

TPL/

22nd August, 2016

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|---|--|
| To, BSE Limited Corporate Relationship Department 14 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001 SCRIP CODE: 532779 | To, National Stock Exchange of India Limited Corporate Relationship Department “Exchange Plaza”, C-1, Block G Bandra- Kurla Complex, Bandra (East), Mumbai 400051 SYMBOL: TORNTPOWER |
|---|--|

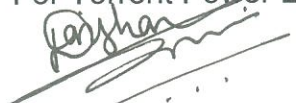
Dear Sirs,

Re: Annual Report for FY 2015-16

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith Annual Report of the Company for the Financial Year 2015-16 for your kind records.

Please find the same in order.

Thanking you,

Yours faithfully,
For Torrent Power LimitedDarshan Soni
Company Secretary

Encl: As above

12th

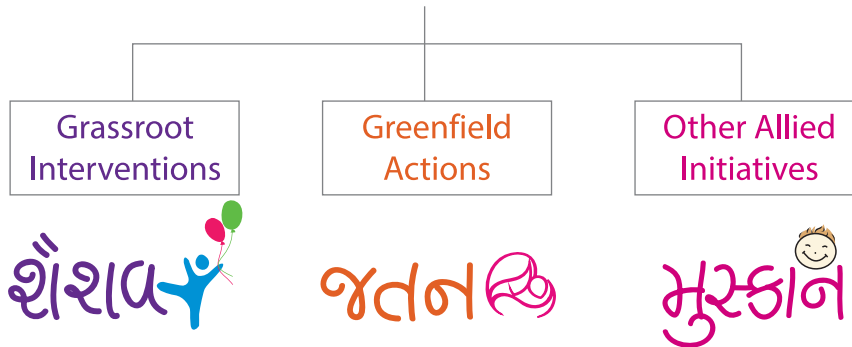
Annual Report 2015-16



Reach **E**Ach **C**Hild

A Child Health Centric Initiative by Torrent Group

REACH



Reach EACh Child

A Child Health Centric Initiative by Torrent Group

Mission: Reaching Each Child

Vision: Focus on health, hygiene, sanitation and child development

Approach: Grassroot Interventions through prevention and cure

Target: 25000+ children to be covered in FY 2016-17

“REACH” - the Paediatric Healthcare Programme, is mainly directed at prevention of child health problems through proactive grassroot interventions and providing corresponding diagnostic/treatment facilities for resolving child health related issues. The Programme aims to provide intrinsic value to the maximum possible target children of India, in general and Gujarat, in particular.

INDEX

| | |
|---|-----|
| Corporate Information | 2 |
| Notice | 3 |
| Board's Report | 17 |
| Management Discussion and Analysis | 57 |
| Report on Corporate Governance | 67 |
| Independent Auditors' Report on Standalone Financial Statements | 86 |
| Standalone Financial Statements | 94 |
| Independent Auditors' Report on Consolidated Financial Statements | 133 |
| Consolidated Financial Statements | 138 |
| 5 Years' Highlights - Consolidated | 172 |

CORPORATE INFORMATION

Board of Directors

Sudhir Mehta
Chairman
Pankaj Patel
Samir Barua
Kiran Karnik
Keki Mistry
R. Ravichandran
Bhavna Doshi
P. K. Taneja, IAS
Dharmishta Raval
Samir Mehta
Vice Chairman
Markand Bhatt
Whole-time Director
Jinal Mehta
Whole-time Director

Audit and Risk Management Committee

Keki Mistry
Chairman
Samir Barua
Kiran Karnik
Bhavna Doshi
Dharmishta Raval

Stakeholders Relationship Committee

Pankaj Patel
Chairman
Samir Mehta
Markand Bhatt

Nomination and Remuneration Committee

Kiran Karnik
Chairman
Sudhir Mehta
Pankaj Patel
Dharmishta Raval

Corporate Social Responsibility Committee

Bhavna Doshi
Chairperson
Samir Barua
Jinal Mehta

Committee of Directors

Samir Mehta
Chairman
Markand Bhatt
Jinal Mehta

Executive Director (Corporate Affairs) & Chief Financial Officer

T. P. Vijayarathy

Company Secretary

Darshan Soni

Statutory Auditors

Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

Registered Office

Torrent House,
Off Ashram Road,
Ahmedabad-380009,
Gujarat, India.
Phone: +91 79 2658 5090 / 2658 3060
Fax: +91 79 2658 2326

GENERATION

SUGEN, UNOSUGEN & GENSU

Off National Highway No. 8, Taluka Kamrej,
District Surat-394155 (Gujarat)

AMGEN

Ahmedabad-380005 (Gujarat)

DGEN

Plot No. Z-9, Dahej SEZ, Taluka Vagra,
Dist. Bharuch – 392130 (Gujarat)

CABLES

Yoginagar, Mission Road,
Nadiad-387002 (Gujarat)

DISTRIBUTION

Electricity House, Lal Darwaja,
Ahmedabad-380001 (Gujarat)

Torrent House, Station Road,
Surat-395003 (Gujarat)

Old Agra Road, Anjur Phata,
Bhiwandi-421302 (Maharashtra)

6, Raghunath Nagar, Suresh Plaza Market,
M. G. Road, Agra-282002 (Uttar Pradesh)

Website

www.torrentpower.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
Unit : Torrent Power Limited
303, Shoppers Plaza - V, Opp. Municipal Market,
Behind Shoppers Plaza - II, Off. C. G. Road,
Navrangpura, Ahmedabad - 380009 (Gujarat)
Phone : +91 79 2646 5179 Fax : +91 79 2646 5179
E-mail : ahmedabad@linkintime.co.in

Investor Services Email Id

cs@torrentpower.com

Corporate Identity Number

L31200GJ2004PLC044068

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of **TORRENT POWER LIMITED** will be held on Tuesday, 2nd August, 2016 at 9.30 a.m. at **J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015*** to transact the following business:

ORDINARY BUSINESS

1. Adoption of the Financial Statements

To receive, consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2016, including Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and reports of the Auditors and the Directors thereon.

2. Confirmation of Payment of Interim Dividend as Final Dividend

To confirm payment of interim dividend as final dividend on equity shares for the Financial Year ended 31st March, 2016.

The Board of Directors had, at its meeting held on 10th March, 2016 declared interim dividend of ₹4.50 per equity share of ₹10/- each for the Financial Year ended 31st March, 2016.

3. Re-appointment of Director retiring by rotation

To appoint a Director in place of Shri Jinal Mehta (holding DIN: 02685284), who, retires by rotation and being eligible offers himself for re-appointment.

4. Re-appointment of Statutory Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (ICAI Registration No. 117365W) be and are hereby re-appointed as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. Appointment of Shri P. K. Taneja, IAS as Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri P. K. Taneja, IAS (holding DIN: 00010589), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Article 114 of the Articles of Association of the Company and any other provisions if applicable and who holds office till commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. Re-appointment of Shri Markand Bhatt as Whole-time Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196 and in particular Section 196(3)(a), 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as “the Act”) and subject to such other approvals as may be necessary, Shri Markand Bhatt (holding DIN:00061955) be and is hereby re-appointed as Whole-time Director of the Company for a period of 5 years effective from 1st April, 2016 on the following terms and conditions taking into account the fact that he will be attaining the age of Seventy years during such term:

* Please refer to page no.174 for route map to the AGM venue.

| Sr. No. | Particulars | Details |
|---------|-------------|--|
| 1. | Salary | : ₹1,00,00,000 (Rupees One Crore only) per month. |
| 2. | Commission | At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V to the Act. The actual amount of commission to be paid to Shri Markand Bhatt for each year and periodicity of payment shall be decided by the Board from time to time. |
| 3. | Perquisites | : Will be allowed as under: (i) The Company shall reimburse annual fees for two clubs. (ii) The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company. (iii) The Company shall pay the premium on medical insurance for self and family as per the Rules of the Company. (iv) The Company shall provide a car with driver for official and personal use. (v) The Company shall provide telephones at his residence, the cost of which will be borne by the Company. |
| 4. | Other Terms | (i) His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company. (ii) Such revision in terms of appointment shall not be considered as a break in his service as managerial personnel of the Company. (iii) Total remuneration for the year shall not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed in Section 197 read with Section I of Part II of Schedule V to the Act. (iv) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a Committee thereof. |

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Markand Bhatt, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Sections II and IV of Part II of Schedule V to the Act for the time being in force.”

7. Revision in terms and conditions of appointment of Shri Jinal Mehta as Whole-time Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in partial modification of earlier resolution passed by the Shareholders of the Company by way of Postal Ballot dated 8th May, 2015 and pursuant to provisions under Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof (hereinafter referred to as “the Act”) and subject to such other approvals as may be necessary, the terms & conditions of appointment of Shri Jinal Mehta (holding DIN: 02685284) be and is hereby revised in a manner that:

- The Salary will be ₹27,48,000/- (Rupees Twenty Seven Lacs Forty Eight Thousand Only) per month with effect from 1st April, 2016.
- The Salary may be increased within the range of ₹27,48,000/- per month to ₹61,14,000/- per month with effect from 1st April, 2016, during his remaining period of appointment, in such increments as may be decided by the Board of Directors which shall include any Committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as “the Board”).

- c) All other terms and conditions of appointment as approved by the Shareholders by way of Postal Ballot dated 8th May, 2015 shall remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Jinal Mehta, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Sections II and IV of Part II of Schedule V to the Act for the time being in force.”

8. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force (“Act”), M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company (except for DGEN and Dahej SEZ distribution) for the financial year ending 31st March, 2017 be paid the remuneration of ₹11,50,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of Audit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to take such actions as may be necessary for implementing the above resolution.”

By Order of the Board
For Torrent Power Limited

Ahmedabad
18th May, 2016

Registered Office:

Torrent House,
Off Ashram Road,
Ahmedabad-380009

CIN: L31200GJ2004PLC044068
Tel. No. +91 79 2658 5090, 2658 3060
Website: www.torrentpower.com
Email: cs@torrentpower.com

T. P. Vijayasathy
Executive Director (Corporate Affairs) & CFO

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 12TH ANNUAL GENERAL MEETING (“AGM” or “meeting”) OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. However, a member holding more than 10% (ten percent.) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
2. A proxy form is sent herewith. In case a member wants to appoint a proxy, duly completed and stamped proxy form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
4. Members / proxies / authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Statement pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Notice.
7. In terms of the provisions of Section 205A of the Companies Act, 1956 (Corresponding Section 124 of the Companies Act, 2013 which is yet to be notified), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2008-09 of the erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) and the Company will be due for transfer to the said Fund in August, 2016 and September, 2016 respectively. The shareholders who have not encashed their dividend warrants for financial year 2008-09 of the erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) and the Company and are requested to approach the Company for payment.
8. The Companies Act provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.
9. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, you are requested to approach the Registrar and Share Transfer Agent of the Company.
10. Trading in equity shares of the Company is compulsorily in dematerialised mode by all the investors. Members are therefore advised to convert their shareholding in dematerialised form in case they wish to trade their equity shares.
11. Members seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
12. Annual Report for FY 2015-16 of the Company has been uploaded on website of the Company i.e. www.torrentpower.com.

13. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 AM to 6.30 PM) on all working days, (except Saturday) upto and including the date of the Annual General Meeting of the Company and also will be available for inspection by the members at the AGM.
14. Electronic copy of the Notice of the 12th Annual General Meeting of the Company along with Annual Report, *inter-alia*, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Notice of the 12th Annual General Meeting of the Company alongwith Annual Report, *inter-alia*, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.
15. With a view to conserve natural resources, we request members to update and register their email addresses with their Depository Participants or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.
16. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company, for consolidation of such multiple folios into a single folio.
17. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Tuesday, 26th July, 2016.**
18. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

In case of Members who are entitled to vote, amongst members present in person at the meeting, but have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20 (4) (xi) of the said Rules for the business specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.

The information with respect to voting process and other instructions regarding Remote e-voting are detailed in Note No. 23.
19. Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting and Remote e-voting process in a fair and transparent manner.
20. The Scrutinizer shall within a period not exceeding 3 (three) days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.
21. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.torrentpower.com and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.

22. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.

23. Voting Process and other instructions regarding Remote e-voting:

Section A: Voting Process

The members should follow the following steps to cast their votes electronically:

Step 1 : Open your web browser during the voting period and log on to the e-voting Website: www.evotingindia.com

Step 2 : Click on “Shareholders” to cast your vote(s).

Step 3 : Please enter User ID –

- a. For account holders in CDSL: Your 16 digits beneficiary ID.
- b. For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID.
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4 : Enter the Image Verification as displayed and Click on “LOGIN”

Step 5 : If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then Enter the User ID and the image verification code and click on “FORGOT PASSWORD” and enter the details as prompted by the system.

Step 6 : Follow the steps given below If you are:

- a. holding shares in physical form, or
 - b. holding shares in demat form and are a first time user,
- 6.1 (a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both, members holding shares in physical or dematerialized form)

Members holding shares in physical form and who have not updated their PAN or have incorrect PAN with the Company are requested to enter the last 7 digits of their Share Certificate No. prefixed by “TPL” In case the certificate number is less than 7 digits enter the required number of 0’s before the number. In case you are holding more than one share certificate under the same folio, enter the details of the share certificate which is higher in number.

Eg. If you are holding 3 share certificates under the same folio having certificate nos. 50111, 50112, 50113, then enter TPL0050113 in the PAN field.

Members who are holding shares in dematerialized form and who have not updated their PAN or have incorrect PAN with depository are requested to use the Sequence Number as printed on the Address sticker in case of the dispatch of the Annual Report through physical mode and mentioned in the covering e-mail in case of dispatch of soft copy.

- 6.1 (b) Enter the Date of Birth (DOB) as recorded in your demat account or registered with the Company for the said demat account or folio in dd/mm/yyyy format.#
- 6.1 (c) Enter the Dividend Bank Details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio. #

Please enter either the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in Step 3.

6.2 After entering these details appropriately, click on “SUBMIT” tab.

6.3 For Demat holding:

Members holding shares in demat form will now reach “PASSWORD CREATION” menu wherein they are required to create their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

For Physical holding:

Members holding shares in physical form will then directly reach the Company selection screen. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 7 : Click on the EVSN of the Company i.e. 160624008 to vote.

Step 8 : On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired for casting your vote.

Step 9 : Click on Resolution File link if you wish to view the Notice.

Step 10: After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”; else to change your vote, click on “CANCEL” and accordingly modify your vote.

Step 11 : Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote

You can also take print-out of the voting done by you by clicking on “CLICK HERE TO PRINT” option on the Voting page.

Section B: Other instructions regarding Remote e-voting

- i. The Remote e-voting period shall commence on Friday, 29th July, 2016 at 9.00 A.M. and end on Monday, 1st August, 2016 at 5:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.
- ii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below, if they are first time user.
 - Institutional Shareholders and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which user wishes to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- iii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are required to upload the following in PDF format in the system for the scrutinizer to verify the same:
 - a. Copy of the Board Resolution (where institution itself is voting).
 - b. Power of Attorney issued in favour of the Custodian (if PoA is not uploaded earlier) as well as Board Resolution of custodian.
- iv. **Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.**
- v. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- vi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

ITEM NOs. 3 & 7

Shri Jinal Mehta, 33, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia. He has more than 9 years of experience in the power sector. He was involved in the operations of 1,147.5 MW SUGEN Mega Power Project as its COO and in the implementation of 382.5 MW SUGEN Expansion (i.e. UNOSUGEN). He subsequently supervised the project implementation of DGEN Mega Power Project (1,200 MW) and has discharged the role of the Director and CEO of erstwhile Torrent Energy Limited, (now merged with the Company) until 31st March, 2014. Shri Jinal Mehta is handling the distribution and transmission functions of the Company from 5th April, 2014.

Shri Jinal Mehta (holding DIN: 02685284) is a Director of the Company since 19th October, 2011 whose office is liable to retire by rotation. He retires by rotation at the 12th AGM and being eligible, offers himself for re-appointment. His re-appointment is proposed under Section 152 of the Companies Act, 2013 and under such proposed re-appointment also, he shall be liable to retire by rotation.

Shri Jinal Mehta was also appointed as a Whole-time Director of the Company at the Tenth Annual General Meeting held on 28th July, 2014 for a period of five years effective from 5th April, 2014. Further, by way of resolution passed through postal ballot dated 8th May, 2015, the shareholders had revised his terms of appointment as Whole-time Director, w.e.f. 5th April, 2014, as follows:

| Sr. No. | Particulars | Details |
|---------|--------------------------|--|
| 1. | Period of Appointment | : 5 years effective from 5 th April, 2014 |
| 2. | Salary | : ₹10,65,000 (Rupees Ten Lacs Sixty Five Thousand only) per month Salary may be increased within the range of ₹10,65,000 per month to ₹21,40,000 per month during the period of appointment, in such increments as may be decided by the Board of Directors which shall include any committee of the Board specifically authorised for this purpose from time to time (hereinafter referred to as "the Board"). |
| 3. | Commission | : At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V to the Act. The actual amount of commission to be paid to Shri Jinal Mehta for each year and periodicity of payment shall be decided by the Board from time to time. |
| 4. | Perquisites and Benefits | : Will be allowed as under: |
| | (I) | (i) The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary. (ii) The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company. (iii) The Company shall pay premium on medical insurance for self and family as per the Rules of the Company. (iv) The Company shall reimburse annual fees for two clubs. |
| | (II) | (i) The Company shall provide a car with driver for official and personal use. (ii) The Company shall provide telephones at his residence, the cost of which shall be borne by the Company. |

| Sr. No. | Particulars | Details |
|---------|-------------|---|
| | (III) | (i) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company. |
| | | (ii) Company's contribution to Pension / Superannuation Fund will be as per applicable laws and rules of the Company. |
| | | (iii) Gratuity shall be payable as per applicable laws and rules of the Company. |
| 5. | Other terms | (i) His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company. |
| | | (ii) Such appointment shall not be considered as a break in his service. |
| | | (iii) Total remuneration for the year shall not exceed percentage limit of net profits of the Company as specified in the Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed in Section 197 read with Section I of Part II of Schedule V to the Act. |
| | | (iv) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a committee thereof. |

In the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri Jinal Mehta, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Sections II and IV of Part II of Schedule V to the Act for the time being in force.

The Board has, from time to time, revised the remuneration of Shri Jinal Mehta within the limits approved by the shareholders. With the revision in remuneration approved by the Board effective from 1st April, 2015, the salary payable to Shri Jinal Mehta had reached the upper ceiling approved by the shareholders.

The performance of Shri Jinal Mehta since his appointment as Whole-time Director of the Company was remarkable which, *inter-alia*, included the following:

- Improved performance resulting in turnaround of Ahmedabad and Surat Distributions in FY 2014-15.
- Turnaround of Agra operations by achieving reduction in AT&C losses from 43.47% in FY 2013-14 to 35.90% in FY 2014-15 while simultaneously gaining greater public acceptance by improvement in various facets of operations such as Reliability, Safety improvement, Customer Service, Public relations, etc.
- Significant improvement in Customer Services at all units through various measures including unique technology based interventions (called "Connect") such as portal and mobile application, capacity building, training, infrastructure and process improvement, etc.
- Maintaining cordial relations with all stakeholders.

The Nomination and Remuneration Committee of the Company had considered and recommended the proposal at Item No. 7 of the Notice, to the Board of Directors of the Company. Based on the recommendation of the Committee, the Board of Directors had, at its meeting held on 28th October, 2015, approved the said revision in terms and conditions of appointment of Shri Jinal Mehta, subject to approval of members of the Company.

Details of his current directorship and membership in committees of the companies are given below:

| Sr. No. | Directorship in Companies | Names of Committee |
|---------|----------------------------|---|
| 1. | Torrent Power Limited | <ul style="list-style-type: none"> • Corporate Social Responsibility Committee - Member • Committee of Directors - Member |
| 2. | Torrent Power Grid Limited | - |
| 3. | Torrent Private Limited | - |

Approval of shareholders is sought as an Ordinary resolution, for re-appointment of Shri Jinal Mehta as detailed in item no. 3 and his revision in terms and conditions of appointment as detailed in item no. 7 of the Notice.

Shri Jinal Mehta holds 8,000 shares in the Company. He is son of Shri Sudhir Mehta, Chairman and a relative of Shri Samir Mehta, Vice Chairman. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.

For other details such as number of meetings of the board attended and remuneration drawn during FY 2015-16 in respect of Shri Jinal Mehta, please refer to the Corporate Governance Report.

The Board recommends the resolutions concerning his re-appointment as Director and the revision in terms and conditions of appointment as Whole-time Director for your approval.

ITEM NO. 5

Shri P. K. Taneja, IAS (holding DIN: 00010589), a nominee director of Government of Gujarat (GoG) (a shareholder) was appointed as an Additional Director by the Board of Directors on 4th August, 2015. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 114 of the Articles of Association of the Company, he holds the office of Director till the commencement of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 alongwith the requisite deposit from a shareholder proposing the candidature of Shri P. K. Taneja, IAS for appointment as a Director of the Company.

Shri P. K. Taneja, 59, a Senior IAS Officer is presently the Additional Chief Secretary, Home Department, Government of Gujarat (GoG). He holds a Bachelor of Engg. Degree in Electronics and Communications from IIT - Roorkee. After joining the IAS, he has held various important positions of Public Administration such as District Development Officer, Collector & Dist. Magistrate in the Gujarat State, Dy. Secretary, Energy, GoG, Director in Department of Electronics and in Ministry of Chemicals & Fertilizers, Government of India (GoI), Principal Secretary in Social Justice & Empowerment Department, GoG, Principal Secretary in Public Health & Family Welfare & Commissioner (Public Health, Family Welfare, Medical Services and Medical Education & Research) in GoG and Additional Chief Secretary in Forests & Environment Department in GoG.

In the Corporate Sector, he has served as Chief Executive Officer (CEO) & Managing Director (MD), Gujarat State Handloom Development Corporation; CEO & MD, Gujarat State Drinking Water Infrastructure Co. Ltd.; Whole-time Director, Gujarat State Fertilizers and Chemicals Ltd. (GSFC); MD, Gujarat State Electricity Corporation Ltd., Baroda; Director (Finance), Gujarat Urja Vikas Nigam Ltd. (GUVNL); MD, Gujarat Alkalies & Chemicals Ltd. (GACL), Baroda and Joint Managing Director in Sardar Sarovar Narmada Nigam Ltd. (SSNNL).

Shri Taneja, IAS is a recipient of "Outstanding Manager of the Year Award 2005" from the Ahmedabad Management Association. During his tenure as MD, GACL from Jan.'02 to Nov.'06, GACL achieved a major turnaround. GACL received "National Award for Energy Conservation" instituted by Ministry of Power, GoI for two consecutive years 2004 & 2005 and was also awarded "SCOPE Meritorious Award for Good Corporate Governance 2004-05". He was also instrumental in corporatization and unbundling of erstwhile Gujarat Electricity Board into 7 (seven) state owned corporations which were operationalized with effect from 1st April, 2005. GUVNL, the Power Utility of Gujarat achieved a turnaround in FY 2005-06 and was rated as the second best after Andhra Pradesh by Ministry of Power, GoI during his leadership as the Director (Finance).

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

| Sr. No. | Directorship in Companies | Names of Committees |
|---------|--|---------------------|
| 1. | Gujarat State Police Housing Corporation Limited | - |
| 2. | Bhavnagar Energy Company Limited | - |

Shri P. K. Taneja, IAS does not hold any equity shares of the Company. He is not related to any Director of the Company.

The Board recommends the resolution at Item No. 5 of the Notice, in relation to appointment of Shri P. K. Taneja, IAS as a Director, for your approval as an Ordinary Resolution.

For other details such as number of meetings of the board attended and remuneration drawn during FY 2015-16 in respect of Shri P. K. Taneja, IAS, please refer to the Corporate Governance Report.

Shri P. K. Taneja, IAS is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.

ITEM NO. 6

Shri Markand Bhatt (holding DIN: 00061955) is a Whole-time Director of the Company since 1st October, 2006. He was re-appointed as Whole-time Director of the Company at the Seventh Annual General Meeting held on 29th July, 2011 for a period of five years effective from 1st April, 2011. Shri Markand Bhatt's aforesaid term ended on close of working hours of 31st March, 2016.

In this context, and based on the recommendations of the Nomination and Remuneration Committee, the Board had, at its meeting held on 28th October, 2015, approved the re-appointment of Shri Markand Bhatt as the Whole-time Director of the Company for another term of 5 years with effect from 1st April, 2016 and, subsequently, at its meeting held on 18th May, 2016, approved the terms and conditions of re-appointment of Shri Markand Bhatt as Whole-time Director of the Company, w.e.f. 1st April, 2016, both being subject to the approval of members of the Company.

Shri Markand Bhatt, 69, is a Post Graduate of IIM, Ahmedabad. He has more than 47 years of professional managerial experience in multi-disciplinary areas dominated by more than two decades of principal involvement in power sector projects.

He was also the Managing Director of erstwhile Gujarat Torrent Energy Corporation Limited (GTEC) which had set up the 655 MW Gas based dual fuel Combined Cycle Power project within budgeted cost and timelines. He spearheaded the divestment of GTEC by Torrent Group, which was the biggest ever M & A deal in the country at that point of time. Earlier, he practiced as a Management Consultant.

In Torrent Power Limited, Shri Bhatt has been at the helm of the generation business operations of the Company since inception and has immensely contributed to the growth of the Company's operations. Some of his major contributions for the Company during his previous periods of appointment are mentioned below:

- Playing a pivotal role in the entire journey of the 1,147.5 MW Combined cycle gas based SUGEN Mega Power Project - from concept to commissioning of the project, which is unique in many respects. The project was completed within the budgeted cost resulting in the lowest per MW cost due to his sustained efforts.
- Being instrumental in the implementation of the 382.5 MW Combined cycle gas based UNOSUGEN project within the budgeted costs and timelines.
- Spearheading the implementation of the 1,200 MW Combined cycle gas based DGEN Project which was completed in December, 2014; within the budgeted costs despite delays.
- Leading the negotiation for eventual realisation of substantial Liquidated Damages (LD), other project claims, warranty & LoP claims and extended warranty periods mainly in respect of SUGEN and DGEN projects.
- Steering the execution of restructured agreements for LTSA / LTMA of SUGEN, UNOSUGEN and DGEN Projects, which involved extended periods and levelising of the cost equally over the Contract period instead of it being front loaded.
- Guiding the successful triung-up for the period FY 2009-14 for SUGEN and UNOSUGEN Plant (including appropriate successful representation against the Appeals filed before Hon'ble APTEL and Supreme Court challenging the O&M costs approved by CERC for Sugen Power Plant).
- Managing the successful participation and winning of E-bid for RLNG allocation under the Scheme for utilisation of Gas based power generation capacity issued by Ministry of Power for FY 2015-16 enabled SUGEN project to run upto 35% PLF from the base level of approx. 25.60% PLF, while enabling UNOSUGEN and DGEN projects to run at ~25% PLF.

- Overseeing the successful commissioning of 81 MW GENSU Solar Power Project adjacent to SUGEN Mega Power Plant during the year in a cost effective manner for fulfilment of solar RPO obligation of the distribution business.

Further, in the near future, the Company is planning to expand its operations in the area of conventional energy, renewable energy and electricity distribution area. The Company is also planning to procure RLNG for existing combined cycle gas based plants and as a part of this initiative, the Company entered into an agreement with Petronet LNG Limited for storage and regasification of upto 1 mmtpa of imported LNG.

Having regard to the significant contributions made by him in the progress and development of the Company and in order to continue to avail the benefits of his vast experience and expertise in the proposed plans of the Company, it would be in the interest and benefit of the Company to re-appoint him as the Whole-time Director of the Company and continue such appointment even after his turning seventy years in October, 2016. As Shri Markand Bhatt shall be attaining the age of Seventy during this proposed term as Whole-time Director, if so approved by the Shareholders, pursuant to Section 196(3)(a) of the Companies Act, 2013 the said appointment is proposed for approval by the Shareholders as a Special Resolution.

Details of his current directorship and membership in committees of the companies are given below:

| Sr. No. | Directorship in Companies | Names of Committee |
|---------|---------------------------------|---|
| 1. | Torrent Power Limited | <ul style="list-style-type: none"> Committee of Directors - Member Stakeholders Relationship Committee - Member |
| 2. | Torrent Pharmaceuticals Limited | <ul style="list-style-type: none"> Committee of Directors - Chairman Nomination and Remuneration Committee - Member |
| 3. | Tornascent Care Institute | - |
| 4. | UNM Foundation | - |

Approval of shareholders is sought by way of Special Resolution for re-appointment of Shri Markand Bhatt as detailed in item no. 6 of the Notice.

Shri Markand Bhatt holds 13,059 equity shares in the Company. He is deemed to be interested in the said resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.

For other details such as number of meetings of the board attended and remuneration drawn during FY 2015-16 in respect of Shri Markand Bhatt, please refer to the Corporate Governance Report.

The Board recommends the resolution concerning, the terms and conditions for his re-appointment as Whole-time Director for your approval.

ITEM NO. 8

The shareholders had, at the 11th Annual General Meeting of the Company held on 4th August, 2015, ratified the remuneration of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company at ₹9,25,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit for the FY 2015-16.

In order to continue availing their services, the Audit and Risk Management Committee of the Company had, at its meeting held on 18th May, 2016 recommended and the Board of Directors had approved the re-appointment of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company (except for DGEN and Dahej SEZ Distribution, being exempted) for the FY 2016-17 at a remuneration of ₹11,50,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit.

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

Accordingly, the Members are requested to ratify the remuneration of ₹11,50,000/- plus applicable taxes and reimbursements of out of pocket expenses payable to M/s. Kirit Mehta & Co., Cost Auditors of the Company for the FY 2016-17 by passing the Ordinary Resolution at item no. 8 of the notice.

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

By Order of the Board
For Torrent Power Limited

Ahmedabad
18th May, 2016

T. P. Vijayarathy
Executive Director (Corporate Affairs) & CFO

Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad-380009

CIN: L31200GJ2004PLC044068
Tel. No. +91 79 2658 5090, 2658 3060
Website: www.torrentpower.com
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BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twelfth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2016.

1. STATE OF THE AFFAIRS

HIGHLIGHTS

The key highlights for the Financial Year 2015-16 are:

- Financial performance of the Company on consolidated basis:
 - Increase in Revenue by 11.12% to ₹11,959.24 Crore
 - Increase in PBDIT by 33.37% to ₹3,262.45 Crore
 - Increase in PAT (after minority interest) by 140.65% to ₹865.60 Crore
- SUGEN, UNOSUGEN and DGEN Plants participated in the Phase I and Phase II of Scheme for utilisation of Gas based power generation capacity by submitting the bids and were allotted Re-gasified Liquefied Natural Gas (RLNG) and related Power System Development Fund support from the Government. The Company has booked regasification and storage capacity with Petronet LNG Limited (PLL) up to 1 mmtpa for 20 years starting from April 2017.
- Hon'ble Central Electricity Regulatory Commission (CERC) has issued final true-up tariff order for the tariff period 2009-14 for SUGEN and UNOSUGEN Plants dated 25th June, 2015 and 30th October, 2015 respectively and tariff order dated 6th October, 2015 for the tariff period 2014-19 for SUGEN Plant.
- Hon'ble Gujarat Electricity Regulatory Commission (GERC) vide its order dated 31st March, 2016 for true-up of FY 2014-15 and tariff determination for FY 2016-17 has reduced FPPPA to ₹1.35/unit (Earlier rate ₹1.98/unit), i.e. reduction of ₹0.63/unit for both Ahmedabad and Surat License Areas in view of the recent trend of reduction in fuel price, particularly gas price. Further, Hon'ble GERC has allowed recovery of Regulatory Charge @ ₹0.45/unit to address the gap of earlier years. Hence, there is effective reduction of around ₹0.18/unit in the overall tariff.
- A user-friendly Customer Self Service mobile application "Torrent Power Connect" offering highly personalized services in the Company's License Areas of Ahmedabad, Gandhinagar and Surat as well as in the Franchisee Areas of Agra & Bhiwandi has been launched.
- 81 MW GENSU Solar Power Project adjacent to SUGEN Plant has been successfully commissioned during the year in a cost effective manner. Additionally, the Company has entered into an agreement with M/s. Suzlon Energy Limited for developing, constructing and maintaining 201.6 MW Wind Power Project at Nakhatrana and Jamanwada in Kutch district and at Mahuva in Bhavnagar district in Gujarat. Further, an agreement with M/s. Wind World India Ltd. has been entered into for developing, constructing and maintaining 136.8 MW Wind Power Project at Mahidad in Rajkot and Surendranagar districts in Gujarat. With operational renewable capacity of 182 MW and under-construction wind power projects of 338 MW, the total renewable generation capacity of the Company would reach to 520 MW.
- DGEN Plant has received five star rating from British Safety Council for Health and Safety Management System and Cables Unit received certifications for ISO 14001: 2004 and OHSAS 18001: 2007.
- The Hon'ble High Court of Gujarat vide its order dated 13th August, 2015, has sanctioned the Composite Scheme of Amalgamation (the Scheme) of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL). These orders were filed with the Registrar of Companies on 1st October, 2015. Accordingly, the Scheme has become operational with effective date of 1st October, 2015 and appointed date of 1st April, 2014.

FINANCIAL RESULTS

Summary of the financial results of the Company for the year under review is as under*:

(₹ in Crore)

| Particulars | Standalone | | Consolidated | |
|--|--|--|--|--|
| | For the year ended on 31 st March, 2016 | For the year ended on 31 st March, 2015 | For the year ended on 31 st March, 2016 | For the year ended on 31 st March, 2015 |
| Total Revenue | 11,906.08 | 10,596.92 | 11,959.24 | 10,762.27 |
| Profit Before Depreciation, Interest and Tax | 3,135.02 | 2,386.18 | 3,262.45 | 2,446.14 |
| Depreciation | 844.23 | 547.98 | 877.49 | 720.50 |
| Finance Costs | 1,119.56 | 706.16 | 1,134.56 | 962.29 |
| Profit Before Tax and Exceptional Items | 1,171.23 | 1,132.04 | 1,250.40 | 763.35 |
| Exceptional Items | 7.41 | 22.99 | 7.41 | 22.99 |
| Profit Before Tax | 1,163.82 | 1,109.05 | 1,242.99 | 740.36 |
| Current Tax | 247.60 | 227.91 | 265.63 | 232.85 |
| Deferred Tax | 97.05 | 139.13 | 106.94 | 144.89 |
| (Excess) / Shortfall in provision for current tax for earlier years | 3.21 | (0.05) | 3.21 | (0.05) |
| Minority Interest | - | - | 1.61 | 2.98 |
| Profit After Tax & Minority Interest | 815.96 | 742.06 | 865.60 | 359.69 |
| Add: Balance brought forward | 2,136.75 | 1,504.80 | 1,763.16 | 1,516.16 |
| Add: Received on amalgamation as at 1 st April, 2014 | 60.14 | - | 56.12 | - |
| Add: Addition due to amalgamation for the period 1 st April, 2014 to 31 st March, 2015 | (306.82) | - | 81.66 | - |
| Add: Transfer from Contingency Reserve pertaining to previous year | - | - | - | 0.29 |
| Balance available for Appropriation | 2,706.03 | 2,246.86 | 2,766.54 | 1,876.14 |
| Appropriations | | | | |
| Transfer to Contingency Reserve | 1.65 | 1.00 | 1.65 | 1.62 |
| Transfer to Debenture Redemption Reserve | 23.81 | 23.81 | 23.81 | 23.81 |
| Transfer to General Reserve | - | - | - | - |
| Dividends | | | | |
| Interim Dividend | 216.28 | - | 216.28 | - |
| Dividend Distribution Tax on Interim Dividend | 44.03 | - | 44.03 | 1.26 |
| Proposed Dividend | - | 70.87 | - | 70.87 |
| Dividend Distribution Tax on Proposed Dividend | - | 14.43 | 1.28 | 15.42 |
| Reversal of Dividend Distribution Tax of earlier years | (0.75) | - | (0.73) | - |
| Balance carried to Balance Sheet | 2,421.01 | 2,136.75 | 2,480.22 | 1,763.16 |
| Earnings per Share (₹ per share) | 16.98 | 15.71 | 18.01 | 7.61 |

* As the Scheme has become effective from 1st October, 2015 the figures for the year ended 31st March, 2016 are after giving effect to the amalgamation, while the figures for the year ended 31st March, 2015 are before giving effect to the amalgamation and hence are not comparable.

DIVIDEND

The Company, as a policy, endeavours to distribute approx. 30% of its annual profits after tax as dividend in one or more tranches.

Following the said policy, the Board of Directors, on 10th March, 2016, declared interim dividend of 45% i.e. ₹4.50 per equity share having face value of ₹10/- on 48,06,16,784 equity shares for FY 2015-16 and, on 18th May, 2016, recommended the same for confirmation as final dividend (PY - ₹1.50 per equity share having face value of ₹10/- on 47,24,48,308 equity shares), amounting to ₹216.28 Crore (PY - ₹70.87 Crore). The said dividend has been paid.

With Dividend Distribution Tax of ₹44.03 Crore (PY - ₹14.43 Crore), the total outflow on account of dividend works out to ₹260.31 Crore (PY - ₹85.30 Crore) i.e. 30.07% (PY - 23.71%) of consolidated annual profits after tax and minority interest.

MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report.

COMPOSITE SCHEME OF AMALGAMATION

The Hon'ble High Court of Gujarat vide its order dated 13th August, 2015, has sanctioned the Composite Scheme of Amalgamation (the Scheme) of TEL and TCL with TPL. These orders were filed with the Registrar of Companies on 1st October, 2015. Accordingly, the Scheme has become operational with effective date of 1st October, 2015 and appointed date of 1st April, 2014. From the effective date, TEL and TCL stand dissolved (without being wound up) and merged with TPL. Pursuant to amalgamation, 81,68,476 equity shares of the Company of ₹10 each, at par, fully paid up, were allotted to the shareholders of TCL and were duly listed on BSE and NSE.

FINANCE

During the year under review, the Company tied-up long term loans from various Banks and Financial Institution to the tune of ₹7,930 Crore for the purpose of reorganisation of existing long term loans of the Company and for part funding capital expenditure of the Company. Such long term loans were raised as a part of debt reorganisation of the consolidated debt of TPL, TEL and TCL pursuant to amalgamation of TEL and TCL with TPL. Outstanding amount towards long term loans, NCDs and APDRP loans as on 31st March, 2016 is ₹8,442.92 Crore. Further, loan of USD 49.84 Mio from KfW, Germany and loan of ₹209.78 Crore from Kotak Mahindra Bank were prepaid during the year. Details of long term loans of the Company for the year under review are provided in Note 4 to the Financial Statements.

The consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 2015-16 was 1.01 (PY - 1.26).

CRISIL has revised long term rating for Company's long term loans, cash credit and NCDs from AA / Stable to AA- / Stable. Letters of credit / bank guarantees of the Company are rated CRISIL A1+ (Reaffirmed).

During the year under review, the Company has neither accepted nor renewed any deposits.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3) of the Companies Act, 2013, the Board of Directors states that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profits for the year ended 31st March, 2016;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness was observed.

2. SUBSIDIARIES AND JOINT VENTURES

The Company has four subsidiary companies viz. Torrent Solargen Limited (TSL), Torrent Power Grid Limited, Torrent Pipavav Generation Limited and AEC Cements and Constructions Limited (AECCL). Pursuant to the amalgamation in FY 2015-16, the shares held by TCL in AECCL were vested in the Company, thus making AECCL a subsidiary of the Company. The Board of Directors of the Company and TSL at their respective meetings held on 18th May, 2016, approved the Scheme of Arrangement for transfer and vesting of Solar and Wind Energy undertakings of TSL to the Company on a going concern basis for a lumpsum cash consideration representing their net asset value as on appointed date i.e. 1st April, 2015. The Scheme is conditional upon, *inter-alia*, requisite approvals.

The Company, jointly with Torrent Pharmaceuticals Limited, promoted two Section 8 Companies under the Companies Act, 2013, viz. Tornascent Care Institute and UNM Foundation for the purpose of carrying out CSR activities. During the year, Tornascent Care Institute launched a Paediatric Healthcare Program – REACH i.e. Reach EEach CHild.

The Board reviewed the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries, which form part of this Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's subsidiaries and the manner in which associates have been dealt with, forms part of Note 44 of Consolidated Financial Statements in the prescribed format.

3. CUSTOMER INITIATIVES

After successfully launching the Customer Self Service Portal "connect.torrentpower.com", the Company has recently launched a user-friendly Customer Self Service mobile application "Torrent Power Connect" to harness the power of smartphone penetration across the country for offering highly personalized services in the Company's License Areas of Ahmedabad, Gandhinagar and Surat as well as in the franchisee areas of Agra & Bhiwandi. The application incorporates various convenience features such as instant bill payments, personalized dashboard, real time service notifications and complaint registration without any need to contact the call centre or providing service number. These initiatives have virtually eliminated the need for the customers to visit a service / payment centre. Additionally, the Company has also tied up with various new online payment gateways to facilitate transition from physical to online transactions for energy bill payments.

4. ENVIRONMENT, HEALTH AND SAFETY (EHS)

In line with its philosophy of highest importance to safety in its various operations and in an effort to create more awareness at the work place about safety and compliance of safety norms so as to avoid accidents at the workplace, the Company has in place the “Conviction for Safety” policy. The policy also provides for substantial compensation to the personnel and their families, who are adversely affected by accidents. Safety campaigns and public awareness programs have been enhanced.

The developments concerning environment, health and safety during FY 2015-16 include:

A. Gas based Generation Plants

- Integrated Management System to ensure a safe, healthy and environmental friendly working at SUGEN, UNOSUGEN and DGEN Plants which includes duly certified compliances with Environmental Management ISO 14001:2004, Occupational Health & Safety Management ISO 18001:2007 and Energy Management ISO 50001:2011 standards.
- Five Star rating to DGEN Plant from British Safety Council on Five Star Occupational Health and Safety System Audit.
- Completion of reportable lost time accident free 3.21 million man-hours (1,187 calendar days) as on 31st March, 2016 at SUGEN Plant.
- Other key EHS initiatives comprise:
 - Installation of rainwater collection system at DGEN Plant and rainwater harvesting system at Meghdhanush (colony building at DGEN Plant).
 - Relocation of diesel tank level monitoring from inside sump to ground level for safe access at DGEN Plant.
 - Regular meeting with short EHS related video clip, replacement of metallic hose boxes with FRP, replacement of 102 meter cooling tower corroded hand rails, installation of TOC meter to monitor liquid effluent quality at SUGEN and UNOSUGEN Plants.
 - Celebrations on National Safety Day, Road Safety Week, Electrical Safety Week, Chemical Safety Week, Mechanical Safety Week, National Fire Service Day, World Environment Day, Earth Day, etc. to strengthen EHS awareness.

B. Coal based Generation Plant

- Commissioning of NOx & SOx analyser as per guideline of CPCB and installation of CCTV camera with recording facility at water outlet points of ash ponds for monitoring water discharge and preventing possible seepage of water into the river - part of Continuous Emission Monitoring System.
- In-house pilot study has been conducted for water conservation by operating cooling water system at high concentration of cycle.

