

Torrent Power Limited

Dahej Supply Area

TPL-D (Dahej)

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Torrent Power Limited
Samanvay, 600, Tapovan,
Ambawadi,
Ahmedabad, Gujarat 380015

Torrent Power Limited - Dahej Distribution Area

Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated August 04, 2025.
2. We have audited the accompanying Balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended on that date and a summary of material accounting policies and other explanatory information of these special purpose financial statements (the 'financial statements') of Dahej Distribution Area [TPL- D (Dahej)] of Torrent Power Limited (the "Company") (hereinafter referred to as 'financial statements'). The financial statement have been prepared by management pursuant to the requirement mentioned in the Regulation 17.3 of the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, dated March 29, 2016 for the purpose of submission to the Gujarat Electricity Regulatory Commission ('GERC'), which we have digitally signed under reference to this report.

Management's Responsibility for the Financial Statements

3. Management is responsible for the preparation of these financial statements in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act, to the extent considered relevant as set out in note 2 to the financial statements by it for the purpose for which these financial statements have been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Price Waterhouse Chartered Accountants LLP, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
T: +91 (79) 69247156

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, New Delhi - 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

To the Board of Directors
Torrent Power Limited
Report on financial statements
Page 2 of 3

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the financial statements of Dahej Distribution Area [TPL- D (Dahej)] of the Company for the year ended March 31, 2025 are prepared, in all material respects, in accordance with the accounting policies set out in note 2 to the financial statements.

Emphasis of Matter

8. We draw attention to Note 2.1 to the financial statements, which describes the basis of its preparation in the manner as required by the Gujarat Electricity Regulatory Commission (GERC). The financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, fully comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those disclosures are not considered relevant by the Management and the intended users of the financial statements for the purpose for which those have been prepared. Our opinion is not modified in respect of this matter.

Other Matters

9. The financial statements dealt with by this report, have been prepared for the express purpose of submission to the GERC.
10. The Company has prepared its statutory financial statements for the year ended March 31, 2025 in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act on which we issued an unmodified opinion vide our audit report dated May 14, 2025.

Our opinion is not modified in respect of these matters.

Price Waterhouse Chartered Accountants LLP

To the Board of Directors
Torrent Power Limited
Report on financial statements
Page 3 of 3

Restriction on Use

11. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditor of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we have or may have had in our capacity as auditor of the Company.
12. This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely for submission to GERC to comply with the requirements of Regulation 17.3 of the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, dated March 29, 2016 and should not be used by any other person or for any other purpose. Price Waterhouse Chartered Accountants LLP does not accept or assumes any liability or any duty of care for any other purpose or to any person other than the Company.

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

Hirak Patwa
Partner
Membership Number: 128990

UDIN: 25128990BMOYIT1131
Place: Ahmedabad
Date: September 23, 2025

TORRENT POWER LIMITED
Dahej Distribution Area
Balance sheet
as at March 31, 2025

	Notes	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	114.67	105.14
Right-of-use assets	5	3.03	3.23
Capital work-in-progress	6	1.44	4.05
Intangible assets	7	0.79	-
Financial assets			
Investments	8	8.72	6.67
Other financial assets	9	0.05	0.08
Other non-current assets	10	0.18	0.21
Sub total - Non-current assets		128.88	119.38
Current assets			
Inventories	11	1.70	2.16
Financial assets			
Investments	12	-	0.95
Trade receivables	13	47.82	46.35
Cash and cash equivalents	14	0.40	0.32
Bank balances other than cash and cash equivalents	15	-	0.01
Other financial assets	16	55.25	97.34
Other current assets	17	0.51	8.07
Sub total - Current assets		105.68	155.20
Total - Assets		234.56	274.58
Equity and liabilities			
Equity			
Head Office Account	18	93.38	88.65
Other equity	19	9.22	8.26
Sub total - Equity		102.60	96.91
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	-	31.33
Lease liabilities	36	0.10	0.11
Other non-current liabilities	21	26.62	23.52
Sub total - Non-current liabilities		26.72	54.96
Current liabilities			
Financial liabilities			
Borrowings	22	29.00	70.09
Lease liabilities	36	(*)	(*)
Trade payables	23		
Total outstanding dues of micro and small enterprises		0.11	0.27
Total outstanding dues other than micro and small enterprises		14.67	4.69
Other financial liabilities	24	44.00	35.64
Other current liabilities	25	16.84	11.49
Provisions	26	0.62	0.53
Sub total - Current liabilities		105.24	122.71
Total - Equity and liabilities		234.56	274.58

See accompanying notes forming part of the financial statements

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

For Torrent Power Limited
Hirak Patwa

Partner

Membership No.: 128990

Place : Ahmedabad

Date : September 23, 2025

Naimesh Shah

Authorized Signatory

Place : Ahmedabad

Date : September 23, 2025

TORRENT POWER LIMITED
Dahej Distribution Area
Statement of Profit and Loss

for the year ended March 31, 2025

	Notes	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Income			
Revenue from operations	27	543.79	568.93
Other income	28	3.15	0.72
Total income		546.94	569.65
Expenses			
Electrical energy purchased		509.43	532.39
Employee benefits expense	29	4.21	4.17
Finance costs	30	10.79	11.89
Depreciation and amortisation expense	31	7.56	8.76
Other expenses	32	10.00	8.89
Total expenses		541.99	566.10
Profit for the year		4.95	3.55
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	37	0.04	(0.02)
Other comprehensive income for the year, net of tax		0.04	(0.02)
Total comprehensive income for the year		4.99	3.53

See accompanying notes forming part of the financial statements

In terms of our report attached

-

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

For Torrent Power Limited

Hirak Patwa
Partner
Membership No.: 128990

Naimesh Shah
Authorized Signatory

Place : Ahmedabad
Date : September 23, 2025

Place : Ahmedabad
Date : September 23, 2025

TORRENT POWER LIMITED
Dahej Distribution Area
Statement of Cash Flows
for the year ended March 31, 2025

	Notes	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Cash flow from operating activities			
Profit for the year		4.95	3.55
Adjustments for :			
Depreciation and amortisation expense	31	7.56	8.76
Amortisation of deferred revenue	27	(2.16)	(2.13)
Provision of earlier years written back	27	(0.02)	(*)
Loss on sale of non-current investments	32	0.05	-
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	32	0.35	0.04
Finance costs	30	10.79	11.89
Interest income from financial assets measured at amortised cost	28	(0.63)	(0.51)
Gain on sale of non-current investments	28	(0.01)	(0.02)
Operating profit before working capital changes		20.88	21.58
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		0.46	3.32
Trade receivables		(1.47)	(9.38)
Other financial assets		42.17	13.94
Other assets		7.59	(7.28)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		9.84	0.29
Other financial liabilities		5.67	(0.83)
Provisions		0.13	0.12
Other liabilities		5.14	7.38
Net cash flow generated from operating activities		90.41	29.14
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(12.89)	(11.33)
Proceeds from sale of property, plant and equipment		0.17	0.04
Purchase of non-current investments		(2.05)	(1.81)
Proceeds from sale of non-current investments		0.91	0.80
Interest received		0.59	0.51
Net cash used in investing activities		(13.27)	(11.79)
Cash flow from financing activities			
Inter Branch/Head Office transaction, net		0.70	6.30
Repayment of long-term borrowings		(34.66)	(2.39)
Prepayment of long-term borrowings		(3.92)	(4.45)
Repayment of short-term borrowings		(34.00)	(6.00)
Receipt of contribution from consumers		5.46	1.17
Principal elements of lease payments		(0.02)	(0.01)
Finance costs paid		(10.62)	(11.85)
Net cash used in financing activities		(77.06)	(17.23)

TORRENT POWER LIMITED
Dahej Distribution Area
Statement of Cash Flows
for the year ended March 31, 2025

	Notes	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Statement of Cash Flows (Contd.)			
Net (decrease) / increase in cash and cash equivalents		0.08	0.12
Cash and cash equivalents as at beginning of the year		0.32	0.20
Cash and cash equivalents as at end of the year		0.40	0.32

