This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations on a private placement basis and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document. The information in this Preliminary Placement Document is not complete and may be changed.

Preliminary Placement Document
Subject to Completion and not for circulation
Private and confidential
Serial Number: [●]

TORRENT POWER LIMITED

Our Company was originally incorporated as "Torrent Power Trading Private Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli ("**Registrar of Companies**" or "**RoC**") on April 29, 2004. Subsequently, the name of our Company was changed to "Torrent Power Private Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 25, 2006. Thereafter, our Company's name changed to its present name viz "Torrent Power Limited" pursuant to a fresh certificate of incorporation consequent on change of name dated February 8, 2006 issued by the RoC. For further details, see *"General Information"* on page 278.

Corporate Identity Number: L31200GJ2004PLC044068
Registered and Corporate Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India
Telephone: +91 79 2662 8300; **Email**: cs@torrentpower.com; **Website:** www.torrentpower.com
Company Secretary and Compliance Officer: Rahul Chaitanyabhai Shah

Issue of up to [●] equity shares of face value of ₹10 each of our Company (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating to ₹ [●] crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 36.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013 (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on November 29, 2024 were ₹ 1,510.70 and ₹ 1,510.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE, each dated December 2, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, RoC or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. For further details, see "*Issue Procedure*" on page 217. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, our Subsidiaries, our Associate, our Joint Venture or any other website directly or indirectly linked to the websites of our Company or Subsidiaries or the websites of the Book Running Lead Managers (as defined hereinafter) or their respective associates or affiliates, other than this Preliminary Placement Document, does not and shall not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in rule 144A under the U.S. Securities Act) pursuant to section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections *"Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* on pages 232 and 238, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "**QIBs**".

This Preliminary Placement Document is dated December 2, 2024.

BOOK RUNNING LEAD MANAGERS		
KOTAK MAHINDRA CAPITAL COMPANY LIMITED	**JEFFERIES INDIA PRIVATE LIMITED**	**JM FINANCIAL LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries, our Associate, our Joint Venture and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries, our Associate, our Joint Venture and the Equity Shares are, in all material respect, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries, our Associate, our Joint Venture and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company, our Subsidiaries, our Associate and our Joint Venture. There are no other facts in relation to our Company, our Subsidiaries, our Associate, our Joint Venture and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries, our Associate, our Joint Venture nor the Book Running Lead Managers have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. Kotak Mahindra Capital Company Limited, Jefferies India Private Limited and JM Financial Limited (the "**Book Running Lead Managers**" **or** "**BRLMs**") have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers and/or any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Associate, our Joint Venture and the Equity Shares or its distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Managers or on any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiaries, our Associate, our Joint Venture and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement

Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions under the applicable laws of such jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Managers that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in rule 144A under the U.S. Securities Act) pursuant to section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 232 and 238, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document or the Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning this Issue. In addition, our Company and the Book Running Lead Managers are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

The purchasers of the Equity Shares offered in the Issue will be deemed to have made representations, warranties, acknowledgements, and agreements set forth in the sections titled "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 4, 232 and 238.

Each Bidder, investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable laws, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each Bidder, investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Neither our Company nor the Book Running Lead Managers are liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof. Eligible QIBs (as defined hereinafter) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover

Regulations (as defined hereafter) and the Eligible QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (as defined hereinafter) and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes in relation to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The information on our Company's website, viz., www.torrentpower.com, or the websites of any of our Subsidiaries, our Associate, our Joint Venture or any website directly or indirectly linked to the those websites or to the website of the BRLMs or their respective associates or affiliates, other than this Preliminary Placement Document, does not and shall not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN APPROVED, DISAPPROVED OR RECOMMENDED BY ANY REGULATORY AUTHORITY IN ANY JURISDICTION, INCLUDING THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC"), ANY OTHER FEDERAL OR STATE AUTHORITIES IN THE UNITED STATES, THE SECURITIES AUTHORITIES OF ANY NON-UNITED STATES JURISDICTION AND ANY OTHER UNITED STATES OR NON-UNITED STATES REGULATORY AUTHORITY. NO AUTHORITY HAS PASSED ON OR ENDORSED THE MERITS OF THE ISSUE OR THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENCE IN CERTAIN JURISDICTIONS.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD BY OUR COMPANY (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURSUANT TO SECTION 4(A)(2) UNDER THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES, IN OFFSHORE TRANSACTIONS, IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRICTIONS AND PURCHASE REPRESENTATIONS*" ON PAGES 232 AND 238, RESPECTIVELY.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 232 and 238, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged, and agreed to the contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 232 and 238, respectively, and have represented, warranted and acknowledged to and agreed to our Company and to the Book Running Lead Managers, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries or our Associate or our Joint Venture which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;

- You are aware that in terms of the SEBI FPI Regulations (as defined hereinafter) and the FEMA Rules, the total holding by each FPI (as defined hereinafter) including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI (as defined hereinafter), subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs (as defined hereinafter) are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 232 and 238, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document have not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by RBI, SEBI, Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with Consolidated FDI Policy (as defined hereinafter) and Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Managers. The Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of all the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of

Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association (as defined hereinafter) and Articles of Association (as defined hereinafter) and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our perspective present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Managers;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 47;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of us and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in equity shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You are not a ‘promoter’ (as defined under the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our ‘Promoters’, or ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no veto rights or right to appoint any nominee director on our Board (as defined hereinafter), other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid / Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) ‘Control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, undertaken to use reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Managers nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any other person, and the Book Running Lead Managers or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 232 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 232;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*" on page 238 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 238;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Ahmedabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Managers and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make the payment for subscription to the Equity Shares pursuant to the Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

- You represent that you are not an affiliate of our Company or the Book Running Lead Managers or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Managers, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 10;

- If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB for investment purposes only, and not with a view to, or for offer or sale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction", as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (within the meaning of Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S of the U.S. Securities Act).

- You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*" on page 232 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 238 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- Our Company, the Book Running Lead Managers, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers; and

- You will make all necessary filings with appropriate regulatory authorities, including with the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the Book Running Lead Managers who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Subsidiaries, the Promoters of our Company, our management or any scheme or project of our Company.

It should not, for any reason, be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription / acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)', "bidder" are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue and references to 'Torrent', 'our Company', 'Company', 'the Company' and the 'Issuer' are to Torrent Power Limited and references to 'we', 'us' or 'our' are to our Company together with our Subsidiaries, Associate and Joint Venture on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India and references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

All the numbers in this Preliminary Placement Document have been presented in crores, unless stated otherwise. One crore represents 10,000,000. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crores, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources.

Except as otherwise set out in this Preliminary Placement Document, all figures set out in this Preliminary Placement Document have been rounded off to the nearest whole number. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Financial data and other information

Our Company reports its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

In this Preliminary Placement Document, we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act, 2013 along with the respective audit reports thereon ("**Ind AS**").

As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

i. audited consolidated financial statements of our Company as at and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act along with the respective audit reports thereon (collectively, the "**Audited Consolidated Financial Statements**");

ii. the unaudited special purpose interim condensed consolidated financial statements of our Company as at and for the six months period ended September 30, 2024 and September 30, 2023, comprising its condensed consolidated balance sheet as at September 30, 2024 and September 30, 2023, and the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the the six months period ended on that date, and a summary of material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards ("**Ind AS**") 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder along with the special purpose review report thereon (the "**Unaudited Special Purpose Interim Condensed Consolidated Financial Statements**"); and

iii. the unaudited consolidated financial results as at and for the six months period ended September 30, 2024 and September 30, 2023, prepared in terms of Regulations 33, 52 and 63 of the SEBI Listing Regulations along with the limited review report thereon (the "**Unaudited Consolidated Financial Results**")

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants, who have been appointed as our Statutory Auditors in accordance with Section 139 of the Companies Act, 2013. For further details, see "*Statutory Auditors*" on page 276.

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors for Financial Years 2024, 2023, 2022, on which they have issued audit reports dated May 22, 2024, May 29, 2023, and May 10, 2022, respectively. Further, limited review of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements for the period ended September 30, 2024 and September 30, 2023 has been carried out by the Statutory Auditors, on which they have issued review reports, both dated December 2, 2024. Further, the Unaudited Consolidated Financial Results for the period ended September 30, 2024 and September 30, 2023 have been reviewed by our Statutory Auditors on which they have issued review reports dated November 13, 2024 and November 9, 2023, respectively.

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and Unaudited Consolidated Financial Results should be read along with the corresponding review reports issued thereon by our Statutory Auditors, M/s Price Waterhouse Chartered Accountants LLP. Further, our Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information, for the six months period ended September 30, 2024, September 30, 2023 and for Fiscals 2024, 2023, 2022 included in this Preliminary Placement Document have been derived from the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and Audited Consolidated Financial Statements.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting standards or principles. Any reliance by persons not familiar with Indian accounting standards on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. Please see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows*" on page 79.

The information on our Company's website shall not form a part of this Preliminary Placement Document.

Non-GAAP financial measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Financial Measure(s)**") including Adjusted EBITDA, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures in this Preliminary Placement Document. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS and are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the Company's businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" and "*Risk Factors – We have in this Preliminary Placement Document included certain Non-GAAP Financial Measures relating to our operations and financial performance, which are a supplemental measure of our performance and liquidity and not required or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. These Non-GAAP Financial Measures may vary from any standard methodology that is applicable across the power sector, and therefore may not be comparable with financial information of similar nomenclature computed and presented by other power companies* " on pages 277 and 74, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 103.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Strategic assessment of Indian power market*" dated November 29, 2024 (the "**CRISIL MI&A Report**"), which is a report commissioned and paid for by our Company and prepared and issued by CRISIL MI&A pursuant to an engagement letter dated September 16, 2024, in connection with the Issue. CRISIL MI&A is not related in any manner to our Company, our Promoters, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries, or the Book Running Lead Managers.

The Company commissioned CRISIL MI&A Report contains the following disclaimer:

*"CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India."