C. Others

- No lost time accident at 51 MW Charanka Solar Plant.
- Certifications under ISO 14001:2004 (Environment Management) and OHSAS 18001:2007 (Occupational Health & Safety Management) to Cables Unit.
- Medical check-ups for all the permanent employees of the Company.

5. HUMAN RESOURCES

Torrent Group values its employees and believes that its success is a result of the cumulative contribution of all its employees. The Human Resource Development function, continuously strives to emphasize creation of a conducive work environment and development of a robust and consistent approach towards talent management & leadership development.

Attracting and retaining skilled employees, stabilizing the work force in the rapidly changing market, increasing their productivity, putting into place a credible and competent leadership, building an orientation that is consistent but accommodating local differences - are now increasingly becoming important.

To accomplish this, during the year, the Group focused on redefining employee welfare policies to enrich their personal, professional and social life. Its gender diversity initiatives, focus towards ensuring that every employee gets the opportunity to effectively balance both work and life with oneself and family, were some of the key endeavours which helped to strengthen the work culture.

As an organisation, Torrent Group is conscious about the health of its employees as well as their family members. This was reflected in various health care initiatives taken during the year under review towards (a) prevention, (b) cure and (c) safety net for unknown health risk to employees. Also, in order to strengthen the concept of 'Torrent Parivaar', participation of employees and their family members was encouraged through various social gatherings and events throughout the year.

On the Statutory front, during the year under review, one case was filed and disposed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The year also saw reinforcement of the already existing "Whistle Blower" policy in order to emphasize and encourage reporting of any wrongdoing or any unethical practice.

On the industrial front, the Company continued to foster cordial industrial relations with its workforce during the year.

The Company has a diverse workforce of 7,296 employees as on 31st March, 2016 vis-à-vis 7,308 employees as on 31st March, 2015. Going forward, the Company will continue to focus on developing the right talent to achieve the common business goal.

6. CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company rests on five basic principles viz. protection of rights & interests of members, equality in treatment of all members, disclosure of timely & accurate information, strategic guidance & effective monitoring by the Board and accountability of the Board to the Company & its members. As stipulated by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Board's Report as **Annexure B**.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Torrent Group as a philosophy believes "Think of others also when you think about yourself". Concern for Community is an imbibed culture at the Company. The Company, as a part of its Corporate Social Responsibility, made focused efforts in the fields of Community Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern.

In line with the provisions of the Companies Act, 2013 and Rules made thereunder, a Corporate Social Responsibility Committee has been formed by the Board of Directors. The Composition of the CSR Committee is as under:

| Name of Director | Category of Directorship |
|--|--------------------------|
| Smt. Bhavna Doshi, Chairperson ^(\$\$) | Independent Director |
| Smt. Renu Challu ^(^^) | Independent Director |
| Shri Samir Barua | Independent Director |
| Shri Jinal Mehta | Whole-time Director |

^(\$\$) Appointed as a member of the Committee w.e.f 4th August, 2015.

^(^^) Ceased to be a member of the Committee effective from the closing hours of 12th May, 2015 on her resignation as Director of the Company.

During the year, the Board had revised the CSR Policy of the Company to align it with the amendments in the Companies Act, 2013. The revised CSR Policy may be accessed at the below web-link: <http://www.torrentpower.com/investors/2015/csrpolicy.pdf>

During FY 2015-16, the CSR programs and activities undertaken at Group level are described hereunder:

- **REACH:** Torrent Power Limited and Torrent Pharmaceuticals Limited jointly initiated a Paediatric Health Care Program - **REACH – Reach EAch CHild** under the aegis of Tornascent Care Institute. Paediatric health check up camps were organised under the banner of “**Shaishav**” in four villages in the vicinity of the establishments of the Company as a pilot project. More than 1,200 children under the age of 6 years were medically examined. Remedial support under the supervision of Paediatricians was provided to the identified anaemic and malnourished children. Support is also being provided to special cases with chronic ailments on need basis through further medical treatment and management.
- **Shiksha Setu** - Teaching and Learning Excellence Programme involving 6,500 students and 230 teachers, achieved 53.18% cumulative learning improvement at the end of fifth year. Programme interventions like computer based adaptive learning tool, continuous teachers’ training, learning assessment of students and community sensitization brought positive outcomes that include faster learning pace of students, improved students’ attendance and significant improvement in teaching capabilities.

The Annual Report on CSR Activities is given as **Annexure C** to this Report which indicates that the Company has spent ₹10.22 Crore (more than 2% of the average net profits of last three financial years) in this regard.

Other CSR initiatives undertaken by the Company during FY 2015-16 include:

- Creating livelihood:
 - A 42 days intensive training course covering security, basic firefighting and working knowledge of computers has been developed in-house by the security team. 82 unemployed youths from villages neighbouring SUGEN and DGEN Plants having basic primary education were provided training during FY 2015-16 and those successfully completing the training were absorbed into security related jobs at the project sites;
 - For routine cleaning of solar panels at the GENSU Solar Plant, a team of 42 specially abled persons (with impaired hearing and speech) were selected, oriented and inducted, thus providing them a dignified livelihood;
 - Many of the erstwhile land owners of DGEN Plant were sent on special vocational training (like fireman’s course, ITI training etc), with necessary scholarship and stipend support, to make them skillful and employable; they were absorbed into the project on successful completion of their training.
- Community healthcare: SWADHAR – the community health care center at SUGEN Plant, not only provided primary health care facilities at very nominal cost to surrounding communities, but also promoted health, hygiene and sanitation through various camps during the year. During FY 2015-16, about 7,000 persons benefitted from SWADHAR activities.
- The Company had also made donations to various organisations involved in education, healthcare, providing relief to disaster victims and promotion of social welfare, harmony and nationalism.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENT AND RESIGNATION

The Members of the Company had at the 11th Annual General Meeting held on 4th August, 2015, appointed Smt. Bhavna Doshi as an Independent Director for a term of three consecutive years ending 3rd August, 2018, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013. The Members had, in the same meeting, also approved the re-appointment of Shri Sudhir Mehta as Chairman and Shri Samir Mehta as Vice Chairman of the Company w.e.f. 1st August, 2015 for a term of five consecutive years.

The Government of Gujarat has nominated Shri P. K. Taneja, IAS as its nominee on the Board of the Company and the Company has appointed him as an Additional Director on the Board w.e.f. 4th August, 2015 till the commencement of ensuing Annual General Meeting (AGM). It is proposed to appoint him as a Director, liable to retire by rotation, with effect from the ensuing AGM i.e. 2nd August, 2016.

Further, in accordance with Section 149 and other applicable provisions of the Companies Act, 2013, the Members of the Company had approved (through Postal Ballot) the appointment of Ms. Dharmishta Raval as an Independent Director of the Company w.e.f. 16th October, 2015 for a term of three consecutive years ending 15th October, 2018.

The Board had, at its meeting held on 4th August, 2015, appointed Shri Darshan Soni as Company Secretary and Whole-time Key Managerial Personnel of the Company.

RE-APPOINTMENT OF DIRECTORS

The term of Shri Markand Bhatt as Whole-time Director ceased on the closing hours of 31st March, 2016 and the Board re-appointed him as Whole-time Director at its meeting held on 28th October, 2015 for a term of five years w.e.f. 1st April, 2016, subject to the approval of the members at the ensuing Annual General Meeting.

DIRECTOR RETIRING BY ROTATION

As per the provisions of the Companies Act, 2013, Shri Jinal Mehta, Whole-time Director, retires by rotation and being eligible, has offered himself for re-appointment.

A brief resume and other relevant details of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement to the Notice convening the 12th Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee (NRC) has approved the criteria and process for identification / appointment of Directors which are as under:

Criteria for Appointment:

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

Process for Identification / Appointment of Directors:

- i. Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the NRC.
- ii. Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.
- iii. NRC will process the matter and recommend such proposal to the Board.
- iv. Board will consider such proposal on merit and decide suitably.

CRITERIA FOR PERFORMANCE EVALUATION

During the year under review, the Board considered and refined the criteria as well as the process for performance evaluation of itself, that of its Committees and Individual Directors as follows:

| Evaluation of | Criteria for Evaluation |
|----------------------|--|
| Board | <ul style="list-style-type: none"> • Degree of fulfilment of key responsibilities including focus on strategic and policy issues. • Effectiveness of Board process and information sharing. • Board culture and dynamics. • Quality of decisions. • Establishment and delineation of responsibilities to Committees. • Quality of relationship between Board and the Management. |
| Committee | <ul style="list-style-type: none"> • Degree of fulfilment of key responsibilities. • Frequency and effectiveness of meetings. • Committee dynamics, especially openness of discussions, including with the Board. • Adequacy of Committee composition. • Quality of relationship of the committee with the Board and the Management. |
| Individual Directors | <ul style="list-style-type: none"> • Participation in Board in terms of adequacy (time & content). • Contribution through expertise and perspective. • Guidance / support to Management outside Board / Committee meetings. |

MANNER OF EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The obtaining and consolidation of feedback from all Directors in this regards, was co-ordinated by the Vice Chairman. Based on this, Chairman / Vice Chairman briefed the Board and each of the Individual Directors, as applicable.

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular interval with gap between two meetings not exceeding 120 days. Additional meetings are held as and when necessary. During the year under review, the Board met five times.

9. REMUNERATION**REMUNERATION POLICY**

The Company has in place the policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company which is as under:

Components of Remuneration

- i. Fixed Pay comprising Basic Salary, HRA, Car Allowance (applicable to General Managers & above employees), Conveyance Allowances / Reimbursement, Company's contribution to Provident Fund, Superannuation Fund, Gratuity, etc.

- ii. Variable Pay, which is either in the form of:
 - Commission to Managing Directors
 - Commission to Whole-time Directors
 - Performance Based Pay to General Managers & above (up to 20% of CTC), based on unit performance grades
 - One-time reward for identified employees in exceptional cases who undertake tasks which go beyond their normal call of duty and play a crucial role in the success of an event.
- iii. Retention Pay: In the case where stability is an issue, part of the CTC is kept as retention pay which is being paid after 3 years or more.

Such remuneration is determined at the time of recruitment based on various factors such as Educational Qualification, Experience, Competence, Current CTC, Internal Equity and/or External Market comparison, etc.

Annual Appraisal Process

- i. Annual Appraisals are conducted, following which annual increments and promotions in deserving cases are decided once in a year based on:
 - Employees self-assessment
 - Assessment by Immediate Superior and
 - Assessment by Head of Department
- ii. Annual Increment leading to an increase in Fixed Pay consists of
 - Economic Rise based on All India Consumer Price Index published by the Government of India or Internal Survey wherein inflation on commonly used items is calculated.
 - Performance Rise based on industry and overall business scenario and factoring the following aspects:
 - Company's performance vis-à-vis the industry
 - Unit performance is generally carried out based on various financial and non-financial parameters and grades assigned are used for working out the overall ceiling for remuneration and performance based pay at Unit level.
 - Individual Performance / track record including care for health / balance between quality of work and family life.
 - Promotion Rise
- iii. Also, Performance Based Pay i.e. Variable Pay (to General Manager & above employees) is based on annual appraisal process.
- iv. The increments as decided for a particular financial year are paid during the subsequent financial year. For example, the performance appraisal of an employee for FY 2015-16 is conducted in FY 2016-17 and his salary rise in FY 2016-17 reflects his performance for FY 2015-16.

Remuneration of Non-Executive Directors:

The Company has formulated a policy for the remuneration of Non-Executive Directors as follows:

- i. Sitting Fees of ₹1 lac for each meeting of the Board or any Committee thereof, attended by them;

- ii. Commission on the basis of participation in the meetings of Board and Audit & Risk Management Committee subject to the condition that total commission paid to all Directors (other than Managing Director or Whole-time Director) including service tax thereon shall not exceed the limit of 1% of net profits in a financial year as laid down under the provisions of Section 197(1) of the Companies Act, 2013 read with Section 198 of the Act.
- iii. Non-Executive Directors will be reimbursed for all the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in the **Annexure D** to this Report.

10. AUDITORS

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company, pursuant to Section 139(1) of the Companies Act, 2013 read with relevant Rules. The Board of Directors recommends their re-appointment for one year.

The Auditors' Report for FY 2015-16 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 2015-16 by the Board of Directors and their remuneration was ratified by members at the 11th Annual General Meeting of the Company. The Cost Audit Report for FY 2014-15 was filed on 1st October, 2015 with the Central Government (within the prescribed time limit) pursuant to Section 148(6) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for FY 2015-16. A Secretarial Audit Report for FY 2015-16 is annexed herewith as **Annexure E**.

There are no adverse observations in the Secretarial Audit Report except for a temporary non-compliance in composition of Nomination and Remuneration Committee for the interim period of approx. 5 months.

The Board of Directors noted the observation stated in the Secretarial Audit report and observed that the same had occurred due to the exigency arising out of the resignation of Smt. Renu Challu, a member of Nomination & Remuneration Committee. This vacancy was filled within 5 months and thereby appropriate compliance with the statutory requirements was duly ensured.

11. AUDIT AND RISK MANAGEMENT

During the year, the Board reviewed and revisited the decision taken by it regarding the role of Risk Management being carried out by the Audit Committee and after detailed deliberations it was decided that the Audit Committee of the Board shall continue to play the role of Risk Management Committee and be called as 'Audit and Risk Management Committee' unless otherwise decided by the Board.

COMPOSITION OF THE COMMITTEE

| Name of the Director | Category of Directorship |
|--------------------------------------|--------------------------|
| Shri Keki Mistry, Chairman | Independent Director |
| Shri Samir Barua | Independent Director |
| Shri Kiran Karnik | Independent Director |
| Smt. Renu Challu ^(\$\$) | Independent Director |
| Smt. Bhavna Doshi ^(^^) | Independent Director |
| Ms. Dharmishta Raval ^(##) | Independent Director |

^(\$\$) Ceased to be a member of the Committee effective from the closing hours of 12th May, 2015 on her resignation as Director of the Company.

^(^^) Appointed as a member of the Committee effective from 4th August, 2015.

^(##) Appointed as a member of the Committee effective from 28th October, 2015.

During the year the Board had revised the terms of reference of the Committee to give effect to the new requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, the Board has accepted all the recommendations made by the Audit and Risk Management Committee.

VIGIL MECHANISM

The Company has in place a Whistle Blower Policy pursuant to the requirements of the Companies Act, 2013 and the erstwhile Listing Agreement. The Policy empowers all the Stakeholders to raise concerns by making Protected Disclosures as defined in the Policy. The Policy also provides for adequate safeguards against victimization of Whistle Blower who uses such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in exceptional cases. The functioning of the Whistle Blower mechanism is reviewed by the Audit and Risk Management Committee on a quarterly basis. The details of the Whistle Blower Policy are explained in the Report on Corporate Governance and the Policy is available on the website of the Company at http://www.torrentpower.com/investors/pdfs/2015/whistle_blower_policy.pdf

RISK MANAGEMENT

The Company has in place a Risk Management framework for a systematic approach to control risks. The Risk Management Policy of the Company lays down procedures for risk identification, assessment, monitoring, review and reporting. The Policy also lists the roles and responsibilities of Board, Risk Management Committee, Chief Risk Officer, Risk Champions and Co-ordinators. Internal and external risks, with potential impact and likelihood, that may impact the Company in achieving its strategic objectives or may threaten its existence have been identified and assessed.

12. THE EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is appended herewith as **Annexure F** to this Report.

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

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the **Annexure G** and form part of this Report.

14. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record its appreciation for the continued guidance and support received from the Government of India, the State Governments, the Central and State Electricity Regulatory Commissions / Authorities, the National, Regional and State Load Dispatch Centres, Regional Power Committees, Gujarat Energy Development Agency, Bureau of Energy Efficiency, Chief Electrical Inspectors of Gujarat, Uttar Pradesh and Maharashtra, State Energy Developers, State Discoms, National and State Transmission Companies, the Gram Panchayats, Taluka Panchayats, District Collectors, Local Authorities, Corporation and Municipal Authorities of the areas of Company's

operation, Contractors, Fuel Suppliers and Transporters, Power Exchanges, Banks, Financial Institutions and Security Trustees. The Board is thankful to the Members, Auditors, Consultants, Vendors, Service Providers, Insurers and all its Employees for their unstinted support and contribution. The Board also recognizes the contribution of the esteemed Consumers to the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them better.

For and on behalf of the Board of Directors

Ahmedabad
18th May, 2016

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE - A

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

Not Applicable

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

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

Not Applicable

For and on behalf of the Board of Directors

Ahmedabad
18th May, 2016

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE - B

INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF
TORRENT POWER LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **TORRENT POWER LIMITED**, for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from 1st April, 2015 to 30th November, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

ANNEXURE - C

ANNUAL REPORT FOR FY 2015-16 ON CSR ACTIVITIES:

The Company strongly believes that sustainability of any business is related to the well-being and development of the society in which the business is embedded. Therefore, even before CSR spending became mandatory, the Company, as a good corporate citizen, was involved in several initiatives and programs focused on giving back to the society, for all the care, support and nurturance being bestowed upon it by the society. It has undertaken socially useful programs for the welfare & sustainable development of the less privileged sections of the society.

Torrent has consciously decided as a matter of policy:

1. to concentrate its efforts diligently in the following Thrust Areas: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern; and
2. to focus, as far as possible, its activities where Torrent headquarters is situated and at locations in and around its operations so that the twin objectives of service to neighbourhood and community and participation of employees along with necessary admin set up can be achieved.

In line with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, the CSR Committee of the Board consists of the following members:

| Name of Director | Category of Directorship |
|--|--------------------------|
| Smt. Bhavna Doshi, Chairperson ^(^^) | Independent Director |
| Smt. Renu Challu ^(\$\$) | Independent Director |
| Shri Samir Barua | Independent Director |
| Shri Jinal Mehta | Whole-time Director |

^(^^) Appointed as a member of the Committee w.e.f 4th August, 2015.

^(\$\$) Ceased to be a member and the Chairperson of the Committee effective from the closing hours of 12th May, 2015 on her resignation as Director of the Company.

The Board of Directors at their meeting held on 12th May, 2014 approved the CSR Policy and subsequently approved revision of the same at its meeting held on 28th October, 2015. Brief outline of the Policy is as under:

While the Company is eligible to undertake any suitable / rightful activity as specified in Schedule VII of the Companies Act, 2013, it proposes to undertake Projects in the Thrust Areas identified.

The Company, in every financial year shall endeavor to spend the required amount for its CSR Projects and shall not be restricted by the statutory limit, whereby the minimum spend has to be 2% of the Company's average Net Profits for three immediately preceding financial years.

The Policy specifies the mechanism for identification and implementation of the CSR Projects and approval thereof by the CSR Committee. The total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.

As per the Policy, the CSR Projects may be implemented as under:

1. Direct Method, whereby the Company may implement the CSR Projects on its own or through its Trust / Society / Section 8 Company or Group Company Trust / Society / Section 8 Company and;
2. Indirect Method, whereby the Company may implement the CSR Projects through an external Trust / Society / Section 8 Company fulfilling the criteria under the Act.

The Policy also provides for monitoring of the CSR Projects and Plan by the CSR Officer and half-yearly monitoring of the implementation of the CSR Policy and Plan by the CSR Committee as per the monitoring mechanism stated in the Policy.

The Policy further specifies a) duties and responsibilities of the Board, the CSR Committee and the CSR Officer; b) provisions related to allocation of funds for CSR activities; and c) the periodicity of review and amendment of the CSR Policy and CSR Plan.

Overview of projects or programs undertaken

In line with the Thrust Areas, the Company has undertaken the following CSR Projects / Programs during the FY 2015-16:

1. REACH - Paediatric Healthcare Programme
2. Preventive Healthcare Programme
3. Shiksha Setu – A quality education programme
4. Supporting Primary and Secondary school for urban slum children
5. Contribution towards providing electronic limbs to the needy victims
6. Contribution for supporting needy girls & women for their education, food and shelter
7. Supporting various activities for village development

The CSR Policy and the CSR Plan can be accessed at -

<http://www.torrentpower.com/investors/2015/csrpolicy.pdf> &

http://www.torrentpower.com/investors/2015/csr_plan_fy_15-16.pdf respectively.

CSR Expenditure for FY 2015-16

| | (₹ in Crore) |
|--|----------------|
| Average net profit of the Company for last three financial years | 473 |
| Prescribed CSR Expenditure (2% of the above Amount) | 9.46 |
| Total amount spent for the Financial Year 2015-16 | 10.22 |
| Amount unspent, if any | Not Applicable |

Manner in which the CSR amount was spent during the financial year 2015-16 is detailed below:-

| (₹ in Crore) | | | | | | | |
|--------------|---|---|--|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Sr. No. | CSR Project or Activity Identified | Sector in which the Project is covered | Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken | Amount Outlay (Budget) Project or Program wise FY 2015-16 | Amount spent on the projects or programs Subheads: (1) Direct expenditure on programs, (2) Overheads FY 2015-16 | Cumulative expenditure upto the reporting period* | Amount Spent : Direct or through implementing agency |
| 1 | REACH - Paediatric Healthcare Programme | Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare) | (1) Village - Navi Pardi, Dist. Surat, Gujarat (2) Village - Atali, Dist. Bharuch, Gujarat (3) Village - Yojinagar, Dist. Kheda, Gujarat (4) Village - Indrad, Dist. Mehsana, Gujarat | 7.50 | 7.72 | 14.72 | Directly: (1) Through Tornascent Care Institute (Section 8 Company of the Group) Regi. No. U85100GJ2015NPL082291 dated 16-02-2015 (2) By Company |
| 2 | Preventive Health Care Programme | Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare) | Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat | 0.50 | 0.31 | 0.88 | Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regi. No. U85110GJ2015NPL083340 dated 27-05-2015 (2) By Company |
| 3 | Shiksha Setu (Quality Education Programme) (Rural and Urban Slum Area) [§] | Education and Knowledge Enhancement (Promoting education) | (1) Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat (2) At Villages: Akhakhhol, Karjan, Navi Pardi, Dhoran Pardi (Tribal Area), Ta. Kamrej, Dist. Surat, Gujarat (3) At Villages: Chhapi, Memadpur (Rural Area), Ta. Vadgam, Dist. Banaskantha, Gujarat (4) At Village: Indrad (Rural Area), Ta. Kadi, Dist. Mehsana, Gujarat (18 Govt. schools and 3 Grant in Aid schools) | 1.00 | 1.00 | 2.00 | Directly: (1) Through U. N. Mehta Charitable Trust (Group Company Trust) Trust Regi. No. E-5437 dated 16-02-1984 |

| 1 Sr. No. | 2 CSR Project or Activity Identified | 3 Sector in which the Project is covered | 4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken | 5 Amount Outlay (Budget) Project or Program wise FY 2015-16 | 6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2015-16 | 7 Cumulative expenditure upto the reporting period* | 8 Amount Spent : Direct or through implementing agency |
|--------------|--|---|---|--|--|--|---|
| 4 | Primary & Secondary School (For urban slum children) | Education and Knowledge Enhancement (Promoting education) | Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat | 0.20 | 0.17 | 0.34 | (1) Indirectly through Implementing Agency: Amdavad Vidyut Kelavani Samaj Trust Regi. No. F-710 Ahmedabad dated 16-11-1979 (2) Directly by Company |
| 5 | Providing electronic limbs to the needy victims | Promoting healthcare | (1) At Katrasgarh in Dist. Dhanbad, Jharkhand (2) At Grant Road, Kanjurmarg West, Chembur, Kandiwali East, Ghatkopar West, Andheri East, Pant nagar, Santacruz in Dist. Mumbai, Maharashtra (3) At Kopri village, Kalyan, Navi Mumbai in Dist. Thane, Maharashtra | 0.20 | 0.20 | 0.20 | Indirectly: (1) Through U. N. Mehta Charitable Trust (Group Company Trust) Trust Regi. No. E-5437 dated 16-02-1984 |
| 6 | Supporting needy girls & women towards their education | Promoting Education and healthcare | Sabarmati, Dist. Ahmedabad, Gujarat | 0.25 | 0.25 | 0.25 | Directly by Company |
| 7 | Supporting village development | Rural Development | Yoginagar, Ta. Nadiad, Dist. Kheda, Gujarat | 0.10 | 0.07 | 0.07 | Directly by Company |
| 8 | Others | | | | | | |
| | CSR capacity building cost including Administrative overhead | | | 0.50 | 0.50 | 1.30 | Directly by Company |
| | Miscellaneous | | | 0.05 | - | 0.01 | |
| | Total | | | 10.30 | 10.22 | 19.77 | |
| * | Starting from 1 st April, 2014. | | | | | | |
| \$ | Amount of ₹2.70 Crore was contributed till 31 st March, 2014. | | | | | | |

In terms of Section 134(1)(o) of the Companies Act, 2013, in relation to the CSR Policy for FY 2015-16, the CSR Committee states that:

- (a) the identification of the CSR Projects, with estimated expenditure and phase wise implementation schedules, has been done as per the approved CSR Policy;
- (b) the CSR Projects were undertaken and monitored in compliance with the CSR Policy;
- (c) the major portion of the CSR expenditure as identified in the CSR Annual Plan was incurred for the Projects in the Thrust Areas of the Company; and
- (d) the implementation and monitoring of the CSR Policy were in compliance with CSR objectives and Policy of the Company.

Ahmedabad
18th May, 2016

Samir Barua
Director

Bhavna Doshi
Chairperson, CSR Committee

ANNEXURE – D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name & Designation | Ratio of Remuneration of Director to Median ^{\$} Remuneration of employees | % increase in Remuneration in FY 2015-16 | Comparison of the Remuneration of the KMP against the performance of the Company |
|---------|---|---|--|--|
| | | (Sub-clause (i) of Rule 5(1)) | (Sub-clause (ii) of Rule 5(1)) | (Sub-clause (ix) of Rule 5(1)) |
| 1. | Shri Sudhir Mehta, Chairman | 141.90 | * | *** |
| 2. | Shri Pankaj Patel, Independent Director | 8.20 | 0.00% | Not Applicable |
| 3. | Shri Samir Barua, Independent Director | 8.77 | -8.82% | Not Applicable |
| 4. | Shri Kiran Karnik, Independent Director | 9.33 | 6.45% | Not Applicable |
| 5. | Shri Keki Mistry, Independent Director | 7.07 | 78.57% | Not Applicable |
| 6. | Shri R. Ravichandran, Non-Executive Director | 5.66 | 0.00% | Not Applicable |
| 7. | Smt. Renu Challu, Independent Director | + | + | Not Applicable |
| 8. | Smt. Bhavna Doshi, Independent Director | ** | ** | Not Applicable |
| 9. | Shri P. K. Taneja, IAS, Non-Executive Director | ++ | ++ | Not Applicable |
| 10. | Ms. Dharmishta Raval, Independent Director | +++ | +++ | Not Applicable |
| 11. | Shri Samir Mehta, Vice Chairman | 141.39 | ^^ | *** |
| 12. | Shri Markand Bhatt, Whole-time Director | 860.89 | ## | *** |
| 13. | Shri Jinal Mehta, Whole-time Director | 103.79 | -0.32% | There is a reduction in the remuneration of Shri Jinal Mehta by 0.32% whereas the comparable consolidated profit of the Company has increased by 67.70% as mentioned in point 4 below. |
| 14. | Shri T. P. Vijayasathy, Chief Financial Officer | Not Applicable | 16.93%@ | The increase is in line with the general increase for all employees and remuneration policy of the Company. |
| 15. | Shri Darshan Soni, Company Secretary | Not Applicable | Details not given as Shri Darshan Soni was appointed as Company Secretary w.e.f. 4 th August, 2015. | |

\$ Refer point 2 below.

* Details not given as no remuneration has been paid except normal perquisites in FY 2014-15.

+ Details not given as Smt. Renu Challu resigned w.e.f. the closing hours of 12th May, 2015.

** Details not given as Smt. Bhavna Doshi was a Director only for the part of the FY 2015-16 i.e. w.e.f. 4th August, 2015.

++ Details not given as Shri P. K. Taneja, IAS, was a Director only for the part of the FY 2015-16 i.e. w.e.f. 4th August, 2015.

+++ Details not given as Ms. Dharmishta Raval was a Director only for the part of the FY 2015-16 i.e. w.e.f. 16th October, 2015.

^^ Details not given as no remuneration has been paid in FY 2014-15.

Details not given as no remuneration was paid except normal perquisites in FY 2014-15.

@ Excluding one-time reward.

*** Due to various adverse factors (such as constraints in domestic gas availability, etc.) impacting the operations and profitability of the Company, the Board had acceded to the request of Shri Sudhir Mehta and Shri Samir Mehta not to be monetarily compensated in FY 2012-13, FY 2013-14 and FY 2014-15 (except normal perquisites for Shri Sudhir Mehta). For the same reasons, the Board had also acceded to the request of Shri Markand Bhatt not to be monetarily compensated towards the commission in FY 2012-13 and annual remuneration for FY 2013-14 and FY 2014-15 (except normal perquisites). The Board has determined the remuneration of Shri Sudhir Mehta, Shri Samir Mehta and Shri Markand Bhatt for FY 2015-16 in accordance with the resolutions approved by the Shareholders of the Company. Hence, in this context, the relative change in their remuneration cannot be compared with the relative change in the performance of the Company.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2015-16 increased by 14.08%. The unionised employees whose remuneration is based on periodic settlements have been excluded for this purpose.
3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2016 was 7,296.
4. Sub-clause (v) of Rule 5(1): The Standalone and Consolidated Profit Before Tax of the Company increased by 60.90% and 67.70% respectively in FY 2015-16 (considering amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited) vis-à-vis FY 2014-15. For the same period, the average increase in the remuneration was 10.89% (excluding one-time reward). However, it may please be noted that the increase in remuneration (except commission to managerial personnel) is related to the performance of the Company with one year lag i.e. remuneration of FY 2015-16 is based on the performance of FY 2014-15. Also, any increase has to be calibrated based on economic factor (for the year under review at around 6%) mainly on account of inflation, performance rise (for the year under review at a maintenance level ~3-4%), availability of the required talent, the status of the relevant industry etc.
5. Sub-clause (vi) of Rule 5(1): The total remuneration of Key Managerial Personnel increased by 551.67% (excluding one-time reward and leave encashment) in FY 2015-16 vis-a-vis the improvement in the performance of the Company during FY 2015-16 as mentioned in the above point. In FY 2014-15, the overall compensation for Key Managerial Personnel was grossly affected on account of adverse business scenario. However, in FY 2015-16 the Company has earned reasonable profits as compared to FY 2014-15 and hence, the Key Managerial Personnel have been compensated appropriately.

6. Sub-clause (vii) of Rule 5(1):

(a) Variations in the market capitalisation of the Company and the price earnings ratio is as under:

| Market Capitalization | BSE | NSE |
|---|--|--|
| 31 st March, 2016 (No. of Shares – 4,80,616,784)* | ₹11,061 Crore (@ ₹230.15 per share) | ₹11,146 Crore (@ ₹231.90 per share) |
| 31 st March, 2015 (No. of Shares – 4,72,448,308) | ₹7,701 Crore (@ ₹163 per share) | ₹7,727 Crore (@ ₹163.55 per share) |
| P/E Ratio | BSE | NSE |
| 31 st March, 2016 | 13.55 times (230.15/16.98) | 13.66 times (231.90/16.98) |
| 31 st March, 2015 | 10.38 times (163/15.71) | 10.41 times (163.55/15.71) |

* Increase in no. of shares is pursuant to the amalgamation of Torrent Cables Limited and Torrent Energy Limited with Torrent Power Limited

(b) The Company has not come out with any public offer and hence percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer is not applicable.

7. Sub-clause (viii) of Rule 5(1): The average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2015-16 was 10.87% (excluding one-time reward) whereas the total managerial remuneration for the same financial year has increased by 1092.54%. In FY 2014-15, remuneration was not paid to the Managerial Personnel except Shri Jinal Mehta whereas in FY 2015-16, considering the reasonable profits of the Company, appropriate managerial remuneration has been determined for all Managerial Personnel. On account of this, the comparison between the said parameters would not be appropriate. It is estimated that if the basis of comparison were appropriate, the total remuneration of Managerial Personnel would have been in line with the general increase in the average salaries of employees other than the Managerial Personnel.
8. Sub-clause (x) of Rule 5(1): The variable component of remuneration is Commission which is paid to Whole-time Directors (WTD) / Managing Directors (MD). Such commission is paid in lieu of full or part of their annual remuneration. For MDs, the amount of commission is generally based on the performance of the Company whereas for the WTDs, who are generally entitled to salary and perquisites, the amount of commission is determined based on any specific recognizable contribution / event / happening in the relevant financial year for which the concerned WTD is principally responsible as well as instrumental.
9. Sub-clause (xi) of Rule 5(1): The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year - Not Applicable.
10. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.
11. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
18th May, 2016

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE – E

M. C. Gupta & Co.
Company Secretaries

CS Mahesh C. Gupta
B. Com (Hons), LL. M., MBA, ACMA, FCS

703, Mauryansh Elanza, Near Parekh's Hospital, Shyamal Cross Roads, Ahmedabad - 380 015
+91 98 2509 1414, +91 79 2676 9976, +91 79 6663 9976 e-mail: mcguptacs@gmail.com, mcguptacs@yahoo.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,
The Members,
Torrent Power Limited,
Torrent House,
Off Ashram Road,
Ahmedabad - 380 009

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company, having its Registered Office at "Torrent House, Off Ashram Road, Ahmedabad - 380 009" for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) The Company has complied with the following specifically other applicable laws to the Company:
- a) Electricity Act, 2003
 - b) Gujarat Electricity Duty Act, 1958
 - c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003
 - d) Gujarat Electricity Grid Code, 2013
 - e) Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (effective from 1st July, 2015).
- (ii) Listing Agreement clauses till 30th November, 2015 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 1st December, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except a temporary non-compliance in composition of Nomination and Remuneration Committee for interim period of approx. 5 months, under Section 178 of the Companies Act, 2013 and also of the Clause 49 of the then existing Listing Agreement.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

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

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

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

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 18th May, 2016

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

Annexure: "A"

To,
The Members,
Torrent Power Limited,
Torrent House,
Off Ashram Road,
Ahmedabad - 380 009

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

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : 18th May, 2016

ANNEXURE - F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | |
|---|---|
| i) CIN: | L31200GJ2004PLC044068 |
| ii) Registration Date: | 29 th April, 2004 |
| iii) Name of the Company: | TORRENT POWER LIMITED |
| iv) Category / Sub-Category of the Company: | Public Company / Limited by Shares |
| v) Address of the Registered office and contact details: | Torrent House, Off Ashram Road, Ahmedabad - 380 009 (Gujarat) Tel: +91 79 2658 3060 / 2658 5090 Fax: +91 79 2658 4581 Email: cs@torrentpower.com Website: www.torrentpower.com |
| vi) Whether listed company Yes / No : | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent: | Sharepro Services (India) Private Limited, Unit-Torrent Power Limited, 13 A-B, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 (Maharashtra) Telephone : +91 22 6772 0300 / 6772 0347 Fax : +91 22 2859 1568 / 2850 8927 E-mail : sharepro@shareproservices.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1 | Electric power generation and distribution | 351 | 97.35% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | NAME OF THE COMPANY | ADDRESS OF THE COMPANY | CIN / GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---------|---|--|-----------------------|----------------------------------|------------------|--------------------|
| 1 | Torrent Private Limited | Torrent House, Off Ashram Road, Ahmedabad-380009 | U67120GJ1985PTC007573 | Holding | 53.56% | 2(46) |
| 2 | Torrent Power Grid Limited | Torrent House, Off Ashram Road, Ahmedabad-380009 | U40104GJ2005PLC046660 | Subsidiary | 74.00% | 2(87) |
| 3 | Torrent Pipavav Generation Limited | Torrent House, Off Ashram Road, Ahmedabad-380009 | U40108GJ2007PLC051822 | Subsidiary | 95.00% | 2(87) |
| 4 | Torrent Solargen Limited | Torrent House, Off Ashram Road, Ahmedabad-380009 | U40102GJ2008PLC055000 | Subsidiary | 100.00% | 2(87) |
| 5 | AEC Cements & Constructions Limited | AEC Tower, Fifth Floor, Shahpur, Ahmedabad-380001 | U45201GJ1988PLC010752 | Subsidiary | 69.00% | 2(87) |
| 6 | Tidong Hydro Power Limited | Katoch House, Brow, Post Rampur, Himachal Pradesh-172201 | U40101HP2007PLC030774 | Associate | 49.00% | 2(6) |
| 7 | UNM Foundation (Section 8 Company) | Torrent House, Off Ashram Road, Ahmedabad-380009 | U85110GJ2015NPL083340 | Associate | 50.00% | 2(6) |
| 8 | Tornascent Care Institute (Section 8 Company) | Torrent House, Off Ashram Road, Ahmedabad-380009 | U85100GJ2015NPL082291 | Associate | 50.00% | 2(6) |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

| CATEGORY OF SHAREHOLDER | No. of the shares held at the beginning of the year 01/04/2015 | | | | No. of shares held at the end of the year 31/03/2016 | | | | % change during the year |
|---------------------------------------|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| (1) INDIAN | | | | | | | | | |
| (a) Individual / HUF | 21007 | - | 21007 | 0.00 | 21007 | - | 21007 | 0.00 | - |
| (b) Central Government | - | - | - | - | - | - | - | - | - |
| (c) State Government(s) | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corporate | 252438986 | - | 252438986 | 53.43 | 257422311 | - | 257422311 | 53.56 | 0.13 |
| (e) Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| (f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total A (1) | 252459993 | - | 252459993 | 53.44 | 257443318 | - | 257443318 | 53.57 | 0.14 |

| CATEGORY OF SHAREHOLDER | No. of the shares held at the beginning of the year 01/04/2015 | | | | No. of shares held at the end of the year 31/03/2016 | | | | % change during the year |
|--|--|-----------------|------------------|-------------------|--|-----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| (2) FOREIGN | | | | | | | | | |
| (a) Individuals (NRIs/ Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| (b) Other Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) Banks / FIs | - | - | - | - | - | - | - | - | - |
| (e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total A(2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)=A(1)+A(2) | 252459993 | - | 252459993 | 53.44 | 257443318 | - | 257443318 | 53.57 | 0.14 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) INSTITUTIONS | | | | | | | | | |
| (a) Mutual Funds | 21940182 | 115 | 21940297 | 4.64 | 22641752 | 115 | 22641867 | 4.71 | 0.07 |
| (b) Banks / Financial Institutions | 638387 | 100720 | 739107 | 0.16 | 582775 | 98386 | 681161 | 0.14 | -0.02 |
| (c) Central Government | - | - | - | - | - | - | - | - | - |
| (d) State Government(s) | - | 7057896 | 7057896 | 1.49 | - | 7057896 | 7057896 | 1.47 | -0.02 |
| (e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) Insurance Companies | 70801909 | - | 70801909 | 14.99 | 58454904 | - | 58454904 | 12.16 | -2.83 |
| (g) Foreign Institutional Investors | 17084592 | - | 17084592 | 3.62 | 27717891 | - | 27717891 | 5.77 | 2.15 |
| (h) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| (i) Others | - | - | - | - | - | - | - | - | - |
| Sub-Total B(1) | 110465070 | 7158731 | 117623801 | 24.90 | 109397322 | 7156397 | 116553719 | 24.25 | -0.65 |
| (2) NON-INSTITUTIONS | | | | | | | | | |
| (a) Bodies Corporate | 51002961 | 138381 | 51141342 | 10.82 | 53184039 | 141079 | 53325118 | 11.10 | 0.28 |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital Upto ₹1 lac | 23668831 | 7655295 | 31324126 | 6.63 | 24285760 | 7662924 | 31948684 | 6.65 | 0.02 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹1 lac | 10768827 | 2528419 | 13297246 | 2.81 | 13564393 | 2236358 | 15800751 | 3.29 | 0.48 |
| (c) Others | | | | | | | | | |
| - Foreign Bodies | 3860000 | - | 3860000 | 0.82 | 3860000 | - | 3860000 | 0.80 | -0.02 |
| - NRI | 832341 | 298601 | 1130942 | 0.24 | 956663 | 231403 | 1188066 | 0.25 | 0.01 |
| - Foreign Portfolio-Corp | 1442679 | - | 1442679 | 0.31 | - | - | - | - | -0.31 |
| - Trusts | 168179 | - | 168179 | 0.04 | 159614 | - | 159614 | 0.03 | -0.01 |
| - NBFC | - | - | - | - | 337514 | - | 337514 | 0.06 | 0.06 |
| Sub-Total B(2) | 91743818 | 10620696 | 102364514 | 21.67 | 96347983 | 10271764 | 106619747 | 22.18 | 0.51 |
| Total Public Shareholding (B)=B(1)+B(2) | 202208888 | 17779427 | 219988315 | 46.56 | 205745305 | 17428161 | 223173466 | 46.43 | -0.13 |
| C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A+B+C) | 454668881 | 17779427 | 472448308 | 100.00 | 463188623 | 17428161 | 480616784 | 100.00 | - |