Footnotes:

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
1 Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	0.40	0.32
	0.40	0.32
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" .		
3 Proceeds from short-term borrowings represent amounts allocated from Head Office. (Refer Note 2.1 (iv))		

See accompanying notes forming part of the financial statements

In terms of our report attached	-
---------------------------------	---

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

For Torrent Power Limited

Hirak Patwa
Partner
Membership No.: 128990

Place : Ahmedabad
Date : September 23, 2025

Naimesh Shah
Authorized Signatory

Place : Ahmedabad
Date : September 23, 2025

TORRENT POWER LIMITED
Dahej Distribution Area
Statement of Changes in Equity for the year ended March 31, 2025

A. Head Office account [Refer note 18]

	(₹ in Crore)
Balance as at April 01, 2024	88.65
Add : Retained earnings transferred from reserves and surplus	4.03
Add : Inter branch / Head Office transactions, net	0.70
Balance as at March 31, 2025	93.38
Balance as at April 01, 2023	79.75
Add : Retained earnings transferred from reserves and surplus	2.60
Add : Inter branch / Head Office transactions, net	6.30
Balance as at March 31, 2024	88.65

B. Other equity [Refer note 19]

	Reserves and surplus		(₹ in Crore)
	Contingency reserve	Retained earnings	Total
Balance as at April 01, 2024	8.26	-	8.26
Profit for the year	-	4.95	4.95
Other comprehensive income for the year	-	0.04	0.04
Total comprehensive income for the year	-	4.99	4.99
Transfer to contingency reserve	0.96	(0.96)	-
Transaction with owners in their capacity as owners:			
Transferred to Head office Account		(4.03)	(4.03)
Balance as at March 31, 2025	9.22	-	9.22
Balance as at April 01, 2023	7.33	-	7.33
Profit for the year	-	3.55	3.55
Other comprehensive income for the year	-	(0.02)	(0.02)
Total comprehensive income for the year	-	3.53	3.53
Transfer to contingency reserve	0.93	(0.93)	-
Transferred to Head office Account		(2.60)	(2.60)
Balance as at March 31, 2024	8.26	-	8.26

Footnote:

Retained earning includes ₹ (0.11) Crore (March 31, 2024 ₹ (0.07) Crore) related to re-measurement of defined benefit plans (net of tax

See accompanying notes forming part of the financial statements

In terms of our report attached

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

For Torrent Power Limited

Hirak Patwa
Partner
Membership No.: 128990
Place : Ahmedabad
Date : September 23, 2025

Naimesh Shah
Authorized Signatory
Place : Ahmedabad
Date : September 23, 2025

Note 1(a): General information

These special purpose financial statement comprising of the Balance sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information, to the extent considered relevant for the purpose of Dahej Distribution license Area [TPL- D (Dahej)] of Torrent Power Limited ("the Company") (hereinafter referred to as 'financial statements') have been prepared by the management for the purpose of submission to the Gujarat Electricity Regulatory Commission (GERC).

TPL – D (Dahej) operates in electricity distribution activities in Dahej distribution license area as per the terms of the tariff order approved by Gujarat Electricity Regulatory Commission (GERC) year on year.

Note 1(b): New standards or interpretations adopted by TPL – D (Dahej)

The Ministry of Corporate Affairs vide notification dated September 09, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2024:

- i) Ind AS 117 – Insurance Contracts
- ii) Ind AS 116 – Leases

The above amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Note 2 (a): Material accounting policies

2.1 Basis of preparation:

Compliance with Ind AS

These financial statements have been prepared /extracted from the books and records and audited financial statements of the Company which are based on Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the as Prescribed by Financial statements [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

The principles of measurement, recognition and disclosure (to the extent considered relevant) followed for preparation of these financial statements are consistent with the accounting policies followed by Torrent Power Limited in its annual standalone audited financial statements for the year ended March 31, 2025 subject to the following:

(i) Tax Provision:

The Company's corporate tax liability under Income Tax Act, 1961 is assessed for the Company as a whole and accordingly no current tax or deferred tax has been accounted for in these financial statements of TPL- D (Dahej).

(ii) Basis of allocation of common expenditure:

The expenditure incurred by company that is directly attributable to TPL – D (Dahej) is allocated to TPL – D (Dahej). The common expenditure incurred by the Company the ratio determined based on the respective sales of each unit/area as a proportion to the total sales of the Company, including inter-unit sales.

(iii) Loan balances:

The borrowings of the company are centralized. The loans obtained by the Company from the banks and financial institutions are allocated between the units of the Company, based on the level of funding deployed in the respective units.

Loan from Head office represents the amount of funding by Head office to TPL – D (Dahej) towards unrecovered / unbilled regulatory gap including disputed regulatory gap as assessed by the management.

(iv) Transactions between Head Office /Inter-Unit:

Head office account represents the closing balance which has been arrived at after considering transactions with Head office and all inter-unit transactions. The profit earned during the year by the TPL-D (Dahej) also gets transferred to Head Office account as at the year end.

(v) Events after the Reporting Period:

These financial statements do not reflect the effects of events that occurred subsequent to May 14, 2025 i.e. the date on which the statutory financial statements of the Company for the year ended March 31, 2025 were authorized by the Board of Directors, for the purpose of comparability.

Historical cost convention

The financial statements have been prepared on the historical cost basis 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 Property, plant and equipment:

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 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. Directly attributable costs are capitalized until the asset is ready to use in accordance with TPL-D (Dahej)'s accounting policy of capitalization.

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 property, plant and equipment is provided on straight line basis using the depreciation rates, the methodology and residual value as per the provision of Annexure I of Section 39 of Chapter 3 of Gujarat Electricity regulatory Commission (Multi Year Tariff) Regulations, 2016.

The effect of any such change in estimate in this regard is being 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 \$
Buildings	3.34%
Plant and machinery	5.28% to 6.33%
Electrical fittings and apparatus	5.28% to 6.33%
Furniture and fixtures	6.33%
Vehicles	9.50%
Office equipment	6.33% to 15.00%

\$ For assets acquired on or after April 01, 2009 in case of Regulated generation and distribution business, remaining depreciable value as on 31st March of the year closing after a period of 12 years from date on which assets are ready for their intended use, shall be spread over the balance useful life of the assets as defined in GERC / CERC Multi Year Tariff (MYT) regulations.

2.3 Impairment of assets:

Property, plant and equipment 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 recognized 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.

2.4 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 capitalized 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.

2.5 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 (Refer note 2.1).

2.6 Inventories:

Stores and spares and loose tools 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. 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.

2.7 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price, 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 rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. 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 Fuel and Power Purchase Price Adjustment (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 16, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

- (ii) 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 in accordance with depreciation of such property, plant and equipment.

2.8 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 TPL – D (Dahej) 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.

2.9 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when TPL – D (Dahej) 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.

2.10 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

TPL – D (Dahej) 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 (excluding trade receivables) 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. Trade receivables which do not contain a significant financing component are measured at transaction price.

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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

• 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. The Company currently does not have any debt instruments which are measured at FVOCI.

• **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 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

TPL – D (Dahej) 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, TPL – D (Dahej) follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The Company has segmented the customers based on shared risk attributes, i.e. Government Consumers / Non-Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer.

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
- TPL – D (Dahej) has transferred its rights to receive cash flows from the asset.

When the entity has transferred an asset, TPL – D (Dahej) 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 TPL – D (Dahej) has not retained control over the financial asset. Where TPL – D (Dahej) 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

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 when there is a certainty of recovery.

Financial liabilities

i) Classification

All TPL – D (Dahej)'s financial liabilities are measured at amortized 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

TPL – D (Dahej) derecognises financial liabilities when, and only when, TPL – D (Dahej) 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.

v) Financial guarantee contracts

Financial guarantee contracts issued by TPL – D (Dahej) 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.

