As the Company does not have equity interest in the above company, the Company does not have any share in the profit, loss or comprehensive income of the entity and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.
6. Networth attributable to shareholding as per latest audited balance sheet	-
7. Profit / (loss) for the year	
(i) Considered in consolidation	-
(ii) Not considered in consolidation	(5.39)

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 20, 2021

5 Years' Highlights - Consolidated

Particulars	UoM	2020-21	2019-20	2018-19	2017-18	2016-17
TECHNICAL DATA						
Generation Capacity	MW	3,879	3,879	3,703	3,721	3,556
Units Billed by Generating Stations	MUs	11,649	12,168	10,004	9,671	7,543
Units Purchased	MUs	6,611	7,219	8,125	8,046	8,986
Units Sold	MUs	16,608	18,310	16,678	15,957	14,454
No. of Consumers	Mn	3.71	3.65	3.32	3.23	3.12
KEY FINANCIALS						
Total Income	₹ in Crore	12,314	13,818	13,341	11,776	10,191
EBITDA	₹ in Crore	3,607	3,734	3,389	3,381	2,651
Profit Before Exceptional Items and Tax	₹ in Crore	1,552	1,475	1,264	1,401	587
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	1,295	1,145	893	956	423
Equity Share Capital	₹ in Crore	481	481	481	481	481
Other Equity (Reserves and Surplus)	₹ in Crore	9,704	8,673	8,490	7,239	6,411
Loan Funds (Gross)	₹ in Crore	7,809	8,901	9,755	9,337	8,810
Fixed Assets	₹ in Crore	18,164	18,137	18,373	18,263	17,136
KEY FINANCIAL RATIOS						
EBITDA / Total Income	%	29.29	27.02	25.40	28.71	26.01
Net Profit Margin #	%	10.43	8.22	7.41	9.59	4.47
Return on Net Worth *#	%	12.42	11.05	9.54	12.62	5.57
Return on Capital Employed *#	%	10.01	9.32	8.23	9.62	7.31
Long Term Debt Equity Ratio *		0.73	0.92	0.90	1.01	1.06
Earnings Per Share	₹	26.86	24.43	18.70	19.61	8.93

Excluding Exceptional Items
* Deferred Tax Liability is included as a part of Equity

Corporate Information

Board of Directors
Sudhir Mehta, Chairman Emeritus
Samir Mehta, Chairperson
Pankaj Patel
Samir Barua
Keki Mistry
Bhavna Doshi
Dharmishta Raval
Sunaina Tomar, IAS *(upto June 15, 2021)*
Usha Sangwan *(wef May 21, 2021)*
Jinal Mehta, Managing Director

Audit Committee
Samir Barua, Chairperson
Keki Mistry
Bhavna Doshi
Dharmishta Raval

Stakeholders Relationship Committee
Pankaj Patel, Chairperson
Samir Mehta
Jinal Mehta

Nomination and Remuneration Committee
Pankaj Patel, Chairperson
Sudhir Mehta
Dharmishta Raval

Corporate Social Responsibility Committee
Bhavna Doshi, Chairperson
Samir Barua
Jinal Mehta

Risk Management Committee
Samir Barua, Chairperson
Bhavna Doshi
Sanjay Dalal *(upto April 30, 2021)*
Lalit Malik *(wef May 01, 2021)*

Committee of Directors
Samir Mehta, Chairperson
Jinal Mehta

Chief Financial Officer
Sanjay Dalal *(upto April 30, 2021)*
Lalit Malik *(wef May 01, 2021)*

Company Secretary
Rahul Shah

Statutory Auditors
Price Waterhouse Chartered Accountants LLP,
Chartered Accountants

Registered Office
Samanvay
600 Tapovan,
Ambawadi, Ahmedabad - 380015, Gujarat, India.
Phone: +91 79 26628300
Fax: +91 79 26764159

Corporate Identity Number
L31200GJ2004PLC044068

Website
www.torrentpower.com

Investor Services Email Id
cs@torrentpower.com

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
Unit: Torrent Power Limited
5th floor, 506-508, Amarnath Business Centre-1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad - 380006 (Gujarat)
Phone: +91 79 26465179/86/87
Email: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

Torrent Power Limited

CIN L31200GJ2004PLC044068
Samanvay,
600 Tapovan,
Ambawadi, Ahmedabad - 380015, Gujarat, India.
Phone: +91 79 26628300
Fax: +91 79 26764159

/Concept, content and design at AICL (hello@aicl.in)