(ii) Shareholding of Promoters

| SI No. | Shareholder's Name | Shareholding at the beginning of the year 01/04/2015 | | | Shareholding at the end of the year 31/03/2016 | | | % change in share holding during the year |
|--------|-------------------------|--|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Torrent Private Limited | 252438986 | 53.43 | 0.00 | 257422311 | 53.56 | 0.00 | +0.13 |
| 2 | Shri Sudhir Mehta | 6882 | 0.00 | 0.00 | 6882 | 0.00 | 0.00 | 0.00 |
| 3 | Shri Samir Mehta | 6125 | 0.00 | 0.00 | 6125 | 0.00 | 0.00 | 0.00 |
| 4 | Shri Jinal Mehta | 8000 | 0.00 | 0.00 | 8000 | 0.00 | 0.00 | 0.00 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SI No | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Torrent Private Limited | | | | |
| | At the beginning of the Year | 252438986 | 53.43 | 252438986 | 53.43 |
| | Allotment of equity shares by Torrent Power Limited on 23-10-2015, pursuant to approval of scheme amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited | 4983325 | 0.13 | 257422311 | 53.56 |
| | At the end of the year | | | 257422311 | 53.56 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| SI No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) | |
|--------|-------------------------------------|---|----------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No. of shares at the beginning (01/04/2015) /end of the year (31/03/2016) | % of shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 1 | GUJARAT STATE INVESTMENTS LIMITED | 46871621 | 9.9210 | 01-04-15 | NIL | - | | |
| | | 46871621 | 9.7524 | 31-03-16 | | | 46871621 | 9.7524 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 37974562 | 8.0378 | 01-04-15 | | | | |
| | | | | 09-10-15 | -250716 | Transfer | 37723846 | 7.9848 |
| | | | | 16-10-15 | -297389 | Transfer | 37426457 | 7.9218 |
| | | | | 23-10-15 | -397029 | Transfer | 37029428 | 7.7046 |
| | | | | 30-10-15 | -609638 | Transfer | 36419790 | 7.5777 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) | |
|---------|---|---|----------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No. of shares at the beginning (01/04/2015) /end of the year (31/03/2016) | % of shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 06-11-15 | -299871 | Transfer | 36119919 | 7.5153 |
| | | | | 20-11-15 | -25556 | Transfer | 36094363 | 7.5100 |
| | | | | 27-11-15 | -112359 | Transfer | 35982004 | 7.4866 |
| | | | | 04-12-15 | -345730 | Transfer | 35636274 | 7.4147 |
| | | | | 11-12-15 | -87651 | Transfer | 35548623 | 7.3965 |
| | | | | 12-02-16 | -351454 | Transfer | 35197169 | 7.3233 |
| | | | | 19-02-16 | -200005 | Transfer | 34997164 | 7.2817 |
| | | | | 26-02-16 | -197118 | Transfer | 34800046 | 7.2407 |
| | | | | 04-03-16 | -239633 | Transfer | 34560413 | 7.1908 |
| | | | | 11-03-16 | -106641 | Transfer | 34453772 | 7.1687 |
| | | | | 18-03-16 | -40888 | Transfer | 34412884 | 7.1602 |
| | | | | 25-03-16 | -250000 | Transfer | 34162884 | 7.1081 |
| | | 34162884 | 7.1081 | 31-03-16 | | | 34162884 | 7.1081 |
| 3 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 10466444 | 2.2154 | 01-04-15 | | | | |
| | | | | 12-06-15 | -834 | Transfer | 10465610 | 2.2152 |
| | | | | 19-06-15 | -65635 | Transfer | 10399975 | 2.2013 |
| | | | | 26-06-16 | -115434 | Transfer | 10284541 | 2.1769 |
| | | | | 30-06-16 | -7934 | Transfer | 10276607 | 2.1752 |
| | | | | 10-07-15 | -103971 | Transfer | 10172636 | 2.1532 |
| | | | | 17-07-15 | -69222 | Transfer | 10103414 | 2.1385 |
| | | | | 24-07-15 | -110528 | Transfer | 9992886 | 2.1151 |
| | | | | 31-07-15 | -37154 | Transfer | 9955732 | 2.1073 |
| | | | | 07-08-15 | -84423 | Transfer | 9871309 | 2.0894 |
| | | | | 14-08-15 | -166426 | Transfer | 9704883 | 2.0542 |
| | | | | 21-08-15 | -94885 | Transfer | 9609998 | 2.0341 |
| | | | | 28-08-15 | -143554 | Transfer | 9466444 | 2.0037 |
| | | | | 09-10-15 | -109010 | Transfer | 9357434 | 1.9806 |
| | | | | 16-10-15 | -141367 | Transfer | 9216067 | 1.9507 |
| | | | | 23-10-15 | -81763 | Transfer | 9134304 | 1.9005 |
| | | | | 30-10-15 | -152000 | Transfer | 8982304 | 1.8689 |
| | | | | 06-11-15 | -15860 | Transfer | 8966444 | 1.8656 |
| | | | | 18-12-15 | -42848 | Transfer | 8923596 | 1.8567 |
| | | | | 25-12-15 | -30000 | Transfer | 8893596 | 1.8505 |
| | | | | 31-12-15 | -164000 | Transfer | 8729596 | 1.8163 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) | |
|---------|--|---|----------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No. of shares at the beginning (01/04/2015) /end of the year (31/03/2016) | % of shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 08-01-16 | -161857 | Transfer | 8567739 | 1.7827 |
| | | | | 15-01-16 | -168567 | Transfer | 8399172 | 1.7476 |
| | | | | 22-01-16 | -53109 | Transfer | 8346063 | 1.7365 |
| | | | | 29-01-16 | -178343 | Transfer | 8167720 | 1.6994 |
| | | | | 05-02-16 | -172147 | Transfer | 7995573 | 1.6636 |
| | | | | 12-02-16 | -229752 | Transfer | 7765821 | 1.6158 |
| | | | | 19-02-16 | -48737 | Transfer | 7717084 | 1.6057 |
| | | | | 11-03-16 | -30000 | Transfer | 7687084 | 1.5994 |
| | | | | 18-03-16 | -95819 | Transfer | 7591265 | 1.5795 |
| | | | | 25-03-16 | -57412 | Transfer | 7533853 | 1.5675 |
| | | 7533853 | 1.5675 | 31-03-16 | | | 7533853 | 1.5675 |
| 4 | GENERAL INSURANCE CORPORATION OF INDIA | 9800000 | 2.0743 | 01-04-15 | | | | |
| | | | | 21-08-15 | -11534 | Transfer | 9788466 | 2.0719 |
| | | | | 25-09-15 | -64529 | Transfer | 9723937 | 2.0582 |
| | | | | 30-09-15 | -103071 | Transfer | 9620866 | 2.0364 |
| | | | | 09-10-15 | -121172 | Transfer | 9499694 | 2.0107 |
| | | | | 16-10-15 | -1031 | Transfer | 9498663 | 2.0105 |
| | | | | 23-10-15 | -300000 | Transfer | 9198663 | 1.9139 |
| | | | | 30-10-15 | -198663 | Transfer | 9000000 | 1.8726 |
| | | | | 11-12-15 | -90000 | Transfer | 8910000 | 1.8539 |
| | | | | 18-12-15 | -86687 | Transfer | 8823313 | 1.8358 |
| | | | | 25-12-15 | -15000 | Transfer | 8808313 | 1.8327 |
| | | | | 29-01-16 | -100000 | Transfer | 8708313 | 1.8119 |
| | | | | 26-02-16 | -150000 | Transfer | 8558313 | 1.7807 |
| | | | | 18-03-16 | -25000 | Transfer | 8533313 | 1.7755 |
| | | | | 25-03-16 | -10000 | Transfer | 8523313 | 1.7734 |
| | | | | 31-03-16 | -190000 | Transfer | 8333313 | 1.7339 |
| | | 8333313 | 1.7339 | 31-03-16 | | | 8333313 | 1.7339 |
| 5 | THE GOVERNOR OF GUJARAT | 7057050 | 1.4937 | 01-04-15 | Nil | - | | |
| | | 7057050 | 1.4683 | 31-03-16 | | | 7057050 | 1.4683 |
| 6 | AXIS MUTUAL FUND TRUSTEE LIMITED | 6671440 | 1.4121 | 01-04-15 | | | | |
| | | | | 17-04-15 | 200000 | Transfer | 6871440 | 1.4544 |
| | | | | 10-07-15 | 100000 | Transfer | 6971440 | 1.4756 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) | |
|---------|--|---|----------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No. of shares at the beginning (01/04/2015) /end of the year (31/03/2016) | % of shares of the Company | | | | No. of Shares | % of total shares of the Company |
| | | | | 17-07-15 | 100000 | Transfer | 7071440 | 1.4968 |
| | | | | 24-07-15 | 25000 | Transfer | 7096440 | 1.5021 |
| | | | | 07-08-15 | -24756 | Transfer | 7071684 | 1.4968 |
| | | | | 30-09-15 | 100000 | Transfer | 7171684 | 1.5180 |
| | | | | 23-10-15 | 300000 | Transfer | 7471684 | 1.5546 |
| | | | | 06-11-15 | 300000 | Transfer | 7771684 | 1.6170 |
| | | | | 04-12-15 | 300000 | Transfer | 8071684 | 1.6794 |
| | | | | 08-01-16 | -900000 | Transfer | 7171684 | 1.4922 |
| | | | | 19-02-16 | 100000 | Transfer | 7271684 | 1.5130 |
| | | | | 04-03-16 | 300000 | Transfer | 7571684 | 1.5754 |
| | | | | 11-03-16 | 200000 | Transfer | 7771684 | 1.6170 |
| | | 7771684 | 1.6170 | 31-03-16 | | | 7771684 | 1.6170 |
| 7 | HDFC STANDARD LIFE INSURANCE COMPANY LIMITED | 4380454 | 0.9272 | 01-04-15 | | | | |
| | | | | 10-04-15 | -68854 | Transfer | 4311600 | 0.9126 |
| | | | | 17-04-15 | -42656 | Transfer | 4268944 | 0.9036 |
| | | | | 24-04-15 | -17772 | Transfer | 4251172 | 0.8998 |
| | | | | 08-05-15 | -139 | Transfer | 4251033 | 0.8998 |
| | | | | 05-06-15 | -15000 | Transfer | 4236033 | 0.8966 |
| | | | | 31-07-15 | 21959 | Transfer | 4257992 | 0.9013 |
| | | | | 11-09-15 | 5151 | Transfer | 4263143 | 0.9024 |
| | | | | 30-10-15 | -3884 | Transfer | 4259259 | 0.8862 |
| | | | | 06-11-15 | -131010 | Transfer | 4128249 | 0.8589 |
| | | | | 13-11-15 | -50132 | Transfer | 4078117 | 0.8485 |
| | | | | 27-11-15 | -55503 | Transfer | 4022614 | 0.8370 |
| | | | | 04-12-15 | -100000 | Transfer | 3922614 | 0.8162 |
| | | | | 11-12-15 | -8800 | Transfer | 3913814 | 0.8143 |
| | | | | 08-01-16 | -461883 | Transfer | 3451931 | 0.7182 |
| | | | | 15-01-16 | -172879 | Transfer | 3279052 | 0.6823 |
| | | | | 22-01-16 | 17289 | Transfer | 3296341 | 0.6859 |
| | | | | 29-01-16 | -17789 | Transfer | 3278552 | 0.6822 |
| | | | | 12-02-16 | -82000 | Transfer | 3196552 | 0.6651 |
| | | | | 25-03-16 | -894 | Transfer | 3195658 | 0.6649 |
| | | | | 31-03-16 | -156979 | Transfer | 3038679 | 0.6322 |
| | | 3038679 | 0.6322 | 31-03-16 | | | 3038679 | 0.6322 |

| Sl. No. | Name | Shareholding | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year (01/04/2015 to 31/03/2016) | |
|---------|-----------------|---|----------------------------|----------|-------------------------------------|----------|--|----------------------------------|
| | | No. of shares at the beginning (01/04/2015) /end of the year (31/03/2016) | % of shares of the Company | | | | No. of Shares | % of total shares of the Company |
| 8 | RELIANCE | 4209729 | 0.8910 | 01-04-15 | | | | |
| | CAPITAL TRUSTEE | | | 15-05-15 | -76150 | Transfer | 4133579 | 0.8749 |
| | CO. LTD. | | | 08-01-16 | -266950 | Transfer | 3866629 | 0.8045 |
| | | | | 15-01-16 | -50000 | Transfer | 3816629 | 0.7941 |
| | | | | 22-01-16 | -200000 | Transfer | 3616629 | 0.7525 |
| | | | | 05-02-16 | -150000 | Transfer | 3466629 | 0.7213 |
| | | | | 12-02-16 | -25000 | Transfer | 3441629 | 0.7161 |
| | | 3441629 | 0.7161 | 31-03-16 | | | 3441629 | 0.7161 |
| 9 | THE ORIENTAL | 4042084 | 0.8556 | 01-04-15 | | | | |
| | INSURANCE | | | 21-08-15 | -30000 | Transfer | 4012084 | 0.8492 |
| | COMPANY | | | 25-09-15 | -10000 | Transfer | 4002084 | 0.8471 |
| | LIMITED | | | 30-09-15 | -43642 | Transfer | 3958442 | 0.8379 |
| | | | | 09-10-15 | -34481 | Transfer | 3923961 | 0.8306 |
| | | | | 16-10-15 | -11603 | Transfer | 3912358 | 0.8281 |
| | | | | 23-10-15 | -30000 | Transfer | 3882358 | 0.8218 |
| | | | | 30-10-15 | -57393 | Transfer | 3824965 | 0.7958 |
| | | | | 06-11-15 | -44106 | Transfer | 3780859 | 0.7867 |
| | | | | 20-11-15 | -65191 | Transfer | 3715668 | 0.7731 |
| | | | | 27-11-15 | -24809 | Transfer | 3690859 | 0.7679 |
| | | | | 11-12-15 | -25060 | Transfer | 3665799 | 0.7627 |
| | | | | 08-01-16 | -59359 | Transfer | 3606440 | 0.7504 |
| | | | | 15-01-16 | -75641 | Transfer | 3530799 | 0.7346 |
| | | | | 22-01-16 | -15000 | Transfer | 3515799 | 0.7315 |
| | | | | 29-01-16 | -32519 | Transfer | 3483280 | 0.7248 |
| | | | | 05-02-16 | -65000 | Transfer | 3418280 | 0.7112 |
| | | | | 19-02-16 | -5000 | Transfer | 3413280 | 0.7102 |
| | | | | 26-02-16 | -75714 | Transfer | 3337566 | 0.6944 |
| | | | | 04-03-16 | -70000 | Transfer | 3267566 | 0.6799 |
| | | | | 11-03-16 | -60000 | Transfer | 3207566 | 0.6674 |
| | | | | 18-03-16 | -75000 | Transfer | 3132566 | 0.6518 |
| | | | | 25-03-16 | -30000 | Transfer | 3102566 | 0.6455 |
| | | 3102566 | 0.6455 | 31-03-16 | | | 3102566 | 0.6455 |
| 10 | GPC MAURITIUS | 3860000 | 0.8170 | 01-04-15 | Nil | | - | |
| | II LLC | 3860000 | 0.8031 | 31-03-16 | | | 3860000 | 0.8031 |

(v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year - 01/04/2015 | | Shareholding at the end of the year - 31/03/2016 | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Shri Sudhir Mehta | 6882 | 0.00 | 6882 | 0.00 |
| 2 | Shri Samir Mehta | 6125 | 0.00 | 6125 | 0.00 |
| 3 | Shri Jinal Mehta | 8000 | 0.00 | 8000 | 0.00 |
| 4 | Shri Markand Bhatt [#] | 13059 | 0.00 | 13059 | 0.00 |
| 5 | Smt. Bhavna Doshi [@] | NA | NA | 1900 | 0.00 |
| 6 | Shri T. P. Vijayasathy (CFO) | 25 | 0.00 | 25 | 0.00 |
| 7 | Shri Darshan Soni (CS)* | 5 | 0.00 | 5 | 0.00 |
| # | Holding jointly. | | | | |
| @ | Appointed as an Independent Director effective from 4 th August, 2015. | | | | |
| * | Appointed as Company Secretary and KMP effective from 4 th August, 2015. | | | | |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Crore)

| | Secured Loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|--|-----------------|----------|--------------------|
| Indebtedness as on 01/04/2015 | | | | |
| (i) Principal Amount | 5589.60 | 39.74 | - | 5629.34 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | 22.11 | - | - | 22.11 |
| Total (i+ii+iii) | 5611.71 | 39.74 | - | 5651.45 |
| Addition in debt of TEL due to amalgamation (iv) | 3473.03 | | | 3473.03 |
| Change in Indebtedness during the financial year 2015-16 | | | | |
| Addition [#] | 7748.81 | - | - | 7748.81 |
| Reduction | (8404.44) | (3.82) | - | (8408.26) |
| Net Change | (655.63) | (3.82) | - | (659.45) |
| Indebtedness as on 31/03/2016 | | | | |
| (i) Principal Amount | 8407.00 | 35.92 | - | 8442.92 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | 2.06 | - | - | 2.06 |
| Total (i+ii+iii) | 8409.06 | 35.92 | - | 8444.98 |
| # | The amount includes ₹15.90 crore towards revalorization of foreign currency loan | | | |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Name of MD / WTD | | | | Total Amount |
|---------|--|--------------------------------------|------------------|--------------------|------------------|----------------|
| | | Shri Sudhir Mehta | Shri Samir Mehta | Shri Markand Bhatt | Shri Jinal Mehta | |
| 1 | Gross salary | | | | | |
| (a) | Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961 | - | - | 1944.00 | 266.63* | 2210.63 |
| (b) | Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 1.82 | - | 0.44 | 0.40 | 2.66 |
| (c) | Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | | | | | |
| - | as % of profit | - | - | - | - | - |
| - | others specify | 500.00 | 500.00 | 1100.00 | 100.00 | 2200.00 |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 501.82 | 500.00 | 3044.44 | 367.03 | 4413.29 |
| | Ceiling as per the Act | 10% of the Net Profit of the Company | | | | |

* Excluding gratuity provision

B. Remuneration to other Directors

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Directors | | | | | | | | | Total Amount |
|-----------|--|--------------------------------------|------------------|-------------------|------------------|---------------------|-------------------|----------------------|------------------|------------------------|----------------|
| | | Shri Pankaj Patel | Shri Samir Barua | Shri Kiran Karnik | Shri Keki Mistry | Shri R Ravichandran | Smt. Bhavna Doshi | Ms. Dharmishta Raval | Smt. Renu Challu | Shri P. K. Taneja, IAS | |
| 1. | Independent Directors | | | | | | | | | | |
| | Fee for attending Board / Committee meetings | 14.00 | 12.00 | 14.00 | 9.00 | - | 7.00 | 5.00 | 4.00 | - | 65.00 |
| | Commission | 15.00 | 19.00 | 19.00 | 16.00 | - | 11.00 | 7.00 | 4.00 | - | 91.00 |
| | Others, please specify | - | - | - | - | - | - | - | - | - | - |
| | Total (1) | 29.00 | 31.00 | 33.00 | 25.00 | - | 18.00 | 12.00 | 8.00 | - | 156.00 |
| 2. | Other Non-Executive Directors | | | | | | | | | | |
| | Fee for attending Board / Committee meetings | | | - | - | 5.00 | - | - | - | 3.00 | 8.00 |
| | Commission | | | - | - | 15.00 | - | - | - | 9.00 | 24.00 |
| | Others, please specify | | | - | - | - | - | - | - | - | - |
| | Total (2) | | | - | - | 20.00 | - | - | - | 12.00 | 32.00 |
| | Total (B)=(1+2) | 29.00 | 31.00 | 33.00 | 25.00 | 20.00 | 18.00 | 12.00 | 8.00 | 12.00 | 188.00 |
| | Total Managerial Remuneration | | | - | - | - | - | - | - | - | 4601.29 |
| | Overall Ceiling as per the Act | 11% of the Net Profit of the Company | | | | | | | | | |

Note: Excluding service tax

c. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------------|---|--------------------------|--------------------|---------------|
| | | Shri T. P. Vijayasarathy | Shri Darshan Soni* | Total |
| 1 | Gross salary | | | |
| (a) | Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961 | 400.03 [^] | 3.73 ^{^^} | 403.76 |
| (b) | Value of perquisites u/s 17(2) of the Income Tax, Act 1961 | 0.40 | - | 0.40 |
| (c) | Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | | | |
| - | as % of profit | - | - | - |
| - | others specify | - | - | - |
| 5 | Others, please specify | 100.00 | 0.50 | 100.50 |
| | Total | 500.43 | 4.23 | 504.66 |
| [^] | Excluding Gratuity | | | |
| ^{^^} | Excluding gratuity provision and including leave encashment | | | |
| * | Appointed as Company Secretary and KMP effective from 4 th August, 2015. | | | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of Companies Act | Brief description | Details of penalty / punishment / Compounding fees imposed | Authority [RD / NCLT / Court] | Appeal made, if any give details |
|-------------------------------------|--------------------------|-------------------|--|-------------------------------|----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | Nil | | |
| Compounding | | | Nil | | |
| B. DIRECTORS | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | Nil | | |
| Compounding | | | Nil | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | Nil | | |
| Punishment | | | Nil | | |
| Compounding | | | Nil | | |

ANNEXURE – G

A. CONSERVATION OF ENERGY -

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

A. SUGEN AND UNOSUGEN:

- Energy conservation initiatives implemented had resulted in annual energy savings to the tune of 5,481,901 kWh.
- Installation of photo cells for streetlights & timer control for indoor lighting.
- Generator hydrogen purity improvement to minimize generator windage losses.
- Optimization of the intake well pump operation based on reservoir level and lube oil purified based on lube oil quality.

B. DGEN:

- Energy conservation initiatives implemented had resulted in annual energy savings to the tune of 931,888 kWh.
- Change in operating practices of cooling tower system (shutting down CW Pump for hot standby unit) resulted into savings to the tune of 6,800,000 kWh.
- Change in operating practices to conserve water during Plant outage resulted in re-usage of water of around 9,000 cubic meters.

C. AMGEN:

- Installation of load manager for auxiliary level energy measurement.
- Commissioning of new centralized compressed air system at D and E stations.
- Replacement of age old motors of condensate extraction pump with new energy efficient motors at D and E stations.
- Ongoing replacement of HPSV streetlights and CFL lights with energy efficient LED lights.

D. AHMEDABAD AND SURAT DISTRIBUTION AREAS:

- Effective implementation of DSM plan to reduce power consumption and achieve energy efficiency.
- Replacement of conventional CRT monitors of office computers by LED monitors.

E. AGRA AND BHIWANDI DISTRIBUTION AREAS:

- Replacement of existing overhead bare conductors with XLPE cables at Agra.
- On-going installation of LED lights in store, sub-station, office areas and customer care centres at Agra.
- Introduction of eBill for consumers as a “Go Green” initiative at Bhiwandi.
- Limiting air conditioner temperature in all offices to “not below 25 degree celsius” at Agra.
- Supporting the Government of India’s initiative of energy conservation, distributed LED lights to residential customers of Bhiwandi.

F. CABLES UNIT:

- Installation of energy saving device in PU4 to reduce industrial shed lighting consumption.
- Replacement of DC motors and DC drives with high efficiency AC motors & variable frequency AC drives.
- Replacement of HPMV lights with LED lights in new store area.

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

A. SUGEN AND UNOSUGEN:

- Installation of 42.7 kWp rooftop solar PV power plant at Sukan (administrative building) resulted into generation of 25,275 kWh.

B. DGEN:

- Installation of 64.8 kWp rooftop solar PV power plant at Meghdhanush (colony building) resulted into generation of 49,520 kWh.

iii) **The capital investment on energy conservation equipments:**

Approx. ₹47 Crore.

B. TECHNOLOGY ABSORPTION -

i) **The efforts made towards technology absorption:**

A. SUGEN AND UNOSUGEN:

- Installation of nitrogen generating plant to discontinue usage of cylinders.
- Change in measurement methodology of condenser level from ultrasonic to differential-pressure type.
- Installation of degassed conductivity analyzer for main steam circuit.
- Increased specific conductivity of feed water to discontinue usage of salt reagent in dissolved oxygen meter.
- Installation of new designed HCB to avoid repetitive hotspots and failure of the HCB in 220 kV switchyard.
- Replacement of LP evaporator bends with superior material.

B. DGEN:

- Installation of nitrogen generating plant for preservation of systems while Units are under reserve shutdown.
- Portable degassed conductivity analyzer in main steam circuit.
- Portable oil purification units (FAM 5 and FAM 25) for steam turbine hydraulic oil and lube oil systems.

C. AMGEN:

- Replacement of existing 145 kV breakers with new breakers at D, E and F station.
- Replacement of vulnerable ash disposal pipe lines by new cast basalt pipes.
- S+ up-gradation in DCS.
- Up-gradation of PLC in ash slurry system.

D. AHMEDABAD AND SURAT DISTRIBUTION AREAS:

- Replacement of porcelain insulators by polymeric insulators in 220 kV transmission network.
- Installation of TRAF0 connector at LT bushing of distribution transformers.
- Installation of fault passage indicators in 11 kV and 33 kV network.
- Up-gradation of conventional sub-station to SCADA controlled sub-station.
- Replacement of open bus bar (tail race) of distribution transformer by fuse section pillars.
- Expansion of 220 kV 'F' receiving station at Surat using GIS Technology.

- Usage of nitrogen based fire protection system in power transformers.
- Replacement of mineral oil filled distribution transformers by dry type transformers in densely populated and congested area.
- Replacement of blue silica gel (non-biodegradable) by environment friendly orange silica gel (biodegradable).
- Usage of ester oil in place of mineral oil in distribution transformer.

ii) The benefits derived:

A. GENERATION:

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

B. DISTRIBUTION:

- Better availability, safety and reliability.
- Enhancement of sub-station capacity.
- Enhanced customer satisfaction.

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

I. the details of technology imported;

II. the year of import;

III. whether the technology been fully absorbed;

IV. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv) The expenditure incurred on Research and Development:

No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO -

| Description | ₹ in Crore |
|--|------------|
| Foreign Exchange Earned (Actual Inflow) | |
| Miscellaneous Income | 34.58 |
| Sale of CER | - |
| Refund of Hermes Premium | 15.91 |
| Foreign Exchange Used (Actual Outflow) | |
| Import of Capital Goods | 266.69 |
| Import of Fuel, Components, Stores and Spare Parts | 244.30 |

For and on behalf of the Board of Directors

Ahmedabad
18th May, 2016

Sudhir Mehta
Chairman
DIN: 00061871

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMY

Indian economy performed comparatively better in FY 2015-16 due to robust growth witnessed in the trying circumstances including uncertain external environment and truant monsoon. The much needed macro-economic stability was progressively attained due to low inflation, reduced current account and fiscal deficits and interest rate fall.

Gross Domestic Product (GDP) growth rate increased from 7.2% in FY 2014-15 to 7.6% in FY 2015-16. Achievement of increased growth along with reduced inflation was indeed remarkable given the fact that there generally remains a conflict between inflation and growth. The effective monetary policy, weakening global commodity prices particularly oil prices as well as astute food supply management helped in maintaining the moderate inflation. With the inflation rate staying benign, RBI cut its policy rates to more than 5 year low which ensured enough liquidity in the market. While inflation concerns have eased, worries remain on whether growth in the economy has stabilized.

India's trade deficit touched a 5 year low in March 2016 on account of lower net oil imports led by fall in price as well as a sharp decline in gold imports. Further, India's exports continued to deteriorate due to weak demand from its key global markets. Contracted trade deficit together with highest ever FDI inflows reduced the current account deficit.

The fiscal deficit was also contained at targeted 3.9% of GDP in FY 2015-16 due to significant increase in revenue receipts led by buoyant indirect tax collections, lower level of subsidies on petroleum products due to slump in prices despite a higher level of planned capital expenditure.

While consolidating the gains, two negative facets have been - the underinvestment cycle in the economy due to stressed corporate & bank balance sheets and the low level of capacity utilisation across industry. This sluggishness resulted into low electricity demand growth during FY 2015-16. Further, on account of planned energy efficiency targets and power saving devices, Power Ministry has lowered the estimated electricity demand for 2017-22 by 20% at 239 GW.

For India's improved economic outlook, stable macro-economic conditions and key sectoral reforms are fundamental.

2. INFRASTRUCTURE

The overall growth in the eight core industries registered a cumulative growth of just 2.7% in FY 2015-16 mainly due to increase in refinery products and fertilizers. This was much lower than 4.5% in FY 2014-15 owing to reduced growth in electricity and steel. The rise in stressed assets, led to increasing NPAs with several developers announcing exits from individual infrastructure projects to repay creditors.

With its continued focus, the Government has fast tracked approvals for stalled projects, allocated ₹2.21 trillion for the sector for FY 2016-17, approved the National Investment and Infrastructure Fund and allowed issue of tax free bonds for rail, roads and irrigation programmes.

Though, all such measures have resulted in greater investor confidence, timely implementation of these reforms will be the key for the revival of infrastructure sector.

3. POWER SECTOR

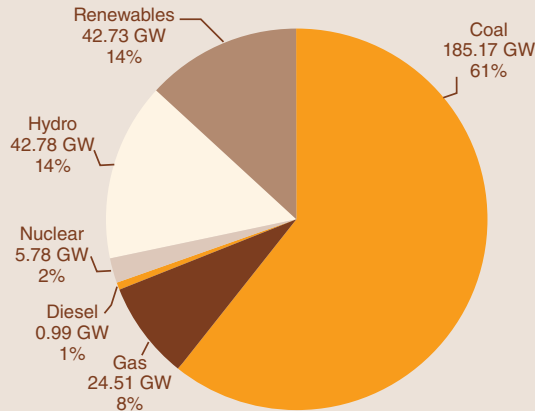
Indian power system ranks third in electricity production globally. However, its per capita power consumption at ~1,000 units is way below world's average of ~3,000 units. One-fourth of the households in the country still have no access to electricity. The Government has realised the need to fight this energy poverty and thus FY 2015-16 saw a series of reforms including the Ujwal DISCOM Assurance Yojana (UDAY), private participation in coal mining, incentives / relaxations for the gas sector, programmes to expand share of renewable energy and comprehensive amendments to the National Tariff Policy. Though the efforts are in the right direction, realisation of gains is dependent upon speed and efficiency of action.

A) DEMAND – SUPPLY GAP

The energy deficit for FY 2015-16 has hit an all-time low of 2.1% (PY - 3.6%). The peak deficit also declined to 3.2% (PY - 4.7%). Increased power availability and low demand including low off-take by SEBs due to their weak financial health resulted into narrowing of the deficits.

B) GENERATION

In a clear departure from past, the year saw a quantum jump of ~30 GW in installed capacity to reach 302 GW level as on 31st March, 2016, fuel-wise breakup of which is depicted below:



Higher private participation at 41% in the installed capacity as compared to the Central and State sectors' share at 25% and 34% respectively as on 31st March, 2016 is an outcome of the liberal framework for power generation under the Electricity Act, 2003. During FY 2015-16, the capacity additions by Private sector stood at ~20 GW and that by Central and State sectors at ~4 GW and ~7 GW respectively.

Unprecedented capacity addition has been achieved in the 12th Five Year Plan (2012-17) where more than 95% of the target installation of 89 GW (excluding renewables) has been added till FY 2015-16. Despite this, the Plant Load Factor (PLF) of thermal plants has hit an all-time low of 60% in FY 2015-16, decreasing by 2% as compared to last year. The generation (excluding

renewables) during FY 2015-16 standing at 1,155 BUs has shown a growth rate of ~6%, which is lower than ~8% achieved in FY 2014-15. Besides persistent fuel shortages, low off-take of power by discoms partially due to lower growth in the electricity demand and partially due to load shedding to contain their losses resulted into lower PLF in FY 2015-16. Around 12,000 MW of new capacity is stranded for want of power purchase agreements either due to reluctance of loss making discoms in off-taking such power or delay in statutory approvals.

The coal production by CIL has seen 9.01% growth rate at 539 million tonnes in FY 2015-16 resulting into lower imports by ~16%. For FY 2016-17, the target of coal production is set at 598 MT and Government aims to produce a billion tonnes by 2020. However, while pursuing these targets, the quality of delivered coal needs to be substantially improved. Out of 214 coal blocks cancelled by the Supreme Court last year, the Government awarded 31 blocks to private companies through transparent e-auction process and directly allotted 42 blocks to Central and State PSUs. This, besides being a prospective revenue source for coal bearing States, would also benefit the consumers in terms of tariff reduction. Further, Government has put an end on the four decade old State sector monopoly by allowing commercial coal mining by private sector. The Cabinet has recently approved new coal linkage policy which provides for re-allocation of coal by States to their needy utilities, allocation of coal to private sector power plants through auction and coal swapping from inefficient plants and from plants situated away from coal mines to minimise coal transportation costs.

In the wake of Paris climate deal, India, being heavily dependent on coal fuelled power, has to make efforts in the direction of developing low carbon technologies. The amendment in the Environment (Protection) Rules, 1986 making them significantly stringent for all coal based power plants and the doubling of coal cess to ₹400/tonne, although would increase coal prices, but all the same demonstrate India's efforts towards fulfilling its commitment made at Paris Summit.

The Government's Scheme for utilisation of Gas based power generation capacity revived some of the fully and partially stranded gas based power plants to a certain extent during the year. Apart from supply of gas and various concessions, Government provided support from Power System Development Fund to the eligible plants. With the Government introducing HELP (Hydrocarbon Exploration Licensing Policy) by replacing NELP (New Exploration Licensing Policy), domestic gas production is expected to increase to ~110 mmscmd by FY 2020-21 and ~130 mmscmd by FY 2024-25 from the current level of ~90 mmscmd.

Alongside, due to the crash in oil prices and global gas glut, there are ample opportunities for sourcing short term as well as long term LNG. However, the country needs a robust LNG infrastructure and pipeline network to capitalise on the same. The current constrained regasification capacity in India at 25 mmtpa is expected to ease with its increase to ~ 44 mmtpa by FY 2019-20 and ~ 55 mmtpa by FY 2024-25.

Other major developments during FY 2015-16 in power generation segment include:

- a. Comprehensive amendments in the National Tariff Policy which, *inter-alia*, include expansion of generating capacity by private developers from 50% to 100% of the existing capacity for sale of power without competitive bidding, allowing pass through of change in domestic duties, levies, cess, taxes and higher coal costs incurred for making up shortages for competitively bid projects.
- b. Successful renegotiation by India's Petronet LNG Limited with Qatar's RasGas for the long term LNG supply contract, resulting into 50% reduction in LNG price to about \$6.5/mmbtu.
- c. Reduction in domestic gas price by 20% to \$3.06/mmbtu on gross calorific value basis for six months applicable from April-September 2016.
- d. Release of draft Case-II standard bidding documents for UMPPs on Build-Own-Operate basis and allowing pass through of increased fuel costs.
- e. Banning duty-free capital goods import for power generation and transmission projects under the Export Promotion Capital Goods Scheme to support the domestic industry.
- f. Final order by Appellate Tribunal for Electricity rejecting the compensatory tariff allowed by CERC in case of competitively bid projects of Adani Power and Coastal Gujarat Power, while holding that increase in coal price due to intervention by the Indonesian Regulation as also the non-availability / short supply of domestic coal constitute a Force Majeure Event and not Change in Law.

C) TRANSMISSION

The transmission segment, though has not been able to keep pace with the increasing generation capacity, saw an addition of 84,070 ckm transmission lines and 2,49,398 MVA of transformer capacity till FY 2015-16 out of ~1,07,440 ckm of transmission lines and ~2,70,000 MVA of transformer capacity planned for 12th Five Year Plan. As on 31st March, 2016, total length of transmission lines and transformer capacity stood at 3,41,551 ckm and 6,58,949 MVA respectively.

The country's first 800 kV HVDC line – Bishwanath Chariyali to Agra – which will carry 6,000 MW of power, was operationalised during the year. The announcement of additional depreciation at the rate of 20% in budget FY 2016-17 is expected to incentivise additions to transmission capacity.

Integration of rapidly expanding renewable generation is key focus area for transmission planners. Realising this, Powergrid, is developing nine high capacity green transmission corridors.

However, Right-of-Way issues, delay in obtaining various permissions, wire thefts, etc. continue to be major areas of concern amongst others, in development of adequate transmission network.

D) DISTRIBUTION

Distribution segment continues to be plagued by financial distress and high Aggregate Technical & Commercial (AT&C) losses. Continued inadequate tariff hikes have led to a surge in the debts of discoms to ~₹4.43 trillion and accumulated losses to ~₹3.8 trillion, while power theft, poorly maintained distribution network and ineffective metering have kept the AT&C losses at a high level of 27%.

A comprehensive package - UDAY, has been launched by the Government for financial and operational turnaround of discoms. Despite, being an optional scheme, total of 15 out of 29 states and Union Territories have voluntarily joined UDAY, covering 90% of the total debt of discoms.

The amended Tariff Policy stipulating for tariff revision on a quarterly / monthly basis, enabling early recovery of the extra costs for electricity supplied, providing for faster installation of smart meters, revision in cross subsidy formula, etc. is likely to improve the financial health of discoms, thereby aiding accomplishment of '24x7 power for all'.

The AT&C losses are expected to reduce gradually with the ongoing Deen Dayal Upadhyaya Gram Jyoti Yojana in rural areas and Integrated Power Development Scheme in urban areas.

E) RENEWABLE ENERGY

Encouraged by the progressive policies and action oriented plans, renewable energy segment has perhaps seen the most phenomenal growth during FY 2015-16. With an addition of 7 GW during the year, the total installed capacity reached to 43 GW as on 31st March, 2016. Wind energy continues to hold the majority share at 27 GW followed by solar energy at 7 GW. Despite low share, solar energy installation is increasingly outpacing wind energy which is evident from the fact that during FY 2015-16, when addition in wind installations at 3.3 GW surpassed the target by 38%, additions in solar installations at 3 GW did so by 116%.

The country has an ambitious target of achieving 175 GW of renewable capacity addition by the year 2022 comprising mainly of 100 GW solar and 60 GW wind. As a part of the implementation of Jawaharlal Nehru National Solar Mission, Solar Energy Corporation and NTPC are playing an important role by inviting bids for establishment of solar projects. However, recently many players in the market have been quoting unviable tariffs in the said bids which would lead to delay / abandonment of bid projects thus impeding the growth of solar projects.

Various developments towards achieving the ambitious capacity addition target include:

1. India's commitment during the Paris Summit to reduce the emissions intensity of its GDP by 33-35% by 2030 from 2005 level and to achieve 40% of its cumulative electric power installed capacity from non-fossil fuel based energy resources, mainly renewable power.
2. Cabinet approval for an intra-state transmission system for renewable power evacuation.
3. Inclusion of renewable energy projects in priority sector lending norms of commercial banks.
4. Amendments to the National Tariff Policy providing for 8% of total consumption of electricity from solar energy by March 2022, enforcement of Renewable Generation Obligation and waiver of inter-state transmission charges and losses for renewable projects.
5. Approval of National Offshore Wind Energy Policy.
6. Reduction of excise duty from 12.5% to 6% on materials used for parts and sub-parts of rotor blades for wind turbines.

The negatives for the segment include reduction in Accelerated Depreciation limit for wind projects from 80% to 40% effective from FY 2017-18 and the laxity in the enforcement of Renewable Purchase Obligations.

The steadily falling prices of solar equipment together with various incentives will surely help solar energy to achieve grid parity. Also, with expanding renewable energy, there arises a need for corresponding grid stability, sufficient transmission network, ease in land acquisition, sufficient water availability (particularly for solar sites in barren lands) and focus on improving discoms' health. Needless to state, despite the welcome developments in the renewable segment, the thermal energy will continue to have a prime place in sustaining the economic development of the country.

F) POWER TRADING

Short-term power transactions, at 1,15,230 MUs in FY 2015-16, have witnessed a growth of 16.41% over FY 2014-15 as tabulated below. Though the segment has grown in absolute terms, its share in the total generation stagnates at ~10%:

| Power traded through | Volume (MUs) | Share (%) | Growth (%) | Average Price (₹/kWh) |
|----------------------|-----------------|---------------|--------------|-----------------------|
| Bilateral Segment | 60,383 | 52.40 | 18.22 | 4.13 (PY - 4.28) |
| Power Exchange | 34,093 | 29.59 | 19.78 | 2.72 (PY - 3.49) |
| DSM | 20,754 | 18.01 | 6.72 | |
| Total | 1,15,230 | 100.00 | 16.41 | |

The increase in surplus generation capacity led to high volumes being offered in the spot market which eventually led to lower prices leading to growth of short term market. The state utilities have been actively leveraging the exchange market not only to balance their demand-supply portfolio but also to optimize their power procurement by replacing their high variable cost power with competitively priced power making gains which are then shared with consumers.

With the revised National Tariff Policy, power trading is likely to get a boost as generators have been allowed to utilise un-requisitioned generation capacity and sell power in the free market and share revenue with concerned discoms. Greater emphasis on implementation of open access provisions could also lead to a pick-up in power trading and business of Power Exchanges.

G) POWER & CONTROL CABLES

The power & control cables market, whose demand is closely related to growth in power sector, is estimated to be at ~₹12,000 Crore. As power sector is currently passing through recessionary phase, cable manufacturing capacity utilisation is estimated to be 55% to 60%. Overall situation (demand, prices, realisation and margins) is however expected to improve with Government's efforts towards infrastructure & manufacturing sectors.

Competition from overseas markets, fluctuating raw material prices, delayed realisation of debtors, etc. are some of the risks and concerns being faced by this segment.

OVERVIEW OF COMPANY'S BUSINESS DURING THE YEAR

The Company is an integrated utility engaged in the business of power generation, transmission & distribution with operations in the States of Gujarat, Maharashtra, and Uttar Pradesh. It is also engaged in the business of cables manufacturing with operations in the State of Gujarat.

1. GENERATION:

A) Gas based Plants

❖ 1147.5 MW SUGEN Mega Power Plant near Surat

During the year, the Plant achieved a Plant Availability Factor (PAF) of 98.38% (PY - 98.12%). PLF increased to 35.78% (PY - 25.70%) due to judicious usage of spot LNG and participation in the Scheme for utilisation of Gas based power generation capacity. However, non-availability of domestic gas and unwillingness of long term buyers to off-take power based on expensive imported LNG kept the PLF at low levels. During the year, 3,516 MUs were dispatched (PY - 2,518 MUs).

For technical and commercial flexibility in sourcing LNG, the Company has booked regasification and storage capacity up to 1 mmtpa with PLL for 20 years starting from April 2017. Revision in current pricing formula between RasGas and PLL has reduced gas supply rate by ~50% resulting into revision in contract terms between IOCL and PLL. Pending execution of back to back revised contract between IOCL and the Company, the supplies are being charged by IOCL at revised terms from January 2016.

SUGEN Plant has received final true-up tariff order dated 25th June, 2015 for the tariff period 2009-14 and tariff order dated 6th October, 2015 for the tariff period 2014-19.

❖ **382.5 MW UNOSUGEN Power Plant near Surat**

During the year, the Plant achieved PAF of 95.68% (PY - 90.30%). The Plant operated at PLF of 25.41% during the year (PY - Nil) through participation in the Scheme for utilisation of Gas based power generation capacity and consequently, it dispatched 832 MUs (PY - Nil).

Hon'ble CERC has issued final true-up tariff order dated 30th October, 2015 for the tariff period 2009-14. The Company has filed petition for determination of tariff for the period 2014-19 with Hon'ble CERC and final order is awaited.

❖ **1200 MW DGEN Power Plant at Dahej SEZ near Bharuch**

During the year, the Plant achieved PAF of 89.64%. The Plant operated at PLF of 25.66% during the year through participation in the Scheme for utilisation of Gas based power generation capacity and consequently, it dispatched 2,637 MUs.

The Company has filed petition for determination of tariff for the period 2014-19 with Hon'ble CERC and final order is awaited.

During the year, the Company received ₹88 Crore towards LOP (list of pending items) settlement as per the EPC contract from Siemens India and Siemens AG. This has, *inter-alia*, further reduced the project cost to ₹5,240 Crore (other than additional works and DGEN Navsari Line) reported during FY 2014-15, reflecting a total savings of ₹85 Crore as compared to the original project cost of ₹5,325 Crore.

The Company refrained from participating in the e-auction of gas allocation for UNOSUGEN and DGEN under Phase III (for April 2016 to September 2016) of Scheme for utilisation of Gas based power generation capacity as the scheme for that period envisaged zero financial support to discoms and also allowed negative bidding in the reverse e-auction. As a result, the corresponding concessions from the State Government became uncertain. In these circumstances, power generated under this scheme no longer remained commercially viable or affordable to the discoms. Government cancelled the auction for Plants receiving domestic gas and hence, SUGEN Plant did not get gas allocation under Phase III.

For 2016-17, based on Regulator's approval, the Company proposes to buy / import spot RLNG / LNG at competitive costs.

B) Coal based Plant

❖ **422 MW AMGEN Power Plant at Ahmedabad**

During the year, the Plant achieved a higher PAF of 95.63% (PY - 90.05%) due to increased reliability after up rating & sustained O&M excellence, PLF of 65.05% (PY - 80.69%) and dispatched 2,188 MUs (PY - 2,718 MUs). The reduction in PLF during the year was mainly due to non-operation of C station for most part of the year owing to low system demand and application of merit order dispatch system.

Ministry of Environment, Forests and Climate Change (MoEFCC) has made the emission norms for all thermal plants significantly stringent which may affect the operations of the Plant.