2.11 Leases:

TPL – D (Dahej) 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 TPL – D (Dahej). 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 TPL-D (Dahej) and payments of penalties for terminating the lease, if the lease term reflects TPL-D (Dahej) 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.

2.12 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 2(b): Other accounting policies

2.13 Intangible assets – acquired:

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses, if any. 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.

2.14 Foreign currency translation:

Functional and presentation currency

The financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the TPL – D (Dahej).

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Transactions and balances**

In preparing the financial statements of the TPL – D (Dahej), 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 recognized as income or expense in the financial year in which they arise.

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:

TPL – D (Dahej) 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. TPL – D (Dahej) has not recognized those truing up adjustment claims which are disputed and for which TPL – D (Dahej) is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities [Refer note 27 & 33]. However for certain disputed cases [Refer note 33 (a) (2) (1)] where TPL – D (Dahej) believes it has strong case, TPL – D (Dahej) continued to recognize there truing up claims.

3.2 Property, plant and equipment:

Service concession arrangements

TPL – D (Dahej) 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 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.

3.3 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against TPL – D (Dahej). 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 recognized 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 34(a)]

3.4 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

TORRENT POWER LIMITED
Dahej Distribution Area

Notes forming part of the financial statements for the year ended March 31, 2025

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 37.2.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 4 : Property, plant and equipment****As at March 31, 2025****(₹ in Crore)**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	Deductions during the year	As at March 31, 2025	As at March 31, 2025
Buildings	43.22	0.78	-	44.00	12.47	1.22	-	13.69	30.31
Plant and machinery	125.46	14.95	0.62	139.79	53.05	5.88	0.32	58.61	81.18
Electrical fittings and apparatus	1.42	0.18	-	1.60	0.62	0.10	-	0.72	0.88
Furniture and fixtures	0.60	0.01	0.01	0.60	0.31	0.04	(*)	0.35	0.25
Vehicles	0.83	-	0.36	0.47	0.19	0.05	0.16	0.08	0.39
Office equipment	1.14	1.47	0.09	2.52	0.89	0.05	0.08	0.86	1.66
Total	172.67	17.39	1.08	188.98	67.53	7.34	0.56	74.31	114.67

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 4 : Property, plant and equipment (Contd.)

As at March 31, 2024

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Buildings	42.88	0.34	-	43.22	10.97	1.50	-	12.47	30.75
Plant and machinery	119.98	5.64	0.16	125.46	46.32	6.81	0.08	53.05	72.41
Electrical fittings and apparatus	1.37	0.05	-	1.42	0.52	0.10	-	0.62	0.80
Furniture and fixtures	0.54	0.06	-	0.60	0.27	0.04	-	0.31	0.29
Vehicles	0.37	0.46	-	0.83	0.13	0.06	-	0.19	0.64
Office equipment	1.13	0.01	-	1.14	0.85	0.04	-	0.89	0.25
Total	166.27	6.56	0.16	172.67	59.06	8.55	0.08	67.53	105.14

Footnotes:

- 1 The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 20].
- 2 Capital commitment:
Refer note 34(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by TPL - D (Dahej) under various headings.
- 4 TPL - D (Dahej) has not revalued its property, plant and equipment during the current or previous year.
- 5 Title deed of immovable properties are held in the name of TPL - D (Dahej).

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 5 : Right-of-use assets****As at March 31, 2025**

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	Deductions during the year	As at March 31, 2025	As at March 31, 2025
Land	4.22	-	-	4.22	0.99	0.20	-	1.19	3.03
Total	4.22	-	-	4.22	0.99	0.20	-	1.19	3.03

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Land	4.22	-	-	4.22	0.79	0.20	-	0.99	3.23
Total	4.22	-	-	4.22	0.79	0.20	-	0.99	3.23

Footnotes:

- 1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 20].
- 2 Refer note 36 for disclosure relating to right-of-use asset.
- 3 Title deed of right-of-use assets are held in the name of the TPL-D (Dahej).
- 4 TPL-D (Dahej) has not revalued its right-of-use assets during the current or previous year.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 6 : Capital work-in-progress

As at March 31, 2025

(₹ in Crore)				
Particulars	As at April 01, 2024	Additions during the year	Capitalised during the year	As at March 31, 2025
Capital work-in-progress	4.05	15.58	18.19	1.44
Total	4.05	15.58	18.19	1.44

As at March 31, 2024

(₹ in Crore)				
Particulars	As at April 01, 2023	Additions during the year	Capitalised during the year	As at March 31, 2024
Capital work-in-progress	1.09	9.52	6.56	4.05
Total	1.09	9.52	6.56	4.05

Footnotes:

- 1 The above capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 20].
- 2 Capital work-in-progress mainly comprises Plant and machinery.
- 3 Additions to capital work-in-progress includes capitalisation of directly attributable costs incurred by TPL-D (Dahej) under various headings.
- 4 Refer note 41 for ageing schedule of the capital work-in-progress.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 7 : Intangible assets****As at March 31, 2025**

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	Deductions during the year	As at March 31, 2025	As at March 31, 2025
Computer software	-	0.81	-	0.81	-	0.02	-	0.02	0.79
Total	-	0.81	-	0.81	-	0.02	-	0.02	0.79

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Computer software	0.87	-	-	0.87	0.86	0.01	-	0.87	-
Total	0.87	-	-	0.87	0.86	0.01	-	0.87	-

Footnotes:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Company [Refer note 20].

2 TPL-D (Dahej) has not revalued its intangible assets during the current or previous year.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 8 : Non-current other investments**

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Contingency reserve investments - statutory (quoted) (at amortised cost) \$	8.72	6.67
	<u>8.72</u>	<u>6.67</u>
Aggregate amount of quoted investments	8.72	6.67
Aggregate amount of market value of quoted investments	8.84	6.60

\$ 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 19 - Contingency reserve]

Note 9 : Other non-current financial assets

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Security deposits	0.04	0.08
Bank fixed deposits	0.01	-
	<u>0.05</u>	<u>0.08</u>

Note 10 : Other non-current assets

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Balances with government authorities	(*)	(*)
Prepaid expenses	0.18	0.21
	<u>0.18</u>	<u>0.21</u>

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 11 : Inventories

(valued at lower of cost and net realizable value)

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Stores and spares	1.70	2.15
Loose tools	(*)	0.01
	<u>1.70</u>	<u>2.16</u>

Footnotes:

- 1 The cost of stores and spares inventories recognised as an expense includes ₹ (0.01) Crore (Previous year - ₹ 0.06 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. [Refer note 20]

Note 12 : Current investments

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Contingency reserve investments - statutory (quoted) (at amortised cost) \$	-	0.95
	<u>-</u>	<u>0.95</u>
Aggregate amount of quoted investments	-	0.95
Aggregate amount of market value of quoted investments	-	0.91

\$ 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 19 - Contingency reserve]

Note 13 : Trade receivables

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Trade receivables		
Secured - Considered good #	47.82	46.03
Unsecured - Considered good	(*)	0.32
	<u>47.82</u>	<u>46.35</u>
Less: Allowance for bad and doubtful debts	-	-
	<u>47.82</u>	<u>46.35</u>

TPL-D (Dahej) holds security deposits in respect of electricity receivables.

Footnotes:

- 1 Refer note 20 for charge on current assets including trade receivables.
- 2 Refer note 40 for credit risk related disclosures.
- 3 Refer note 42 for ageing schedule of trade receivables.