Hon'ble GERC has issued Multi Year Tariff Regulations, 2016 for determination of tariff for the control period 2016-21 whereby incentive, which was earlier based on PAF, has been linked to PLF.

C) Renewable Power Plants

❖ 49.6 MW Wind Power Plant at Lalpur, Jamnagar

During the year, the Plant achieved PAF of 96.68% (PY - 97.60%) and dispatched 94.94 MUs (PY - 87 MUs). The Plant, which was earlier registered under Renewable Energy Certificates (REC) mechanism, is under preferential tariff mechanism since 28th September, 2015.

❖ 51 MW Solar Power Plant at Charanka, Patan

The Plant, implemented by Torrent Solargen Limited, a wholly owned subsidiary of the Company, achieved PAF of 99.98% and dispatched 85.48 MUs during the year.

❖ 81 MW GENSU Solar Power Plant near Surat

The Company has fully commissioned the project in March 2016 in a cost effective manner. It is one of the largest single site solar PV project in the country. One of the distinguishing feature of the Plant is that some of the O&M activities are being handled by specially abled staff (with impaired hearing and speech). During the year, the Plant dispatched 7.92 MUs.

❖ Upcoming Projects

- The Company has entered into an agreement with M/s. Suzlon Energy Limited for developing, constructing and maintaining 201.6 MW Wind Power Project at Nakhatrana and Jamanwada in Kutch district and at Mahuva in Bhavnagar district in Gujarat.
- Torrent Solargen Limited has entered in to an agreement with M/s. Wind World India Ltd. for developing, constructing and maintaining 136.8 MW Wind Power Project at Mahidad in Rajkot and Surendranagar districts in Gujarat.

Power generated from all of the above renewable projects is for supplying to the Company's distribution business in Ahmedabad, Surat and Dahej SEZ for fulfilment of Renewable Power Obligations.

2. DISTRIBUTION:

A) Ahmedabad and Surat Distribution

The sales were higher at 9,978 MUs in FY 2015-16 (PY - 9,759 MUs). However, the sales have been negatively impacted due to increasing open access consumption which was higher at 508 MUs for FY 2015-16 (PY - 431 MUs). The facilitation of e-bid RLNG under the Government's scheme made possible the supply of power from Company's Gas based Plants. Transmission and Distribution (T&D) loss marginally reduced to 6.33% in FY 2015-16 (PY - 6.52%) and is one of the lowest in the country. The consumer base as on 31st March, 2016 was 23.91 lacs (PY - 23.28 lacs). During the year, the peak system demand of Ahmedabad was higher at 1,576 MW (PY - 1,567 MW) and that of Surat was higher at 627 MW (PY - 624 MW).

Hon'ble GERC, vide its order dated 31st March, 2016 for true-up of FY 2014-15 and tariff determination for FY 2016-17, has reduced FPPPA to ₹1.35/unit (Earlier rate ₹1.98/unit), i.e. reduction of ₹0.63/unit for both Ahmedabad and Surat License Areas in view of the recent trend of reduction in fuel price, particularly gas price. Further, Hon'ble GERC has allowed recovery of Regulatory Charge @ ₹0.45/unit to address the gap of earlier years. Hence, there is effective reduction of around ₹0.18/unit in the overall tariff.

Hon'ble GERC has capped cross subsidy surcharge, in line with the Tariff Policy 2016, at 20% of the tariff applicable to the open access consumers which translates to ₹1.51/kWh for Ahmedabad and ₹1.48/kWh for Surat (Earlier ₹0.43/kWh and ₹0.13/kWh respectively).

The Company has successfully met both solar and non-solar RPO aggregating to 9% specified by Hon'ble GERC for FY 2015-16.

B) Dahej Distribution

The sales were higher at 207 MUs in FY 2015-16 (PY - 145 MUs) mainly due to new consumers, extension in demand and improvement in load factor of existing consumers. T&D loss reduced to 0.76% in FY 2015-16 (PY - 1.13%). The consumer base as on 31st March, 2016 was 93 (PY - 89). The peak system demand was higher at 35 MW in FY 2015-16 (PY - 27 MW).

Hon'ble GERC, vide its orders dated 31st March, 2016 for true-up of FY 2014-15 and tariff determination for FY 2016-17, has reduced energy charges for all categories by ₹0.50/unit.

C) Bhiwandi

During the year, the sales decreased to 2,857 MUs (PY - 2,955 MUs) and the AT&C loss increased to 25.02% (PY - 22.36%) mainly due to recessionary trend and strike during August 2015 in Powerloom Industry. The consumer base as on 31st March, 2016 was 2.86 lacs (PY - 2.70 lacs). The peak system demand was 586 MVA during FY 2015-16 (PY - 651 MVA).

Application for renewal of the Bhiwandi Distribution Franchisee Agreement, which is expiring in January 2017, has been submitted to MSEDCL and the response is awaited.

D) Agra

The sales were higher at 1,517 MUs in FY 2015-16 (PY - 1,358 MUs) mainly due to increase in consumer base and considerable reduction in AT&C loss to 30.83% (PY - 35.90%) on account of various loss reduction drives (undergrounding of the network, greater vigilance, illegal connection removal, etc). The consumer base as on 31st March, 2016 was 3.82 lacs (PY - 3.55 lacs). The peak system demand for Agra was 429 MVA during FY 2015-16 (PY - 453 MVA).

3. CABLES BUSINESS

During FY 2015-16, Cables Unit at Nadiad, Gujarat, has achieved the highest ever net sales of ₹407 Crore (PY - ₹271 Crore).

Using the existing production facilities, Cables Unit has successfully developed 1200 Sq. mm Aluminium 132 kV cables for the first time. Further, with the on-going expansion of the Unit, the revenue potential is expected to increase by ₹100 Crore.

4. OVERALL RESULTS:

The overall power sales in FY 2015-16 were at 14,673 MUs (PY - 14,155 MUs) with breakup as under:

| Category of Consumers | FY 2015-16 | | FY 2014-15 | | Growth |
|-----------------------|---------------|-------------|---------------|-------------|--------------|
| | MUs* | % | MUs* | % | % |
| Residential | 4,170 | 28% | 3,898 | 28% | 6.98% |
| Commercial | 2,472 | 17% | 2,408 | 17% | 2.65% |
| LTP / LTMD | 4,607 | 32% | 4,656 | 33% | (1.05%) |
| HT | 3,062 | 21% | 3,022 | 21% | 1.32% |
| Others | 362 | 2% | 171 | 1% | 112.41% |
| Total | 14,673 | 100% | 14,155 | 100% | 3.66% |

* Including Dahej SEZ Distribution

Increased sales at Ahmedabad, Surat and Agra led to growth in residential category.

DGEN & UNOSUGEN Plants recovered partial fixed cost due to availability of gas under Government's Scheme for utilisation of Gas based power generation capacity.

Pursuant to the tariff order issued by Hon'ble CERC in October 2015, under the CERC Tariff Regulations 2014-19 for SUGEN Plant, there was incremental recovery of approved fixed cost for FY 2015-16 including the differential fixed cost for FY 2014-15.

During the year, Ahmedabad and Surat Distribution showed improved performance mainly on account of full recovery of FPPPA for FY 2015-16 and recovery towards arrears of unrecovered FPPPA for FY 2014-15.

The overall performance in Agra improved due to significant reduction in AT&C loss during the year, however, in Bhiwandi, due to strike and recessionary trend in Powerloom Industry, the AT&C loss increased during the year.

The other operating income in FY 2015-16, increased, *inter-alia*, on account of reversal of earlier years' provisions due to change in the basis for charging O&M expenses under the supply and service agreements for Company's Gas based Plants in the context of change in CERC Regulations emphasizing PLF as against PAF for performance incentive.

There has been variation in the results between different quarters of the year, *inter-alia*, due to seasonality involved in business, recoveries and aforesaid reversals consequent to the regulatory orders and the introduction of Government's scheme for providing RLNG and PSDF support from June 2015 onwards.

5. RISKS AND CONCERNS

Significant risks and concerns of the Company are enumerated below:

- Although Government has introduced the Scheme for utilisation of Gas based power generation capacity as an interim measure, uncertainty over the improvement in domestic gas availability continues to remain, resulting into lower capacity utilisation. Lower priority to power sector in the proposed Gas Allocation Policy also poses risk to the Company.
- The Company is facing problems of inferior quality of coal and shortages in coal receipt from South Eastern Coalfields Limited. Also, partial dependency on imported coal exposes the Company to price volatility and sourcing risks.
- MoEFCC has made the emission norms for all thermal power plants significantly stringent which may affect the operations of AMGEN Plant. Timeline to comply with new norms is December 2017. The Company is exploring various options to ensure compliance within stipulated timeline.
- The Company operates in a regulatory environment and is subject to the risks of regulatory interventions, introduction of new laws and regulations including changes in competitive framework. Also, in particular, the distribution segment lacks due recognition or incentives for its efficient operations in the current regulatory framework. Although the Regulator provides mechanism for true-up and recovery of increase in fuel and power purchase costs, the full recovery of such costs is getting delayed. Further, non-pass through of REC costs (to fulfil RPO) through the FPPPA mechanism continues to burden the distribution segment. All these issues lead to postponement of recovery of said costs, resulting into deferred recovery and accrual of carrying cost.
- Further, the proposed segregation of carriage and content in the Electricity Amendment Bill, 2014, would bring about a substantial change in the way the distribution business is conducted, though not impacting the Return on Equity on the investments in the distribution infrastructure.
- Non-renewal of the Bhiwandi Distribution Franchisee Agreement, expiring in January 2017, may impact the performance of the Company.
- Besides being affected by the sector specific risks, the Cable business of the Company also faces the risk of dependence on a very narrow product range.
- Macro-economic risks such as growth slowdown & uncertainty in demand may impact the performance of the Company.

- Public Policy interventions could impact the traditional ways of doing business and may lead to changes in supply & demand sources.
- Non-availability of skilled manpower may result in disruptions in business operations or incorrect / delayed decision making.

6. INTERNAL CONTROL SYSTEM

The Company has an adequate system of Internal Controls aimed at achieving efficiency in operations, optimum utilisation of resources and compliance with all applicable laws and regulations. Independent firms of Chartered Accountants are appointed as Auditors for conduct of the Internal Audit function. The observations and recommendations following such audit, for improvement of the business operations and their implementation are reviewed by the Audit and Risk Management Committee.

7. CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

Adaptation to changing times is the key to corporate growth and long term survival. Continuous improvement is necessary in the governance practices as well. Better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase stakeholders understanding of the key activities and policies of the organisation. Indian corporates have adopted better governance practices and are opting for increased transparency and disclosures. According to the report issued by Asian Corporate Governance Association (ACGA), India has been ranked in the seventh place in terms of Corporate Governance score in Asian Markets in view of a landmark reforms in the Companies Act. Endeavour on the part of the government to improve the same is discernible. This has been augmented by regulatory authorities introducing and improving governance practices for Indian corporates over the last decade.

Securities and Exchange Board of India ("SEBI") in terms of powers conferred under Securities and Exchange Board of India Act, 1992, notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on 2nd September, 2015, whereby it tries to align the erstwhile Listing Agreement with the Companies Act, 2013 ("the Act") and consolidate the scattered requirements under the Listing Agreement for different securities under single piece of regulation. Said Regulations are applicable to any entity, accessing the stock exchange, for listing equity shares (on main board, SME exchange, institutional trading platforms), debt securities, preference shares, depository receipts, securitized debt instruments, mutual fund units and other securities as may be specified by SEBI.

This regulation has come into effect from 1st day of December, 2015. The Regulation 23(4) related to material related party transactions and Regulation 31A related to Disclosure of Class of shareholders and Conditions for Reclassification have become effective with immediate effect on 2nd September, 2015.

These new requirements rest on a principle based framework and is a quantum leap from more of a rule based framework that existed earlier. This will enable Corporate Governance requirements being complied with not just in letter but also in spirit.

The disclosure requirements of Corporate Governance under Listing Regulations are given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Torrent has built its Corporate Governance practices on three inviolable principles of TRANSPARENCY, INTEGRITY (comprehensive all round disclosure + financial controls) and ACCOUNTABILITY. The Company's philosophy is to develop the desired framework and institutionalise the spirit it entails.

The Company is in full compliance with the Corporate Governance norms as stipulated in the Listing Regulations. The Company believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

This report sets out the governance systems and processes of the Company, as set out in the Listing Regulations for the financial year ended 31st March, 2016.

2. BOARD OF DIRECTORS

The Board being the representative organ of Members has a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected.

a) Composition and Category of the Board:

The Board of Directors as of the date of this report had an optimum combination of Executive and Non-Executive Directors with two woman Directors. Two third of the Board members are Non-Executive and Independent Directors.

At the year end, the Board composition consisted of 12 Directors, comprising 6 Independent Non-Executive Directors including 2 woman Directors (½ of Board Strength), 4 Executive Directors and 2 Non- Executive Directors (½ of Board Strength). Composition of the Board is in conformity with the provisions of the Listing Regulations.

Board Diversity is necessary to encourage the full, frank and comprehensive discussions and is the guiding principle in selecting the DNA of the Board. During the year under review, the Board of your Company comprised of an accomplished academician, a well-known business leader, one illustrious banker, two well revered professionals and a reputed Advocate, as its Independent Directors. The Board also has in its midst a very senior and multifaceted IAS Officer, who adds value, both, to the Company and its Corporate Governance Practices. The sharp entrepreneurial ability, hard core managerial capabilities and years of relevant experience are represented in the rest of the Board.

b) Details of memberships / chairpersonship of the Directors in other Boards and in Committees of the Board as on 31st March, 2016:

None of the Directors on the Company's Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all Public companies in which he is a Director. All the Directors have made necessary disclosures regarding the positions held by them in Committees of other Companies and also directorship of other Companies.

The details of each member of the Board along with number of Directorship(s) / Committee membership(s) held by them, along with all other requisite information are provided herein below as on March 31, 2016:

| Name of the Director | Category | No. of Directorships Held * | No. of Board's Committees in which member* | No. of Board's Committees in which Chairperson* |
|---------------------------------|---|-----------------------------|--|---|
| Shri Sudhir Mehta, Chairman | Managing Director | 2 | - | - |
| Shri Pankaj Patel | Independent Director | 3 | 1 | - |
| Shri Samir Barua | Independent Director | 5 | 5 | 2 |
| Shri Kiran Karnik | Independent Director | - | - | - |
| Shri Keki Mistry | Independent Director | 9 | 7 | 2 |
| Shri R. Ravichandran | Non-Executive Director, Nominee of LIC (a shareholder) | - | - | - |
| Smt. Bhavna Doshi | Independent Director | 8 | 6 | 4 |
| Shri P. K. Taneja, IAS | Non-Executive Director, Nominee of Govt. of Gujarat (a shareholder) | 1 | - | - |
| Ms. Dharmishta Raval | Independent Director | 7 | 1 | - |
| Shri Samir Mehta, Vice Chairman | Managing Director | 2 | - | - |
| Shri Markand Bhatt | Whole-time Director | 1 | - | - |
| Shri Jinal Mehta | Whole-time Director | 1 | - | - |

* For the purpose of considering the number of directorships and Committee membership / chairpersonship in Audit and Stakeholders Relationship Committee, all public limited companies other than the Company, whether listed or not, are considered and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Act are excluded.

Note: Shri Sudhir Mehta and Shri Samir Mehta are Brothers. Shri Jinal Mehta is son of Shri Sudhir Mehta. Remaining Directors are not related inter-se.

c) Board Meetings

The Board of Directors met five times during FY 2015-16 on 12th May, 2015, 4th August, 2015, 28th October, 2015, 2nd February, 2016 and 10th March, 2016.

The annual calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all the Directors well in advance. Generally, the Board meetings are held in Ahmedabad where the registered office of the Company is situated. The Board meets atleast once in a quarter and time elapsed between two meetings do not exceed 120 days.

The agenda for the Board Meeting is circulated to all the Directors atleast 7 days prior to the date of the Meeting except for Table agenda which are placed before the Board with due approvals. The agenda for the Board meeting includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions. Informations as required under Regulation 17(7) read with Schedule II of the Listing Regulations have also been placed before the board for its consideration. Senior executives are also invited to attend the Board meetings as and when required.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review, are as under:

| Name of the Director | Board Meetings held during the tenure | Board Meetings attended | Attendance at the last AGM |
|-------------------------------------|---------------------------------------|-------------------------|----------------------------|
| Shri Sudhir Mehta, Chairman | 5 | 5 | Yes |
| Shri Pankaj Patel | 5 | 5 | Yes |
| Shri Samir Barua | 5 | 5 | Yes |
| Shri Kiran Karnik | 5 | 5 | Yes |
| Shri Keki Mistry | 5 | 4 | Yes |
| Shri R. Ravichandran | 5 | 5 | Yes |
| Smt. Renu Challu ^{\$} | 1 | 1 | NA |
| Smt. Bhavna Doshi [@] | 4 | 3 [#] | NA |
| Shri P. K. Taneja, IAS [^] | 3 | 3 | NA |
| Ms. Dharmishta Raval ^{^^} | 3 | 2 | NA |
| Shri Samir Mehta, Vice Chairman | 5 | 4 | Yes |
| Shri Markand Bhatt | 5 | 5 | Yes |
| Shri Jinal Mehta | 5 | 5 | Yes |

^{\$} Resigned from the Board of Directors effective from the closing hours of 12th May, 2015.

[@] Appointed as an Independent Director at 11th AGM held on 4th August, 2015 for a term of 3 consecutive years.

[#] One meeting attended through Video Conferencing.

[^] Appointed as an Additional Director of the Company effective from 4th August, 2015.

^{^^} Appointed as an Independent Director effective from 16th October, 2015 for a term of 3 consecutive years.

Note: The necessary quorum was present for all the meetings.

d) Independent Directors

None of the Directors of the Company serve as an Independent Director in more than 7 listed Companies and where the Director is serving as a Whole-time Director in any listed Company, such Director is not serving as an Independent Director in more than 3 listed Companies. Independent Directors are Non-Executive Directors as defined under the Listing Regulations. All Independent Directors fulfill the criteria to be independent as specified by the Listing Regulations and Section 149 of the Act. The maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

A separate meeting of Independent Directors was held on 2nd February, 2016 under the Chairpersonship of Shri Kiran Karnik to:

- Approve the criteria and the process of evaluation of chairperson and flow of information.
- Review the performance of Non-Independent Directors, the Board and its Chairperson and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

All the Independent Directors were present at the meeting.

e) Disclosures regarding appointment / re-appointment of Directors:

Shri Jinal Mehta retires by rotation at the ensuing Annual General Meeting (“AGM”) and being eligible offers himself for re-appointment. The Board had, at its meeting held on 4th August, 2015 appointed Shri P. K. Taneja, IAS as an Additional Director of the Company, till the next AGM. He is eligible for re-appointment at the ensuing AGM.

The Board had, at its meeting held on 28th October, 2015, re-appointed Shri Markand Bhatt as Whole-time Director of the Company for a period of 5 years effective from 1st April, 2016, subject to approval by the Members of the Company at the ensuing AGM.

Brief resume and other relevant details of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement annexed to the Notice of the AGM.

f) Selection of New Directors and Board membership Criteria

The Company has in place a policy which provides criteria as well as process for the identification / appointment of Directors of the Company. The Policy on Directors' appointment forms part of the Board's Report.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, knowledge and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience.

g) Shareholding of Non-Executive Directors

Smt. Bhavna Doshi, Independent Non-Executive Director holds 1900 equity shares of the Company jointly with her spouse. Apart from that, none of the other Non-Executive Directors hold any shares of the Company.

h) Familiarisation Programme

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The Company, through presentations at regular intervals, familiarises and updates the Independent Directors with the strategy, operations and functions of the Company and the Power Industry as a whole. The details of such familiarisation programme has been disclosed on the Company's website at http://www.torrentpower.com/investors/2015/familiarisation_programme_15-16.pdf

3. AUDIT AND RISK MANAGEMENT COMMITTEE

a) Terms of Reference of the Committee

During the year, the Board has revised the terms of reference of the Committee to give effect to the new requirements under the Listing Regulations.

Major Terms of Reference of the Committee include overseeing the financial reporting process, review of the financial statements of the Company and the unlisted subsidiaries, ensuring compliance with the regulatory guidelines, review functioning of the Whistle Blower (Vigil) mechanism, review and approve related party transactions or any subsequent modification of transactions with related parties, scrutiny of inter-corporate loans and investments, review of internal audit reports, review procedures for risk assessment and minimization, criteria for omnibus approval, recommending appointment / re-appointment and remuneration of the auditors to the Board of Directors and review of adequacy and performance of auditors, internal control systems and internal audit function.

The above mentioned revised terms of reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

During the year, the Board reviewed and revisited the decision taken by it regarding the expanded role of the Committee to cover Enterprise Risk Management and after detailed deliberations it was decided that the Audit Committee of the Board shall continue to play its present role of "Audit and Risk Management Committee"; unless otherwise decided by the Board.

b) Composition and Committee Meetings

Composition of the Committee is in compliance with the provisions of the Listing Regulations and Section 177 of the Act.

The Committee meets atleast once in a quarter and time elapsed between two meetings do not exceed 120 days. During the year under review, four meetings of the Committee were held on 12th May, 2015, 4th August, 2015, 28th October, 2015 and 2nd February, 2016. Composition of the Committee as on 31st March, 2016 and details of attendance of the members at the Committee meetings during the year are given below:

| Name of the Director | Category of Directorship | Qualification | No. of meetings attended as a member |
|--|--------------------------|--|--------------------------------------|
| Shri Keki Mistry, Chairperson | Independent Director | C.A., C.P.A. (USA) | 4 |
| Shri Samir Barua | Independent Director | M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad) | 4 |
| Shri Kiran Karnik | Independent Director | Honours degree in Physics, Post Graduate from Indian Institute of Management, Ahmedabad | 4 |
| Smt. Renu Challu ^(^) | Independent Director | M.A. Economics, Associate of the Indian Institute of Bankers | 1 |
| Smt. Bhavna Doshi ^(^) | Independent Director | M. Com, C.A. | 2 |
| Ms. Dharmishta Raval ^(\$\$) | Independent Director | B. Sc., LL.M | 1 |

(^) Ceased to be a member of the Committee effective from the closing hours of 12th May, 2015 on her resignation as Director of the Company.

(^) Appointed as a member of the Committee effective from 4th August, 2015 in place of Smt. Renu Challu.

(\$\$) Appointed as a member of the Committee effective from 28th October, 2015.

During the Committee meetings, the Committee discussed the matters relating to Internal Audit, the status of existing internal financial controls in the Company, the management response on observations raised by the Auditors and their satisfaction on the same.

Senior Executives of the Company, representatives of Statutory and Internal Auditors are invited to the meetings of the Audit and Risk Management Committee. The Company Secretary and Compliance Officer acts as Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting held on 4th August, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference of the committee

During the year the Board had revised the terms of reference of the Committee to give effect to the new requirements under the Listing Regulations.

Major Terms of Reference of the Committee include, *inter-alia*, evaluating and recommending the composition of the Board of Directors and sub-committees thereof, formulating the criteria for determining qualification,

positive attributes and independence of a director, identifying persons who are qualified to become directors and who may be appointed in Senior Management of the Company in accordance with criteria laid down and recommending the same to the Board for their appointment and removal, recommending a Policy to the Board relating to Remuneration for the Directors, KMPs and other employees, formulating a policy on Board Diversity of the Company, formulating criteria for performance evaluation of directors and the Board, carrying out evaluation of individual Directors and noting on recruitment and remuneration of senior officers just below the level of board.

The above mentioned revised terms of reference of the Committee are in full compliance with the requirements of Listing Regulations and the Act.

b) **Composition and Committee Meetings**

Composition of the Committee is in compliance with the provisions of Listing Regulations and Section 178 of the Act.

During FY 2015-16, four meetings of the Committee were held on 12th May, 2015, 4th August, 2015, 28th October, 2015 and 2nd February, 2016. Composition of the Committee as on 31st March, 2016 and details of attendance of the members at the Committee meetings during the year are given below:

| Name of the Director | Category of Directorship | Chairperson / Member | No. of meetings attended as a Member |
|-----------------------------------|--------------------------|----------------------|--------------------------------------|
| Shri Kiran Karnik | Independent Director | Chairperson | 4 |
| Shri Pankaj Patel | Independent Director | Member | 4 |
| Smt. Renu Challu [@] | Independent Director | Member | 1 |
| Ms. Dharmishta Raval [*] | Independent Director | Member | 1 |
| Shri Sudhir Mehta | Managing Director | Member | 4 |

[@] Ceased to be a member of the Committee effective from the closing hours of 12th May, 2015 on her resignation as Director of the Company.

^{*} Appointed as member of the Committee effective from 28th October, 2015.

c) **Performance Evaluation Criteria for Independent Directors**

During the year, the Board revised the Criteria as well as process for evaluation of Board, Board's Committees and Individual Directors. The revised Criteria as well as process for evaluation of Independent Directors are given below:

Criteria

- i. Participation in Board in terms of adequacy (time & content).
- ii. Contribution through expertise and perspective.
- iii. Guidance / support to management outside Board / Committee meetings.

Process

- i. The Chairman / Vice Chairman of the Board to discuss self and peer evaluation on a one-on-one basis with each Director.
- ii. The Chairman / Vice Chairman to consolidate the comments and give the feedback to individual Directors.

5. REMUNERATION OF DIRECTORS

a) Remuneration Policy

The Company has in place the policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The detailed remuneration policy of the Company forms part of the Board's Report.

➤ Executive Directors

The remuneration of Directors is approved by the shareholders at the General Meetings of the Company. The remuneration of the Executive Directors is recommended by the Nomination and Remuneration

Committee, within the limits approved by the shareholders and the same is then ratified by the Board. Remuneration to the Executive Directors is paid by way of salary, perquisites and other benefits and performance incentives including Commission.

➤ **Non-Executive Directors**

Non-Executive Directors are compensated for their services to the Company by way of Commission and Sitting Fees. Shareholders have approved payment of Commission to the Directors (other than Managing Director, Whole-time Director or Manager) within the limits laid down under the provisions of the Act. The Board of Directors or the Committee thereof has been authorized in General Meeting to decide the Commission to be paid to each such Director within such limits as may be applicable. The Commission is determined on the basis of participation in the Board and Committee meetings. The Board of Directors have also approved the payment of Sitting Fees to the Directors (other than Managing Director, Whole-time Director or Manager) pursuant to Section 197 (5) of the Act. The said criteria for remuneration of Non-Executive Directors are also available on the website of the Company, i.e. www.torrentpower.com.

b) **Details of remuneration paid to the Executive and Non-Executive Directors for FY 2015-16 are as under:**

(₹ in Lacs)

| Name of the Director | Sitting Fees | Salary & Perquisites [#] | Commission | Total |
|-------------------------------------|--------------|-----------------------------------|----------------|----------------|
| Shri Sudhir Mehta [§] | Nil | 1.82 | 500.00 | 501.82 |
| Shri Pankaj Patel | 14.00 | Nil | 15.00 | 29.00 |
| Shri Samir Barua | 12.00 | Nil | 19.00 | 31.00 |
| Shri Kiran Karnik | 14.00 | Nil | 19.00 | 33.00 |
| Shri Keki Mistry | 9.00 | Nil | 16.00 | 25.00 |
| Shri R. Ravichandran [*] | 5.00 | Nil | 15.00 | 20.00 |
| Smt. Bhavana Doshi | 7.00 | Nil | 11.00 | 18.00 |
| Ms. Dharmishta Raval | 5.00 | Nil | 7.00 | 12.00 |
| Shri P. K. Taneja, IAS [*] | 3.00 | Nil | 9.00 | 12.00 |
| Shri Samir Mehta [§] | Nil | Nil | 500.00 | 500.00 |
| Shri Markand Bhatt [§] | Nil | 1944.44 | 1100.00 | 3044.44 |
| Shri Jinal Mehta [§] | Nil | 275.42 | 100.00 | 375.42 |
| Smt. Renu Challu | 4.00 | Nil | 4.00 | 8.00 |
| Total | 73.00 | 2221.68 | 2315.00 | 4609.68 |

[§] The terms of appointment of Chairman, Vice Chairman and Whole-time Directors are governed by the shareholders resolutions and applicable rules of the Company. None of the Directors are entitled to severance pay.

[#] Includes salary, house rent allowance, contribution to Provident / Gratuity / Superannuation Funds and approved allowances / perquisites (excluding premium for Group Personal Accident and Group Mediclaim Insurance). Directors have not been granted any stock options during the year.

^{*} Commission of Shri R. Ravichandran (nominee of LIC) is payable to Life Insurance Corporation of India. Sitting fees of Shri R. Ravichandran of ₹5 lacs was directly paid to him. Sitting fees and Commission of Shri P. K. Taneja, IAS (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

Apart from payment of Commission and Sitting Fees, there was no other pecuniary relationship or transactions with the Non-Executive Directors vis-à-vis the Company.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Terms of Reference of the Committee

During the year, the Board had revised the terms of reference of the Committee to give effect to the new requirements under the Listing Regulations. The Stakeholders Relationship Committee considers and oversees resolution of the grievances of all the stakeholders and related requests received from them.

Powers to approve share transfers and related requests have been delegated by the Committee to senior officials of the Company for expeditious disposal of the shareholders requests and complaints.

The revised terms of reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

b) Composition and Committee Meetings

During the year under review, four meetings of the Committee were held on 28th April, 2015, 3rd July, 2015, 13th October, 2015 and 13th January, 2016. Composition of the Committee as on 31st March, 2016 and details of attendance of the members at the Committee meetings during the year are given below:

| Name of the Director | Category of Directorship | Chairperson / Member | No. of meetings attended as a Member |
|----------------------|--------------------------|----------------------|--------------------------------------|
| Shri Pankaj Patel | Independent Director | Chairperson | 4 |
| Shri Samir Mehta | Managing Director | Member | 4 |
| Shri Markand Bhatt | Whole-time Director | Member | 2 |

Shri Darshan Soni, Company Secretary acts as the Compliance Officer of the Company.

c) Investor Grievance Redressal:

The Company had received 13 complaints during the year under review and the same have been resolved to the satisfaction of the Complainants within a reasonable period. 2 complaints were pending as on 31st March, 2016 and those were resolved, subsequently. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending beyond 15 days for processing as on 31st March, 2016.

7. GENERAL BODY MEETINGS

a) The last three Annual General Meetings of the Company were held as under:

| Meeting | Date | Time | Venue | No. of Special Resolutions* passed |
|----------------------|------------------------------|-----------|---|------------------------------------|
| 9 th AGM | 25 th July, 2013 | 9:30 a.m. | J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 | 1 |
| 10 th AGM | 28 th July, 2014 | 9.30 a.m. | J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 | 2 |
| 11 th AGM | 4 th August, 2015 | 9.30 a.m. | J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 | 1 |

* Special Resolution at 9th AGM was passed by show of hands. At 10th & 11th AGM Special Resolutions were passed by poll and by e-voting in accordance with the applicable provisions of Section 108 of the Act and rules made thereunder.

b) Special Resolution passed through postal ballot and e-voting:

During the year, shareholders have approved the availing of the Financial Assistance, having an option available to the Lenders for conversion of such Financial Assistance into Equity Shares of the Company upon occurrence of certain events by passing Special resolution through Postal Ballot and e-voting, result of which was declared on

31st December, 2015 in accordance with the applicable provisions of the Act. Shri Rajesh Parekh, Practicing Company Secretary conducted the Postal Ballot. Details of voting pattern are given below:

| Sr. No. | Particulars | Availing of the Financial Assistance, having an option available to the Lenders for conversion of such Financial Assistance into Equity Shares of the Company upon occurrence of certain events | |
|---------|--|---|------------------------------|
| | | No. of postal ballot forms / votes (including e-voting) | No. of Equity Shares (votes) |
| 1. | Total postal ballot forms / votes (including e-voting) received | 272 | 36,65,47,516 |
| 2. | Less : Invalid postal ballot forms / votes (including e-voting) received (as per register) | 13 | 1,573 |
| 3. | Net valid postal ballot forms / votes (including e-voting) received (as per register) | 259 | 36,65,45,943 |
| 4. | Valid votes (including e-voting) cast in favour of the resolution and its % | 176 | 34,46,67,913 (94.031%) |
| 5. | Valid votes cast (including e-voting) against the resolution and its % | 83 | 2,18,78,030 (5.0969%) |

The procedures prescribed under Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions were duly followed for conducting the Postal Ballot process for approving the resolution mentioned above.

At present there is no proposal to pass any Special Resolution through Postal Ballot.

8. DISCLOSURES

a) Legal Compliances

The Company has formalised a system for legal compliances applicable to the Company. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company. Status of legal compliances and steps taken to rectify non-compliances, if any, are placed before the Board of Directors at its meetings.

There were no instances of material non-compliances during the year under review. No strictures or penalties were imposed on the Company by SEBI, Stock Exchanges or any Statutory Authority on any matter related to capital markets during the last three years.

b) CEO / CFO Certification

Shri Samir Mehta, Vice Chairman and Shri T. P. Vijayasarathy, Executive Director (Corporate Affairs) & CFO of the Company have certified to the Board of Directors *inter-alia*, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2016. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations.

c) Code of Business Conduct

The Company has adopted a Code of Business Conduct based on the business principles of the Company. The Code of Business Conduct has also been posted on the website of the Company i.e. www.torrentpower.com. In compliance with the Code, Directors and Senior Management of the Company have affirmed their compliance with the Code for the year under review. A declaration to this effect signed by the Vice Chairman forms part of the annual report.

d) Whistle Blower Policy

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the stakeholders to raise concerns about any misconduct or unacceptable practice.

The Company has adopted a Whistle Blower Policy through which the Company has institutionalised a mechanism for the Stakeholders to disclose their concerns and grievances on unethical behaviour and improper / illegal practices and wrongful conduct taking place in the Company for appropriate action.

Protected Disclosures relating to financial matters are to be reported to the Chief Financial Officer (CFO) of the Company while those relating to the non-financial matters are to be reported to the Chief Executive Officer (CEO) of the Company and where the Protected Disclosure involves a CFO or CEO or Director of the Company, such Protected Disclosure may be made by any Stakeholder directly to the Chairperson of the Audit Committee. Such Protected Disclosures can be made through a phone call, e-mail or in writing.

Through this Policy, the Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation.

During the year under review, no employee was denied access to the Audit Committee.

e) Policy on protection of women against Sexual Harassment at Work Place

The Company is committed to create a healthy & conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment and/or any such orientation in implicit or explicit form. The Company considers sexual harassment as a gross misconduct. Pursuant to the provisions of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and rules made thereunder, the Company has adopted a “Policy on Protection of Women Against Sexual Harassment at Work Place” by replacing the policy earlier adopted by the Company. Through this Policy, the Company seeks to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints relating to matters connected therewith or incidental thereto.

Pursuant to the Policy, the Company has formed Internal Complaints Committee, with majority women members, at each administrative unit / office of the Company. During the year, one case was reported and necessary actions were taken against the same.

f) Related Party Transactions

During the year, the Board had revised the Related Party Transaction Policy to align it with the amended provisions of the Act and Listing Regulations. The revised Policy was placed on the website of the Company at the web link: <http://www.torrentpower.com/investors/2015/rptpolicy.pdf>

During the year, the Company has not entered into any transaction with the related parties which are material in nature. Adequate care was taken to ensure that there is no potential conflict of interest in related party transactions. All the related party contracts / arrangements and transactions are entered into by the Company on arm's length basis and are put forth for the approval of the Audit and Risk Management Committee, Board and Shareholders, as applicable, in compliance with the said policy. Omnibus approval from the Audit and Risk Management Committee has been obtained for the transactions which are foreseen / unforeseen, repetitive in nature and within the prescribed limit. Statement of all related party transactions is being presented before the Audit and Risk Management Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of contracts / arrangements and transactions entered into by the Company with related parties are set out in Notes to the Financial Statements forming part of this Annual Report.

g) Material Subsidiary Policy

During the year, the Board had revised the Policy for determining ‘Material’ Subsidiary to align it with the amended provisions of the Act and Listing Regulations, which is uploaded on the website of the Company at http://www.torrentpower.com/investors/2015/policy_materialsubsidiaries.pdf

h) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company had adopted the Code of Conduct to regulate, monitor, and report trading by the employees, insiders and connected person(s) (“the code”) to protect the interest of investors. The code is available on the website of the company at http://www.torrentpower.com/investors/2015/tpl_coc_regulate_monitor_report_trading_insiders.pdf

i) Policy for Determining materiality for Disclosure

Pursuant to Listing Regulations, the Company had adopted the Policy for Determination of Material Events or Information in order to make prompt disclosure of Material Events or information to the Stock Exchanges in the interest of investors. The Policy is available on the website of the Company at http://www.torrentpower.com/investors/2015/policy_mei_info.pdf

j) Disclosure of commodity price risk and commodity hedging activities

The Company’s Cables Unit faces commodity price risk in aluminium and copper as these metals contribute approx. 60% of the total cost of production of cables. The Company’s Cables Unit generally hedges against copper price fluctuations with regards to the large orders.

k) Compliance with all the mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance applicable to the Company. Additionally, the Company has adopted Risk Management functions for better Corporate Governance practices and renamed its “Audit Committee” as “Audit and Risk Management Committee”. The discretionary requirements complied with are disclosed below:

- **Audit Qualification**

Company’s financial statements are unqualified.

- **Reporting of Internal Auditors**

The Internal Auditors give quarterly presentation on their audit observations to the Audit and Risk Management Committee.

l) Disclosure of Compliance with Corporate Governance

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

9. MEANS OF COMMUNICATION

During the year, quarterly unaudited financial results with Limited Review Report and annual audited financial results of the Company with Auditors’ Report thereon were submitted to the Stock Exchanges upon their approval by the Board of Directors. The Company publishes its financial results in two English daily newspapers having nationwide circulation i.e. Indian Express and Financial Express and in one regional newspaper i.e. Financial Express (Gujarati Edition). The Company’s website: www.torrentpower.com also displays the official news releases of relevance and presentations for investors in addition to the financial results.

The Company will be sending soft copies of Annual Report for FY 2015-16 to those shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company’s Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the “Green Initiative in Corporate Governance”, an initiative taken by the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

a) 12th Annual General Meeting

| | |
|---|---|
| Date | Tuesday, 2 nd August, 2016 |
| Time | 9.30 a.m. |
| Venue | J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 |
| Remote E-voting Period | From 9.00 a.m. on 29 th July, 2016 to 5.00 p.m. on 1 st August, 2016 |
| Cut-off date for Remote E-voting | Tuesday, 26 th July, 2016 |

b) Tentative financial calendar for the year 2016-17

| | |
|---------------------------------|--|
| Financial year | 1 st April, 2016 – 31 st March, 2017 |
| First quarter results | First week of August, 2016 |
| Second quarter results | Last week of October, 2016 |
| Third quarter results | Last week of January, 2017 / First week of February, 2017 |
| Results for the year end | Second week of May, 2017 |

c) Listing on Stock Exchanges and Security Codes

- Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited in India:

| Stock Exchange | ISIN | Security Code |
|--|--------------|---------------|
| BSE Limited (BSE) 14 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 | INE813H01021 | 532779 |
| National Stock Exchange of India Limited (NSE) "Exchange Plaza", C - 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai 400 051 | | TORNTPOWER |

- Secured Redeemable Non-Convertible Debentures (NCDs) are listed on the Wholesale Debt Market segment of National Stock Exchange of India Limited:

| Series | Coupon rate | ISIN | Security Code |
|-----------|-------------|--------------|---------------|
| Series 1 | 10.35% p.a. | INE813H07010 | TOPO22 |
| Series 2A | 10.35% p.a. | INE813H07051 | TOPO21 |
| Series 2B | 10.35% p.a. | INE813H07069 | TOPO22A |
| Series 2C | 10.35% p.a. | INE813H07077 | TOPO23 |

- Annual listing fees for both, Equity and Debt securities, for FY 2016-17 have been paid to the Stock Exchanges, where the securities of the Company are listed.

d) Market price data

Closing market price of equity shares on 31st March, 2016 was ₹230.15 on BSE and ₹231.90 on NSE.

Monthly movement of equity share prices during the year at BSE and NSE is summarized below:

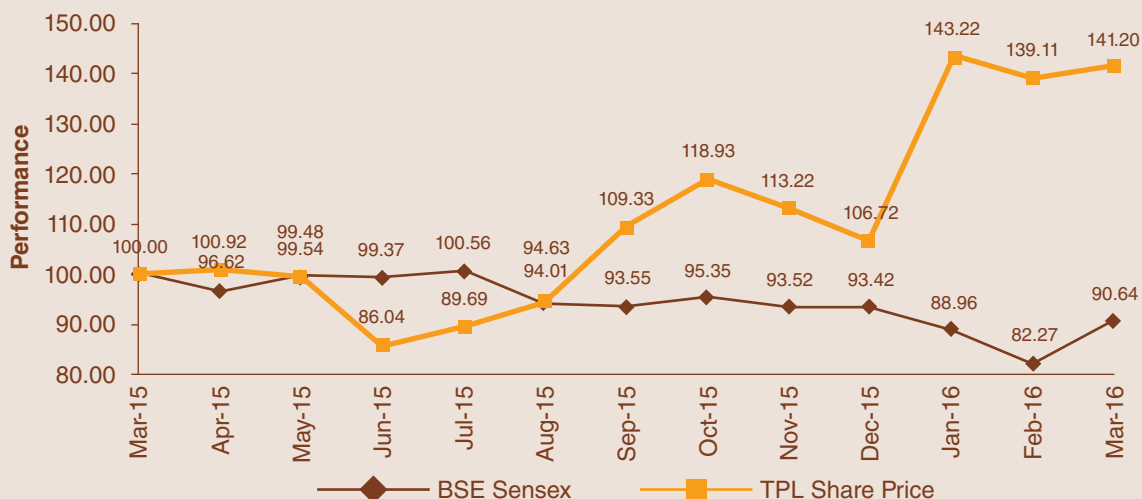
| Month | BSE | | | NSE | | |
|-----------------|----------|---------|----------|----------|---------|----------|
| | High (₹) | Low (₹) | Volume | High (₹) | Low (₹) | Volume |
| April, 2015 | 174.20 | 156.70 | 1381243 | 174.20 | 156.70 | 5200407 |
| May, 2015 | 172.50 | 155.45 | 1314312 | 172.65 | 155.60 | 5725441 |
| June, 2015 | 162.90 | 136.55 | 1370540 | 162.85 | 136.75 | 4323884 |
| July, 2015 | 151.95 | 139.00 | 2121504 | 151.95 | 139.15 | 5465755 |
| August, 2015 | 191.50 | 139.65 | 5396620 | 191.90 | 140.05 | 14582776 |
| September, 2015 | 186.45 | 146.00 | 2670203 | 186.80 | 146.00 | 6428132 |
| October, 2015 | 199.80 | 172.30 | 4309536 | 199.90 | 172.10 | 15641970 |
| November, 2015 | 197.30 | 172.30 | 1882692 | 197.70 | 172.25 | 6476930 |
| December, 2015 | 199.50 | 170.10 | 2792406 | 199.45 | 170.10 | 9615559 |
| January, 2016 | 241.40 | 172.90 | 10071983 | 241.90 | 171.35 | 42293506 |
| February, 2016 | 246.85 | 193.00 | 4681746 | 246.90 | 192.40 | 18257649 |
| March, 2016 | 252.50 | 215.00 | 5064111 | 252.70 | 214.50 | 20237303 |

e) Performance of equity share price vis-à-vis BSE Sensex is as under:

| Month | TPL Share Price at BSE (₹)* | BSE Sensex * | Relative Index for comparison purpose | |
|-----------------|-----------------------------|--------------|---------------------------------------|------------|
| | | | TPL share price | BSE Sensex |
| March, 2015 | 163.00 | 27957.49 | 100.00 | 100.00 |
| April, 2015 | 164.50 | 27011.31 | 100.92 | 96.62 |
| May, 2015 | 162.15 | 27828.44 | 99.48 | 99.54 |
| June, 2015 | 140.25 | 27780.83 | 86.04 | 99.37 |
| July, 2015 | 146.20 | 28114.56 | 89.69 | 100.56 |
| August, 2015 | 154.25 | 26283.09 | 94.63 | 94.01 |
| September, 2015 | 178.20 | 26154.83 | 109.33 | 93.55 |
| October, 2015 | 193.85 | 26656.83 | 118.93 | 95.35 |
| November, 2015 | 184.55 | 26145.67 | 113.22 | 93.52 |
| December, 2015 | 173.95 | 26117.54 | 106.72 | 93.42 |
| January, 2016 | 233.45 | 24870.69 | 143.22 | 88.96 |
| February, 2016 | 226.75 | 23002.00 | 139.11 | 82.27 |
| March, 2016 | 230.15 | 25341.86 | 141.20 | 90.64 |

* Closing data on the last day of the month. Closing share price and BSE Sensex of 31st March, 2015 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s BSE Sensex



f) Distribution of shareholding as on 31st March, 2016

➤ By size of shareholding

| No. of Shares | No. of Shareholders | % Shareholders | No. of Shares | % of Shareholding |
|---------------|---------------------|----------------|---------------------|-------------------|
| 001 to 500 | 1,06,369 | 86.57 | 74,12,977 | 1.54 |
| 501 to 1000 | 8,409 | 6.84 | 56,98,991 | 1.19 |
| 1001 to 2000 | 3,439 | 2.80 | 49,55,867 | 1.03 |
| 2001 to 3000 | 1,455 | 1.18 | 36,72,545 | 0.76 |
| 3001 to 4000 | 713 | 0.58 | 25,05,142 | 0.52 |
| 4001 to 5000 | 581 | 0.47 | 26,62,590 | 0.55 |
| 5001 to 10000 | 1,014 | 0.83 | 71,23,468 | 1.48 |
| 10001 & above | 891 | 0.73 | 44,65,85,204 | 92.93 |
| Total | 1,22,871 | 100.00 | 48,06,16,784 | 100.00 |

➤ By category of shareholders

| Sr. No. | Category | No. of Shares | % of Shareholding |
|---------|---|---------------------|-------------------|
| 1. | Promoters | 25,74,43,318 | 53.56 |
| 2. | Governor of Gujarat with Gujarat State Investments Limited | 5,39,28,671 | 11.22 |
| 3. | Life Insurance Corporation of India & its funds | 3,42,17,959 | 7.12 |
| 4. | General Insurance Corporation of India and its subsidiaries | 2,07,36,552 | 4.31 |
| 5. | Mutual Funds | 2,26,41,867 | 4.71 |
| 6. | FII's | 1,64,99,070 | 3.43 |
| 7. | Banks | 6,81,161 | 0.15 |
| 8. | Others | 7,44,68,186 | 15.50 |
| | Total | 48,06,16,784 | 100.00 |

g) Dematerialisation and Liquidity of shares

Equity shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE813H01021. As on 31st March, 2016, 96.38% of the equity shares have been dematerialised.

h) Share transfer system

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to senior officials of the Company for expeditious disposal of members requests and complaints.

Share transfers are taken up for approval atleast once in a fortnight and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next meeting. Also, the same has been noted by the Board of Directors on quarterly basis.

i) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments as on date.

j) Registered office

Torrent House, Off Ashram Road, Ahmedabad-380009 (Gujarat)

k) Generation

- 1) SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)
- 2) AMGEN, Ahmedabad-380005 (Gujarat)
- 3) DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch - 392130 (Gujarat)

l) Distribution

- 1) Electricity House, Lal Darwaja, Ahmedabad-380001 (Gujarat)
- 2) Torrent House, Station Road, Surat-395003 (Gujarat)
- 3) Old Agra Road, Anjur Phata, Bhiwandi-421302 (Maharashtra)
- 4) 6, Raghunath Nagar, Suresh Plaza Market, M. G. Road, Agra-282002 (Uttar Pradesh)

m) Cables

Yoginagar, Mission Road, Nadiad - 387002 (Gujarat)

n) Address for Correspondence:

Shri Darshan Soni
Company Secretary and Compliance Officer
Torrent Power Limited,
Torrent House,
Off Ashram Road,
Ahmedabad-380009 (Gujarat)

CIN: L31200GJ2004PLC044068

Telephone : + 91 79 2658 3060 / 2658 5090

Fax : +91 79 2658 9581

E-mail : cs@torrentpower.com

Website : www.torrentpower.com

o) Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai- 400 001 (Maharashtra)
Telephone : (022) 4080 7005

p) Registrar & Share Transfer Agent

Members are requested to send all documents pertaining to transfer / demat requests and other communications in relation thereto directly to the Registrar & Share Transfer Agent at the following address:

Sharepro Services (India) Private Limited,
Unit - Torrent Power Limited,
13 A-B, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road,
Sakinaka, Andheri (East),
Mumbai-400072 (Maharashtra)

Telephone : +91 22 6772 0300 / 6772 0347
Fax : +91 22 2859 1568 / 2850 8927
E-mail : sharepro@shareproservices.com

For and on behalf of the Board

Ahmedabad
18th May, 2016

Samir Mehta
Vice Chairman

Certificate of Compliance with the Code of Business Conduct

To,
The Members,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the "Code") for its Board of Directors, Senior Management Personnel and other employees of the Company. I report that the Board of Directors has received affirmation on compliance with the Code from the members of the Board and Senior Management of the Company for the year under review.

Ahmedabad
18th May, 2016

Samir Mehta
Vice Chairman

Standalone Financial Statements 2015-16

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TORRENT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profits and its cash flows for the year ended on that date.

Emphasis of Matters

- (i) We draw attention to Note 26 to the accompanying standalone financial statements, which describes the effect of the scheme of amalgamation given in the standalone financial statements for the year ended 31st March, 2016.
- (ii) The Institute of Chartered Accountants of India (“ICAI”) has issued the Guidance Note on Accounting for Rate Regulated Activities (“Guidance Note”) in February 2015 for accounting periods beginning on or after 1st April, 2015 (early adoption is permitted). As the Company is required to adopt the Indian Accounting Standards (IND AS) with effect from 1st April 2016, the accounting policies followed in FY 2015-16 will be considered as previous GAAP for the purpose of IND AS 114 “Regulatory Deferral Accounts.” The IND AS 114 permits an entity to elect or not elect to follow the requirement stated therein; such election being possible only if the entity has followed such accounting policy in its financial statements in accordance with its previous GAAP. The preface to the Guidance Note refers to IND AS 114 and explains the purpose of this Guidance Note which, inter-alia, provides for smooth transition to those electing for IND AS 114. In this context, the Company has represented that they will not be electing to follow IND AS 114 from FY 2016-17 (as permitted by IND AS 114) and expects to continue its current accounting policy of not recognizing such deferral account balances. Further, the Guidance Note is only recommendatory in nature. Therefore, the Company has chosen not to follow the requirements of this Guidance Note for the FY 2015-16 for the reasons stated herein.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **TORRENT POWER LIMITED** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / other corroborative evidences provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has granted an unsecured loan to a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013, which is interest free. The said loan (which is not prejudicial to the interest of the company) is repayable on demand and is not overdue.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us in respect of statutory dues :
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax/Value Added Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2016 on account of disputes are given below:

| Name of Statute | Nature of dues | Forum where the dispute is pending | Period to which the amount relates | Amount involved (₹ in Crore) | Amount unpaid (₹ in Crore) |
|--|------------------------------|---|---|------------------------------|----------------------------|
| Customs Act, 1962 | Differential Custom duty | CESTAT | 2012-13 | 37.00 | 18.50 |
| Central Excise Act, 1944 | Excise duty | CESTAT | 1989-90 | 0.17 | 0.17 |
| Kerala General Sales Tax Act, 1963 | Sales Tax on Works Contracts | Sales Tax Appellate Tribunal, Calicut | 2001-02 | 0.20 | 0.20 |
| Andhra Pradesh General Sales Tax Act, 1957 | Sales Tax on Works Contracts | Andhra Pradesh High Court, Hyderabad | 1993-94 & 1994-95 | 0.20 | 0.20 |
| Tamil Nadu General Sales Tax Act, 1959 | Sales Tax on Works Contracts | Asst. Commissioner of Commercial Tax, Tuticorin | 1989-90 & 1990-91 | 0.47 | 0.47 |
| Gujarat Value Added Tax Act, 2004 | Value Added Tax | Joint Commissioner of Commercial Tax (Appeal) | 2011-12 | 0.17 | 0.17 |
| | | Joint Commissioner of Commercial Tax (Appeal) | 2009-10 & 2010-11 | 2.15 | 1.63 |
| Gujarat Sales Tax Act, 1969 | Sales tax | Joint Commissioner of Commercial Tax (Appeal) | 2002-03 & 2003-04 | 4.29 | 4.29 |
| Central Sales Tax Act, 1956 | Central Sales Tax | Joint Commissioner of Commercial Tax (Appeal) | 2008-09, 2009-10, 2010-11 & 2011-12 | 2.88 | 2.58 |
| Income Tax Act, 1961 | Demand of Tax | Income Tax Appellate Tribunal | A.Y. 2004-05 & A.Y. 2005-06 | 9.94 | 9.94 |
| | | CIT Appeals | A.Y. 2010-11, A.Y. 2011-12, A.Y. 2012-13 & A.Y. 2013-14 | 11.34 | 10.34 |

- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions, government and dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer/ further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

BALANCE SHEET

AS AT 31ST MARCH, 2016

(₹ in Crore)

| | Note | As at 31 st March, 2016 | As at 31 st March, 2015 |
|-------------------------------------|------|---------------------------------------|---------------------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 480.62 | 472.45 |
| Reserves and surplus | 3 | 6,991.32 | 6,436.21 |
| | | 7,471.94 | 6,908.66 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 8,141.72 | 5,018.94 |
| Deferred tax liabilities (net) | 42 | 944.89 | 838.47 |
| Other long-term liabilities | 5 | 1,024.27 | 1,058.98 |
| Long-term provisions | 6 | 79.99 | 71.28 |
| | | 10,190.87 | 6,987.67 |
| Current liabilities | | | |
| Short-term borrowings | 7 | - | - |
| Trade payables | 8 | | |
| Due to micro and small enterprises | | 3.12 | 2.05 |
| Due to others | | 746.34 | 619.03 |
| Other current liabilities | 9 | 917.47 | 1,109.47 |
| Short-term provisions | 6 | 39.24 | 228.84 |
| | | 1,706.17 | 1,959.39 |
| | | 19,368.98 | 15,855.72 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| Tangible assets | | 14,784.49 | 9,093.01 |
| Intangible assets | | 6.71 | 7.49 |
| Capital work-in-progress | | 202.94 | 165.99 |
| Intangible assets under development | | 3.10 | - |
| | | 14,997.24 | 9,266.49 |
| Non-current investments | 11 | 209.17 | 2,195.44 |
| Long-term loans and advances | 12 | 546.87 | 14.18 |
| Other non-current assets | 13 | 0.66 | 1.89 |
| | | 15,753.94 | 11,478.00 |
| Current assets | | | |
| Current investments | 14 | 483.92 | 462.17 |
| Inventories | 15 | 416.77 | 253.10 |
| Trade receivables | 16 | 1,048.92 | 874.31 |
| Cash and bank balances | 17 | 778.31 | 1,580.34 |
| Short-term loans and advances | 12 | 510.45 | 732.32 |
| Other current assets | 18 | 376.67 | 475.48 |
| | | 3,615.04 | 4,377.72 |
| | | 19,368.98 | 15,855.72 |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Crore)

| | Note | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|------|--|--|
| Income | | | |
| Revenue from operations | 19 | 11,668.21 | 10,247.42 |
| Less: Excise duty | | 35.37 | - |
| | | 11,632.84 | 10,247.42 |
| Other income | 20 | 273.24 | 349.50 |
| Total revenue | | <u>11,906.08</u> | <u>10,596.92</u> |
| Expenses | | | |
| Electrical energy purchased | | 3,391.90 | 4,649.66 |
| Traded goods purchased | | 0.05 | - |
| Cost of materials consumed | 21 | 221.75 | - |
| Changes in inventories of finished goods and work-in-progress | | 6.83 | - |
| Employee benefits expense | 22 | 399.28 | 338.15 |
| Operation and other expenses | 23 | 4,751.25 | 3,222.93 |
| Finance costs | 24 | 1,119.56 | 706.16 |
| Depreciation and amortization expense | 25 | 887.96 | 583.62 |
| Transfer from service line contribution, APDRP grant and others | | (43.73) | (35.64) |
| Depreciation and amortization expense (net) | | 844.23 | 547.98 |
| Total expenses | | <u>10,734.85</u> | <u>9,464.88</u> |
| Profit before exceptional items and tax | | 1,171.23 | 1,132.04 |
| Exceptional items | 45 | 7.41 | 22.99 |
| Profit before tax | | 1,163.82 | 1,109.05 |
| Tax expenses | | | |
| Current tax | | 247.60 | 227.91 |
| Deferred tax | | 97.05 | 139.13 |
| Short / (excess) provision of current tax for earlier years | | 3.21 | (0.05) |
| | | 347.86 | 366.99 |
| Profit after tax | | <u>815.96</u> | <u>742.06</u> |
| Basic and diluted earnings per share of face value of ₹10 each (in ₹) | 43 | 16.98 | 15.71 |
| See accompanying notes forming part of the standalone financial statements | | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

Standalone Financial Statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Cash flow from operating activities | | |
| Profit before tax | 1,163.82 | 1,109.05 |
| Adjustments for : | | |
| Depreciation and amortization | 844.23 | 547.98 |
| Provision of earlier years written back | (280.53) | (237.46) |
| Provisions for doubtful debts no longer required | (4.97) | (16.93) |
| Provisions for doubtful advances no longer required | (2.70) | (0.40) |
| Loss on sale / discarding of fixed assets | 11.79 | 20.23 |
| Profit on sale of fixed assets | (3.68) | (1.93) |
| Provision for doubtful debts and advances | 4.90 | 0.28 |
| Exceptional items | 7.41 | 22.99 |
| Finance costs | 1,119.56 | 706.16 |
| Interest income | (108.09) | (160.90) |
| Dividend income | (3.66) | (4.66) |
| Provision for diminution in investment | 0.02 | - |
| Net unrealised loss / (gain) on foreign currency transactions | 15.64 | (53.88) |
| Operating profit before working capital changes | 2,763.74 | 1,930.53 |
| Movement in working capital: | | |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 120.57 | (12.01) |
| Long-term provisions | 6.10 | 6.38 |
| Short-term provisions | 14.75 | 13.99 |
| Other current liabilities | 54.28 | 175.07 |
| Other long-term liabilities | 199.92 | 207.85 |
| Adjustments for decrease / (increase) in operating assets: | | |
| Trade receivables | (96.61) | (74.05) |
| Inventories | (101.55) | 30.29 |
| Long-term loans and advances | (254.36) | 0.18 |
| Short-term loans and advances | (92.81) | (553.85) |
| Other current assets | 51.83 | 30.58 |
| Cash generated from operations | 2,665.86 | 1,754.96 |
| Taxes paid | (298.78) | (114.99) |
| Net cash flow from operating activities | 2,367.08 | 1,639.97 |
| Cash flow from investing activities | | |
| Purchase of fixed assets including capital work-in-progress | (1,201.06) | (548.74) |
| Long-term loans and advances for capital assets | (253.76) | 7.79 |
| Sale of fixed assets | 10.06 | 11.93 |
| Investment in subsidiaries | - | (80.07) |
| Investment in joint ventures | (0.03) | (0.03) |
| Purchase of non-current investments | (1.32) | (1.00) |
| Investments in bank deposits (having maturity more than three months) | - | (1.13) |
| Redemption in bank deposits (having maturity more than three months) | 399.02 | 103.58 |
| Interest received | 135.61 | 145.65 |
| Dividend received | 3.66 | 4.66 |
| Bank balances not considered as cash and cash equivalents | (4.29) | (0.01) |
| Net cash used in investing activities | (912.11) | (357.37) |

CASH FLOW STATEMENT (Contd.)

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|--|--|--|
| Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 7,732.91 | 37.34 |
| Proceeds from short-term borrowings | 900.00 | - |
| Repayment of long-term borrowings | (772.42) | (563.33) |
| Prepayment of long-term borrowings | (7,632.02) | - |
| Repayment of short-term borrowings | (0.21) | - |
| Prepayment of short-term borrowings | (900.00) | - |
| Repayment of APDRP loan | (3.82) | (3.82) |
| Service line contribution | 168.55 | 110.85 |
| Dividend paid | (284.23) | (23.61) |
| Corporate dividend tax paid | (57.71) | (4.02) |
| Finance costs paid | (1,143.18) | (714.51) |
| Net cash generated from / (used) in financing activities | <u>(1,992.13)</u> | <u>(1,161.10)</u> |
| Net (decrease) / increase in cash and cash equivalents | (537.16) | 121.50 |
| Cash and cash equivalents as at beginning of the year | 1,412.68 | 1,291.18 |
| Cash and cash equivalents of amalgamating companies (note 26) | 149.80 | - |
| Cash and cash equivalents as at end of the year | <u>1,025.32</u> | <u>1,412.68</u> |
| See accompanying notes forming part of the standalone financial statements | | |
| Notes: | | |
| 1. Cash and cash equivalents as at end of the year: | | |
| Cash on hand | 1.08 | 1.21 |
| Cheques, drafts on hand | 2.49 | 3.26 |
| With banks | | |
| In current accounts | 110.02 | 113.03 |
| In deposit accounts | 427.81 | 833.01 |
| Cash and cash equivalents (note 17) | 541.40 | 950.51 |
| Current investments (investments in mutual funds) (note 14) | 483.92 | 462.17 |
| | <u>1,025.32</u> | <u>1,412.68</u> |
| 2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement". | | |
| 3. "Proceeds from long-term borrowings" and "Purchase of fixed assets including capital work-in-progress" are excluding unrealised foreign exchange loss of ₹15.90 Crore (Previous year - ₹10.18 Crore). | | |
| 4. The scheme of amalgamation does not involve any cash outflow, since the consideration to the shareholders of the transferor companies were through issue of equity shares (note 26). | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless otherwise stated.

1.2 Use of estimates:

The preparation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

1.3 Capital receipts:

- (i) Grant received under the Accelerated Power Development and Reforms Programme (APDRP) of the Ministry of Power, Government of India, is treated as capital receipt and accounted as capital reserve.
- (ii) Service line contributions received from consumers are treated as capital receipt and accounted as capital reserve.

1.4 Fixed assets:

Tangible fixed assets:-

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred up to the date the asset is ready for its intended use. Allocation of indirect expenses to capital account is done on the basis of technical evaluation by the management.

Intangible assets :-

Certain computer software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

1.5 Impairment of fixed assets:

Fixed 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 net selling price and value in use.

1.6 Borrowing costs:

Borrowing costs comprising interest, finance charges etc. to the extent related / attributed to the qualifying assets, 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. Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

1.7 Depreciation and amortization:

- (i) 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.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution, APDRP grant received and others.
- (iii) In respect of fixed assets pertaining to Ahmedabad Power Plant (AMGEN), Ahmedabad Distribution and Surat Distribution, depreciation is provided on straight line method at the rates as per CERC regulations as applicable in the year of addition.
- (iv) In respect of assets pertaining to Agra and Bhiwandi Distribution Circles, depreciation is provided on straight line method at the rates mentioned below, as provided in the Distribution Franchise Agreement which are higher than the effective rates prescribed under Schedule II to the Companies Act, 2013:

| | |
|--|--------|
| Transformers, Switchgears & Equipments | 7.84% |
| Meters | 12.77% |
| Distribution Systems - Overhead | 7.84% |
| - Underground | 5.27% |
| Others | 7.84% |
| Vehicles | 33.40% |
| Electrical fittings, Apparatus, Furniture & fixtures, Communication equipments and Office equipments | 12.77% |

- (v) In respect of assets pertaining to SUGEN Power Plant (SUGEN), UNOSUGEN Power Plant (UNOSUGEN), DGEN Power Plant at Dahej SEZ (DGEN) and Dahej Distribution, depreciation is provided on straight line method considering the rates and the methodology provided in CERC (Terms and Conditions of Tariff) Regulations, 2014.
- (vi) In respect of assets pertaining to Windmill (Jamnagar), depreciation is provided on straight line method at the rates and as per the methodology mentioned in CERC Order - CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012 dated 27th March, 2012.
- (vii) In respect of assets pertaining to GENSU Solar Power Plant (GENSU), depreciation is provided on straight line method at the rates and as per the methodology mentioned in GERC Order – GERC (Determination of Tariff for Procurement by the Distribution Licensees and others from Solar Energy Projects) dated 17th August, 2015.
- (viii) In respect of assets pertaining to Cables unit, depreciation is provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (ix) Leasehold land is amortized over the lease period.
- (x) Computer software costs are amortized over its useful life which is estimated at 3 years.

1.8 Investments:

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments.

1.9 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.10 Inventories:

Inventories of stores, spare parts, coal, fuel and loose tools are valued at weighted average cost and net realizable value, whichever is lower. Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories with respect to Cables unit are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on first-in-first-out (FIFO) basis and includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. The cost of work-in-progress and finished goods is determined on full absorption costing method and comprises of raw materials and other direct costs and related production overheads and, where applicable, excise duty. Scrap is valued at net realisable value.

1.11 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as unbilled revenue. Further, in view of the uncertainties involved in the recoverability, the Company accounts for the quarterly fuel and power purchase price adjustment claims as and when allowed by the regulatory authorities and truing-up adjustment claims as and when billed to the consumers.
- (ii) Sales with respect to Cables unit are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax and value added tax.
- (iii) Gross proceeds from Certified Emission Reduction (CERs) is recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.
- (iv) Dividend is accounted when the right to receive payment is established.
- (v) Interest on overdue receivables of energy bills, insurance, coal and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.
- (vi) Revenue from cable laying services are recognised when the services are rendered and related costs are incurred.

1.12 Transactions in foreign currency:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) Exchange differences arising on settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognised as income or expense in the financial year in which they arise except for such adjustment of exchange difference arising on long term foreign currency monetary items in so far they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets and depreciated over the remaining useful life of such assets.
- (v) Forward exchange contracts are not intended for trading purposes. In case of forward exchange contracts, difference between the forward rate and the exchange rate on the date of transaction is recognised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

1.13 Retirement and other employee benefits:

Retirement benefits in the form of provident fund, family pension fund and superannuation schemes, which are defined contribution schemes, are charged to the statement of profit and loss of the period in which the contributions to the respective funds accrue.

The Company has created employees group gratuity fund which has taken a group gratuity insurance policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the statement of profit and loss. The adequacy of balances available is compared with actuarial valuation obtained at the period-end and shortfall, if any, is provided for in the statement of profit and loss.

Provision for leave encashment is determined and accrued on the basis of actuarial valuation.

Actuarial gains and losses are immediately recognized in the statement of profit and loss and are not deferred.

1.14 Taxation:

Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing differences” between accounting and taxable profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax asset, on account of unabsorbed depreciation and carry forward losses are recognised only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realize the assets and on account of other asset is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

1.15 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

1.16 Provisions, contingent liabilities and contingent assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 are neither recognized nor disclosed in the financial statements.

1.17 Derivative contracts:

The Company enters into forward contracts in Copper and Aluminium to hedge itself against fluctuations in the prices of these commodities. The income / loss from these transactions is accrued at the time of settlement of the contract. Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India, the Company, in accordance with the principle of prudence as enunciated in Accounting Standard – 1, “Disclosure of Accounting Policies”, provides for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. Any net unrealized gains arising on such marking to market are not recognized as income, until realised on grounds of prudence.

1.18 Leases :

- (i) Operating: Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term.
- (ii) Finance: Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalized at lower of fair value and the present value of minimum lease payments. Such assets are depreciated / amortized over the period of lease or estimated life of such assets, whichever is less.

NOTE - 2 : SHARE CAPITAL

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|--|--|
| Authorised | | |
| 4,37,00,00,000 (2,00,00,00,000 as at 31 st March, 2015) equity shares of ₹10 each | 4,370.00 | 2,000.00 |
| | <u>4,370.00</u> | <u>2,000.00</u> |
| The Authorised share capital was increased to 4,37,00,00,000 equity shares of ₹10 each pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13 th August, 2015. (note 26) | | |
| Issued, subscribed and paid up | | |
| 48,06,16,784 (47,24,48,308 as at 31 st March, 2015) equity shares of ₹10 each | 480.62 | 472.45 |
| | <u>480.62</u> | <u>472.45</u> |
| 1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year : | | |
| | No. of shares As at 31 st March, 2016 | No. of shares As at 31 st March, 2015 |
| At the beginning of the year | 47,24,48,308 | 47,24,48,308 |
| Issued during the year on account of amalgamation (note 26) | 81,68,476 | - |
| Outstanding at the end of the year | <u>48,06,16,784</u> | <u>47,24,48,308</u> |
| 2. 25,74,22,311 equity shares (25,24,38,986 equity shares as at 31 st March, 2015) of ₹10 each fully paid up are held by holding company - Torrent Private Limited. | | |
| 3. Terms / Rights attached to equity shares : | | |
| The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. | | |
| Dividend amount per share recognized as distributions to equity shareholders is ₹4.50 per equity share during the year ended 31 st March, 2016 (Previous year - ₹1.50 per equity share). | | |
| In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | |
| 4. Details of shareholders holding more than 5% shares in the Company : | | |
| Name of the Shareholder | As at 31 st March, 2016 | As at 31 st March, 2015 |
| | No. of shares % holding | No. of shares % holding |
| Torrent Private Limited | 25,74,22,311 53.56% | 25,24,38,986 53.43% |
| Gujarat State Investment Limited | 4,68,71,621 9.75% | 4,68,71,621 9.92% |
| Life Insurance Corporation of India | 3,41,62,884 7.11% | 3,80,29,637 8.05% |
| 5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash : | | |
| The Company has allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13 th August, 2015. (note 26) | | |

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Capital reserves | | |
| Service line contributions | | |
| As per last balance sheet | 633.05 | 555.00 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 12.15 | - |
| Add: Addition due to amalgamation for the period 1 st April, 2014 to 31 st March, 2015 (note 26) | 3.17 | - |
| Add: Received during the year | 168.55 | 110.85 |
| | 816.92 | 665.85 |
| Less: Transfer to statement of profit and loss | 40.84 | 32.80 |
| | 776.08 | 633.05 |
| Grant in Aid under Accelerated Power Development and Reform Programme (APDRP) | | |
| As per last balance sheet | 35.15 | 37.86 |
| Less: Transfer to statement of profit and loss | 2.71 | 2.71 |
| | 32.44 | 35.15 |
| Securities premium reserve | | |
| As per last balance sheet | - | - |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 0.03 | - |
| | 0.03 | - |
| Debenture redemption reserve | | |
| As per last balance sheet | 71.43 | 47.62 |
| Add: Transfer from statement of profit and loss | 23.81 | 23.81 |
| | 95.24 | 71.43 |
| Statutory reserves | | |
| Contingency reserve | | |
| As per last balance sheet | 1.96 | 0.96 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 0.62 | - |
| Add: Addition due to amalgamation for the period 1 st April, 2014 to 31 st March, 2015 (note 26) | 0.33 | - |
| Add: Transfer from statement of profit and loss | 1.65 | 1.00 |
| | 4.56 | 1.96 |
| Special reserve | | |
| As per last balance sheet | 78.07 | 78.07 |

NOTE - 3 : RESERVES AND SURPLUS (Contd.)

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Other reserves | | |
| General reserve | | |
| As per last balance sheet | 3,479.80 | 3,479.80 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 103.66 | - |
| Add: Adjusted on amalgamation as at 1 st April, 2014 (note 26) | 0.43 | - |
| Add: Transfer from statement of profit and loss | - | - |
| | 3,583.89 | 3,479.80 |
| Surplus in the statement of profit and loss | | |
| As per last balance sheet | 2,136.75 | 1,504.80 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 60.14 | - |
| Add: Addition due to amalgamation for the period 1 st April, 2014 to 31 st March, 2015 (note 26) | (306.82) | - |
| Add: Profit after tax for the year | 815.96 | 742.06 |
| | 2,706.03 | 2,246.86 |
| Less : Appropriations | | |
| Transfer to contingency reserve | 1.65 | 1.00 |
| Transfer to general reserve | - | - |
| Transfer to debenture redemption reserve | 23.81 | 23.81 |
| Interim dividend | 216.28 | - |
| Corporate dividend tax on interim dividend | 44.03 | - |
| Proposed dividend | - | 70.87 |
| Corporate dividend tax on proposed dividend | - | 14.43 |
| Reversal of corporate dividend tax of earlier years | (0.75) | - |
| Total appropriations | 285.02 | 110.11 |
| Net surplus in the statement of profit and loss | 2,421.01 | 2,136.75 |
| | 6,991.32 | 6,436.21 |

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

| | Non-current | | Current maturities | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Secured loans | | | | |
| Non convertible debentures | | | | |
| 10.35% Series 1 | 550.00 | 550.00 | - | - |
| 10.35% Series 2A, 2B & 2C [#] | 300.00 | 300.00 | - | - |
| | 850.00 | 850.00 | - | - |
| Term loans | | | | |
| From banks | 6,707.91 | 2,917.64 | 268.09 | 441.43 |
| From financial institutions | 551.71 | 1,215.38 | 29.29 | 165.15 |
| | 7,259.62 | 4,133.02 | 297.38 | 606.58 |
| | 8,109.62 | 4,983.02 | 297.38 | 606.58 |
| Unsecured loans | | | | |
| Term loans | | | | |
| From Government of India under Accelerated Power Development and Reform Programme (APDRP) | 32.10 | 35.92 | 3.82 | 3.82 |
| | 32.10 | 35.92 | 3.82 | 3.82 |
| | 8,141.72 | 5,018.94 | 301.20 | 610.40 |
| Amount disclosed under the head "Other current liabilities" (note 9) | - | - | (301.20) | (610.40) |
| | 8,141.72 | 5,018.94 | - | - |

Rate changed from 10.10% to 10.35% w.e.f. 11th December, 2015.

- The Company has changed the security provided to the lenders during the year. 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 ₹7,557.00 Crore and non convertible debentures of ₹850.00 Crore.
- The future annual repayment obligations on principal amount for the above long-term borrowings are as under :

| Financial year | Term loans | Non convertible debentures | Financial year | Term loans | Non convertible debentures |
|----------------|------------|----------------------------|----------------|------------|----------------------------|
| 2016-2017 | 301.20 | - | 2025-2026 | 576.47 | - |
| 2017-2018 | 340.85 | - | 2026-2027 | 614.58 | - |
| 2018-2019 | 321.02 | - | 2027-2028 | 634.40 | - |
| 2019-2020 | 340.85 | - | 2028-2029 | 634.40 | - |
| 2020-2021 | 400.32 | 283.33 | 2029-2030 | 590.60 | - |
| 2021-2022 | 519.27 | 283.33 | 2030-2031 | 571.92 | - |
| 2022-2023 | 261.55 | 283.34 | 2031-2032 | 452.43 | - |
| 2023-2024 | 321.02 | - | 2032-2033 | 232.42 | - |
| 2024-2025 | 479.62 | - | | | |

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Trade payables | 236.18 | 380.57 |
| Other payables | | |
| Security deposits from consumers | 787.42 | 677.65 |
| Payables on purchase of fixed assets | - | 0.14 |
| Sundry payables | 0.67 | 0.62 |
| | <u>1,024.27</u> | <u>1,058.98</u> |

NOTE - 6 : PROVISIONS

(₹ in Crore)

| | Long-term | | Short-term | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Provision for employee benefits (note 34) | | | | |
| Provision for gratuity | 1.49 | 0.39 | 18.38 | 7.20 |
| Provision for leave encashment | 78.50 | 70.89 | 20.47 | 16.21 |
| | <u>79.99</u> | <u>71.28</u> | <u>38.85</u> | <u>23.41</u> |
| Other provisions | | | | |
| Provision for taxation (net of advance tax and TDS) | - | - | - | 120.13 |
| Provision for indirect tax | - | - | 0.39 | - |
| Proposed dividend | - | - | - | 70.87 |
| Provision for corporate dividend tax | - | - | - | 14.43 |
| | <u>-</u> | <u>-</u> | <u>0.39</u> | <u>205.43</u> |
| | <u>79.99</u> | <u>71.28</u> | <u>39.24</u> | <u>228.84</u> |

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|------------------------|---------------------------------------|---------------------------------------|
| Secured loans | | |
| Cash credit from banks | - | - |
| | <u>-</u> | <u>-</u> |

The Company has changed the security provided to the working capital lenders during the year. The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.

NOTE - 8 : TRADE PAYABLES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Trade payables for goods and services | | |
| Due to micro and small enterprises (note 32) | 3.12 | 2.05 |
| Due to others | 746.34 | 619.03 |
| | <u>749.46</u> | <u>621.08</u> |

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Current maturities of long-term debt (note 4) | 301.20 | 610.40 |
| Interest accrued but not due on loans and security deposits | 2.06 | 22.11 |
| Investor education and protection fund [#] | | |
| Unpaid / Unclaimed dividend | 10.75 | 6.30 |
| Unclaimed fractional coupons | 0.42 | - |
| Book overdraft | 33.39 | 25.76 |
| Other payables | | |
| Credit balances of consumers | 68.09 | 71.78 |
| Service line and security deposits from consumers | 172.33 | 148.53 |
| Deposits | 4.37 | 3.78 |
| Statutory dues | 23.29 | 20.06 |
| Payables on purchase of fixed assets | 145.70 | 88.51 |
| Sundry payables | 155.87 | 112.24 |
| | <u>917.47</u> | <u>1,109.47</u> |

The investor education and protection fund is credited by the amount unclaimed and outstanding on the relevant due date.

NOTE - 10 : FIXED ASSETS

(₹ in Crore)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION AND AMORTIZATION | | | | NET BLOCK | | |
|---|-----------------------------------|---|---------------------------|----------------------------|-------------------------------|------------------------------------|---|---------------|----------------------------|------------------------------------|------------------------------------|
| | As at 1 st April, 2015 | Received on amalgamation (note 8 below) | Additions during the year | Deductions during the year | Adjustments | As at 31 st March, 2016 | Received on amalgamation (note 8 below) | For the year | Deductions during the year | As at 31 st March, 2016 | As at 31 st March, 2015 |
| I. Tangible assets | | | | | | | | | | | |
| Land | | | | | | | | | | | |
| (a) Freehold | 233.60 | 93.26 | 31.95 | - | - | 358.81 | - | - | - | 358.81 | 233.60 |
| (b) Leasehold | 47.18 | 111.12 | 0.87 | - | - | 159.17 | 20.11 | 4.29 | - | 130.11 | 42.52 |
| Buildings | 1,203.60 | 844.95 | 104.11 | 0.34 | 0.65 | 2,152.97 | 41.29 | 80.32 | 0.30 | 332.83 | 992.08 |
| Railway siding | 2.46 | - | - | 0.03 | - | 2.43 | - | 0.05 | 0.01 | 0.62 | 1.88 |
| Plant and machinery | 4,594.78 | - | 10.93 | 3.97 | 22.10 | 4,623.84 | 1,112.84 | 236.74 | 1.17 | 1,348.41 | 3,481.94 |
| (b) Others including switchgears and transformers | 2,912.15 | 4,384.10 | 668.96 | 29.49 | (87.47) | 7,848.25 | 974.25 | 390.32 | 17.38 | 1,530.50 | 1,937.90 |
| Transmission and distribution systems | | | | | | | | | | | |
| (a) Overhead | 540.38 | 241.11 | 30.85 | 0.02 | 0.73 | 813.05 | 209.31 | 43.74 | (0.05) | 261.67 | 331.07 |
| (b) Underground | 2,613.23 | 39.75 | 303.95 | 1.54 | 0.67 | 2,956.06 | 682.30 | 110.00 | 0.56 | 798.62 | 1,980.93 |
| Electrical fittings and apparatus | 62.46 | 8.52 | 9.03 | 0.35 | 0.01 | 79.67 | 25.34 | 4.83 | 0.21 | 32.65 | 37.12 |
| Furniture and fixtures | 29.33 | 5.48 | 2.35 | 0.12 | - | 37.04 | 13.39 | 1.71 | 0.08 | 17.18 | 15.94 |
| Office equipments | 130.24 | 18.93 | 4.94 | 0.90 | * | 153.21 | 50.47 | 3.36 | 0.60 | 63.67 | 79.77 |
| Vehicles | 19.26 | 3.45 | 7.73 | 4.38 | - | 26.06 | 11.00 | 1.96 | 2.78 | 10.86 | 8.26 |
| Total (I) | 12,388.67 | 5,750.67 | 1,175.67 | 41.14 | (63.31) | 19,210.56 | 3,295.66 | 884.85 | 23.04 | 4,426.07 | 14,784.49 |
| II. Intangible assets | | | | | | | | | | | |
| Software (Acquired) | 47.43 | 0.81 | 3.88 | 0.05 | - | 52.07 | 39.94 | 0.29 | 0.02 | 45.36 | 6.71 |
| Total (II) | 47.43 | 0.81 | 3.88 | 0.05 | - | 52.07 | 39.94 | 0.29 | 0.02 | 45.36 | 6.71 |
| Total (I+II) | 12,436.10 | 5,751.48 | 1,179.55 | 41.19 | (63.31) | 19,262.63 | 3,335.60 | 890.00 | 23.06 | 4,471.43 | 14,791.20 |
| Previous year | 12,100.54 | - | 450.37 | 123.38 | 8.57 | 12,436.10 | 2,802.63 | 583.62 | 50.65 | 3,335.60 | 9,100.50 |
| III. Capital work-in-progress | | | | | | | | | | | |
| IV. Intangible assets under development | | | | | | | | | | | |
| | | | | | | | | | | 202.94 | 165.99 |
| | | | | | | | | | | 3.10 | - |
| | | | | | | | | | | 14,997.24 | 9,266.49 |

Notes:

- Adjustments during the year includes borrowing costs of ₹2.88 Crore (Previous year - ₹3.03 Crore) and Capital work-in-progress includes borrowing costs of ₹0.05 Crore (31st March, 2015 - ₹0.56 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".
- Adjustments during the year includes ₹22.10 Crore (Previous year - ₹5.54 Crore) on account of foreign currency exchange difference.
- Adjustments during the year includes financial compensation received from the EPC contractor towards discharging the EPC contractor from the obligation to attend, complete or resolve the open points and the related warranty claims in terms of the original contract of ₹88.29 Crore (Previous year ₹ Nil).
- Capital work-in-progress includes pre-operative expenditure of ₹4.64 Crore (31st March, 2015 - ₹2.43 Crore) (note 30).
- The Company has leased a portion of its land to Torrent Pharmaceuticals Limited.
- Land includes freehold land amounting to ₹0.04 Crore (31st March, 2015 - ₹0.04 Crore) and leasehold land amounting to ₹11.32 Crore (31st March, 2015 - ₹13.89 Crore) for which documentations are in progress.
- Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a company under same management are as under:

| Particulars | Proportion of holding | As at | |
|---------------|-----------------------|------------------------------|------------------------------|
| | | 31 st March, 2016 | 31 st March, 2015 |
| Freehold land | 50% | 23.78 | 23.78 |
| Freehold land | 70% | 83.16 | 83.16 |
| Buildings | 70% | 1.36 | 1.36 |

8. Includes gross block and accumulated depreciation on assets taken over by company on amalgamation as on 1st April, 2014 and additions, deductions and depreciation for the year ended 31st March, 2015. (note 26)

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

| | No. of shares As at 31 st March, 2016 | No. of shares As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|--|--|---------------------------------------|---------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | | | |
| Investment in equity instruments (unquoted) | | | | |
| Associates | | | | |
| Tidong Hydro Power Limited | | | | |
| Equity shares of ₹10 each fully paid up | 24,500 | 24,500 | 0.02 | 0.02 |
| Less: Provision for diminution in value of investment | | | 0.02 | - |
| AEC Cements & Constructions Limited | | | | |
| Equity shares of ₹10 each fully paid up | - | 6,11,500 | - | 0.61 |
| Less: Provision for diminution in value of investment | | | - | 0.61 |
| | | | - | 0.02 |
| Subsidiaries | | | | |
| Torrent Power Grid Limited | | | | |
| Equity shares of ₹10 each fully paid up (2,70,00,000 (31 st March, 2015 - 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited) | 6,66,00,000 | 6,66,00,000 | 66.60 | 66.60 |
| Torrent Energy Limited (note 26) | | | | |
| Equity shares of ₹10 each fully paid up (31 st March, 2015 - 1,01,39,92,200) equity shares pledged as security in respect of the term loan provided to Torrent Energy Limited) | - | 1,98,82,20,000 | - | 1,988.22 |
| Torrent Pipavav Generation Limited | | | | |
| Equity shares of ₹10 each fully paid up | 4,75,00,000 | 4,75,00,000 | 57.50 | 57.50 |
| Torrent Solargen Limited | | | | |
| Equity shares of ₹10 each fully paid up | 8,00,50,000 | 8,00,50,000 | 80.07 | 80.07 |
| AEC Cements & Constructions Limited | | | | |
| Equity shares of ₹10 each fully paid up | 9,61,500 [#] | - | 0.61 | - |
| Less: Provision for diminution in value of investment | | | 0.61 | - |
| | | | 204.17 | 2,192.39 |
| | | | 204.17 | 2,192.41 |

NOTE - 11 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

| | No. of shares As at 31 st March, 2016 | No. of shares As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|--|--|---------------------------------------|---------------------------------------|
| Non trade investments (valued at cost unless stated otherwise) | | | | |
| Investment in equity instruments (unquoted) | | | | |
| Joint ventures | | | | |
| Tornascent Care Institute [@] Equity shares of ₹10 each fully paid up | 25,000 | 25,000 | 0.03 | 0.03 |
| UNM Foundation [@] Equity shares of ₹10 each fully paid up | 25,000 | - | 0.03 | - |
| | | | 0.06 | 0.03 |
| Contingency reserve investments - statutory (quoted) | | | | |
| 8.28% GOI Bond - 2032 | | | 0.99 | 0.99 |
| 8.32% GOI Bond - 2032 | | | 0.32 | - |
| 8.97% GOI Bond - 2030 | | | 1.01 | 1.01 |
| 8.28% GOI Bond - 2027 | | | 1.30 | 1.00 |
| 7.35% GOI Bond - 2024 | | | 1.32 | - |
| | | | 4.94 | 3.00 |
| | | | 5.00 | 3.03 |
| | | | 209.17 | 2,195.44 |
| Aggregate amount of quoted investments | | | 4.94 | 3.00 |
| Aggregate amount of unquoted investments | | | 204.23 | 2,192.44 |
| | | | 209.17 | 2,195.44 |
| Aggregate provision for diminution in value of investments | | | 0.63 | 0.61 |
| Aggregate amount of market value of quoted investments | | | 5.22 | 3.23 |
| # Includes 3,50,000 shares of ₹10 each, fully paid-up, in AEC Cements & Constructions Limited pursuant to the scheme of amalgamation of Torrent Cables Limited (TCL). TCL has written off this investments in its books during financial year 2012-13. Considering the combined holding, AEC Cements & Constructions Limited became subsidiary of the Company. | | | | |
| @ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 Company, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities. | | | | |

NOTE 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

| | Long-term | | Short-term | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Capital advances | 261.91 | 7.56 | - | - |
| Deposits | 15.04 | 6.12 | 4.07 | 26.97 |
| Loans and advances to related parties | | | | |
| Considered good | - | - | 308.56 | 608.86 |
| Considered doubtful | - | - | - | 2.70 |
| | - | - | 308.56 | 611.56 |
| Less : Provision for doubtful advances to related parties | - | - | - | 2.70 |
| | - | - | 308.56 | 608.86 |
| Other loans and advances | | | | |
| Advance tax & tax deducted at source (net of provision for income tax) | - | - | 11.03 | - |
| Advances for goods and services | 269.17 | - | 150.62 | 42.88 |
| Balances with government authority | - | 0.50 | 1.54 | 0.55 |
| Prepaid expenses | 0.73 | - | 7.60 | 4.27 |
| Other loans and advances | | | | |
| Considered good | 0.02 | - | 27.03 | 48.78 |
| Considered doubtful | - | - | 2.32 | 2.32 |
| | 269.92 | 0.50 | 200.14 | 98.80 |
| Less : Provision for doubtful advances | - | - | 2.32 | 2.32 |
| | 269.92 | 0.50 | 197.82 | 96.48 |
| | <u>546.87</u> | <u>14.18</u> | <u>510.45</u> | <u>732.32</u> |

NOTE 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Bank fixed deposits balance (note 17) | 0.66 | 1.89 |
| Interest accrued on deposits | * | - |
| | <u>0.66</u> | <u>1.89</u> |

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

| | No. of units As at 31 st March, 2016 | No. of units As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---|---|---------------------------------------|---------------------------------------|
| Investment in mutual funds (unquoted) | | | | |
| Axis Liquid Fund- Growth (of ₹1,000 each) | 81,736 | - | 13.65 | - |
| HDFC Liquid Fund- Growth (of ₹10 each) | - | 1,16,36,716 | - | 31.80 |
| IDFC Cash Fund - Growth - (Regular Plan) (of ₹1,000 each) | 3,56,240 | 4,69,574 | 65.35 | 78.93 |
| ICICI Liquid Plan - Regular - Growth (of ₹100 each) | 25,42,862 | 38,54,061 | 56.79 | 79.53 |
| Kotak Liquid Scheme Plan A - Growth (of ₹1,000 each) | 3,99,090 | 4,30,728 | 122.11 | 97.59 |
| L&T Liquid Fund - Growth (of ₹1,000 each) | 3,63,470 | - | 75.22 | - |
| SBI PLF - Regular Plan Growth (of ₹1,000 each) | 6,36,802 | 2,94,780 | 150.80 | 64.09 |
| Tata Liquid Fund Plan A - Growth (of ₹1,000 each) | - | 4,29,291 | - | 110.23 |
| | | | <u>483.92</u> | <u>462.17</u> |
| [Aggregate NAV of investments in mutual funds ₹485.32 Crore (31 st March, 2015 - ₹465.76 Crore)] | | | | |
| Aggregate amount of quoted investments | | | - | - |
| Aggregate amount of unquoted investments | | | 483.92 | 462.17 |
| | | | <u>483.92</u> | <u>462.17</u> |
| Aggregate provision for diminution in value of investments | | | - | - |
| Aggregate amount of market value of quoted investments | | | - | - |

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|------------------------------|---------------------------------------|---------------------------------------|
| Coal, oil, stores and spares | 378.89 | 252.63 |
| Raw material | 26.49 | - |
| Work-in-progress | 6.26 | - |
| Finished goods | 3.54 | - |
| Packing materials | 0.99 | - |
| Loose tools | 0.60 | 0.47 |
| | <u>416.77</u> | <u>253.10</u> |

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Debts outstanding for a period exceeding six months from due date | | |
| Secured - Considered good | 6.75 | 6.12 |
| Unsecured - Considered good | 60.53 | 51.73 |
| - Considered doubtful | 80.94 | 67.99 |
| | 148.22 | 125.84 |
| Other debts | | |
| Secured - Considered good | 396.07 | 353.37 |
| Unsecured - Considered good | 585.57 | 463.09 |
| - Considered doubtful | 48.79 | 61.64 |
| | 1,030.43 | 878.10 |
| Less: Provision for doubtful debts | 129.73 | 129.63 |
| | 1,048.92 | 874.31 |

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

| | Non-current | | Current | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Cash and cash equivalents | | | | |
| Balances with banks | | | | |
| Balance in current accounts | - | - | 110.02 | 113.03 |
| Balance in fixed deposit accounts (remaining maturity of less than three months) | - | - | 427.81 | 833.01 |
| | - | - | 537.83 | 946.04 |
| Cheques, drafts on hand | - | - | 2.49 | 3.26 |
| Cash on hand | - | - | 1.08 | 1.21 |
| | - | - | 541.40 | 950.51 |
| Other bank balances | | | | |
| Unpaid dividend accounts | - | - | 10.75 | 6.30 |
| Unpaid fractional coupon accounts | - | - | 0.42 | - |
| Balance in fixed deposit accounts [#] (remaining maturity for more than three months but less than twelve months) | - | - | 225.74 | 623.53 |
| Balance in fixed deposit accounts (remaining maturity for more than twelve months) | 0.66 | 1.89 | - | - |
| | 0.66 | 1.89 | 236.91 | 629.83 |
| Amount disclosed under the head "other non-current assets" (note 13) | (0.66) | (1.89) | - | - |
| | - | - | 778.31 | 1,580.34 |

includes ₹205.10 Crore (31st March, 2015 - ₹ Nil) on which lien was created in favour of lenders.