Note 14 : Cash and cash equivalents

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Balances with banks		
Balance in current accounts	0.40	0.32
	<u>0.40</u>	<u>0.32</u>

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 15 : Bank balances other than cash and cash equivalents

	(₹ in Crore)
As at March 31, 2025	As at March 31, 2024
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	0.01
-	0.01

Note 16 : Other current financial assets

	(₹ in Crore)
As at March 31, 2025	As at March 31, 2024
Security deposits	(*)
Interest accrued on non-current investments	0.08
Interest accrued on deposits	(*)
Unbilled revenue (including revenue gap / surplus) [Refer note 33(a)(2)]	97.26
Other advances / receivables	-
55.25	97.34

Note 17 : Other current assets

	(₹ in Crore)
As at March 31, 2025	As at March 31, 2024
Advances for goods and services	0.03
Prepaid expenses	0.32
Other advances	7.72
0.51	8.07

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note - 18 : Head Office Account

(Refer Note 2.1 (iv))

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Balance at the beginning of the year	88.65	79.75
Add : Retained earnings transferred from reserves and surplus	4.03	2.60
Add/(Less) : Inter branch / Head Office transactions, net	0.70	6.30
Balance at the end of the year	<u>93.38</u>	<u>88.65</u>

Note 19 : Other equity

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Reserves and surplus		
Contingency reserve	9.22	8.26
Retained earnings	4.99	3.53
	<u>14.21</u>	<u>11.79</u>
Less : Transfer to contingency reserve	(0.96)	(0.93)
Less: Retained earnings transferred to Head office Account	(4.03)	(2.60)
	<u>9.22</u>	<u>8.26</u>

Refer "Statement of change in equity" for movement in each reserve.

Footnotes:

1 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the TPL - D (Dahej) 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.

2 Retained earnings:

The retained earnings reflects surplus/deficit in the statement of Profit and Loss, which is transferred to Head office Account.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 20 : Non-current borrowings

	(₹ in Crore)
As at	As at
March 31, 2025	March 31, 2024
Non-current borrowings	
Secured loans - at amortised cost	
Term loans @	
From banks	31.33
	31.33

@ After considering unamortised expense of ₹ Nil Crore as at March 31, 2025 and ₹ 0.13 Crore as at March 31, 2024.

Current maturities

Secured loans - at amortised cost

Term loans \$	
From banks	7.09
	7.09
	7.09
Amount disclosed under the head 'Current borrowings' [Refer note 22]	(7.09)
	-

\$ After considering unamortised expense of ₹ Nil Crore as at March 31, 2025 and ₹ 0.03 Crore as at March 31, 2024.

Footnotes:

As at March 31, 2025

- 1 No proceeds from term loans and debt instruments are raised during the year.
- 2 During the current year, term loan amounting to ₹ 32.23 Crore have been paid from the Qualified Institutions Placement (QIP) proceeds received by the Company.

As at March 31, 2024

- 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 ₹ 38.58 Crore
- 2 The future annual repayment obligations (quarterly) on principal amount for the above long-term borrowings are as under:-.

	(₹ in Crore)
Financial year	Term loans
2024-25	7.12
2025-26	3.88
2026-27	4.15
2027-28	4.28
2028-29	4.28
2029-30	4.28
2030-31	4.28
2031-32	3.75
2032-33	2.56

- 3 The rate of interest for term loans from banks is 8.55% p.a as at March 31, 2024.
- 4 No proceeds from term loans and debt instruments are raised during the previous year.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 21 : Other non-current liabilities

	(₹ in Crore)
	As at
	As at
	March 31, 2025
	March 31, 2024
Deferred revenue	
Contribution received from consumers [Refer note 33(b)]	26.62
Sundry payables	23.52
	(*)
	(*)
	26.62
	23.52

Note 22 : Current borrowings

	(₹ in Crore)
	As at
	As at
	March 31, 2025
	March 31, 2024
Unsecured loans	
Loans from Head office *	29.00
*represent amounts allocated from Head Office. (Refer Note 2.1 (iv))	63.00
	29.00
	63.00
Current maturities of long-term debt [Refer note 20]	-
	7.09
	-
	7.09
	29.00
	70.09

Footnotes:

- 1 During the current and previous year, TPL -D (Dahej) has used the loans for the purpose for which it was obtained.
- 2 The Company has borrowings from banks and financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed are in agreement with the books of accounts.

Net debt reconciliation :

	(₹ in Crore)
	As at
	As at
	March 31, 2025
	March 31, 2024
Cash and cash equivalents	0.40
Current investments	0.32
Current borrowings (excluding current maturities of long-term debt and including interest accrued but not due) #	-
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due) #	0.95
Lease liabilities	(29.00)
	(63.00)
	-
	(38.59)
	(0.10)
	(0.11)
	(28.70)
	(100.43)

Transactions cost reduced from the borrowing is excluded.

	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, 2024	0.32	0.95	(63.00)	(38.59)	(0.11)	(100.43)
Cash flows (net)	0.08	(0.91)	34.00	38.58	0.02	71.77
New lease	-	-	-	-	-	-
Interest expense	-	-	-	(2.49)	(0.01)	(2.50)
Interest paid	-	-	-	2.50	-	2.50
Gain/(Loss) on sale of current investments	-	(0.04)	-	-	-	(0.04)
Net balance as at March 31, 2025	0.40	-	(29.00)	-	(0.10)	(28.70)
Net balance as at April 01, 2023	0.20	0.78	(69.00)	(45.42)	(0.11)	(113.55)
Cash flows (net)	0.12	(0.80)	6.00	6.84	0.01	12.17
Transfer from non-current investments	-	0.95	-	-	-	0.95
Interest expense#	-	-	(5.91)	(3.49)	(0.01)	(9.41)
Interest paid	-	-	5.91	3.48	-	9.39
Gain on sale of current investments	-	0.02	-	-	-	0.02
Net balance as at March 31, 2024	0.32	0.95	(63.00)	(38.59)	(0.11)	(100.43)

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 23 : Current trade payables

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises [Refer note 35]	0.11	0.27
Total outstanding dues other than micro and small enterprises	14.67	4.69
	<u>14.78</u>	<u>4.96</u>

Footnote:

1 Refer note 43 for ageing schedule of current trade payables.

Note 24 : Other current financial liabilities

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Interest accrued but not due on loans	-	0.01
Security deposits from consumers @	40.19	34.57
Payables for purchase of property, plant and equipment^	3.25	0.55
Sundry payables (including for employees related payables)	0.56	0.51
	<u>44.00</u>	<u>35.64</u>

@Security deposits from consumers in TPL-D(Dahej)'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 ₹ 0.4 Crore (March 31, 2024 - ₹ 0.09 Crore) [Refer note 35]

Note 25 : Other current liabilities

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Credit balances of consumers [Refer note 33(d)]	0.55	0.24
Service line deposits from consumers [Refer note 33(c)]	9.19	7.06
Deferred revenue		
Contribution received from consumers [Refer note 33(b)]	2.31	2.11
Statutory dues	4.79	2.08
	<u>16.84</u>	<u>11.49</u>

Note 26 : Current provisions

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Provision for employee benefits		
Provision for gratuity [Refer note 37.2(d)]	0.06	0.02
Provision for compensated absences \$	0.56	0.51
	<u>0.62</u>	<u>0.53</u>

\$ 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.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 27 : Revenue from operations**

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	541.39	566.66
	541.39	566.66
Other operating income		
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 33(b)(2)] #	2.16	2.13
Provisions of earlier years written back	0.02	(*)
Miscellaneous income	0.22	0.14
	2.40	2.27
	543.79	568.93

Amortisation of deferred revenue are recognised within the scope of Ind AS 115.

Footnotes:**1 Disaggregation of revenue from contracts with customers:**

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Distribution	541.39	566.66
	541.39	566.66

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.**Note 28 : Other income**

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Interest income from financial assets measured at amortised cost		
Deposits	(*)	(*)
Consumers	0.03	0.01
Contingency reserve investments	0.60	0.50
Others	(*)	(*)
	0.63	0.51
Gain on sale of non-current investments	0.01	0.02
Discount on prompt payment of power purchase	2.29	0.11
Gain on Disposal of Property, Plant & Equipment	-	(*)
Miscellaneous income	0.22	0.08
	3.15	0.72

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 29 : Employee benefits expense

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Salaries, wages and bonus	6.31	5.60
Contribution to provident and other funds [Refer note 37.1]	0.52	0.48
Employees welfare expenses	0.17	0.18
Compensated absences	0.08	0.14
Gratuity [Refer note 37.2(e)(3)]	0.06	0.04
	7.14	6.44
Less: Allocated to capital works, repairs and other relevant revenue accounts #	2.93	2.27
	4.21	4.17

includes allocated to capital works of ₹ 1.21 Crore (previous year ₹ 0.63 Crore).

Note 30 : Finance costs

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Interest expense for financial liabilities measured at amortised cost		
Term loans #	2.65	3.52
Security deposits from consumers	2.53	2.45
Lease liabilities	0.01	0.01
Others	5.60	5.91
Other borrowing costs	(*)	(*)
	10.79	11.89
Other interest expense	-	(*)
	10.79	11.89
Less: Allocated to capital works	-	-
	10.79	11.89

includes amortisation of borrowing cost of ₹ 0.16 Crore (previous year ₹ 0.03 Crore).

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 31 : Depreciation and amortisation expense

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Depreciation expense on property, plant and equipment	7.34	8.55
Depreciation expense on right-of-use assets	0.20	0.20
Amortisation expense on intangible assets	0.02	0.01
	<u>7.56</u>	<u>8.76</u>

Note 32 : Other expenses

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Consumption of stores and spares	0.18	0.22
Rent and hire charges	1.49	1.43
Repairs to		
Buildings	(*)	(*)
Plant and machinery	3.61	3.24
Others	0.25	0.17
	<u>3.86</u>	<u>3.41</u>
Insurance	0.09	0.07
Rates and taxes	0.02	0.01
Vehicle running expenses	0.89	0.86
Electricity expenses	0.24	0.28
Security expenses	1.17	1.26
Water charges	0.06	0.07
Loss on sale of non-current investments	0.05	-
Loss on sale / discarding of property, plant and equipment	0.35	0.04
Auditors remuneration [Refer note 38]	0.06	0.06
Legal, professional and consultancy fees	0.77	0.51
Miscellaneous expenses	0.95	0.79
	<u>10.18</u>	<u>9.01</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	0.18	0.12
	<u>10.00</u>	<u>8.89</u>

^ includes allocated to capital works of ₹ Nil Crore (previous year ₹ Nil Crore)

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 33: Revenue from Contracts with Customers****(a) Unbilled revenue**

- (1) Revenue from Power Supply also includes 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.

TPL - D (Dahej) has not recognized those true up adjustment claims for which TPL - D (Dahej) is in review or appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Opening balance	97.26	111.20
Add: Income accrued during the year as per tariff regulations / orders	213.82	248.47
Less: Amount billed during the year to the consumers as per tariff orders	(257.31)	(262.41)
Closing balance	53.77	97.26
Disclosed under		
Unbilled revenue [Refer note 16]	53.77	97.26
	53.77	97.26

Footnote :

- 1 The Gujarat Electricity Regulatory Commission (GERC) while carrying out tariff true up order for FY 2018-19, FY 2022-23 and FY 2023-24 for TPL - D (Dahej), has erroneously considered accrued revenue as realised revenue of ₹ 36.53 Crore. TPL - D (Dahej) has filed a review petition/Appeal which is pending for disposal. The management of TPL - D (Dahej) believes it has a strong case and does not expect any significant reversal of revenue.

(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

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Opening balance	25.63	26.59
Add: Contribution received during the year	5.46	1.17
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 27]	(2.16)	(2.13)
Closing balance	28.93	25.63
Non-current portion [Refer note 21]	26.62	23.52
Current portion [Refer note 25]	2.31	2.11
	28.93	25.63

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 33: Revenue from Contracts with Customers (Contd.)****(c) Service line deposit from consumers**

	(₹ in Crore)	
	As at	As at
	March 31, 2025	March 31, 2024
Opening balance	7.06	0.71
Add: Received during the year (net of refund)	7.59	7.52
Less: Transferred to contribution received from consumers	(5.46)	(1.17)
Closing balance [Refer note 25]	9.19	7.06

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 "other current / non-current liabilities".

(d) Credit balance of consumers

	(₹ in Crore)	
	As at	As at
	March 31, 2025	March 31, 2024
Opening balance	0.24	0.17
Add / (less) : Adjustment to current billing (net)	0.31	0.07
Closing balance [Refer note 25]	0.55	0.24

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 34: Contingent liabilities and capital commitments****(a) Contingent liabilities**

TPL - D (Dahej) 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 TPL - D (Dahej) is not material and accordingly, no provision has been made in the financial statements.

Footnotes :

- 1 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.

(b) Capital and other commitments

	(₹ in Crore)	
	As at	As at
	March 31, 2025	March 31, 2024
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	3.46	11.26

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 35: 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, 2025	As at March 31, 2024
(a) Principal amount remaining unpaid [Refer notes 23 and 24]	0.51	0.36
(b) Interest due thereon	-	-
(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	-	-
(ii) Interest paid under section 16 of the MSMED Act, to the suppliers, beyond the appointed day during the year	*	-
(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)	-	-
(e) The amount of interest accrued and remaining unpaid [b+d]	-	-
(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.	*	-

Note 36: Leases

This note provides information for leases where TPL -D (Dahej) is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Notes	(₹ in Crore)	
		As at March 31, 2025	As at March 31, 2024
Land	5	3.03	3.23
Total		3.03	3.23

Lease liabilities

	(₹ in Crore)	
	As at March 31, 2025	As at March 31, 2024
Current	(*)	(*)
Non-current	0.10	0.11
Total	0.10	0.11

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

	Notes	(₹ in Crore)	
		Year ended March 31, 2025	Year ended March 31, 2024
Depreciation charge of right-of-use assets	31	0.20	0.20
Interest expense (included in finance costs)	30	0.01	0.01
Expense relating to short-term leases (included in other expenses)	32	1.21	1.16
Total		1.42	1.37

(iii) Maturities of lease liabilities

As at March 31, 2025:

	(₹ in Crore)	
	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	(*)
Between 1 year and 5 years	0.05	-
5 years and above	0.12	-
Total	0.17	-

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 36: Leases (Contd.)

As at March 31, 2024:

		(₹ in Crore)
	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	0.01
Between 1 year and 5 years	0.05	-
5 years and above	0.13	-
Total	0.18	0.01

(iv) The total cash outflow for leases :

		(₹ in Crore)	
	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Principal elements of lease payments (disclosed in Cash flow statement)		0.02	0.01
Expense relating to short-term leases (included in other expenses)	32	1.21	1.16
Total		1.23	1.17

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 37: Employee benefits plan****37.1 Defined contribution plan**

TPL - D (Dahej) has defined contribution retirement benefit plans for its employees.

TPL - D (Dahej)'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. TPL - D (Dahej)'s superannuation scheme for qualifying employees is administered through its various superannuation trust funds. TPL - D (Dahej)'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. TPL - D (Dahej) has no further obligation in respect of such plans beyond the contributions made.

TPL - D (Dahej)'s contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹ 0.52 Crore (Previous year - ₹ 0.48 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 29].

37.2 Defined benefit plans**(a) Gratuity**

TPL - D (Dahej) operates through its 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 TPL - D (Dahej) 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 TPL - D (Dahej). In case of death while in service, the gratuity is payable irrespective of vesting.