NOTE - 18 : OTHER CURRENT ASSETS

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Interest accrued on investments | 0.10 | 0.04 |
| Interest accrued on deposits | 14.28 | 41.81 |
| Unbilled revenue | 280.41 | 414.12 |
| Other receivables | 81.88 | - |
| Receivable on sale of fixed assets | - | 19.51 |
| | 376.67 | 475.48 |

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Revenue from power supply | 10,906.54 | 9,839.22 |
| Revenue from sale of cable products | | |
| Manufactured goods | 332.10 | - |
| | 11,238.64 | 9,839.22 |
| Other operating income | | |
| Street lighting maintenance contracts | 1.31 | 2.17 |
| Cable lying service | 0.05 | - |
| Hire of meters | 49.64 | 48.23 |
| Provision of earlier years written back (note 47) | 280.53 | 237.46 |
| Provision for doubtful debts no longer required | 4.97 | 16.93 |
| Provision for doubtful advances no longer required | 2.70 | 0.40 |
| Recovery of bad debts | 25.55 | 32.75 |
| Insurance claim receipt | 3.66 | 0.49 |
| Income from Certified Emission Reduction (CERs) | - | 1.76 |
| Income from Renewable Energy Certificate & Generation Based Incentive | 10.98 | 10.28 |
| Miscellaneous income | 50.18 | 57.73 |
| | 429.57 | 408.20 |
| | 11,668.21 | 10,247.42 |

NOTE - 20 : OTHER INCOME

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Interest income from | | |
| Deposits | 76.37 | 139.43 |
| Consumers | 31.26 | 21.25 |
| Contingency reserve investments | 0.36 | 0.22 |
| Others | 0.10 | * |
| | 108.09 | 160.90 |
| Dividend income | 3.66 | 4.66 |
| Miscellaneous income | 87.95 | 77.62 |
| Profit on sale of fixed assets | 3.68 | 1.93 |
| Profit on sale of current investments | 69.86 | 50.51 |
| Net gain on foreign currency transactions | - | 53.88 |
| | 273.24 | 349.50 |

NOTE - 21 : COST OF MATERIALS CONSUMED

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|----------------------------------|--|--|
| Cost of materials consumed | 297.92 | - |
| Less: Allocated to capital works | 76.17 | - |
| | <u>221.75</u> | <u>-</u> |

NOTE - 22 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Salaries, wages and bonus | 441.56 | 366.90 |
| Contribution to provident and other funds | 26.78 | 20.50 |
| Employees welfare expenses | 21.58 | 18.45 |
| Gratuity and leave encashment | 39.75 | 41.51 |
| | <u>529.67</u> | <u>447.36</u> |
| Less: Allocated to capital works, repairs and other relevant revenue accounts | 130.39 | 109.21 |
| | <u>399.28</u> | <u>338.15</u> |

NOTE - 23 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Fuel | 3,862.08 | 2,488.76 |
| Consumption of stores and spares | 167.51 | 194.24 |
| Consumption of packing materials | 14.00 | - |
| Rent and hire charges | 10.51 | 7.72 |
| Repairs to | | |
| Buildings | 14.24 | 9.79 |
| Plant and machinery | 265.25 | 252.80 |
| Others | 10.15 | 7.82 |
| | <u>289.64</u> | <u>270.41</u> |
| Insurance | 19.73 | 14.97 |
| Rates and taxes | 8.40 | 7.78 |
| Miscellaneous expenses | 198.46 | 138.71 |
| Discount for prompt payment of bills | 49.24 | 47.38 |
| Loss on sale / discarding of fixed assets | 11.79 | 20.23 |
| Commission to non-executive directors | 1.28 | 0.90 |
| Directors sitting fees | 0.89 | 0.70 |
| Statutory auditors remuneration (note 35) | 1.21 | 1.11 |
| Legal, professional and consultancy fees | 47.86 | 13.40 |
| Donations | 24.28 | 24.61 |
| Net loss on foreign currency transactions | 15.72 | - |
| Bad debts written off | 87.81 | 45.45 |
| Provision for doubtful debts and advances | 4.90 | 0.28 |
| | <u>4,815.31</u> | <u>3,276.65</u> |
| Less: Allocated to capital works, repairs and other relevant revenue accounts | 64.06 | 53.72 |
| | <u>4,751.25</u> | <u>3,222.93</u> |

NOTE - 24 : FINANCE COSTS

| | (₹ in Crore) | |
|----------------------------------|--|--|
| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Interest expense | | |
| Term loans | 931.98 | 565.72 |
| Non convertible debentures | 87.45 | 87.23 |
| Working capital loans | 2.55 | 0.03 |
| Security deposits from consumers | 60.58 | 54.95 |
| Others | 1.38 | 0.04 |
| Other borrowing costs | 39.19 | 1.36 |
| | <u>1,123.13</u> | <u>709.33</u> |
| Less: Allocated to capital works | 3.57 | 3.17 |
| | <u>1,119.56</u> | <u>706.16</u> |

NOTE - 25 : DEPRECIATION AND AMORTIZATION EXPENSE

| | (₹ in Crore) | |
|---------------------------------------|--|--|
| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Depreciation and amortization expense | 890.00 | 583.62 |
| Less: Allocated to capital works | 2.04 | - |
| | <u>887.96</u> | <u>583.62</u> |

OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

26. Scheme of Amalgamation

The Hon'ble Gujarat High Court has approved a Composite Scheme of Amalgamation ("the Scheme") of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) and their respective shareholders and creditors ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") vide order dated 13th August, 2015. The Copy of the said order was filed with the Registrar of Companies on 1st October, 2015 ("Effective Date").

The swap ratio for the merger was 20:19 i.e. every 20 equity shares of ₹10 each of TCL entitled their holders to 19 equity shares of ₹10 each at par of TPL. In accordance with the swap ratio, the Company has allotted 81,68,476 equity shares of ₹10 each, at par, to the eligible shareholders of TCL. The shares were allotted on 23rd October, 2015 ("Date of Allotment") (note 2).

As per the Scheme, the amalgamation shall have legal effect and force from 1st April, 2014 ("the Appointed Date"). The scheme has accordingly been given effect to in these financial statements with effect from the Appointed Date.

TEL is in the business of Generation, Transmission and Distribution of Electricity. TEL being wholly owned subsidiary of the Company, the entire share capital of TEL has been cancelled against the shares held by TPL.

TCL is primarily engaged in the business of manufacturing and selling of Power Cables. ₹0.43 Crore, difference between share capital of TCL and face value of new equity shares allotted to the shareholders of TCL, has been credited to General Reserve.

The Company has followed Pooling of Interest Method of accounting as per the Accounting Standard 14 - "Accounting for Amalgamations" as notified under section 211(3C) of the Act and as per the Scheme approved by the Hon'ble Gujarat High Court.

All the assets and liabilities, including reserves as at 1st April, 2014 of the TEL and TCL have been transferred to the Company at the book value as recorded in the books of transferor companies, which is summarised below:

| As at 1 st April, 2014 i.e. Appointed Date | (₹ in Crore) | |
|---|-----------------|---------------|
| Particulars | TEL | TCL |
| Equity and Liabilities | | |
| Share capital | 1,988.22 | 8.60 |
| Reserves and surplus | 16.79 | 159.80 |
| Long-term borrowings | 3,008.13 | - |
| Deferred tax liabilities (net) | 5.80 | 3.03 |
| Other long-term liabilities | 24.90 | - |
| Long-term provisions | 1.12 | 1.21 |
| Short-term borrowings | 16.22 | 5.43 |
| Trade payables | 1.78 | 11.76 |
| Other current liabilities | 539.43 | 3.01 |
| Short-term provisions | 0.59 | 2.25 |
| Total | <u>5,602.98</u> | <u>195.09</u> |
| Assets | | |
| Fixed assets (net) | 614.99 | 53.65 |
| Capital work-in-progress | 4,422.35 | 0.07 |
| Non-current investments | 0.32 | - |
| Long-term loans and advances | 166.70 | 1.13 |
| Other non-current assets | 0.25 | - |
| Current investments | 345.53 | - |
| Inventories | 6.49 | 37.99 |
| Trade receivables | 12.13 | 71.40 |
| Cash and bank balances | 29.53 | 23.99 |
| Short-term loans and advances | 3.32 | 6.73 |
| Other current assets | 1.37 | 0.13 |
| Total | <u>5,602.98</u> | <u>195.09</u> |

As the scheme has become effective from 1st October, 2015 the figures for the current period includes the operations of TEL and TCL. Accordingly, the figures for the year ended 31st March, 2016 are after giving effect to the amalgamation, while the comparative figures are before giving effect to the amalgamation and hence are not comparable.

27. Capital and other commitments

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Estimated amount of contracts remaining to be executed on capital accounts (net of advances) | 1,242.72 | 198.36 |
| Other commitments : | | |
| Financial commitment by way of equity contribution in subsidiary company : Torrent Solargen Limited | 256.16 | 205.00 |

28. Contingent liabilities

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Contingent liabilities not provided for in respect of: | | |
| (i) Disputed income-tax matters | 32.38 | 30.79 |
| (ii) Disputed custom duty matters | 18.50 | 18.78 |
| (iii) Disputed excise duty matters | 0.23 | 0.18 |
| (iv) Disputed stamp duty matters | 0.73 | 0.35 |
| (v) Disputed VAT matters | 2.15 | 2.15 |
| (vi) Disputed sales-tax matters | 4.29 | - |
| (vii) Disputed CST matters | 2.52 | - |
| (viii) Claims not acknowledged as debt | 12.55 | 10.74 |
| In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursements are expected. | | |

29. The Company has given loans and advances to its subsidiary companies as under:

(₹ in Crore)

| Name of Company | Maximum amount outstanding during the year | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|--|---------------------------------------|---------------------------------------|
| Subsidiary companies | | | |
| Torrent Energy Limited (note 26) | - | - | 352.48 |
| Torrent Pipavav Generation Limited | 53.66 | 53.66 | 51.46 |
| Torrent Solargen Limited | 281.06 | 254.90 | 204.92 |
| AEC Cements & Constructions Limited [#] | 2.70 | - | 2.70 |
| | | <u>308.56</u> | <u>611.56</u> |

[#] AEC Cements & Constructions Limited, an associate company, became subsidiary of the Company pursuant to amalgamation of Torrent Cables Limited with Torrent Power Limited.

- (a) Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies, in which Directors are interested.
- (b) There are no loans where either repayment schedule is not prescribed or repayment is scheduled beyond seven years. Loans given to above companies are interest free.

30. Capitalization of expenditure incurred during the year is as under

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Pre-operative expenditure | | |
| Opening balance | 2.43 | 4.97 |
| Expenditure incurred during the year | | |
| Employee benefits expense | 1.13 | - |
| Operation and other expenses | 5.10 | 1.31 |
| Total expenditure incurred during the year | 6.23 | 1.31 |
| Less : Capitalized during the year | 4.02 | - |
| Less: Written off during the year | - | 3.85 |
| Closing balance | 4.64 | 2.43 |

31. Derivative instruments and unhedged foreign currency exposures

- (i) The Company uses forward contracts to hedge its certain risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange forward contract as at 31st March, 2016 is ₹ Nil (31st March, 2015 - ₹ Nil).
- (ii) Foreign currency exposures not hedged by derivative instruments as at 31st March, 2016 are as under:

(in Crore)

| Nature of transactions | Currency | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--------------------------------|----------|---------------------------------------|---------------------------------------|
| Loan | USD | - | 5.23 |
| Interest payable | USD | - | 0.13 |
| Trade payable | USD | 0.54 | 0.12 |
| Capital liability | USD | 0.35 | 0.11 |
| Trade payable | EURO | 2.15 | 3.82 |
| Trade receivable (*7,350 EURO) | EURO | - | * |

- (iii) The Company uses forward commodity contracts to hedge its market risks primarily arising from frequent fluctuation in commodity prices.

Outstanding forward commodity contract as at 31st March, 2016 is as under :

| Commodity | Quantity (in MT) | Contract price (in ₹) / Kg. | Buy / Sell | Expiry month |
|--|---------------------|--------------------------------|------------|--------------|
| Copper | 80 | 332.27 | Buy | June,16 |
| Mark-to Market loss in respect of the above contracts as at 31 st March, 2016 is ₹0.05 Crore. | | | | |

32. 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 31 st March, 2016 | As at 31 st March, 2015 |
| (a) Principal amount remaining unpaid | 3.12 | 2.05 |
| (b) Interest due thereon | 0.01 | * |
| (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 | 0.01 | * |
| (d) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | * | 0.01 |
| (e) The amount of interest accrued and remaining unpaid | * | 0.01 |
| (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 | - | - |

33. The Company's significant leasing arrangements, other than land, are in respect of residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease. The Company does not have any non-cancellable lease.

34. Employee benefits

The liability on account of gratuity and leave encashment is accounted as per AS 15 (revised) dealing with employee benefits.

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

On account of defined contribution plans, a sum of ₹26.78 Crore (Previous year - ₹20.50 Crore) has been charged to the statement of profit and loss.

Status of gratuity plan and leave encashment as required under AS 15 (revised):

| Particulars | (₹ in Crore) | | | |
|--|---------------------------------------|---------------|---------------------------------------|---------------|
| | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
| | Leave encashment | Gratuity | Leave encashment | Gratuity |
| a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation: | | | | |
| Obligations at the beginning of the year | 85.23 | 198.47 | 73.48 | 180.75 |
| Addition on account of amalgamation (note 26) | 2.68 | 5.65 | - | - |
| Current service cost | 5.30 | 11.57 | 5.80 | 9.24 |
| Interest cost | 7.03 | 16.32 | 6.45 | 16.72 |
| Actuarial (gain) / loss | 6.83 | 8.93 | 7.97 | 10.16 |
| Liability transferred in | - | * | 0.17 | 0.59 |
| Liability transferred out | (0.06) | (0.07) | (0.25) | (0.38) |
| Benefits paid directly by employer | (9.60) | (1.03) | (8.39) | (1.91) |
| Benefits paid | - | (19.17) | - | (16.70) |
| Obligations at the end of the year | 97.41 | 220.67 | 85.23 | 198.47 |

34. Employee benefits (Contd.)

(₹ in Crore)

| Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---------------------------|----------|---------------------------|----------|
| | Leave encashment | Gratuity | Leave encashment | Gratuity |
| b. Reconciliation of opening and closing balances of the fair value of plan assets: | | | | |
| Plan assets at the beginning of the year, at fair value | - | 191.06 | - | 191.38 |
| Addition on account of amalgamation (note 26) | - | 5.01 | - | - |
| Expected return on plan assets | - | 17.65 | - | 18.18 |
| Actuarial gain / (loss) | - | (1.65) | - | (2.40) |
| Contributions | - | 7.90 | - | 0.60 |
| Benefits paid | - | (19.17) | - | (16.70) |
| Plan assets at the end of the year, at fair value | - | 200.80 | - | 191.06 |
| c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets: | | | | |
| Obligations at the end of the year | 97.41 | 220.67 | 85.23 | 198.47 |
| Plan assets at the end of the year, at fair value | - | 200.80 | - | 191.06 |
| Liability / (asset) recognized in balance sheet | 97.41 | 19.87 | 85.23 | 7.41 |
| d. Cost for the year: | | | | |
| Current service cost | 5.30 | 11.57 | 5.80 | 9.24 |
| Interest cost | 7.03 | 16.32 | 6.45 | 16.72 |
| Expected return on plan assets | - | (17.65) | - | (18.18) |
| Net actuarial (gain) / loss | 6.83 | 10.58 | 7.97 | 12.56 |
| Net cost – included in note 22 of the statement of profit and loss | 19.16 | 20.82 | 20.22 | 20.34 |
| e. Assumptions: | | | | |
| Discount rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31st March, 2016) | - | 8.00% | - | 9.00% |
| Salary escalation rate | 8.50% | 8.50% | 8.50% | 8.50% |
| f. Experience adjustment | | | | |
| On plan liability (gain) / loss | 6.80 | 8.85 | 7.48 | 1.00 |
| On plan asset (loss) / gain | - | (1.65) | - | (2.40) |
| g. Actual return on plan assets | - | 16.00 | - | 15.78 |
| h. Expected contribution for next year | - | 19.87 | - | 7.41 |
| i. Note: | | | | |
| The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of the Life Insurance Corporation of India. | | | | |

34. Employee benefits (Contd.)

(₹ in Crore)

| j. Current year and past four years data for defined benefit obligation and fair value of plan | | | | | |
|---|----------|--|--|---------|----------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Present value of defined benefit obligations at the end of the year (independent actuary) | 318.08 | 283.70 | 254.23 | 257.17 | 247.30 |
| Fair value of plan assets at the end of the year | 200.80 | 191.06 | 191.38 | 169.55 | 140.40 |
| Net asset / (liability) at the end of year | (117.28) | (92.64) | (62.85) | (87.62) | (106.90) |
| k. Investment details of 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 as under: | | | | | |
| | | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 | | |
| Government securities | | 47.42% | 46.60% | | |
| Debentures and bonds | | 34.01% | 34.61% | | |
| Equity shares | | 6.20% | 4.56% | | |
| Fixed deposits | | 12.37% | 14.22% | | |
| Others | | - | 0.01% | | |
| | | <u>100.00%</u> | <u>100.00%</u> | | |

35. Statutory auditors remuneration

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|------------------------------------|--|--|
| Audit fees | 0.73 | 0.53 |
| Tax audit fees | 0.07 | 0.05 |
| Other services – certificates etc. | 0.23 | 0.34 |
| Reimbursement of expenses | - | 0.07 |
| For service tax | 0.17 | 0.12 |
| | <u>1.21</u> | <u>1.11</u> |

The remuneration disclosed above excludes fees of ₹0.01 Crore (Previous year – ₹ Nil) [exclusive of service tax of ₹0.01 Crore (Previous year – ₹ Nil)] for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

36. C.I.F. value of imports

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|--|--|--|
| Components, stores, fuel and spare parts | 244.30 | 293.69 |
| Capital goods | 266.69 | 6.97 |

37. Expenditure in foreign currency

| | (₹ in Crore) | |
|------------------------------------|--|--|
| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Subscription | 0.13 | 0.03 |
| Traveling | 0.40 | 0.03 |
| Professional and consultation fees | * | - |
| Others | 50.73 | 18.94 |
| | <u>51.26</u> | <u>19.00</u> |

38. Earnings in foreign currency

| | (₹ in Crore) | |
|---|--|--|
| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Gross proceeds from Certified Emission Reduction (CERs) | - | 1.76 |
| Refund of premium | 15.91 | - |
| Other income | 34.58 | 14.77 |
| | <u>50.49</u> | <u>16.53</u> |

39. Certified Emission Reduction (CERs)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| No. of CERs inventory | 14,49,972 | 14,49,972 |
| No. of CERs under certification | 13,33,870 | - |
| Depreciation and operating & maintenance costs [@] | - | - |

[@] costs are not ascertainable.

Inventories of CERs are valued at cost or market price whichever is lower.

40. Value of stores and spare parts consumed (including fuel)

| | Year ended 31 st March, 2016 | | Year ended 31 st March, 2015 | |
|------------|--|---------------|--|---------------|
| | ₹ in Crore | % | ₹ in Crore | % |
| Imported | 421.81 | 10.47 | 527.86 | 19.67 |
| Indigenous | 3,607.78 | 89.53 | 2,155.14 | 80.33 |
| | <u>4,029.59</u> | <u>100.00</u> | <u>2,683.00</u> | <u>100.00</u> |

Value of raw materials

| | Year ended 31 st March, 2016 | | Year ended 31 st March, 2015 | |
|------------|--|---------------|--|----------|
| | ₹ in Crore | % | ₹ in Crore | % |
| Imported | 30.91 | 10.37 | - | - |
| Indigenous | 267.01 | 89.63 | - | - |
| | <u>297.92</u> | <u>100.00</u> | <u>-</u> | <u>-</u> |

41. Quantitative information

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|------------------------------|--|--|
| Units supplied (million kWh) | 14,673 | 14,012 |
| Units procured (million kWh) | 7,590 | 11,166 |

42. Deferred tax

(₹ in Crore)

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|------------------------|-----------------|------------------------|---------------|
| | Asset | Liability | Asset | Liability |
| Depreciation | | 1,286.12 | | 864.38 |
| Expenses allowable for tax purposes when paid | 31.31 | | 25.91 | |
| Unabsorbed depreciation | 309.92 | | - | |
| | <u>341.23</u> | <u>1,286.12</u> | <u>25.91</u> | <u>864.38</u> |
| Net deferred tax (asset) / liability | | <u>944.89</u> | | <u>838.47</u> |

43. Earnings per share

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|--|--|--|
| Profit after tax (₹ in Crore) | 815.96 | 742.06 |
| No. of equity shares [#] | 48,06,16,784 | 47,24,48,308 |
| Basic and diluted earnings per share (₹) | 16.98 | 15.71 |

includes 81,68,476 shares allotted on 23rd October, 2015 consequent to the amalgamation (note 26).

44. Segment reporting

The Company's primary business segment is Generation, Transmission and Distribution of Electricity. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable. The Company's Cables business, in terms of revenue, results and assets employed, is not a reportable segment as per AS-17.

45. Exceptional items

During previous year (FY 2014-15) the Company has issued a sale order for the retired 100 MW Gas-based Combined Cycle Power Plant located at Vatva, Ahmedabad and consequently the difference of ₹22.99 Crore between net book value of fixed assets and the sale value of the same has been disclosed as an 'Exceptional items' in the previous year.

On reassessment of the realizable value, additional amount of ₹7.41 Crore has been written off during the year and the same has been disclosed as 'Exceptional items'.

46. Capitalization of exchange differences

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29th December, 2011 to Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates" (AS-11), to allow companies, deferral / capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the amendment to AS-11, the company has capitalized exchange loss, arising on long-term foreign currency loan / capital liability, amounting to ₹22.10 Crore (Previous year - ₹5.54 Crore) to the cost of capital work in progress / plant and equipments.

47. In the context of:

1. Change in the Central Electricity Regulatory Commission (CERC) Regulations emphasizing Plant Load Factor (PLF) as against Plant Availability Factor (PAF) for performance incentive which has impacted the financial results.
2. Deferment of periodic maintenance due to variation in operations and to have charge per unit aligned with the underlying contract;

the Company has changed the basis similarly to PLF for charging operational and maintenance expenses for supply and service agreements from the date of commencement of the contract. Consequently, the aggregate provision of ₹273.02 Crore has been reversed during the current year and credited under the head 'Other operating income'.

48. The Company has implemented the 1200 MW gas based power plant at Dahej (DGEN), which started its commercial operations from November, 2014. In FY 2015-16, the Company could operate the plant for intermittent periods.

On account of supply exceeding the demand, there has been substantial reduction in the LNG prices all-over the world. The over-supply position in the world market is expected to continue as more LNG plants are being commissioned in coming 2 to 3 years and as global demand is expected to be subdued on account of European and other countries' economic slowdown. Current bottleneck in the Re-gas terminal availability in India will be substantially eased in the latter part of FY 2016-17 or early part of FY 2017-18. With this scenario, both the issues relating to gas based power plants in terms of availability and affordability of gas are expected to be resolved to a large extent. Considering the above, the estimated value in use do not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,991.05 Crore of DGEN plant as at 31st March, 2016.

49. Related party disclosures

| | Associates / Joint ventures | | Enterprises controlled by the company | | Holding company / enterprises controlled by the holding company | | Subsidiaries | | Key management personnel | | Enterprises controlled by key management personnel / relatives of key management personnel | | Total | | |
|-------------------------------------|-----------------------------|-------------|---------------------------------------|--------------|---|---------------|--------------|-------------|--------------------------|-------------|--|-------------|--------------|---------------|-------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | |
| | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | |
| A) Nature of transactions | | | | | | | | | | | | | | | |
| Purchase of materials | - | - | - | - | 0.11 | 108.92 | - | - | - | - | - | - | 0.11 | 108.92 | |
| Torrent Cables Ltd.^ | - | - | - | - | - | 108.66 | - | - | - | - | - | - | - | 108.66 | |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.11 | 0.26 | - | - | - | - | - | - | 0.11 | 0.26 | |
| Purchase of power | - | - | - | - | - | - | 85.74 | 2.89 | - | - | - | - | 85.74 | 2.89 | |
| Torrent Solajigen Ltd. | - | - | - | - | - | - | 85.74 | 2.89 | - | - | - | - | 85.74 | 2.89 | |
| Sale of cables | - | - | - | - | 0.52 | - | - | - | - | - | - | - | 0.52 | - | |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.52 | - | - | - | - | - | - | - | 0.52 | - | |
| Dividend income | - | - | - | - | - | - | 3.66 | 4.66 | - | - | - | - | 3.66 | 4.66 | |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | 3.66 | 4.66 | - | - | - | - | 3.66 | 4.66 | |
| Services provided | - | - | - | - | 1.04 | 0.17 | - | - | - | - | - | - | 1.04 | 0.17 | |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 1.04 | 0.17 | - | - | - | - | - | - | 1.04 | 0.17 | |
| Services received | - | - | - | - | - | 3.89 | - | 0.33 | - | - | 1.09 | 1.41 | 1.09 | 5.63 | |
| Torrent Power Grid Ltd. | - | - | - | - | - | 3.89 | - | 0.33 | - | - | - | - | - | 0.33 | |
| Torrent Cables Ltd.^ | - | - | - | - | - | - | - | - | - | - | - | - | - | 3.89 | |
| Tsunami Tours & Travels Pvt. Ltd. | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.65 | |
| Munjal Bhatt Architects | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.56 | |
| Aman Mehta | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.04 | |
| Varun Mehta | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.54 | |
| Shared expenditure | - | 0.01 | - | - | - | - | 0.19 | 4.02 | - | - | - | - | 0.19 | 4.03 | |
| Torrent Energy Ltd.^ | - | 0.01 | - | - | - | - | 0.19 | 4.02 | - | - | - | - | 0.19 | 4.03 | |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | - | 3.54 | - | - | - | - | - | 3.54 | |
| Torrent Solajigen Ltd. | - | - | - | - | - | - | - | 0.06 | 0.01 | - | - | - | 0.06 | 0.01 | |
| Tornascent Care Institute | - | - | - | - | - | - | - | 0.13 | 0.47 | - | - | - | 0.13 | 0.47 | |
| Managerial remuneration® | - | 0.01 | - | - | - | - | - | - | - | - | - | - | - | 0.01 | |
| Sudhir Mehta (Chairman) | - | - | - | - | - | - | - | - | 44.21 | 3.75 | - | - | 44.21 | 3.75 | |
| Samir Mehta (Vice Chairman) | - | - | - | - | - | - | - | - | 5.02 | 0.01 | - | - | 5.02 | 0.01 | |
| Markand Bhatt (Whole-time Director) | - | - | - | - | - | - | - | - | 5.00 | - | - | - | 5.00 | - | |
| Jinal Mehta (Whole-time Director) | - | - | - | - | - | - | - | - | 30.44 | - | - | - | 30.44 | - | |
| Donation | 8.95 | 7.00 | - | - | - | - | - | - | 3.75 | 3.74 | - | - | 3.75 | 3.74 | |
| U.N.Mehta Charitable Trust | - | - | - | - | - | - | - | - | - | - | 1.20 | 5.50 | 10.15 | 12.50 | |
| Shri.Vaagam Mahal Kelavani Mandal | - | - | - | - | - | - | - | - | - | - | 1.20 | 1.25 | 1.20 | 1.25 | |
| Tornascent Care Institute | 7.70 | 7.00 | - | - | - | - | - | - | - | - | - | 4.25 | - | 4.25 | |
| UNM Foundation | 1.25 | - | - | - | - | - | - | - | - | - | - | - | 7.70 | 7.00 | |
| Contribution to funds (net) | - | - | - | 12.42 | 4.01 | - | - | - | - | - | - | - | - | 12.42 | 4.01 |
| TPL (Ahmedabad) Gratuity Trust | - | - | - | 6.50 | 0.43 | - | - | - | - | - | - | - | - | 6.50 | 0.43 |
| TPL (Ahmedabad) Superannuation Fund | - | - | - | 3.06 | 2.52 | - | - | - | - | - | - | - | - | 3.06 | 2.52 |
| TPL (Surat) Gratuity Trust | - | - | - | 0.08 | 0.02 | - | - | - | - | - | - | - | - | 0.08 | 0.02 |

49. Related party disclosures (Contd.)

| | Associates / Joint ventures | | Enterprises controlled by the company | | Holding company / enterprises controlled by the holding company | | Subsidiaries | | Key management personnel | | Enterprises controlled by key management personnel / relatives of key management personnel | | Total | |
|--|-----------------------------|-------------|---------------------------------------|------------|---|-------------|---------------|---------------|--------------------------|------------|--|------------|---------------|---------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 |
| TPL (Surat) Superannuation Fund | - | - | 0.77 | 0.68 | - | - | - | - | - | - | - | - | 0.77 | 0.68 |
| TPL (SUGEN) Gratuity Trust | - | - | 1.08 | 0.04 | - | - | - | - | - | - | - | - | 1.08 | 0.04 |
| TPL (SUGEN) Superannuation Fund | - | - | 0.33 | 0.32 | - | - | - | - | - | - | - | - | 0.33 | 0.32 |
| TPL (DGEN) Gratuity Trust | - | - | 0.26 | - | - | - | - | - | - | - | - | - | 0.26 | - |
| TPL (DGEN) Superannuation Fund | - | - | 0.33 | - | - | - | - | - | - | - | - | - | 0.33 | - |
| Equity contribution | 0.03 | 0.03 | - | - | - | - | - | 80.00 | - | - | - | - | 0.03 | 80.03 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | - | 80.00 | - | - | - | - | - | 80.00 |
| Tornascent Care Institute | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.03 |
| UNM Foundation | 0.03 | - | - | - | - | - | - | - | - | - | - | - | 0.03 | - |
| Purchase of shares | - | - | - | - | - | 0.07 | - | - | - | - | - | - | - | 0.07 |
| Torrent Private Ltd. | - | - | - | - | - | 0.07 | - | - | - | - | - | - | - | 0.07 |
| Advances written off | - | - | - | - | - | - | 2.38 | - | - | - | - | - | 2.38 | - |
| AEC Cements & Constructions Ltd. | - | - | - | - | - | - | 2.38 | - | - | - | - | - | 2.38 | - |
| Advance received / recovered | - | - | - | - | - | - | 0.32 | - | - | - | - | - | 0.32 | 0.40 |
| AEC Cements & Constructions Ltd. | - | - | - | - | - | - | 0.32 | - | - | - | - | - | 0.32 | 0.40 |
| Loan given | - | - | - | - | - | - | 151.05 | 638.10 | - | - | - | - | 151.05 | 638.10 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 148.91 | 274.29 | - | - | - | - | 148.91 | 274.29 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | 2.14 | 1.48 | - | - | - | - | 2.14 | 1.48 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 362.33 | - | - | - | - | - | 362.33 |
| Loan received back | - | - | - | - | - | - | 98.79 | 98.37 | - | - | - | - | 98.79 | 98.37 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 98.79 | 69.37 | - | - | - | - | 98.79 | 69.37 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 29.00 | - | - | - | - | - | 29.00 |
| Deposit given for nomination of directors | - | - | - | - | - | - | 0.03 | 0.13 | - | - | - | - | 0.03 | 0.13 |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | 0.01 | 0.06 | - | - | - | - | 0.01 | 0.06 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | - | 0.02 | - | - | - | - | - | 0.02 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 0.05 | - | - | - | - | - | 0.05 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 0.02 | - | - | - | - | - | 0.02 | - |
| Deposit received back on appointment of directors | - | - | - | - | - | - | 0.05 | 0.10 | - | - | - | - | 0.05 | 0.10 |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | 0.02 | 0.04 | - | - | - | - | 0.02 | 0.04 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | 0.01 | 0.01 | - | - | - | - | 0.01 | 0.01 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 0.05 | - | - | - | - | - | 0.05 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 0.02 | - | - | - | - | - | 0.02 | - |
| Sale of fixed assets | - | - | - | - | - | - | - | 0.04 | - | - | - | - | - | 0.04 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 0.04 | - | - | - | - | - | 0.04 |
| Provision against investment | 0.02 | - | - | - | - | - | - | - | - | - | - | - | 0.02 | - |
| Tidong Hydro Power Ltd. | 0.02 | - | - | - | - | - | - | - | - | - | - | - | 0.02 | - |

49. Related party disclosure (Contd.)

| | Associates / Joint ventures | | Enterprises controlled by the company | | Holding company / enterprises controlled by the holding company | | Subsidiaries | | Key management personnel | | Enterprises controlled by key management personnel / relatives of key management personnel | | Total | |
|--|-----------------------------|-------------|---------------------------------------|------------|---|------------|---------------|-----------------|--------------------------|------------|--|------------|---------------|-----------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 |
| B) Balance at the end of the year | | | | | | | | | | | | | | |
| Current liability | | | | | | | | | | | | | | |
| Torrent Cables Ltd. [^] | - | - | * | 15.37 | - | 15.34 | 15.93 | 2.94 | 22.00 | 2.24 | - | - | 37.93 | 20.55 |
| Torrent Pharmaceuticals Ltd. | - | - | - | 0.03 | - | - | - | - | - | - | - | - | - | 15.34 |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | - | 0.29 | - | - | - | - | - | 0.03 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 15.93 | 2.65 | - | - | - | - | 15.93 | 0.29 |
| TPL (SUGEN) Superannuation Fund | - | - | * | - | - | - | - | - | - | - | - | - | * | 2.65 |
| Sudhir Mehta (Chairman) | - | - | - | - | - | - | - | - | 5.00 | - | - | - | 5.00 | - |
| Samir Mehta (Vice Chairman) | - | - | - | - | - | - | - | - | 5.00 | - | - | - | 5.00 | - |
| Markand Bhatt (Whole-time Director) | - | - | - | - | - | - | - | - | 11.00 | - | - | - | 11.00 | - |
| Jinal Mehta (Whole-time Director) | - | - | - | - | - | - | - | - | 1.00 | 2.24 | - | - | 1.00 | 2.24 |
| Investment in equities | 0.08 | 0.66 | - | - | - | - | 194.76 | 2,182.37 | - | - | - | - | 194.84 | 2,183.03 |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | 66.60 | 66.60 | - | - | - | - | 66.60 | 66.60 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | 47.50 | 47.50 | - | - | - | - | 47.50 | 47.50 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 1,988.22 | - | - | - | - | - | 1,988.22 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 80.05 | 80.05 | - | - | - | - | 80.05 | 80.05 |
| AEC Cements & Constructions Ltd. | - | 0.61 | - | - | - | - | 0.61 | - | - | - | - | - | 0.61 | 0.61 |
| Tidong Hydro Power Ltd. | 0.02 | 0.02 | - | - | - | - | - | - | - | - | - | - | 0.02 | 0.02 |
| Tomascent Care Institute | 0.03 | 0.03 | - | - | - | - | - | - | - | - | - | - | 0.03 | 0.03 |
| UNM Foundation | 0.03 | - | - | - | - | - | - | - | - | - | - | - | 0.03 | - |
| Loans and advances | - | 2.70 | - | - | - | - | 308.56 | 608.86 | - | - | - | - | 308.56 | 611.56 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | 53.66 | 51.46 | - | - | - | - | 53.66 | 51.46 |
| Torrent Energy Ltd. [^] | - | - | - | - | - | - | - | 352.48 | - | - | - | - | - | 352.48 |
| Torrent Solargen Ltd. | - | - | - | - | - | - | 254.90 | 204.92 | - | - | - | - | 254.90 | 204.92 |
| AEC Cements & Constructions Ltd. | - | 2.70 | - | - | - | - | - | - | - | - | - | - | - | 2.70 |
| Deposit given for nomination of directors | - | - | - | - | - | - | 0.01 | 0.03 | - | - | - | - | 0.01 | 0.03 |
| Torrent Power Grid Ltd. | - | - | - | - | - | - | 0.01 | 0.02 | - | - | - | - | 0.01 | 0.02 |
| Torrent Pipavav Generation Ltd. | - | - | - | - | - | - | - | 0.01 | - | - | - | - | - | 0.01 |
| Trade Receivable | - | - | - | - | - | - | 0.06 | - | - | - | - | - | 0.06 | - |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | - | - | 0.06 | - | - | - | - | - | 0.06 | - |

@ amount excluding insurance premium for group personal accident and group mediclaim.