TPL - D (Dahej) 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 TPL - D (Dahej) 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, 2025. 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, 2025	As at March 31, 2024
Discount rate (p.a.)	7.02%	7.27%
Salary escalation rate (p.a.)	8.50%	8.50%

(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**

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Present value of funded defined benefit obligation	1.19	1.05
Fair value of plan assets	1.13	1.03
Net (asset) / liability [Refer note 26]	0.06	0.02

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025
Note 37: Employee benefits plan(Contd.)
(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	As at
	March 31, 2025	March 31, 2024
(1) Movements in the present value of the defined benefit obligation:		
Obligation at the beginning of the year	1.05	0.85
Current service cost	0.05	0.04
Interest cost	0.09	0.08
Actuarial (gains) / losses from changes in demographic assumptions	(0.01)	-
Actuarial (gains) / losses arising changes in financial assumptions	0.02	0.02
Actuarial (gains) / losses from experience adjustments	(0.05)	(*)
Liability transferred out	-	(*)
Benefits paid	(0.01)	-
Obligation Allocation from Surat Dist.	0.05	0.06
Obligation at the end of the year	1.19	1.05
(2) Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	1.03	0.89
Interest income	0.09	-
Return on plan assets (excluding interest income)	(*)	(*)
Benefits paid	(0.01)	-
Plan assets allocation from Surat Dist	0.02	0.14
Plan assets at the end of the year, at fair value	1.13	1.03
(3) Gratuity cost recognized in the statement of profit and loss		
Current service cost	0.05	0.04
Interest cost, net	(*)	0.08
Cost allocation from Surat Dist	0.01	(0.08)
Net gratuity cost recognized in the statement of profit and loss [Refer note 29]	0.06	0.04
(4) Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	(*)	(*)
Actuarial (gains) / losses	(0.04)	0.02
Net (income) / expense for the period recognized in OCI	(0.04)	0.02

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India, who has invested the funds substantially in the government securities.

(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	As at
	March 31, 2025	March 31, 2024
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(0.04)	(0.03)
50 basis points decrease in discount rate	0.04	0.04
50 basis points increase in salary escalation rate	0.04	0.04
50 basis points decrease in salary escalation rate	(0.04)	(0.03)

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 16 years (Previous year - 18 years).
(i) Expected contribution to the plan for the next annual reporting period is ₹ 0.06 Crore (Previous year - ₹ 0.02 Crore).

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 37: Employee benefits plan(Contd.)****(j) Cash flow projection from the fund****Projected benefits payable in future years from the date of reporting**

	(₹ in Crore)	
	Funded Plan - Gratuity	
	As at	As at
	March 31, 2025	March 31, 2024
1st following year	0.14	0.10
2nd following year	0.05	0.06
3rd following year	0.12	0.07
4th following year	0.14	0.11
5th following year	0.13	0.12
sum of years 6 th to 10 th	0.65	0.62
more than 10 years	0.88	0.91

37.3 Other long-term employee benefit obligations

The leave obligation covers TPL - D (Dahej)'s liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from TPL - D (Dahej) 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 26 and 29 for the leave encashment provision / charge in the balance sheet and statement of profit and loss.

Note 38: Auditors remuneration (including taxes)

	(₹ in Crore)	
	Year ended	Year ended
	March 31, 2025	March 31, 2024
As audit fees	0.01	0.01
For other services	0.05	0.05
For reimbursement of expenses	(*)	(*)
	0.06	0.06

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 39: Related party disclosures****(a) Names of related parties and description of relationship:**

Related party disclosures given below are based on the relationships identified at the Company level and includes only those where transactions have been recorded in the books of TPL D(Dahej).

It does not include transactions between the units and its head office.

1	Entities having joint control over Parent Company	Mehta Family Trust 1, Mehta Family Trust 2, Mehta Family Trust 3, Mehta Family Trust 4
2	Parent Company	Torrent Investments Limited (Formerly known as Torrent Investments Private Limited)
3	Subsidiary Companies (Direct and Indirect)	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, Jodhpur Wind Farms Private Limited, Latur Renewable Private Limited, Torrent Electricals Limited (Formerly known as Torrent Electrical Private Limited / TCL Cables Private Limited, upto October 16, 2024), Torrent Solar Power Private Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited, Torrent Saurya Urja 4 Private Limited, Torrent Saurya Urja 5 Private Limited, Visual Percept Solar Projects Private Limited, Surya Vidyut Limited, Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited, Torrent Saurya Urja 6 Private Limited (Formerly known as LREHL Renewables India SPV 1 Private Limited), Sun Shakti Solar Power Projects Private Limited, Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited), Torrent Urja 8 Private Limited (w.e.f April 28, 2023), Torrent Urja 9 Private Limited (w.e.f April 26, 2023), Torrent Urja 10 Private Limited (w.e.f April 21, 2023), Torrent Urja 11 Private Limited (w.e.f April 20, 2023), Torrent Urja 12 Private Limited (w.e.f April 18, 2023), Torrent Urja 13 Private Limited (w.e.f April 26, 2023), Torrent Urja 14 Private Limited (w.e.f May 11, 2023), Torrent Urja 15 Private Limited (w.e.f May 11, 2023), Torrent Urja 16 Private Limited (w.e.f May 11, 2023), Torrent Urja 17 Private Limited (w.e.f May 11, 2023), Torrent Urja 18 Private Limited (w.e.f. July 27, 2024), Torrent Urja 19 Private Limited (w.e.f. August 06, 2024), Torrent Urja 20 Private Limited (w.e.f. August 06, 2024), Torrent Urja 21 Private Limited (w.e.f. August 05, 2024), Torrent Urja 22 Private Limited (w.e.f. August 05, 2024), Torrent Urja 23 Private Limited (w.e.f. August 02, 2024), Torrent Urja 24 Private Limited (w.e.f. August 02, 2024), Torrent Urja 25 Private Limited (w.e.f. August 02, 2024), Torrent Urja 26 Private Limited (w.e.f. August 02, 2024), Torrent Urja 27 Private Limited (w.e.f. August 06, 2024), Torrent Urja 28 Private Limited (w.e.f. January 21, 2025), Torrent Urja 29 Private Limited (w.e.f. February 19, 2025), Torrent Urja 30 Private Limited (w.e.f. February 12, 2025), Torrent Urja 31 Private Limited (w.e.f. February 19, 2025), Torrent Urja 32 Private Limited (w.e.f. February 12, 2025), Torrent Urja 33 Private Limited (w.e.f. February 24, 2025), Torrent Urja 34 Private Limited (w.e.f. February 24, 2025), Torrent Urja 35 Private Limited (w.e.f. February 25, 2025), Torrent Urja 36 Private Limited (w.e.f. February 24, 2025), Torrent Urja 37 Private Limited (w.e.f. January 20, 2025), Torrent Urja 39 Private Limited (w.e.f. March 19, 2025), Torrent Urja 40 Private Limited (w.e.f. March 19, 2025), Torrent Urja 41 Private Limited (w.e.f. March 19, 2025), Torrent Urja 42 Private Limited (w.e.f. March 20, 2025), Torrent Urja 43 Private Limited (w.e.f. March 20, 2025), Torrent Urja 44 Private Limited (w.e.f. March 19, 2025), Torrent Urja 45 Private Limited (w.e.f. March 19, 2025), Torrent Urja 46 Private Limited (w.e.f. March 27, 2025), Torrent Urja 47 Private Limited (w.e.f. March 19, 2025), Torrent Green Energy Private Limited (w.e.f August 02, 2023), Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023), Torrent PSH 1 Private Limited (w.e.f January 03, 2024), Torrent PSH 2 Private Limited (w.e.f January 03, 2024), Torrent PSH 3 Private Limited (w.e.f December 29, 2023), Torrent PSH 4 Private Limited (w.e.f. December 30, 2023), Airpower Windfarms Private Limited (w.e.f. September 01, 2023) , Solapur Transmission Limited (w.e.f. March 20, 2024) and MSKVY Ninth Solar SPV Limited (w.e.f. April 18, 2024).
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, Chairperson Jinal Mehta, Vice Chairman and Managing Director Jigish Mehta (w.e.f. June 01, 2024), Wholetime Director (Generation) Varun Mehta (Up to May 30, 2024), Wholetime Director
		Sudhir Mehta (Up to March 31, 2024), Chairman Emeritus Varun Mehta (w.e.f. June 01, 2024), Non Executive Director Pankaj Patel (Upto March 31, 2024), Independent Director Sunil Mathur (w.e.f. May 23, 2024), Independent Director Keki Mistry (Upto March 31, 2024), Independent Director Usha Sangwan, Independent Director Radhika Haribhakti, Independent Director Mamta Verma (Upto July 31, 2024), Independent Director Ketan Dalal, Independent Director Apurva Diwanji (w.e.f. February 08, 2024), Independent Director
6	Other entities where the company has 50% voting right / enterprises controlled by the Parent Company /Entities where the directors have significant influence*	UNM Foundation, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Electricals Limited (Formerly known as Torrent Electrical Private Limited / TCL Cables Private Limited, w.e.f. October 17, 2024) Torrent Gas Pune Limited [^] , Torrent Gas Limited (Formerly known as Torrent Gas Private Limited) , Torrent Gas Chennai Private Limited, Torrent Gas Jaipur Private Limited, Torrent Gas Moradabad Limited [^] , Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited, Torrent Diagnostics Private Limited, Torrent Hospitals Private Limited and School of Ultimate Leadership Foundation.

* where transactions have taken place during the year and / or previous year or where balances are outstanding at the year end

[^] Torrent Gas Pune Limited and Torrent Gas Moradabad Limited has been merged with Torrent Gas Limited (Formerly known as Torrent Gas Private Limited) w.e.f. April 01, 2023 (appointed date). Hence transactions with Torrent Gas Pune Limited and Torrent Gas Moradabad Limited for year ended March 31, 2024 has been disclosed under Torrent Gas Limited.

TORRENT POWER LIMITED

Dahej Distribution Area

Notes forming part of the financial statements for the year ended March 31, 2025

Note 39: Related party disclosures (Contd.)

(b) Related party transactions (₹ in Crore)

	Subsidiary Companies (Direct and Indirect)		Total	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Nature of transactions				
Purchase of Electricity	9.47	-	9.47	-
Torrent Saurya Urja 2 Private Limited	1.72	-	1.72	-
Torrent Green Energy Private Limited	7.75	-	7.75	-
Purchase of cables	0.08	1.28	0.08	1.28
Torrent Electricals Limited (Formerly known as Torrent Electrical Private Limited / TCL Cables Private Limited)	0.08	1.28	0.08	1.28
Expenses incurred on behalf of	0.12	-	0.12	-
Torrent Saurya Urja 2 Private Limited	0.11	-	0.11	-
Torrent Green Energy Private Limited	0.01	-	0.01	-

TPL - D (Dahej) is a public utility, being engaged in distribution of electricity. Transactions entered with the above mentioned related party does not include sale of electricity since the tariff charged to the customers are determined by an independent rate-setting authority.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025
Note 39: Related party disclosures (Contd.)

(c) Related party balances		(₹ in Crore)		
	Subsidiary Companies (Direct and Indirect)		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Balances at the end of the year				
Current liabilities	1.64	0.05	1.64	0.05
Torrent Electricals Limited (Formerly known as Torrent Electrical Private Limted / TCL Cables Private Limited)	-	0.05	-	0.05
Torrent Saurya Urja 2 Private Limited	0.79	-	0.79	-
Torrent Green Energy Private Limited	0.85	-	0.85	-

(d) 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.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 40: Financial Instruments and Risk Management****(a) Categories of financial instruments**

(₹ in Crore)

	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	0.40	0.40	0.32	0.32
Bank balance other than cash and cash equivalents	-	-	0.01	0.01
Investment in bonds	8.72	8.72	7.62	7.62
Trade receivables	47.82	47.82	46.35	46.35
Other financial assets	55.30	55.30	97.42	97.42
	<u>112.24</u>	<u>112.24</u>	<u>151.72</u>	<u>151.72</u>
Financial liabilities				
Measured at amortised cost				
Borrowings	29.00	29.00	101.42	101.42
Trade payables	14.78	14.78	4.96	4.96
Other financial liabilities	44.00	44.00	35.64	35.64
	<u>87.78</u>	<u>87.78</u>	<u>142.02</u>	<u>142.02</u>

Footnotes:

- 1 The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(b) 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.
- 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.
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes floating rate borrowings.

(c) Financial risk management objectives

The financial risk management objectives, Capital Management and Loan covenants are decided at the Company's level. TPL- D (Dahej)'s principal financial liabilities, comprise borrowings, employee payables, security deposits from consumers, trade and other payables. The main purpose of these financial liabilities is to finance TPL- D (Dahej)'s operations and projects capital expenditure. TPL- D (Dahej)'s principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

TPL- D (Dahej)'s activities expose it to a variety of financial risks viz interest rate risk, credit risk, liquidity risk etc. TPL- D (Dahej)'s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. TPL- D (Dahej)'s senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for TPL- D (Dahej).

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 40: Financial Instruments and Risk Management (Contd.)****Interest rate risk**

TPL- D (Dahej)'s borrowings are on a floating rate of interest. TPL- D (Dahej) has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). TPL- D (Dahej) uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations besides internal accruals.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

	As at March 31, 2025	(₹ in Crore) As at March 31, 2024
Floating rate borrowings^	<u>29.00</u>	<u>101.58</u>
	<u>29.00</u>	<u>101.58</u>

^ 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 .

	Year ended March 31, 2025	(₹ in Crore) Year ended March 31, 2024
Impact on profit before tax - increase in 50 basis points	(0.15)	(0.51)
Impact on profit before tax - decrease in 50 basis points	0.15	0.51

Credit risk

Trade receivables:

(1) Exposures to credit risk

TPL -D (Dahej) 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. TPL -D (Dahej) 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, 2025 and March 31, 2024. TPL -D (Dahej) is dependent on the domestic market for its business and revenues.

TPL -D (Dahej)'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.

(3) Other credit enhancements

TPL -D (Dahej) collects the security deposits in the form of Cash or Bank guarantee, considering the relevant electricity regulations under the relevant geographical area to cover its credit risks associated with its trade receivables.

(4) Age of receivables and expected credit loss

TPL -D (Dahej) has used a practical expedient by computing the expected credit loss allowance for trade receivables. The expected credit loss allowance is based on ageing of the days the receivables are due. Trade receivable balances mainly comprise of outstanding from consumers wherein the credit period provided to such consumers is less than 30 days. Based on the historical trend the same is collected well within the credit period.

TPL -D (Dahej) segments the receivables for the purpose of determining historical loss rate based on shared risk characteristics i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer. Considering the nature of the business, the historical loss rate is not significant.

The ageing of receivables and allowance for doubtful debt at the end of the reporting period is as follows.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 40: Financial Instruments and Risk Management (Contd.)

As at March 31, 2025

	(₹ in Crore)
Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	
47.82	-
47.82	-

As at March 31, 2024

	(₹ in Crore)
Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	
46.35	-
46.35	-

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/instruments:

TPL-D (Dahej) is having balances in cash and cash equivalents, term deposits with banks, investments in government securities .TPL-D (Dahej) is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default. The recoverable amount of unbilled revenue (including revenue gap/surplus) perceives low credit risk of default considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 40: Financial Instruments and Risk Management (Contd.)****Liquidity risk**

Liquidity risk is the risk that TPL-D (Dahej) 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. TPL-D (Dahej) manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities:

TPL-D (Dahej)'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 TPL-D (Dahej) 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 TPL-D (Dahej) may be required to pay.

As at March 31, 2025

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Lease liabilities	-	0.05	0.12	0.17
	-	0.05	0.12	0.17
Current financial liabilities				
Borrowings (including interest on borrowings)^	29.00	-	-	29.00
Trade payables	14.78	-	-	14.78
Lease liabilities	(*)	-	-	(*)
Other financial liabilities	44.00	-	-	44.00
	87.78	-	-	87.78
Total financial liabilities	87.78	0.05	0.12	87.95

As at March 31, 2024

(₹ 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)^	-	24.75	17.26	42.01
Lease liabilities	-	0.05	0.13	0.18
	-	24.80	17.39	42.19
Current financial liabilities				
Borrowings (including interest on borrowings)^	73.09	-	-	73.09
Trade payables	4.96	-	-	4.96
Lease liabilities	0.01	-	-	0.01
Other financial liabilities	35.63	-	-	35.63
	113.69	-	-	113.69
Total financial liabilities	113.69	24.80	17.39	155.88

^ Transactions cost reduced from the borrowing is excluded.