[^] ceases to be related party pursuant to the Scheme of Amalgamation (note 26)

49. Related party disclosures (Contd.)

Names of related parties and description of relationship:

| | | |
|----|--|---|
| 1. | Associates / Joint Ventures | Tidong Hydro Power Limited (Associate), Tornascent Care Institute (Joint Venture), UNM Foundation (Joint Venture) |
| 2. | Subsidiaries | Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, AEC Cements & Constructions Limited |
| 3. | Enterprises controlled by the Company | 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 (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund), TPL (Cables) Gratuity Trust, TPL (Cables) Superannuation Fund |
| 4. | Holding company / enterprises controlled by the holding company | Torrent Private Limited (Holding Company), Torrent Pharmaceuticals Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratorios Torrent, S.A. de C.V., Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratorios Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals (Sikkim), Torrent Fincorp Private Limited, Torrent Pharma France S.A.S., Aptil Pharma Limited, ZYG Pharma Pvt. Ltd., GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited |
| 5. | Key management personnel | Sudhir Mehta Chairman Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son |
| 6. | Relatives of key management personnel | Samir Mehta Vice Chairman Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son |
| 7. | Enterprises controlled by key management personnel / relatives of key management personnel | Markand Bhatt Whole-time Director Nandini Bhatt, Wife Arvindbhai Bhatt, Brother Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son |
| | | Jinal Mehta Whole-time Director Nirja Mehta, Wife Sudhir Mehta, Father Anita Mehta, Mother Varun Mehta, Brother Saira Mehta, Daughter Rishaan Mehta, Son |
| | | U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited (upto 31 st December,2014), Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Architects, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal |

50. Donations include political contributions as under :

| | (₹ in Crore) | |
|----------------------------|--|--|
| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
| Satya Electoral Trust | 10.00 | - |
| Bhartiya Janata Party | - | 3.00 |
| Indian National Congress | - | 1.00 |
| Nationalist Congress Party | - | 1.00 |

51. Corporate Social Responsibility expenditure

- (a) Gross amount required to be spent by the company during the year – ₹9.46 Crore. (Previous year ₹15.79 Crore)
- (b) Amount spent during the year on:

| | (₹ in Crore) | | |
|---|-------------------------|------------------------|-------------------------|
| | In cash | Yet to be paid in cash | Total |
| (i) Construction / acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 10.22 | - | 10.22 |
| | (Previous year - 16.30) | | (Previous year - 16.30) |

- 52.** Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013 are given under the respective heads.
- 53.** Subject to note 26 above, the figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

Figures are rounded off to nearest lakh. Figures below ₹50,000 are denoted by ‘*’.

Signature to Note 1 to 53

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayarathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

Consolidated Financial Statements 2015-16

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TORRENT POWER LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

The Institute of Chartered Accounts of India (“ICAI”) has issued the Guidance Note on Accounting for Rate Regulated Activities (“Guidance Note”) in February 2015 for accounting periods beginning on or after 1st April, 2015 (early adoption is permitted). As the Company is required to adopt the Indian Accounting Standards (IND AS) with effect from 1st April 2016, the accounting policies followed in FY 2015-16 will be considered as previous GAAP for the purpose of IND AS 114 “Regulatory Deferral Accounts”. The IND AS 114 permits an entity to elect or not elect to follow the requirement stated therein; such election being possible only if the entity has followed such accounting policy in its financial statements in accordance with its previous GAAP. The preface to the Guidance Note refers to IND AS 114 and explains the purpose of this Guidance Note which, inter-alia, provides for smooth transition to those electing for IND AS 114. In this context, the Company has represented that they will not be electing to follow IND AS 114 from FY 2016-17 (as permitted by IND AS 114) and expects to continue its current accounting policy of not recognizing such deferral account balances. Further, the Guidance Note is only recommendatory in nature. Therefore, the Company has chosen not to follow the requirements of this Guidance Note for the FY 2015-16 for the reasons stated herein.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors’ reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’s and subsidiary companies incorporated in India internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.

- (ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring the amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **TORRENT POWER LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained of the subsidiary companies, which are companies incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
18th May, 2016

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

(₹ in Crore)

| | Note | As at 31 st March, 2016 | As at 31 st March, 2015 |
|-------------------------------------|------|---------------------------------------|---------------------------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 480.62 | 472.45 |
| Reserves and surplus | 3 | 7,054.55 | 6,083.21 |
| | | 7,535.17 | 6,555.66 |
| Minority interest | | | |
| | | 31.05 | 30.83 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 8,243.74 | 8,255.89 |
| Deferred tax liabilities (net) | 36 | 966.51 | 857.58 |
| Other long-term liabilities | 5 | 1,024.27 | 1,085.88 |
| Long-term provisions | 6 | 80.10 | 72.60 |
| | | 10,314.62 | 10,271.95 |
| Current liabilities | | | |
| Short-term borrowings | 7 | - | 109.57 |
| Trade payables | 8 | | |
| Due to micro and small enterprises | | 3.12 | 2.11 |
| Due to others | | 732.15 | 631.77 |
| Other current liabilities | 9 | 938.88 | 1,802.21 |
| Short-term provisions | 6 | 40.62 | 228.39 |
| | | 1,714.77 | 2,774.05 |
| | | 19,595.61 | 19,632.49 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| Tangible assets | | 15,293.45 | 15,070.22 |
| Intangible assets | | 6.71 | 8.02 |
| Capital work-in-progress | | 213.02 | 233.03 |
| Intangible assets under development | | 3.10 | - |
| | | 15,516.28 | 15,311.27 |
| Goodwill on consolidation | 30 | 10.00 | 10.00 |
| Non-current investments | 11 | 5.00 | 3.67 |
| Long-term loans and advances | 12 | 723.55 | 159.24 |
| Other non-current assets | 13 | 0.67 | 1.90 |
| | | 16,255.50 | 15,486.08 |
| Current assets | | | |
| Current investments | 14 | 503.92 | 602.90 |
| Inventories | 15 | 417.41 | 259.71 |
| Trade receivables | 16 | 1,056.98 | 892.38 |
| Cash and bank balances | 17 | 779.65 | 1,770.28 |
| Short-term loans and advances | 12 | 202.23 | 136.57 |
| Other current assets | 18 | 379.92 | 484.57 |
| | | 3,340.11 | 4,146.41 |
| | | 19,595.61 | 19,632.49 |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Crore)

| | Note | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|------|--|--|
| Income | | | |
| Revenue from operations | 19 | 11,722.58 | 10,396.03 |
| Less: Excise duty | | 35.37 | - |
| | | 11,687.21 | 10,396.03 |
| Other income | 20 | 272.03 | 366.24 |
| Total revenue | | 11,959.24 | 10,762.27 |
| Expenses | | | |
| Electrical energy purchased | | 3,306.16 | 4,704.03 |
| Traded goods purchased | | 0.05 | - |
| Cost of materials consumed | 21 | 221.75 | - |
| Changes in inventories of finished goods and work-in-progress | | 6.83 | - |
| Employee benefits expense | 22 | 401.24 | 348.38 |
| Operation and other expenses | 23 | 4,760.76 | 3,263.72 |
| Finance costs | 24 | 1,134.56 | 962.29 |
| Depreciation and amortization expense | 25 | 921.63 | 757.41 |
| Transfer from service line contribution, APDRP grant and others | | (44.14) | (36.91) |
| Depreciation and amortization expense (net) | | 877.49 | 720.50 |
| Total expenses | | 10,708.84 | 9,998.92 |
| Profit before exceptional items and tax | | 1,250.40 | 763.35 |
| Exceptional items | 39 | 7.41 | 22.99 |
| Profit before tax | | 1,242.99 | 740.36 |
| Tax expenses | | | |
| Current tax | | 265.63 | 232.85 |
| Deferred tax | | 106.94 | 144.89 |
| Short / (excess) provision of current tax for earlier years | | 3.21 | (0.05) |
| | | 375.78 | 377.69 |
| Profit after tax | | 867.21 | 362.67 |
| Minority interest | | 1.61 | 2.98 |
| Profit after tax and minority interest | | 865.60 | 359.69 |
| Basic and diluted earnings per share of face value of ₹10 each (in ₹) | 37 | 18.01 | 7.61 |
| See accompanying notes forming part of the consolidated financial statements | | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

Consolidated Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Cash flow from operating activities | | |
| Profit before tax | 1,242.99 | 740.36 |
| Adjustments for : | | |
| Depreciation and amortization | 877.49 | 720.50 |
| Provision of earlier years written back | (280.53) | (237.54) |
| Provisions for doubtful debts no longer required | (4.97) | (16.93) |
| Provisions for doubtful advances no longer required | (2.70) | (0.40) |
| Loss on sale / discarding of fixed assets | 11.79 | 22.81 |
| Profit on sale of fixed assets | (3.68) | (1.93) |
| Exceptional items | 7.41 | 22.99 |
| Provision for doubtful debts and advances | 4.90 | 0.28 |
| Finance costs | 1,134.56 | 962.29 |
| Interest income | (108.84) | (165.76) |
| Provision for diminution in investment | 0.02 | - |
| Net unrealised loss / (gain) on foreign currency transactions | 15.64 | (51.43) |
| Operating profit before working capital changes | 2,894.08 | 1,995.24 |
| Movement in working capital: | | |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 108.50 | (1.54) |
| Long-term provisions | 6.14 | 6.53 |
| Short-term provisions | 14.83 | 13.77 |
| Other current liabilities | 51.68 | 181.56 |
| Other long-term liabilities | 199.92 | 209.85 |
| Adjustments for decrease / (increase) in operating assets: | | |
| Trade receivables | (95.70) | (72.14) |
| Inventories | (101.64) | 30.47 |
| Long-term loans and advances | (254.36) | 0.32 |
| Short-term loans and advances | (40.58) | (22.65) |
| Other current assets | 53.97 | 29.72 |
| Cash generated from operations | 2,836.84 | 2,371.11 |
| Taxes paid | (316.70) | (119.68) |
| Net cash flow from operating activities | 2,520.14 | 2,251.43 |
| Cash flow from investing activities | | |
| Purchase of fixed assets including capital work-in-progress | (1,314.67) | (1,379.60) |
| Long-term loans and advances for capital assets | (308.87) | 122.08 |
| Sale of fixed assets | 10.07 | 17.02 |
| Purchase of non-current investments | (1.32) | (1.30) |
| Investment in joint ventures | (0.03) | (0.03) |
| Investments in bank deposits (having maturity more than three months) | - | (64.18) |
| Redemption in bank deposits (having maturity more than three months) | 575.26 | - |
| Interest received | 140.02 | 148.19 |
| Bank balances / deposits not considered as cash and cash equivalents | (4.29) | (0.01) |
| Net cash used in investing activities | (903.83) | (1,157.83) |

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|--|--|--|
| Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 7,732.91 | 538.22 |
| Proceeds from short-term borrowings | 900.00 | 109.57 |
| Repayment of long-term borrowings | (792.78) | (762.92) |
| Prepayment of long-term borrowings | (7,632.02) | - |
| Repayment of short-term borrowings | (109.78) | - |
| Prepayment of short-term borrowings | (900.00) | - |
| Repayment of APDRP loan | (3.82) | (3.82) |
| Service line contribution | 168.55 | 114.86 |
| Dividend paid | (285.51) | (25.25) |
| Corporate dividend tax paid | (58.72) | (6.80) |
| Finance costs paid | (1,158.30) | (1,169.36) |
| Net cash generated from / (used) in financing activities | (2,139.47) | (1,205.50) |
| Net (decrease) / increase in cash and cash equivalents | (523.16) | (111.90) |
| Cash and cash equivalents as at beginning of the year | 1,567.10 | 1,679.00 |
| Cash and cash equivalents of amalgamating company (note 26) | 2.71 | - |
| Cash and cash equivalents as at end of the year | 1,046.65 | 1,567.10 |
| See accompanying notes forming part of the consolidated financial statements | | |
| Notes: | | |
| 1. Cash and cash equivalents as at end of the year: | | |
| Cash on hand | 1.09 | 1.25 |
| Cheques, drafts on hand | 2.49 | 3.26 |
| With banks | | |
| In current accounts | 111.34 | 119.66 |
| In deposit accounts | 427.81 | 840.03 |
| Cash and cash equivalents (note 17) | 542.73 | 964.20 |
| Current investments (investments in mutual funds) (note 14) | 503.92 | 602.90 |
| | <u>1,046.65</u> | <u>1,567.10</u> |
| 2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement". | | |
| 3. "Proceeds from long-term borrowings" and "Purchase of fixed assets including capital work-in-progress" are excluding unrealised foreign exchange loss of ₹15.90 Crore (Previous year - ₹10.18 Crore). | | |
| 4. The scheme of amalgamation does not involve any cash outflow, since the consideration to the shareholders of the transferor companies were through issue of equity shares (note 26). | | |

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 18th May, 2016

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director - Corporate Affairs & CFO

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of consolidated financial statements:

The consolidated financial statements have been prepared by consolidating financial statements of the subsidiaries Torrent Power Grid Limited, Torrent Pipavav Generation Limited and Torrent Solargen Limited with Torrent Power Limited, in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for investments in Associates in the Consolidated Financial Statements). The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

1.2 Principles of consolidation:

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances / transactions.

These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidated financial statements are presented, in the same format as that adopted by holding company for its separate financial statements.

The difference between the cost to the Company of its investments in subsidiaries and its proportionate share in the equity of the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in equity, subsequent to the date of investment.

1.3 Use of estimates:

The preparation of consolidated financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

1.4 Capital receipts:

- (i) Grant received under the Accelerated Power Development and Reforms Programme (APDRP) of the Ministry of Power, Government of India, is treated as capital receipt and accounted as capital reserve.
- (ii) Service line contributions received from consumers are treated as capital receipt and accounted as capital reserve.
- (iii) Contribution received from Gujarat Mineral Development Corporation Limited towards construction of overhead lines is treated as capital receipt and accounted as capital reserve.

1.5 Fixed assets:

Tangible fixed assets:-

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred up to the date the asset is ready for its intended use. Allocation of indirect expenses to capital account is done on the basis of technical evaluation by the management.

Intangible assets :-

Certain computer software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

1.6 Impairment of fixed assets:

Fixed 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 net selling price and value in use.

1.7 Borrowing costs:

Borrowing costs comprising interest, finance charges etc. to the extent related / attributed to the qualifying assets, 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. Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

1.8 Depreciation and amortization:

- (i) 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.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution, APDRP grant received and others.
- (iii) In respect of fixed assets pertaining to Ahmedabad Power Plant (AMGEN), Ahmedabad Distribution and Surat Distribution, depreciation is provided on straight line method at the rates as per CERC regulations as applicable in the year of addition.
- (iv) In respect of assets pertaining to Agra and Bhiwandi Distribution Circles, depreciation is provided on straight line method at the rates mentioned below, as provided in the Distribution Franchise Agreement which are higher than the effective rates prescribed under Schedule II to the Companies Act, 2013:

| | |
|--|--------|
| Transformers, Switchgears & Equipments | 7.84% |
| Meters | 12.77% |
| Distribution Systems - Overhead | 7.84% |
| - Underground | 5.27% |
| Others | 7.84% |
| Vehicles | 33.40% |
| Electrical fittings, Apparatus, Furniture & Fixtures, Communication equipments and Office equipments | 12.77% |

- (v) In respect of assets pertaining to SUGEN Power Plant (SUGEN), UNOSUGEN Power Plant (UNOSUGEN), DGEN Power Plant at Dahej SEZ (DGEN), Dahej Distribution, Torrent Power Grid Limited and Torrent Pipavav Generation Limited, depreciation is provided on straight line method considering the rates and the methodology provided in CERC (Terms and Conditions of Tariff) Regulations, 2014.

- (vi) In respect of assets pertaining to Windmill (Jamnagar), depreciation is provided on straight line method at the rates and as per the methodology mentioned in CERC Order - CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012 dated 27th March, 2012.
- (vii) In respect of assets pertaining to Solar Power Plant at Charanka Solar Park and GENSU Solar Power Plant (GENSU), depreciation is provided on straight line method at the rates and as per the methodology mentioned in GERC Order – GERC (Determination of Tariff for Procurement by the Distribution Licensees and others from Solar Energy Projects) dated 27th January, 2012 and 17th August, 2015 respectively.
- (viii) In respect of assets pertaining to Cables unit, depreciation is provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (ix) Leasehold land is amortized over the lease period.
- (x) Computer software costs are amortized over its useful life which is estimated at 3 years.

1.9 Investments:

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments.

1.10 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.11 Inventories:

Inventories of stores, spare parts, coal, fuel and loose tools are valued at weighted average cost and net realizable value whichever is lower. Cost of inventories includes cost of purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories with respect to Cables unit are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on first-in-first-out (FIFO) basis and includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. The cost of work-in-progress and finished goods is determined on full absorption costing method and comprises of raw materials and other direct costs and related production overheads and, where applicable, excise duty. Scrap is valued at net realisable value.

1.12 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under “Other Current Assets” as unbilled revenue. Further, in view of the uncertainties involved in the recoverability, the Company accounts for the quarterly fuel and power purchase price adjustment claims as and when allowed by the regulatory authorities and truing-up adjustment claims as and when billed to the consumers.
- (ii) Sales with respect to Cables unit are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax and value added tax.
- (iii) Gross proceeds from Certified Emission Reduction (CERs) is recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.
- (iv) Dividend is accounted when the right to receive payment is established.
- (v) Interest on overdue receivables of energy bills, insurance, coal and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.
- (vi) Revenue from cable laying services are recognised when the services are rendered and related costs are incurred.

1.13 Transactions in foreign currency:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) 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 except for such adjustment of exchange difference arising on long term foreign currency monetary items in so far they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets and depreciated over the remaining useful life of such assets.
- (v) Forward exchange contracts are not intended for trading purposes. In case of forward exchange contracts, difference between the forward rate and the exchange rate on the date of transaction is recognized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

1.14 Retirement and other employee benefits:

Retirement benefits in the form of provident fund, family pension fund and superannuation schemes, which are defined contribution schemes, are charged to the statement of profit and loss of the period in which the contributions to the respective funds accrue.

The Company has created employees group gratuity fund which has taken a group gratuity insurance policy from Life Insurance Corporation of India (LIC). Premium on the above policy as intimated by LIC is charged to the statement of profit and loss. The adequacy of balances available is compared with actuarial valuation obtained at the period-end and shortfall, if any, is provided for in the statement of profit and loss.

Provision for leave encashment is determined and accrued on the basis of actuarial valuation.

Actuarial gains and losses are immediately recognized in the statement of profit and loss and are not deferred.

1.15 Taxation:

Provision for current tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between accounting and taxable profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date. Deferred tax asset, on account of unabsorbed depreciation and carry forward losses are recognised only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realize the assets and on account of other asset is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

1.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

1.17 Provisions, contingent liabilities and contingent assets:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 are neither recognized nor disclosed in the consolidated financial statements.

1.18 Derivative contracts:

The Company enters into forward contracts in Copper and Aluminium to hedge itself against fluctuations in the prices of these commodities. The income / loss from these transactions is accrued at the time of settlement of the contract. Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India, the Company, in accordance with the principle of prudence as enunciated in Accounting Standard – 1, “Disclosure of Accounting Policies”, provides for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. Any net unrealized gains arising on such marking to market are not recognized as income, until realised on grounds of prudence.

1.19 Leases :

- (i) Operating: Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term.
- (ii) Finance: Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are capitalized at lower of fair value and the present value of minimum lease payments. Such assets are depreciated / amortized over the period of lease or estimated life of such assets, whichever is less.

NOTE - 2 : SHARE CAPITAL

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 | | |
|---|--|--|------------------------------------|-----------|
| Authorised | | | | |
| 4,37,00,00,000 (2,00,00,00,000 as at 31 st March, 2015) equity shares of ₹10 each | 4,370.00 | 2,000.00 | | |
| | <u>4,370.00</u> | <u>2,000.00</u> | | |
| The Authorised share capital was increased to 4,37,00,00,000 equity shares of ₹10 each pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13 th August, 2015. (note 26) | | | | |
| Issued, subscribed and paid up | | | | |
| 48,06,16,784 (47,24,48,308 as at 31 st March, 2015) equity shares of ₹10 each | 480.62 | 472.45 | | |
| | <u>480.62</u> | <u>472.45</u> | | |
| 1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year : | | | | |
| | No. of shares As at 31 st March, 2016 | No. of shares As at 31 st March, 2015 | | |
| At the beginning of the year | 47,24,48,308 | 47,24,48,308 | | |
| Issued during the year on account of amalgamation (note 26) | 81,68,476 | - | | |
| Outstanding at the end of the year | <u>48,06,16,784</u> | <u>47,24,48,308</u> | | |
| 2. 25,74,22,311 equity shares (25,24,38,986 equity shares as at 31 st March, 2015) of ₹10 each fully paid up are held by holding company - Torrent Private Limited. | | | | |
| 3. Terms / Rights attached to equity shares : | | | | |
| The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. | | | | |
| Dividend amount per share recognized as distributions to equity shareholders is ₹4.50 per equity share during the year ended 31 st March, 2016 (Previous year - ₹1.50 per equity share). | | | | |
| In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | | | |
| 4. Details of shareholders holding more than 5% shares in the Company : | | | | |
| Name of the Shareholder | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
| | No. of shares | % holding | No. of shares | % holding |
| Torrent Private Limited | 25,74,22,311 | 53.56% | 25,24,38,986 | 53.43% |
| Gujarat State Investment Limited | 4,68,71,621 | 9.75% | 4,68,71,621 | 9.92% |
| Life insurance Corporation of India | 3,41,62,884 | 7.11% | 3,80,29,637 | 8.05% |
| 5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash : | | | | |
| The Company has allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13 th August, 2015. (note 26) | | | | |

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Capital reserves | | |
| Service line contributions | | |
| As per last balance sheet | 654.21 | 573.40 |
| Add: Received during the year | 168.55 | 114.86 |
| | 822.76 | 688.26 |
| Less: Transfer to statement of profit and loss | 41.25 | 34.05 |
| | 781.51 | 654.21 |
| Less: Share of minority | 1.41 | 1.52 |
| | 780.10 | 652.69 |
| Grant in Aid under Accelerated Power Development and Reform Programme (APDRP) | | |
| As per last balance sheet | 35.15 | 37.86 |
| Less: Transfer to statement of profit and loss | 2.71 | 2.71 |
| | 32.44 | 35.15 |
| Securities premium reserve | | |
| As per last balance sheet | - | - |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 0.03 | - |
| | 0.03 | - |
| Debenture redemption reserve | | |
| As per last balance sheet | 71.43 | 47.62 |
| Add: Transfer from statement of profit and loss | 23.81 | 23.81 |
| | 95.24 | 71.43 |
| Statutory reserves | | |
| Contingency reserve | | |
| As per last balance sheet | 2.91 | 1.58 |
| Add: Transfer from statement of profit and loss | 1.65 | 1.62 |
| | 4.56 | 3.20 |
| Less: Excess of earlier year transferred to appropriation account | - | 0.29 |
| | 4.56 | 2.91 |
| Special reserve | | |
| As per last balance sheet | 78.07 | 78.07 |
| Other reserves | | |
| General reserve | | |
| As per last balance sheet | 3,479.80 | 3,479.80 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 103.66 | - |
| Add: Adjusted on amalgamation as at 1 st April, 2014 (note 26) | 0.43 | - |
| | 3,583.89 | 3,479.80 |
| Surplus in the statement of profit and loss | | |
| As per last balance sheet | 1,763.16 | 1,516.16 |
| Add: Received on amalgamation as at 1 st April, 2014 (note 26) | 56.12 | - |
| Add: Addition on amalgamation for the period 1 st April, 2014 to 31 st March, 2015 (note 26) | 81.66 | - |
| Add: Profit after tax and minority interest for the year | 865.60 | 359.69 |
| Add: Transfer from contingency reserve pertaining to previous years | - | 0.29 |
| | 2,766.54 | 1,876.14 |
| Less: Appropriations | | |
| Transfer to contingency reserve | 1.65 | 1.62 |
| Transfer to general reserve | - | - |
| Transfer to debenture redemption reserve | 23.81 | 23.81 |
| Interim dividend | 216.28 | - |
| Corporate dividend tax on interim dividend | 44.03 | 1.26 |
| Proposed dividend | - | 70.87 |
| Corporate dividend tax on proposed dividend | 1.28 | 15.42 |
| Reversal of corporate dividend tax of earlier years | (0.73) | - |
| Total appropriations | 286.32 | 112.98 |
| Net surplus in the statement of profit and loss | 2,480.22 | 1,763.16 |
| | 7,054.55 | 6,083.21 |

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

| | Non-current | | Current maturities | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Secured loans | | | | |
| Non convertible debentures | | | | |
| 10.35% Series 1 | 550.00 | 550.00 | - | - |
| 10.35% Series 2A, 2B & 2C [#] | 300.00 | 300.00 | - | - |
| | <u>850.00</u> | <u>850.00</u> | <u>-</u> | <u>-</u> |
| Term loans | | | | |
| From banks | 6,809.93 | 5,247.76 | 288.45 | 715.88 |
| From financial institutions | 551.71 | 2,122.21 | 29.29 | 269.51 |
| | <u>7,361.64</u> | <u>7,369.97</u> | <u>317.74</u> | <u>985.39</u> |
| | <u>8,211.64</u> | <u>8,219.97</u> | <u>317.74</u> | <u>985.39</u> |
| Unsecured loans | | | | |
| Term loans | | | | |
| From Government of India under Accelerated Power Development and Reform Programme (APDRP) | 32.10 | 35.92 | 3.82 | 3.82 |
| | <u>32.10</u> | <u>35.92</u> | <u>3.82</u> | <u>3.82</u> |
| | <u>8,243.74</u> | <u>8,255.89</u> | <u>321.56</u> | <u>989.21</u> |
| Amount disclosed under the head "Other current liabilities" (note 9) | - | - | (321.56) | (989.21) |
| | <u>8,243.74</u> | <u>8,255.89</u> | <u>-</u> | <u>-</u> |

Rate changed from 10.10% to 10.35% w.e.f. 11th December, 2015.

- The Company has changed the security provided to the lenders during the year. 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 ₹7,557.00 Crore and non convertible debentures of ₹850.00 Crore.
- Amount of term loan of ₹122.38 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Trade payables | 236.18 | 380.58 |
| Others | | |
| Security deposits from consumers | 787.42 | 704.54 |
| Payables on purchase of fixed assets | - | 0.14 |
| Sundry payables | 0.67 | 0.62 |
| | <u>1,024.27</u> | <u>1,085.88</u> |

NOTE - 6 : PROVISIONS

(₹ in Crore)

| | Long-term | | Short-term | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Provision for employee benefits (note 34) | | | | |
| Provision for gratuity | 1.49 | 0.39 | 18.44 | 7.43 |
| Provision for leave encashment | 78.61 | 72.21 | 20.51 | 16.34 |
| | <u>80.10</u> | <u>72.60</u> | <u>38.95</u> | <u>23.77</u> |
| Other provisions | | | | |
| Provision for taxation (net of advance tax and TDS) | - | - | - | 118.33 |
| Provision for indirect tax | - | - | 0.39 | - |
| Proposed dividend | - | - | - | 70.87 |
| Provision for corporate dividend tax | - | - | 1.28 | 15.42 |
| | - | - | 1.67 | 204.62 |
| | <u>80.10</u> | <u>72.60</u> | <u>40.62</u> | <u>228.39</u> |

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Secured loans | | |
| Cash credit from banks | - | - |
| Overdraft against fixed deposits from banks (secured by way of lien mark on fixed deposits) | - | 109.57 |
| | <u>-</u> | <u>109.57</u> |

The Company has changed the security provided to the working capital lenders during the year. The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.

NOTE - 8 : TRADE PAYABLES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Trade payables for goods and services | | |
| Due to micro and small enterprises [#] | 3.12 | 2.11 |
| Due to others | 732.15 | 631.77 |
| | <u>735.27</u> | <u>633.88</u> |

Amount due to micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the company.

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Current maturities of long-term debt (note 4) | 321.56 | 989.21 |
| Interest accrued but not due on loans and security deposits | 2.06 | 22.22 |
| Investor education and protection fund [#] | | |
| Unpaid / Unclaimed dividend | 10.75 | 6.30 |
| Unclaimed fractional coupons | 0.42 | - |
| Book overdraft | 33.39 | 25.76 |
| Other payables | | |
| Credit balances of consumers | 68.09 | 72.04 |
| Service line and security deposits from consumers | 172.33 | 155.63 |
| Deposits | 4.38 | 3.81 |
| Statutory dues | 23.45 | 25.02 |
| Payables on purchase of fixed assets | 146.57 | 380.20 |
| Sundry payables | 155.88 | 122.02 |
| | <u>938.88</u> | <u>1,802.21</u> |

The investor education and protection fund is credited by the amount unclaimed and outstanding on the relevant due date.

NOTE - 10 : FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION AND AMORTIZATION | | | NET BLOCK | | | | | | |
|---|-----------------------------------|---|---------------------------|-------------------------------|----------------|------------------------------------|-----------------------------------|---|---------------|----------------------------|------------------------------------|------------------------------------|------------------|
| | As at 1 st April, 2015 | Received on amalgamation (note 8 below) | Additions during the year | Deductions during the year | Adjustments | As at 31 st March, 2016 | As at 1 st April, 2015 | Received on amalgamation (note 8 below) | For the year | Deductions during the year | As at 31 st March, 2016 | As at 31 st March, 2015 | |
| I. Tangible assets | | | | | | | | | | | | | |
| Land | | | | | | | | | | | | | |
| (a) Freehold | 326.48 | 0.38 | 31.95 | - | - | 358.81 | - | - | - | - | 358.81 | 326.48 | |
| (b) Leasehold | 201.03 | - | 0.87 | - | - | 201.90 | 25.48 | - | 5.71 | - | 170.71 | 175.55 | |
| Buildings | 2,019.67 | 31.49 | 105.68 | 0.35 | 0.65 | 2,157.14 | 236.52 | 16.30 | 80.55 | 0.30 | 333.07 | 1,783.15 | |
| Railway siding | 2.46 | - | - | 0.03 | - | 2.43 | 0.58 | - | 0.05 | 0.01 | 0.62 | 1.88 | |
| Plant and machinery | | | | | | | | | | | | | |
| (a) Steam station | 4,594.78 | - | 10.93 | 3.97 | 22.10 | 4,623.84 | 1,112.86 | - | 236.74 | 1.17 | 1,348.43 | 3,481.92 | |
| (b) Others including switchgears and transformers | 7,486.16 | 84.07 | 670.40 | 29.50 | (87.47) | 8,123.66 | 1,107.98 | 54.20 | 406.71 | 17.38 | 1,551.51 | 6,378.18 | |
| Transmission and distribution systems | | | | | | | | | | | | | |
| (a) Overhead | 1,079.16 | - | 30.85 | 0.02 | 0.73 | 1,110.72 | 290.00 | - | 59.35 | (0.05) | 349.40 | 789.16 | |
| (b) Underground | 2,654.93 | (1.96) | 303.95 | 1.54 | 0.67 | 2,956.05 | 689.18 | - | 110.00 | 0.56 | 798.62 | 1,965.75 | |
| Electrical fittings and apparatus | 68.53 | 2.46 | 9.03 | 0.36 | 0.01 | 79.67 | 26.06 | 1.97 | 4.84 | 0.21 | 32.66 | 42.47 | |
| Furniture and fixtures | 33.38 | 1.44 | 2.36 | 0.12 | - | 37.06 | 13.92 | 1.18 | 2.16 | 0.07 | 17.19 | 19.46 | |
| Office equipments | 147.54 | 1.71 | 4.95 | 0.90 | * | 153.30 | 52.30 | 1.57 | 10.45 | 0.60 | 63.72 | 89.58 | |
| Vehicles | 22.42 | 0.38 | 7.73 | 4.38 | - | 26.15 | 11.44 | 0.25 | 1.96 | 2.78 | 10.87 | 15.28 | |
| Total (I) | 18,636.54 | 119.97 | 1,178.70 | 41.17 | (63.31) | 19,830.73 | 3,566.32 | 75.47 | 918.52 | 23.03 | 4,537.28 | 15,293.45 | 15,070.22 |
| II. Intangible assets | | | | | | | | | | | | | |
| Software (Acquired) | 48.24 | - | 3.88 | 0.06 | - | 52.06 | 40.22 | - | 5.15 | 0.02 | 45.35 | 6.71 | 8.02 |
| Total (II) | 48.24 | - | 3.88 | 0.06 | - | 52.06 | 40.22 | - | 5.15 | 0.02 | 45.35 | 6.71 | 8.02 |
| Total (I+II) | 18,684.78 | 119.97 | 1,182.58 | 41.23 | (63.31) | 19,882.79 | 3,606.54 | 75.47 | 923.67 | 23.05 | 4,582.63 | 15,300.16 | |
| Previous year | 13,064.95 | - | 4,950.11 | 131.11 | 800.83 | 18,684.78 | 2,890.28 | - | 766.99 | 50.73 | 3,606.54 | 15,078.24 | 233.03 |
| III. Capital work-in-progress | | | | | | | | | | | | | |
| IV. Intangible assets under development | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
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Notes:

- Adjustments during the year includes borrowing costs of ₹2.88 Crore (Previous year - ₹753.33 Crore) and Capital work-in-progress includes borrowing costs of ₹0.05 Crore (31st March, 2015 - ₹0.56 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".
- Adjustments during the year includes ₹22.10 Crore (Previous year - ₹47.50 Crore) on account of foreign currency exchange difference.
- Adjustments during the year includes financial compensation received from the EPC contractor towards discharging the EPC contractor from the obligation to attend, complete or resolve the open points and the related warranty claims in terms of the original contract of ₹88.29 Crore (Previous year - ₹ Nil).
- Capital work-in-progress includes Pre-operative expenditure of ₹13.27 Crore (31st March, 2015 - ₹10.25 Crore) (note 31)
- The Company has leased a portion of its land to Torrent Pharmaceuticals Limited.
- Land includes freehold land amounting to ₹0.04 Crore (31st March, 2015 - ₹0.04 Crore) and leasehold land amounting to ₹11.32 Crore (31st March, 2015 - ₹13.89 Crore) for which documentations are in progress.
- Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a company under same management are as under:

| Particulars | Proportion of holding | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---------------|-----------------------|------------------------------------|------------------------------------|
| Freehold land | 50% | 23.78 | 23.78 |
| Freehold land | 70% | 83.16 | 83.16 |
| Buildings | 70% | 1.36 | 1.36 |

- Includes gross block and accumulated depreciation on assets taken over by company on amalgamation as on 1st April, 2014 and additions, deductions and depreciation for the year ended 31st March, 2015. (note 26)

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

| | No. of shares As at 31 st March, 2016 | No. of shares As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|--|--|---------------------------------------|---------------------------------------|
| Trade investments (valued at cost unless stated otherwise) | | | | |
| Investment in equity instruments (unquoted) | | | | |
| Associates | | | | |
| Tidong Hydro Power Limited | | | | |
| Equity shares of ₹10 each fully paid up | 24,500 | 24,500 | 0.02 | 0.02 |
| Less: Provision for diminution in value of investment | | | 0.02 | - |
| AEC Cements & Constructions Limited | | | | |
| Equity shares of ₹10 each fully paid up | - | 6,11,500 | - | 0.61 |
| Less: Provision for diminution in value of investment | | | - | 0.61 |
| | | | - | 0.02 |
| Subsidiary | | | | |
| AEC Cements & Constructions Limited | | | | |
| Equity shares of ₹10 each fully paid up | 9,61,500 [#] | - | 0.61 | - |
| Less: Provision for diminution in value of investment | | | 0.61 | - |
| | | | - | - |
| | | | - | 0.02 |
| Non trade investments (valued at cost unless stated otherwise) | | | | |
| Investment in equity instruments (unquoted) | | | | |
| Joint ventures | | | | |
| Tornascent Care Institute [@] | | | | |
| Equity shares of ₹10 each fully paid up | 25,000 | 25,000 | 0.03 | 0.03 |
| UNM Foundation [@] | | | | |
| Equity shares of ₹10 each fully paid up | 25,000 | - | 0.03 | - |
| | | | 0.06 | 0.03 |
| Contingency reserve investments - statutory (quoted) | | | | |
| 8.28% GOI Bond - 2032 | | | 0.99 | 0.99 |
| 8.32% GOI Bond - 2032 | | | 0.32 | 0.32 |
| 8.97% GOI Bond - 2030 | | | 1.01 | 1.01 |
| 8.28% GOI Bond - 2027 | | | 1.30 | 1.30 |
| 7.35% GOI Bond - 2024 | | | 1.32 | - |
| | | | 4.94 | 3.62 |
| | | | 5.00 | 3.65 |
| | | | 5.00 | 3.67 |
| Aggregate amount of quoted investments | | | 4.94 | 3.62 |
| Aggregate amount of unquoted investments | | | 0.06 | 0.05 |
| | | | 5.00 | 3.67 |
| Aggregate provision for diminution in value of investments | | | 0.63 | 0.61 |
| Aggregate amount of market value of quoted investments | | | 5.22 | 3.92 |
| # Includes 3,50,000 shares of ₹10 each, fully paid-up, in AEC Cements & Constructions Limited pursuant to the scheme of amalgamation of Torrent Cables Limited (TCL). TCL has written off this investments in its books during financial year 2012-13. Considering the combined holding, AEC Cements & Constructions Limited became subsidiary of the Company. | | | | |
| @ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 Company, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities. | | | | |

NOTE - 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

| | Long-term | | Short-term | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Capital advances | 438.57 | 129.71 | - | - |
| Deposits | 15.06 | 13.92 | 4.07 | 27.49 |
| Loans and advances to related parties | | | | |
| Considered good | - | - | - | - |
| Considered doubtful | - | - | - | 2.70 |
| | - | - | - | 2.70 |
| Less : Provision for doubtful advances to related parties | - | - | - | 2.70 |
| | - | - | - | - |
| Other loans and advances | | | | |
| Advance tax and tax deducted at source (net of provision for income tax) | - | - | 11.32 | - |
| Advances for goods and services | 269.17 | 14.25 | 150.63 | 51.72 |
| Balance with government authority | * | 0.50 | 1.54 | 0.58 |
| Prepaid expenses | 0.73 | 0.86 | 7.62 | 6.99 |
| Other loans and advances | | | | |
| Considered good | 0.02 | - | 27.05 | 49.79 |
| Considered doubtful | - | - | 2.32 | 2.32 |
| | 269.92 | 15.61 | 200.48 | 111.40 |
| Less : Provision for doubtful advances | - | - | 2.32 | 2.32 |
| | 269.92 | 15.61 | 198.16 | 109.08 |
| | <u>723.55</u> | <u>159.24</u> | <u>202.23</u> | <u>136.57</u> |

NOTE - 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Bank fixed deposits balance (note 17) | 0.67 | 1.90 |
| Interest accrued on deposits | * | * |
| | <u>0.67</u> | <u>1.90</u> |

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

| | No. of units As at 31 st March, 2016 | No. of units As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---|---|---------------------------------------|---------------------------------------|
| Investment in mutual funds (unquoted) | | | | |
| Axis Liquid Fund - Growth (of ₹1,000 each) | 81,736 | - | 13.65 | - |
| HDFC Liquid Fund - Growth (of ₹1,000 each) | - | 1,16,36,716 | - | 31.80 |
| IDFC Cash Fund - Growth - (Regular Plan) (of ₹1,000 each) | 4,60,185 | 6,60,830 | 83.94 | 110.70 |
| ICICI Liquid Plan - Regular - Growth (of ₹100 each) | 26,10,445 | 38,54,061 | 58.20 | 79.53 |
| Kotak Liquid Scheme Plan A - Growth (of ₹1,000 each) | 3,99,090 | 4,95,192 | 122.11 | 111.73 |
| L&T Liquid Fund - Growth (of ₹1,000 each) | 3,63,470 | - | 75.22 | - |
| SBI PLF - Regular Plan Growth (of ₹1,000 each) | 6,36,802 | 5,47,996 | 150.80 | 117.12 |
| Tata Liquid Fund Plan A - Growth (of ₹1,000 each) | - | 5,99,003 | - | 152.02 |
| | | | <u>503.92</u> | <u>602.90</u> |
| [Aggregate NAV of investment in mutual funds ₹505.94 Crore (31 st March, 2015 - ₹612.38 Crore)] | | | | |
| Aggregate amount of quoted investments | | | - | - |
| Aggregate amount of unquoted investments | | | <u>503.92</u> | <u>602.90</u> |
| | | | <u>503.92</u> | <u>602.90</u> |
| Aggregate provision for diminution in value of investments | | | - | - |
| Aggregate amount of market value of quoted investments | | | - | - |

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|------------------------------|---------------------------------------|---------------------------------------|
| Coal, oil, stores and spares | 379.53 | 259.24 |
| Raw material | 26.49 | - |
| Work-in-progress | 6.26 | - |
| Finished goods | 3.54 | - |
| Packing materials | 0.99 | - |
| Loose tools | 0.60 | 0.47 |
| | <u>417.41</u> | <u>259.71</u> |

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Debts outstanding for a period exceeding six months from due date | | |
| Secured - Considered good | 6.75 | 6.12 |
| Unsecured - Considered good | 62.60 | 52.78 |
| - Considered doubtful | 80.94 | 67.99 |
| | 150.29 | 126.89 |
| Other debts | | |
| Secured - Considered good | 396.07 | 362.47 |
| Unsecured - Considered good | 591.56 | 471.01 |
| - Considered doubtful | 48.79 | 61.64 |
| | 1,036.42 | 895.12 |
| Less: Provision for doubtful debts | 129.73 | 129.63 |
| | 1,056.98 | 892.38 |

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

| | Non-current | | Current | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2016 | As at 31 st March, 2015 | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Cash and cash equivalents | | | | |
| Balances with banks | | | | |
| Balance in current accounts | - | - | 111.34 | 119.66 |
| Balance in fixed deposit accounts (remaining maturity of less than three months) | - | - | 427.81 | 840.03 |
| | - | - | 539.15 | 959.69 |
| Cheques, drafts on hand | - | - | 2.49 | 3.26 |
| Cash on hand | - | - | 1.09 | 1.25 |
| | - | - | 542.73 | 964.20 |
| Other bank balances | | | | |
| Unpaid dividend accounts | - | - | 10.75 | 6.30 |
| Unpaid fractional coupon accounts | - | - | 0.42 | - |
| Balance in fixed deposit accounts [#] (remaining maturity for more than three months but less than twelve months) | - | - | 225.75 | 799.78 |
| Balance in fixed deposit accounts (remaining maturity for more than twelve months) | 0.67 | 1.90 | - | - |
| | 0.67 | 1.90 | 236.92 | 806.08 |
| Amount disclosed under the head "other non-current assets" (note 13) | (0.67) | (1.90) | - | - |
| | - | - | 779.65 | 1,770.28 |

includes ₹205.10 Crore (31st March, 2015 - ₹171.43 Crore) on which lien was created in favour of lenders.**NOTE - 18 : OTHER CURRENT ASSETS**

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Interest accrued on investments | 0.10 | 0.25 |
| Interest accrued on deposits | 14.28 | 45.30 |
| Unbilled revenue | 283.66 | 419.20 |
| Other receivables | 81.88 | - |
| Receivable on sale of fixed assets | - | 19.51 |
| Forward contract receivable | - | 0.31 |
| | 379.92 | 484.57 |

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Revenue from power supply | 10,960.81 | 10,141.91 |
| Revenue from sale of cable products | | |
| Manufactured goods | 332.10 | - |
| | 11,292.91 | 10,141.91 |
| Less: Revenue capitalised for sale of infirm power | - | 154.93 |
| | 11,292.91 | 9,986.98 |
| Other operating income | | |
| Street lighting maintenance contracts | 1.31 | 2.17 |
| Cable lying service | 0.05 | - |
| Hire of meters | 49.64 | 48.28 |
| Provision of earlier years written back (note 40) | 280.53 | 237.54 |
| Provision for doubtful debts no longer required | 4.97 | 16.93 |
| Provision for doubtful advances no longer required | 2.70 | 0.40 |
| Recovery of bad debts | 25.55 | 32.75 |
| Insurance claim receipt | 3.66 | 0.49 |
| Income from Certified Emission Reduction (CERs) | - | 1.76 |
| Income from Renewable Energy Certificate & Generation Based Incentive | 10.98 | 10.28 |
| Miscellaneous income | 50.28 | 58.45 |
| | 429.67 | 409.05 |
| | 11,722.58 | 10,396.03 |

NOTE - 20 : OTHER INCOME

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Interest income from | | |
| Deposits | 77.07 | 144.16 |
| Consumers | 31.26 | 21.27 |
| Contingency reserve investments | 0.36 | 0.26 |
| Others | 0.15 | 0.07 |
| | 108.84 | 165.76 |
| Miscellaneous income | 88.87 | 80.38 |
| Profit on sale of fixed assets | 3.68 | 1.93 |
| Profit on sale of current investments | 70.64 | 64.29 |
| Net gain on foreign currency transactions | - | 53.88 |
| | 272.03 | 366.24 |

NOTE - 21 : COST OF MATERIALS CONSUMED

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|----------------------------------|--|--|
| Cost of materials consumed | 297.92 | - |
| Less: Allocated to capital works | 76.17 | - |
| | <u>221.75</u> | <u>-</u> |

NOTE - 22 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Salaries, wages and bonus | 443.21 | 389.63 |
| Contribution to provident and other funds | 26.93 | 21.76 |
| Employees welfare expenses | 21.58 | 18.80 |
| Gratuity and leave encashment | 39.91 | 41.89 |
| | <u>531.63</u> | <u>472.08</u> |
| Less: Allocated to capital works, repairs and other relevant revenue accounts | 130.39 | 123.70 |
| | <u>401.24</u> | <u>348.38</u> |

NOTE - 23 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Fuel | 3,862.08 | 2,841.61 |
| Consumption of stores and spares | 167.69 | 199.04 |
| Consumption of packing materials | 14.00 | - |
| Rent and hire charges | 10.67 | 13.12 |
| Repairs to | | |
| Buildings | 14.24 | 12.29 |
| Plant and machinery | 269.87 | 258.22 |
| Others | 10.15 | 8.11 |
| | <u>294.26</u> | <u>278.63</u> |
| Insurance | 19.99 | 17.16 |
| Rates and taxes | 8.46 | 9.22 |
| Miscellaneous expenses | 200.33 | 163.17 |
| Discount for prompt payment of bills | 49.68 | 47.71 |
| Loss on sale / discarding of fixed assets | 11.79 | 22.81 |
| Commission to non-executive directors | 1.28 | 0.90 |
| Directors sitting fees | 0.96 | 0.70 |
| Statutory auditors remuneration (note 35) | 1.36 | 1.35 |
| Legal, professional and consultancy fees | 49.51 | 20.08 |
| Donations | 24.77 | 24.68 |
| Net loss on foreign currency transactions | 16.26 | 7.44 |
| Bad debts written off | 87.81 | 45.46 |
| Provision for doubtful debts and advances | 4.90 | 0.28 |
| | <u>4,825.80</u> | <u>3,693.35</u> |
| Less: Allocated to capital works, repairs and other relevant revenue accounts | 65.04 | 429.63 |
| | <u>4,760.76</u> | <u>3,263.72</u> |

NOTE - 24 : FINANCE COSTS

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|----------------------------------|--|--|
| Interest expense | | |
| Term loans | 946.51 | 1,018.43 |
| Non convertible debentures | 87.45 | 87.23 |
| Working capital loans | 2.73 | 0.15 |
| Security deposits from consumers | 60.58 | 57.29 |
| Others | 1.38 | 0.04 |
| Other borrowing costs | 39.48 | 1.16 |
| | <u>1,138.13</u> | <u>1,164.30</u> |
| Less: Allocated to capital works | 3.57 | 202.01 |
| | <u>1,134.56</u> | <u>962.29</u> |

NOTE - 25 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---------------------------------------|--|--|
| Depreciation and amortization expense | 923.67 | 766.99 |
| Less: Allocated to capital works | 2.04 | 9.58 |
| | <u>921.63</u> | <u>757.41</u> |

OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. Scheme of Amalgamation

The Hon'ble Gujarat High Court has approved a Composite Scheme of Amalgamation ("the Scheme") of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) and their respective shareholders and creditors ("the Scheme") under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") vide order dated 13th August, 2015. The Copy of the said order was filed with the Registrar of Companies on 1st October, 2015 ("Effective Date").