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 41: Ageing schedule for capital work-in-progress (CWIP)****As at March 31, 2025****(₹ in Crore)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.95	0.49	-	-	1.44
Projects temporarily suspended	-	-	-	-	-
	0.95	0.49	-	-	1.44

As at March 31, 2024**(₹ in Crore)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.05	-	-	-	4.05
Projects temporarily suspended	-	-	-	-	-
	4.05	-	-	-	4.05

There are no capital -work-in-progress, whose cost has exceeded compared to its original plan for the year ended March 31, 2025 and March 31, 2024.

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025

Note 42: Ageing schedule for trade receivables

As at March 31, 2025		Outstanding for following periods from due date of payment					(₹ in Crore)
Particulars	Not due*	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
- Considered good	47.82	-	-	-	-	-	47.82
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
- Considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	47.82	-	-	-	-	-	47.82

As at March 31, 2024		Outstanding for following periods from due date of payment					(₹ in Crore)
Particulars	Not due*	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
- Considered good	46.35	-	-	-	-	-	46.35
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
- Considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
	46.35	-	-	-	-	-	46.35

* Includes ₹ 47.82 Crores (March 31, 2024 : ₹ 46.20 Crore) billed subsequent to year end.

Note 43: Ageing schedule for trade payables

As at March 31, 2025		Outstanding for following periods from due date of payment					(₹ in Crore)
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
- Micro and small enterprises	-	0.11	-	-	-	-	0.11
- Others	-	14.67	-	-	-	-	14.67
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	-	14.78	-	-	-	-	14.78

As at March 31, 2024		Outstanding for following periods from due date of payment					(₹ in Crore)
Particulars	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
- Micro and small enterprises	-	0.27	-	-	-	-	0.27
- Others	-	4.69	-	-	-	-	4.69
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	-	4.96	-	-	-	-	4.96

TORRENT POWER LIMITED
Dahej Distribution Area
Notes forming part of the financial statements for the year ended March 31, 2025
Note 44: Financial ratios

Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Variance (%)	Remarks for variation more / (less) than 25%
(a) Current Ratio (in times)	Current assets	Current liabilities – Security deposits from consumers – Service line deposits from consumers – Deferred revenue	1.97	1.97	0.00%	Not Applicable
(b) Debt-Equity Ratio (in times)	This ratio is not applicable for Dahej Distribution Area, since this financial statements are special purpose financial statements.					
(c) Debt Service Coverage Ratio (in times)	Profit after tax + Deferred tax + Depreciation and amortisation + Interest on debt	Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment	0.37	1.53	-75.85%	Due to increase in operational profit and prepayment of borrowing out of QIP proceeds
(d) Return on Equity (ROE) (in %)	This ratio is not applicable for Dahej Distribution Area, since this financial statements are special purpose financial statements.					
(e) Inventory turnover Ratio (in times)	Revenue from operations	Average inventories	281.76	148.93	89.18%	This ratio increased due to higher Revenue from Operation and Reduction in Avg. Inventory in CY with respect to PY
(f) Trade Receivables turnover Ratio (in times)	Revenue from operations	Average trade receivables	11.55	13.66	-15.43%	Not Applicable
(g) Trade Payables turnover Ratio (in times)	Electrical energy purchased + Consumption of stores and spares	Average trade payables	51.63	110.61	-53.32%	This ratio Decreased due to lower demand and purchase of Electrical energy wrt PY
(h) Net capital turnover Ratio (in times)	Revenue from operations	(Current assets- Liabilities Security deposits from consumers - Service line deposits from consumers Deferred revenue	8.47	7.46	13.52%	Due to increase in current asset towards receivable for scheme of arrangements and loan given to subsidiary on short term basis
(i) Net profit Ratio (in %)	Profit for the year	Revenue from operations	0.91%	0.62%	45.88%	Due to increase in operational profit.
(j) Return on Capital employed (ROCE) (in %)	This ratio is not applicable for Dahej Distribution Area, since this financial statements are special purpose financial statements.					
(k) Return on investment (in %)	Profit for the year + Finance costs	Average Total Assets	6.18%	5.64%	9.71%	Not Applicable

TORRENT POWER LIMITED**Dahej Distribution Area****Notes forming part of the financial statements for the year ended March 31, 2025****Note 45: Social security code**

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of TPL-D (Dahej) 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 46: Electricity Distribution (Accounts and Additional Disclosure) Rules , 2024

The Ministry of Power has notified Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 ('the Rules') in pursuance of Section 176(1) and 176(2)(z) of the Electricity Act, 2003 read with second proviso to Section 129 (1) of the Companies Act, 2013, which are applicable to Distribution Licensees and effective from the date of notification in the Official Gazette i.e. October 24, 2024. The impact of the said circular on the financial statement for the year ended March 31, 2025 is not material. Further, as per proviso to rule 6(2) of the said Rules, TPL-D (Dahej) has chosen to publish the Additional Disclosure Statements in Integrated Annual Report FY 2024-25, as permitted during the first year of implementation.

Note 47: Audit Trail in Accounting Software

TPL-D (Dahej) has been using SAP ERP as a book of accounts. While SAP audit logging has been enabled from the beginning of the year and captures all the changes made in the audit log as per SAP note no 3042258 version 7 dated March 06, 2024. However, changes made using certain privileged access with debug functionality for capturing "old value" and "new value" of changes made was configured on March 10, 2025.

After thorough testing and validation of tolerable impact on performance of SAP system, the audit trail at Database level was configured on March 27, 2024. Due to standard database functionality of HANA DB, while changes made are logged in the database, it does not capture "old value" of changes made. This is SAP related issue and management is working towards resolving the same with the vendor. As a part of privileged access management, Company has implemented ARCON make PAM (Privileged Access Management System) suite. This PAM system provides access based on need/approval and does the video recording of all activities carried out by privileged user. This is a secondary control implemented to mitigate the risk associated with HANA database.

Note 48: Refund of Income taxes

During the current year, the Company had received the Income tax refunds (including interest) of ₹ 71.28 Crore, ₹ 200.83 Crore and ₹ 146.93 Crore pertaining to FY 2011-12, FY 2019-20 and FY 2021-22 respectively. In accordance with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (the 'Tariff regulations') with respect to claim on Tax on Income, TPL-D (Dahej) had recovered from the consumers pro-rata income tax based on profit of TPL-D (Dahej) calculated based on the actual income taxes paid in the respective financial year.

The Company has calculated the refund of income tax received, required to be passed on to the consumers in the True-up Petition for FY 2024-25 considering the revised profit before taxes i.e., after taking adjustment pertaining to the matter for which the refunds have been received amounting to ₹ 0.01 Crore, ₹ 0.38 Crore and ₹ 0.12 Crore pertaining to FY 2011-12, FY 2019-20 and FY 2021-22 respectively, which have been recorded into the books of accounts of TPL-D (Dahej) for the year ending March 31, 2025.

Note 49: Additional regulatory information required by Schedule III**(a) Compliance with number of layers of companies**

TPL-D (Dahej) is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2025 and March 31, 2024.

(b) Details of crypto currency or virtual currency

TPL-D (Dahej) has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024.

(c) Details of benami property held

No proceedings have been initiated on or are pending against TPL-D (Dahej) for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2025 and March 31, 2024.

(d) Wilful defaulter

TPL-D (Dahej) has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2025 and March 31, 2024.

(e) Undisclosed income

During the year ended March 31, 2025 and March 31, 2024, TPL-D (Dahej) has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) Transactions with the struck off Companies

TPL-D (Dahej) does not have any transactions with companies struck off under section 248 of the Companies Act , 2013 or section 560 of the companies Act , 1956 during the year ended March 31, 2025 and March 31, 2024.

Signature to Note 1 to 49

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number : 012754N/N500016

For Torrent Power Limited**Hirak Patwa**

Partner

Membership No.: 128990

Place : Ahmedabad

Date : September 23, 2025

Naimesh Shah

Authorized Signatory

Place : Ahmedabad

Date : September 23, 2025