The swap ratio for the merger was 20:19 i.e. every 20 equity shares of ₹10 each of TCL entitled their holders to 19 equity shares of ₹10 each at par of TPL. In accordance with the swap ratio, the Company has allotted 81,68,476 equity shares of ₹10 each, at par, to the eligible shareholders of TCL. The shares were allotted on 23rd October, 2015 ("Date of Allotment") (note 2).

As per the Scheme, the amalgamation shall have legal effect and force from 1st April, 2014 ("the Appointed Date"). The scheme has accordingly been given effect to in these financial statements with effect from the Appointed Date.

TEL is in the business of Generation, Transmission and Distribution of Electricity. TEL being wholly owned subsidiary of the Company, the entire share capital of TEL has been cancelled against the shares held by TPL.

TCL is primarily engaged in the business of manufacturing and selling of Power Cables. ₹0.43 Crore, difference between share capital of TCL and face value of new equity shares allotted to the shareholders of TCL, has been credited to General Reserve.

The Company has followed Pooling of Interest Method of accounting as per the Accounting Standard 14 "Accounting for Amalgamations" as notified under section 211(3C) of the Act and as per the Scheme approved by the Hon'ble Gujarat High Court.

All the assets and liabilities, including reserves as at 1st April, 2014 of the TEL and TCL have been transferred to the Company at the book value as recorded in the books of transferor companies.

Assets and Liabilities of TCL transferred are as under:

| As at 1 st April, 2014 i.e. Appointed Date | (₹ in Crore) |
|---|---------------|
| Particulars | |
| Equity and Liabilities | |
| Share capital | 8.60 |
| Reserves and surplus | 159.80 |
| Deferred tax liabilities (net) | 3.03 |
| Long-term provisions | 1.21 |
| Short-term borrowings | 5.43 |
| Trade payables | 11.76 |
| Other current liabilities | 3.01 |
| Short-term provisions | 2.25 |
| Total | 195.09 |
| Assets | |
| Fixed assets (net) | 53.65 |
| Capital work-in-progress | 0.07 |
| Long-term loans and advances | 1.13 |
| Inventories | 37.99 |
| Trade receivables | 71.40 |
| Cash and bank balances | 23.99 |
| Short-term loans and advances | 6.73 |
| Other current assets | 0.13 |
| Total | 195.09 |

As the scheme has become effective from 1st October, 2015 the figures for the current period includes the operations of TCL. Accordingly, the figures for the year ended 31st March, 2016 are after giving effect to the amalgamation, while the comparative figures are before giving effect to the amalgamation and hence are not comparable.

27. (i) Consolidated financial statements include the financial statements of the parent Company Torrent Power Limited and subsidiaries (together referred to as Group):

| Particulars | Torrent Power Limited | Torrent Solargen Limited | Torrent Pipavav Generation Limited | Torrent Power Grid Limited | Minority interest |
|--|-----------------------|--------------------------|------------------------------------|----------------------------|-------------------|
| | Parent | Subsidiary | Subsidiary | Subsidiary | |
| Percentage holding | - | 100.00% | 95.00% | 74.00% | - |
| As % of consolidated net assets | 98.75% | 1.71% | 0.66% | 1.37% | 0.41% |
| Consolidated net assets - (₹ in Crore) | 7,471.94 | 129.04 | 49.66 | 103.45 | 31.05 |
| As % of consolidated profit | 94.09% | 5.58% | (0.14)% | 0.89% | 0.19% |
| Consolidated profit – (₹ in Crore) | 815.96 | 48.40 | (1.20) | 7.72 | 1.61 |

Amount of consolidated net assets and consolidated profit is determined based on the amounts included in the consolidated financial statement i.e. after inter-company eliminations.

Financial Statements of AEC Cements & Constructions Limited, which has become subsidiary pursuant to amalgamation of Torrent Cables Limited has not been consolidated as the same is under liquidation and insignificant to the Group.

- (ii) Investment in associate and joint ventures are as under:

| Particulars | Tidong Hydro Power Limited (Audited)^ | Tornascent Care Institute | UNM Foundation |
|--|---------------------------------------|---------------------------|----------------|
| | Associate | Joint venture | Joint venture |
| No. of equity shares | 24,500 | 25,000 | 25,000 |
| Cost of investment (₹ in Crore) | 0.02 | 0.03 | 0.03 |
| Percentage holding | 49.00% | 50.00% | 50.00% |
| Our share of net assets (₹ in Crore) | 0.02 | - | - |
| Our share of profit / (loss) for the year (₹ in Crore) | * | - | - |

^ Audited Financial Statements for nine months ended on 30th September, 2014

- (i) Associate has not been considered for consolidation being insignificant to the Group.
- (ii) Tornascent Care Institute and UNM Foundation are Section 8 Companies under the Companies Act, 2013, promoted jointly with Torrent Pharmaceuticals Limited, with the purpose of promoting charitable activities. As no economic benefit is expected, Tornascent Care Institute and UNM Foundation are not consolidated.
- (iii) Provision has been made against investment made in Tidong Hydro Power Limited.

28. Capital and other commitments

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Estimated amount of contracts remaining to be executed on capital accounts (net of advances) | 1,929.85 | 756.83 |

29. Contingent liabilities

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|--|---------------------------------------|---------------------------------------|
| Contingent liabilities not provided for in respect of: | | |
| (i) Disputed income-tax matters | 32.59 | 30.97 |
| (ii) Disputed custom duty matters | 18.50 | 18.78 |
| (iii) Disputed excise duty matters | 0.23 | 0.18 |
| (iv) Disputed stamp duty matters | 0.73 | 0.35 |
| (v) Disputed VAT matters | 2.15 | 2.15 |
| (vi) Disputed sales-tax matters | 4.29 | - |
| (vii) Disputed CST matters | 2.52 | - |
| (viii) Claims not acknowledged as debt | 12.55 | 10.74 |
| In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected. | | |

30. The goodwill has arisen on consolidation of financial statements of the Company with its subsidiaries and represents the difference between the cost to the Company of its investments in Torrent Pipavav Generation Limited and value of Company's investment in equity shares of Torrent Pipavav Generation Limited.

31. Capitalization of expenditure incurred during the year is as under

(₹ in Crore)

| | As at 31 st March, 2016 | As at 31 st March, 2015 |
|---|---------------------------------------|---------------------------------------|
| Pre-operative expenditure | | |
| Opening balance | 10.25 | 402.36 |
| Expenditure incurred during the year | | |
| Employee benefits expense | 1.13 | 12.72 |
| Operation and other expenses | 5.90 | 375.61 |
| Depreciation and amortization expense | - | 9.58 |
| Total expenditure incurred during the year | 7.03 | 397.91 |
| Less :Sale of infirm power | 4.01 | 154.93 |
| Less: Capitalized during the year | - | 631.24 |
| Less: Written off during the year | - | 3.85 |
| Closing balance | 13.27 | 10.25 |

32. Derivative instruments and unhedged foreign currency exposures

- (i) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes.
- (ii) Foreign currency exposure hedged by way of forward exchange contract as at 31st March, 2016 is as under:

(in Crore)

| Nature of transaction | Currency | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|-----------------------|----------|---------------------------------------|------------------|---------------------------------------|------------------|
| | | Foreign Currency | Indian Rupees | Foreign Currency | Indian Rupees |
| Capital liability | USD | - | - | 0.70 | 44.05 |

(iii) Foreign currency exposures not hedged by derivative instruments as at 31st March, 2016 are as under :

| Nature of transactions | Currency | (in Crore) | |
|--------------------------------|----------|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2016 | As at 31 st March, 2015 |
| Loan | USD | - | 5.23 |
| Interest payable | USD | - | 0.13 |
| Trade payable | USD | 0.54 | 0.12 |
| Capital liability | USD | 0.35 | 1.55 |
| Trade payable | EURO | 2.15 | 3.82 |
| Trade receivable (*7,350 EURO) | EURO | - | * |

(iv) The Company uses forward commodity contracts to hedge its market risks primarily arising from frequent fluctuation in commodity prices.

Outstanding forward commodity contract as at 31st March, 2016 is as under :

| Commodity | Quantity (in MT) | Contract price (in ₹) / Kg. | Buy / Sell | Expiry month |
|--|---------------------|--------------------------------|------------|--------------|
| Copper | 80 | 332.27 | Buy | June, 16 |
| Mark-to Market loss in respect of the above contracts as at 31 st March, 2016 is ₹0.05 Crore. | | | | |

33. The Company's significant leasing arrangements, other than land, are in respect of residential flats, office premises, plant and machinery and equipment taken on lease. The arrangements range between 11 months and 10 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease.

34. Employee benefits

The accounting liability on account of gratuity and leave encashment is accounted as per AS 15 (revised) dealing with employee benefits.

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment.

On account of defined contribution plans, a sum of ₹26.93 Crore (Previous year - ₹21.76 Crore) has been charged to the statement of profit and loss.

Status of gratuity plan and leave encashment as required under AS 15 (revised):

| Particulars | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|--|---------------------------------------|---------------|---------------------------------------|---------------|
| | Leave encashment | Gratuity | Leave encashment | Gratuity |
| a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation: | | | | |
| Obligations at the beginning of the year | 86.65 | 200.89 | 74.76 | 182.90 |
| Addition on account of amalgamation (note 26) | 1.34 | 3.42 | - | - |
| Current service cost | 5.37 | 11.68 | 5.99 | 9.53 |
| Interest cost | 7.03 | 16.34 | 6.57 | 16.92 |
| Actuarial (gain) / loss | 6.83 | 8.90 | 8.03 | 10.22 |
| Liability transferred in | - | - | 0.02 | 0.10 |
| Liability transferred out | * | - | (0.02) | (0.10) |
| Benefits paid directly by employer | (9.65) | (1.03) | (8.70) | (1.91) |
| Benefits paid | - | (19.17) | - | (16.77) |
| Obligations at the end of the year | 97.57 | 221.03 | 86.65 | 200.89 |

34. Employee benefits (Contd.)

(₹ in Crore)

| Particulars | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|--|---|---------------|---------------------------------------|---------------|
| | Leave encashment | Gratuity | Leave encashment | Gratuity |
| b. Reconciliation of opening and closing balances of the fair value of plan assets: | | | | |
| Plan assets at the beginning of the year, at fair value | - | 193.25 | - | 193.09 |
| Addition on account of amalgamation (note 26) | - | 3.00 | - | - |
| Expected return on plan assets | - | 17.67 | - | 18.34 |
| Actuarial gain / (loss) | - | (1.65) | - | (2.42) |
| Contributions | - | 8.00 | - | 1.01 |
| Benefits paid | - | (19.17) | - | (16.77) |
| Plan assets at the end of the year, at fair value | - | 201.10 | - | 193.25 |
| c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets: | | | | |
| Obligations at the end of the year | 97.57 | 221.03 | 86.65 | 200.89 |
| Plan assets at the end of the year, at fair value | - | 201.10 | - | 193.25 |
| Liability / (assets) recognized in balance sheet | 97.57 | 19.93 | 86.65 | 7.64 |
| d. Cost for the year: | | | | |
| Current service cost | 5.37 | 11.68 | 5.99 | 9.53 |
| Interest cost | 7.03 | 16.34 | 6.57 | 16.92 |
| Expected return on plan assets | - | (17.67) | - | (18.34) |
| Net actuarial (gain) / loss | 6.83 | 10.55 | 8.03 | 12.63 |
| Net cost – included in note 22 of the statement of profit and loss | 19.23 | 20.90 | 20.59 | 20.74 |
| e. Assumptions: | | | | |
| Discount rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 st March, 2016) | - | 8.00% | - | 9.00% |
| Salary escalation rate | 8.50% | 8.50% | 8.50% | 8.50% |
| f. Experience adjustment | | | | |
| On plan liability (gain) / loss | 6.80 | 8.78 | 7.48 | 0.86 |
| On plan assets (loss) / gain | - | (1.65) | - | (2.42) |
| g. Actual return on plan assets | - | 16.02 | - | 15.92 |
| h. Expected contribution for next year | - | 19.93 | - | 7.64 |
| i. Note: | The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of the Life Insurance Corporation of India. | | | |

34. Employee benefits (Contd.)

(₹ in Crore)

| j. Current year and past four years data for defined benefit obligation and fair value of plan | | | | | |
|---|--|---------|--|---------|----------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Present value of defined benefit obligations at the end of the year (independent actuary) | 318.60 | 287.54 | 257.66 | 259.82 | 248.77 |
| Fair value of plan assets at the end of the year | 201.10 | 193.25 | 193.09 | 170.36 | 141.01 |
| Net asset / (liability) at the end of year | (117.50) | (94.29) | (64.57) | (89.46) | (107.76) |
| k. Investment details of 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 as under: | | | | | |
| | Year ended 31 st March, 2016 | | Year ended 31 st March, 2015 | | |
| Government securities | 47.42% | | 46.60% | | |
| Debentures and bonds | 34.01% | | 34.61% | | |
| Equity shares | 6.20% | | 4.56% | | |
| Fixed deposits | 12.37% | | 14.22% | | |
| Others | - | | 0.01% | | |
| | 100.00% | | 100.00% | | |

35. Statutory auditors remuneration

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|------------------------------------|--|--|
| Audit fees | 0.85 | 0.73 |
| Tax audit fees | 0.08 | 0.07 |
| Other services – certificates etc. | 0.24 | 0.34 |
| Reimbursement of expenses | * | 0.07 |
| For service tax | 0.19 | 0.14 |
| | 1.36 | 1.35 |

The remuneration disclosed above excludes fees of ₹0.01 Crore (Previous year – ₹ Nil) [(exclusive of service tax of ₹0.01 Crore (Previous year – ₹ Nil)] for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

36. Deferred tax

(₹ in Crore)

| | As at 31 st March, 2016 | | As at 31 st March, 2015 | |
|---|------------------------------------|-----------|------------------------------------|-----------|
| | Asset | Liability | Asset | Liability |
| Depreciation | | 1,311.89 | | 1,331.04 |
| Expenses allowable for tax purposes when paid | 31.35 | | 25.94 | |
| Unabsorbed depreciation | 314.03 | | 447.52 | |
| | 345.38 | 1,311.89 | 473.46 | 1,331.04 |
| Net deferred tax (asset) / liability | | 966.51 | | 857.58 |

37. Earnings per share

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|---|--|--|
| Profit after tax and minority interest (₹ in Crore) | 865.60 | 359.69 |
| No. of equity shares [#] | 48,06,16,784 | 47,24,48,308 |
| Basic and diluted earnings per share (₹) | 18.01 | 7.61 |

includes 81,68,476 shares allotted on 23rd October, 2015 consequent to the amalgamation (note 26).

38. Segment reporting

The Company's primary business segment is Generation, Transmission and Distribution of Electricity. Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17), this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable. The Company's Cables business, in terms of revenue, results and assets employed, is not a reportable segment as per AS-17.

39. Exceptional items

During previous year (FY 2014-15) the Company has issued a sale order for the retired 100 MW Gas-based Combined Cycle Power Plant located at Vatva, Ahmedabad and consequently the difference of ₹ 22.99 Crore between net book value of fixed assets and the sale value of the same has been disclosed as an 'Exceptional items' in the previous year.

On reassessment of the realizable value, additional amount of ₹7.41 Crore has been written off during the year and the same has been disclosed as 'Exceptional items'.

40. In the context of:

1. Change in the Central Electricity Regulatory Commission (CERC) Regulations emphasizing Plant Load Factor (PLF) as against Plant Availability Factor (PAF) for performance incentive which has impacted the financial results
2. Deferment of periodic maintenance due to variation in operations and to have charge per unit aligned with the underlying contract;

the Company has changed the basis similarly to PLF for charging operational and maintenance expenses for supply and service agreements from the date of commencement of the contract. Consequently, the aggregate provision of ₹273.02 Crore has been reversed during the current year and credited under the head 'Other operating income'.

41. The Company has implemented the 1200 MW gas based power plant at Dahej (DGEN), which started its commercial operations from November, 2014. In FY 2015-16, the Company could operate the plant for intermittent periods.

On account of supply exceeding the demand, there has been substantial reduction in the LNG prices all-over the world. The over-supply position in the world market is expected to continue as more LNG plants are being commissioned in coming 2 to 3 years and as global demand is expected to be subdued on account of European and other countries' economic slowdown. Current bottleneck in the Re-gas terminal availability in India will be substantially eased in the latter part of FY 2016-17 or early part of FY 2017-18. With this scenario, both the issues relating to gas based power plants in terms of availability and affordability of gas are expected to be resolved to a large extent. Considering the above, the estimated value in use do not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,991.05 Crore of DGEN plant as at 31st March, 2016.

42. Related party disclosures

(₹ in Crore)

| | Associates / Joint ventures | | Enterprises controlled by the company | | Holding company / enterprises controlled by the holding company | | Key management personnel | | Enterprises controlled by key management personnel / relatives of key management personnel | | Total | |
|--------------------------------------|-----------------------------|------------|---------------------------------------|------------|---|------------|--------------------------|------------|--|------------|------------|------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 | 31.03.16 | 31.03.15 |
| A) Nature of transactions | | | | | | | | | | | | |
| Purchase of materials | | | | | | | | | | | | |
| Torrent Cables Ltd. ^ | - | - | - | - | 0.11 | 109.66 | - | - | - | - | 0.11 | 109.66 |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.11 | 0.26 | - | - | - | - | 0.11 | 0.26 |
| Sale of cables | | | | | | | | | | | | |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.52 | - | - | - | - | - | 0.52 | - |
| Dividend paid | | | | | | | | | | | | |
| Power Grid Corporation of India Ltd. | 1.29 | 1.64 | - | - | - | - | - | - | - | - | 1.29 | 1.64 |
| Services provided | | | | | | | | | | | | |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 1.04 | 0.17 | - | - | - | - | 1.04 | 0.17 |
| Services received | | | | | | | | | | | | |
| Torrent Cables Ltd. ^ | 1.41 | 1.39 | - | - | - | 3.89 | - | - | 1.09 | 1.44 | 2.50 | 6.72 |
| Tsunami Tours & Travels Pvt. Ltd. | - | - | - | - | - | 3.89 | - | - | - | - | - | 3.89 |
| Munjali Bhatt Architects | - | - | - | - | - | - | - | - | 0.51 | 0.56 | 0.51 | 0.56 |
| Power Grid Corporation of India Ltd. | 1.41 | 1.39 | - | - | - | - | - | - | 0.04 | 0.03 | 0.04 | 0.03 |
| Aman Mehta | - | - | - | - | - | - | - | - | 0.54 | 0.17 | 0.54 | 0.17 |
| Varun Mehta | - | - | - | - | - | - | - | - | - | - | - | - |
| Bills raised | | | | | | | | | | | | |
| Power Grid Corporation of India Ltd. | 56.28 | 56.93 | - | - | - | - | - | - | - | - | 56.28 | 56.93 |
| Shared expenditure | | | | | | | | | | | | |
| Tornascent Care Institute | - | 0.01 | - | - | - | - | - | - | - | - | - | 0.01 |
| Managerial remuneration* | | | | | | | | | | | | |
| Sudhir Mehta (Chairman) | - | - | - | - | - | - | 44.21 | 6.55 | - | - | 44.21 | 6.55 |
| Samir Mehta (Vice Chairman) | - | - | - | - | - | - | 5.02 | 0.01 | - | - | 5.02 | 0.01 |
| Markand Bhatt (Whole-time Director) | - | - | - | - | - | - | 5.00 | - | - | - | 5.00 | - |
| Jinal Mehta (Whole-time Director) | - | - | - | - | - | - | 30.44 | - | - | - | 30.44 | - |
| Donation | | | | | | | | | | | | |
| U.N.Mehta Charitable Trust | 9.45 | 7.00 | - | - | - | - | 3.75 | 6.54 | 1.20 | 5.50 | 10.65 | 12.50 |
| Shri Vadgam Kelavani Mandal | - | - | - | - | - | - | - | - | 1.20 | 1.25 | 1.20 | 1.25 |
| Tornascent Care Institute | 8.20 | 7.00 | - | - | - | - | - | - | - | - | 8.20 | 7.00 |
| UNM Foundation | 1.25 | - | - | - | - | - | - | - | - | - | 1.25 | - |
| Contribution to funds (net) | | | | | | | | | | | | |
| TPL (Ahmedabad) Gratuity Trust | - | - | 12.51 | 4.76 | - | - | - | - | - | - | 12.51 | 4.76 |
| TPL (Ahmedabad) Superannuation Fund | - | - | 6.50 | 0.43 | - | - | - | - | - | - | 6.50 | 0.43 |
| TPL (Surat) Gratuity Trust | - | - | 0.08 | 0.02 | - | - | - | - | - | - | 0.08 | 0.02 |
| TPL (Surat) Superannuation Fund | - | - | 0.77 | 0.68 | - | - | - | - | - | - | 0.77 | 0.68 |
| TPL (SUGEN) Gratuity Trust | - | - | 1.08 | 0.04 | - | - | - | - | - | - | 1.08 | 0.04 |
| TPL (SUGEN) Superannuation Fund | - | - | 0.33 | 0.32 | - | - | - | - | - | - | 0.33 | 0.32 |
| TPG Gratuity Trust | - | - | 0.03 | - | - | - | - | - | - | - | 0.03 | - |
| TPG Superannuation Fund | - | - | * | 0.01 | - | - | - | - | - | - | * | 0.01 |

42. Related party disclosures (Contd.)

| | (₹ in Crore) | | | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------------------------|---------------------|---|---------------------|--------------------------|---------------------|--|---------------------|---------------------|---------------------|
| | Associates / Joint ventures | | Enterprises controlled by the company | | Holding company / enterprises controlled by the holding company | | Key management personnel | | Enterprises controlled by key management personnel / relatives of key management personnel | | Total | |
| | Year ended 31.03.16 | Year ended 31.03.15 | Year ended 31.03.16 | Year ended 31.03.15 | Year ended 31.03.16 | Year ended 31.03.15 | Year ended 31.03.16 | Year ended 31.03.15 | Year ended 31.03.16 | Year ended 31.03.15 | Year ended 31.03.16 | Year ended 31.03.15 |
| TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust) | - | - | 0.26 | 0.41 | - | - | - | - | - | - | 0.26 | 0.41 |
| TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation) Fund | - | - | 0.33 | 0.33 | - | - | - | - | - | - | 0.33 | 0.33 |
| TSL Gratuity Trust | - | - | 0.07 | - | - | - | - | - | - | - | 0.07 | - |
| Equity contribution | 0.03 | 0.03 | - | - | - | - | - | - | - | - | 0.03 | 0.03 |
| Tornascent Care Institute | - | 0.03 | - | - | - | - | - | - | - | - | - | 0.03 |
| UNIM Foundation | 0.03 | - | - | - | - | - | - | - | - | - | 0.03 | - |
| Purchase of shares | - | - | - | - | 0.07 | - | - | - | - | - | - | 0.07 |
| Torrent Private Ltd. | - | - | - | - | 0.07 | - | - | - | - | - | - | 0.07 |
| Advance written off | 2.38 | - | - | - | - | - | - | - | - | - | 2.38 | - |
| AEC Cements & Constructions Ltd.\$ | 2.38 | - | - | - | - | - | - | - | - | - | 2.38 | - |
| Advance recovered | 0.32 | 0.40 | - | - | - | - | - | - | - | - | 0.32 | 0.40 |
| AEC Cements & Constructions Ltd.\$ | 0.32 | 0.40 | - | - | - | - | - | - | - | - | 0.32 | 0.40 |
| Loan received | - | - | - | - | 1.00 | - | - | - | - | - | - | 1.00 |
| Torrent Private Ltd. | - | - | - | - | 1.00 | - | - | - | - | - | - | 1.00 |
| Loan repaid | - | - | - | - | 1.00 | - | - | - | - | - | - | 1.00 |
| Torrent Private Ltd. | - | - | - | - | 1.00 | - | - | - | - | - | - | 1.00 |
| Deposit received for nomination of directors | - | - | - | - | 0.02 | - | - | - | - | - | - | 0.02 |
| Torrent Private Ltd. | - | - | - | - | 0.02 | - | - | - | - | - | - | 0.02 |
| Deposit refunded back on appointment of directors | - | - | - | - | 0.02 | - | - | - | - | - | - | 0.02 |
| Torrent Private Ltd. | - | - | - | - | 0.02 | - | - | - | - | - | - | 0.02 |
| Provision against investment | 0.02 | - | - | - | - | - | - | - | - | - | 0.02 | - |
| Tidong Hydro Power Ltd. | 0.02 | - | - | - | - | - | - | - | - | - | 0.02 | - |
| Balances at the end of the year | - | - | - | - | - | - | - | - | - | - | - | - |
| Current liability | - | - | * | * | 15.43 | 22.00 | 3.14 | - | - | - | 22.00 | 18.57 |
| Torrent Cables Ltd.^ | - | - | - | - | 15.40 | - | - | - | - | - | - | 15.40 |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.03 | - | - | - | - | - | - | 0.03 |
| TPL(SUGEN) Superannuation Fund | - | - | * | * | - | - | - | - | - | - | - | - |
| Sudhir Mehta (Chairman) | - | - | - | - | - | 5.00 | - | - | - | - | 5.00 | - |
| Samir Mehta (Vice Chairman) | - | - | - | - | - | 5.00 | - | - | - | - | 5.00 | - |
| Markand Bhatt (Whole-time Director) | - | - | - | - | - | 11.00 | - | - | - | - | 11.00 | - |
| Jinal Mehta (Whole-time Director) | - | - | - | - | - | 1.00 | 3.14 | - | - | - | 1.00 | 3.14 |
| Investment in equities | 0.69 | 0.66 | - | - | - | - | - | - | - | - | 0.69 | 0.66 |
| AEC Cements & Constructions Ltd.\$ | 0.61 | 0.61 | - | - | - | - | - | - | - | - | 0.61 | 0.61 |
| Tidong Hydro Power Ltd. | 0.02 | 0.02 | - | - | - | - | - | - | - | - | 0.02 | 0.02 |
| Tornascent Care Institute | 0.03 | 0.03 | - | - | - | - | - | - | - | - | 0.03 | 0.03 |
| UNIM Foundation | 0.03 | - | - | - | - | - | - | - | - | - | 0.03 | - |
| Loans and advances | - | 2.70 | - | - | - | - | - | - | - | - | - | 2.70 |
| AEC Cements & Construction Ltd.\$ | - | 2.70 | - | - | - | - | - | - | - | - | - | 2.70 |
| Trade receivables | 8.06 | 8.97 | - | - | 0.06 | - | - | - | - | - | 8.12 | 8.97 |
| Power Grid Corporation of India Ltd. | 8.06 | 8.97 | - | - | 0.06 | - | - | - | - | - | 8.06 | 8.97 |
| Torrent Pharmaceuticals Ltd. | - | - | - | - | 0.06 | - | - | - | - | - | 0.06 | - |

* amount excluding insurance premium for group personal accident and group mediclaim.

^ ceases to be related party pursuant to the Scheme of Amalgamation (note 26).

\$ became a subsidiary company but not consolidated for the reasons stated in note 27.

42. Related party disclosures (Contd.)

Names of related parties and description of relationship:

| | | |
|----|--|---|
| 1. | Associates / Joint Ventures | Tidong Hydro Power Limited (Associate), Power Grid Corporation of India Limited (Associate), Tornascent Care Institute (Joint Venture), UNM Foundation (Joint Venture) |
| 2. | Enterprises controlled by the Company | TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund), TPL (Cables) Gratuity Trust, TPL (Cables) Superannuation Fund, TSL Gratuity Trust, TSL Superannuation Fund |
| 3. | Holding Company / enterprises controlled by the holding company | Torrent Private Limited (Holding Company), Torrent Pharmaceuticals Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH, Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratrios Torrent, S.A. de C.V., Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals (Sikkim), Torrent Fincorp Private Limited, Torrent Pharma France S.A.S. Aptil Pharma Limited, ZYG Pharma Pvt. Limited, GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited |
| 4. | Key management personnel | Sudhir Mehta Chairman Samir Mehta Vice Chairman Markand Bhatt Whole-time Director Jinal Mehta Whole-time Director |
| 5. | Relatives of key management personnel | Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son Nandini Bhatt, Wife Arvindbhai Bhatt, Brother Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjial Bhatt, Son Gunjan Bhatt, Son Nirja Mehta, Wife Sudhir Mehta, Father Anita Mehta, Mother Varun Mehta, Brother Saira Mehta, Daughter Rishaan Mehta, Son |
| 6. | Enterprises controlled by key management personnel / relatives of key management personnel | U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited (upto 31 st December,2014), Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Architects, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal |

43. Donations include political contributions as under:

(₹ in Crore)

| | Year ended 31 st March, 2016 | Year ended 31 st March, 2015 |
|----------------------------|--|--|
| Satya Electoral Trust | 10.00 | - |
| Bhartiya Janata Party | - | 3.05 |
| Indian National Congress | - | 1.03 |
| Nationalist Congress Party | - | 1.00 |

44. Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed form AOC-1 :

(i) Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

| 1. Name of Subsidiary Company | Torrent Solargen Limited | Torrent Pipavav Generation Limited | Torrent Power Grid Limited |
|---|------------------------------|------------------------------------|------------------------------|
| 2. Financial year ended on | 31 st March, 2016 | 31 st March, 2016 | 31 st March, 2016 |
| 3. Capital | 80.05 | 50.00 | 90.00 |
| 4. Reserves | 48.99 | (0.34) | 13.45 |
| 5. Total assets | 386.93 | 103.43 | 254.98 |
| 6. Total liabilities | 386.93 | 103.43 | 254.98 |
| 7. Details of investment (except in case of investment in subsidiaries) | - | - | 20.00 |
| 8. Turnover | 85.74 | - | 54.27 |
| 9. Profit / (loss) before taxation | 63.09 | (1.20) | 20.95 |
| 10. Provision for taxation (including deferred tax) | 14.69 | * | 13.23 |
| 11. Profit / (loss) after taxation | 48.40 | (1.20) | 7.72 |
| 12. Proposed dividend (including Dividend Distribution Tax) | - | - | 7.58 |
| 13. % of Shareholding | 100% | 95% | 74% |

- Torrent Pipavav Generation Limited is yet to commence its operations.
- AEC Cements & Constructions Limited, which has become subsidiary pursuant to amalgamation of Torrent Cables Limited, has not been consolidated as the same is under liquidation and insignificant to the Group.

(ii) Statement containing salient features of the financial statement of associates and joint ventures is given in note 27(ii).

Shareholders interested in obtaining the statement of Company's interest in the subsidiaries or stand-alone financial statements of the subsidiaries may obtain it by writing to the Company Secretary.

The annual accounts of subsidiary companies are available for inspection by any investor at the registered office of the Company and on its website www.torrentpower.com

45. Corporate Social Responsibility expenditure

- (a) Gross amount required to be spent by the Group during the year - ₹9.74 Crore. (Previous year - ₹16.00 Crore)
- (b) Amount spent during the year on:

| | (₹ in Crore) | | |
|---|-------------------------|------------------------|-------------------------|
| | In cash | Yet to be paid in cash | Total |
| (i) Construction / acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 10.72 [#] | - | 10.72 [#] |
| | (Previous year - 16.30) | | (Previous year - 16.30) |

amount is including payment made of ₹0.21 Crore for FY 2014-15 in case of Torrent Power Grid Limited.

- 46.** Subject to note 26 above, the figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

Figures are rounded off to nearest lakh. Figures below ₹50,000 are denoted by ‘*’.

Signature to Note 1 to 46

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Hemendra L. Shah
Partner

Darshan Soni
Company Secretary

Ahmedabad, 18th May, 2016

Ahmedabad, 18th May, 2016

5 YEARS' HIGHLIGHTS - CONSOLIDATED

| Particulars | UoM | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--|------------|---------|---------|---------|---------|---------|
| TECHNICAL DATA | | | | | | |
| Generation Capacity | MW | 3,334 | 3,253 | 2,102 | 1,697 | 1,697 |
| Units Dispatched by Generating Stations | MUs | 9,362 | 5,327 | 4,782 | 6,822 | 10,561 |
| Units Purchased | MUs | 7,504 | 11,314 | 11,021 | 9,743 | 6,950 |
| Units Sold | MUs | 14,673 | 14,155 | 13,331 | 14,075 | 15,039 |
| No. of Consumers | Mn | 3.06 | 2.95 | 2.87 | 2.76 | 2.67 |
| KEY FINANCIALS | | | | | | |
| Total Revenue | ₹ in Crore | 11,959 | 10,762 | 8,932 | 8,365 | 8,063 |
| EBDITA | ₹ in Crore | 3,255 | 2,423 | 1,534 | 1,494 | 2,418 |
| Profit Before Tax | ₹ in Crore | 1,243 | 740 | 275 | 630 | 1,698 |
| Profit After Tax (after minority interest) | ₹ in Crore | 866 | 360 | 105 | 387 | 1,253 |
| Share Capital | ₹ in Crore | 481 | 472 | 472 | 472 | 472 |
| Reserves and Surplus | ₹ in Crore | 7,055 | 6,083 | 5,733 | 5,631 | 5,288 |
| Loan Funds | ₹ in Crore | 8,565 | 9,355 | 9,463 | 8,050 | 5,414 |
| Fixed Assets | ₹ in Crore | 15,516 | 15,311 | 14,724 | 13,911 | 11,003 |
| KEY FINANCIAL RATIOS | | | | | | |
| EBDITA / Total Revenue | % | 27.22 | 22.51 | 17.17 | 17.86 | 29.99 |
| Net Profit / Total Revenue | % | 7.24 | 3.35 | 1.18 | 4.63 | 15.54 |
| Return on Net Worth* | % | 10.84 | 5.00 | 1.54 | 5.97 | 21.94 |
| Return on Capital Employed | % | 10.96 | 7.40 | 4.80 | 5.79 | 14.72 |
| Debt Equity Ratio* | | 1.01 | 1.26 | 1.37 | 1.20 | 0.87 |
| Earning Per Share | ₹ | 18.01 | 7.61 | 2.23 | 8.19 | 26.51 |
| * Deferred Tax Liability is included as a part of Networth | | | | | | |

ROUTE MAP TO THE AGM VENUE

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068



12th Annual General Meeting
Date: Tuesday, 2nd August, 2016
Time: 09.30 a.m.

Venue: J. B. Auditorium, Torrent-AMA Centre,
Ahmedabad Management Association,
Vastrapur, Ahmedabad-380015

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380009, Gujarat, India.

Phone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326

Website: www.torrentpower.com; E-mail: cs@torrentpower.com

**12th Annual General Meeting – August 2, 2016****ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For Physical Shares

| | |
|--------------------|-----------------------------|
| DP ID : | REGD. FOLIO NO.: |
| CLIENT ID : | NO. OF SHARES HELD : |

Full name of the member attending : _____

Name of Proxy : _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **12th Annual General Meeting** of the Company at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015 on Tuesday, 2nd August, 2016 at 9.30 a.m._____
Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

**TORRENT POWER LIMITED**

CIN: L31200GJ2004PLC044068

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380009, Gujarat, India.

Phone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326

Website: www.torrentpower.com; E-mail: cs@torrentpower.com

**12th Annual General Meeting – August 2, 2016****PROXY FORM**

[pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No./ Client Id : _____

DP Id : _____

I/ We being the member (s) of _____ equity shares of the Torrent Power Limited, hereby appoint;

| | |
|-----------------|-------------------|
| 1 Name : _____ | E-mail Id : _____ |
| Address : _____ | Signature : _____ |

or failing him/her

| | |
|-----------------|-------------------|
| 2 Name : _____ | E-mail Id : _____ |
| Address : _____ | Signature : _____ |

or failing him/her

| | |
|-----------------|-------------------|
| 3 Name : _____ | E-mail Id : _____ |
| Address : _____ | Signature : _____ |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **12th Annual General Meeting** of the Company, to be held on the Tuesday, 2nd August, 2016 at 9.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380015 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



| Resolution | Vote - Refer Note 4 | | |
|---|---------------------|---------|---------|
| | For | Against | Abstain |
| ORDINARY BUSINESS | | | |
| 1. Adoption of the Financial Statements (including Consolidated Financial Statements) of the Company and reports of the Auditors and the Directors thereon. | | | |
| 2. Confirmation of Payment of Interim Dividend as Final Dividend. | | | |
| 3. Re-appointment of Shri Jinal Mehta as Director, who retires by rotation. | | | |
| 4. Re-appointment of M/s. Deloitte Haskins and Sells, Chartered Accountants, Ahmedabad as Statutory Auditors. | | | |
| SPECIAL BUSINESS | | | |
| 5. Appointment of Shri P. K. Taneja, IAS as Director of the Company | | | |
| 6. Re-appointment of Shri Markand Bhatt as Whole-time Director of the Company | | | |
| 7. Revision in terms and conditions of appointment of Shri Jinal Mehta as Whole-time Director of the Company | | | |
| 8. Ratification of Remuneration of Cost Auditors | | | |

Signed this _____ day of _____, 2016.

Signature of Member(s)

Signature of Proxy holder(s)

Affix
Revenue
Stamp of not
less than
₹ 1/-

Notes:

1. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twelfth Annual General Meeting.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. A Proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in any manner as he/she may deem appropriate.



Under Grassroot Interventions - "Shaishav", care is contemplated for 6 month to 6 year old children through healthcare support, promotion of hygiene and sanitation, support for preschool activities and improvement in existing infrastructure. The actions involve conducting periodic medical health checkups, follow-ups and support for further treatment, establishing a referral system with specialist hospitals for needy beneficiaries and monitoring of immunization and malnourishment in children.

Under Greenfield Actions - "Jatan", Primary Paediatric Health Clinics in the area of diagnostic and treatment would be established at identified four locations viz. Surat (SUGEN), Dahej, Nadiad and Indrad. These would be supported by sub-centres and/or medical mobile vans. The medical facility at SUGEN, besides focusing on primary paediatric healthcare, will in due course expand as a referral centre for other envisaged activities and disease centric secondary care. Such speciality hospital will eventually culminate into a tertiary care Super Speciality Paediatric Centre of Excellence.



Under Other Allied Initiatives - "Muskan", child care development centre for specially abled children, adolescent counseling centre for girls and boys, orientation and training facilities for connected persons, facilitation of speciality and super speciality care for identified needy patients, child diagnostic and surgical medical camps, mechanism for effective coordination amongst practising paediatricians and public awareness programmes would be designed and established.

Torrent Group considers active involvement and volunteering by its employees in appropriate activities as a matter of priority.



a movement, not an activity

Torrentians engaged in REACH



TORRENT POWER LIMITED

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