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the CRISIL MI&A Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

Neither our Company nor the Book Running Lead Managers have independently verified this data and make any representation regarding the correctness, accuracy and completeness of such data. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry data in this document is derived from the CRISIL MI&A Report commissioned by and paid for by us for such purpose. The CRISIL MI&A Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL MI&A Report may be inaccurate, incomplete or unreliable*" on page 76.

Further, the calculation of certain statistical and/or financial information / ratios specified in "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL MI&A Report commissioned by our Company. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute '*forward-looking statements*'. Prospective investors can generally identify forward-looking statements by terminology such as '*aim*', '*anticipate*', '*believe*', '*continue*', '*can*', '*could*', '*estimate*', '*expect*', '*intend*', *'likely',* '*may*', '*objective*', '*plan*', '*potential*', '*project*'', '*pursue*', *'seek',* '*shall*', '*should*', '*will*', '*would*', '*will likely result*', '*is likely*', '*are likely*', '*believe*', '*expect*', '*expected to*', '*will continue*', '*will achieve*', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. In addition, even if the results, performance, achievements or developments are consistent with the forward-looking statements contained in this Preliminary Placement Document, they may not be indicative of results, performance, achievements or developments in subsequent periods. As a result, actual future gains or losses could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others include:

1. *Our generation and distribution business are exposed to variations in demand for electricity. Any reduction in demand as a result of increase in price or other factors could have an adverse effect on our business, financial condition and results of operations.*
2. *Our distribution business is exposed to a decrease in demand for electricity due to adoption of solar rooftop systems. Any reduction in demand for electricity could have an adverse effect on our business, financial condition and results of operations.*
3. *We may face challenges in obtaining new licenses, entering into new franchise agreements, or renewing existing licenses or franchisee agreements for our transmission and distribution businesses in a timely manner, on acceptable terms, or at all.*
4. *Changes to the regulatory environment and the laws, rules and directives of the Government of India may negatively affect our business and operations and our ability to secure the necessary approvals, permits and licenses.*
5. *Any changes to current tariff policies, modifications of tariffs standards or the implementation of tariff regulations by regulatory authorities could have an adverse effect on our business, financial condition and results of operations.*
6. *A delay in payments of power purchase costs to the "generator" in the case of licensed distribution and the "State DISCOM" in case of franchise distribution, could adversely affect our business, financial condition and results of operations.*
7. *A delay in recovery or non-recovery of our receivables from consumers, Government and other public bodies for our distribution or generation business could adversely affect our business, financial condition and results of operations.*

8. *We may not be able to enter into new off-take arrangements or extend existing arrangements for the power generated by our facilities in a timely manner or on terms acceptable to us or at all.*
9. *Our generation business is predominately dependent on the availability of LNG and coal for fuel, and our thermal power plants require significant quantities of such fuel to generate electricity. Accordingly, the unavailability of LNG and coal and/or fluctuations in LNG and coal prices could adversely affect our business and results of operations. Additionally, any failure to meet the minimum obligation conditions specified in our fuel contracts may result in additional costs under "Take or Pay," "Use or Pay," or "Ship or Pay" obligations, which could adversely affect our business, results of operations and cash flows.*
10. *Our projects under development require a number of approvals from central and state government entities. Any delay in obtaining or inability to obtain these approvals could have an adverse effect on our results of operations, business and financial condition.*

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Industry Overview*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Our Business*" on pages 47, 103, 149 and 176, respectively.

The forward-looking statements contained in this Preliminary Placement Document attributable to us are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the Book Running Lead Managers nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company, limited by shares incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and members of Senior Management named herein are residents of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;
(b) where the judgment has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgment has been obtained by fraud; and
(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards (even if such an award is enforceable as a decree or judgement). The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

A total of 12 territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code by the Government of India, comprising United Kingdom, Aden, Fiji, Republic of Singapore, Federation of Malaysia, Trinidad and Tobago, New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa, Hong Kong, Papua New Guinea, Bangladesh and United Arab Emirates. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD), for the years / periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Limited ("**FBIL**"), which are available on the website of the RBI and FBIL, respectively. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end (1)	**Average (2)**	**High(3)**	**Low (4)**
Fiscal*				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended*				
November 30, 2024	84.50	84.36	84.50	84.11
October 31, 2024	84.09	84.03	84.09	83.82
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07

(Source: www.fbil.org.in and www.rbi.org.in)

Notes:
(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Represents the average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.
High, low and average are based on the RBI reference rates and rounded off to two decimal places.
In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed. The RBI / FBIL reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 248, 103, 277 and 264, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", "TPL"	Torrent Power Limited, a company incorporated under the Companies Act, 1956, having its registered and corporate office at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India
"We", "Our", "Us", "Group"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, Associate and Joint Venture on a consolidated basis

Company Related Terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Associate	The Associate of our Company, namely, Tidong Hydro Power Limited
Audit Committee	The Audit Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 208
Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act along with the respective audit reports thereon,
Auditors / Statutory Auditors	The current statutory auditors of our Company namely, M/s Price Waterhouse Chartered Accountants LLP
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" on page 199
Chairman	The chairman of our Company, namely Samir Uttamlal Mehta
Chief Financial Officer	The chief financial officer of our Company, namely Saurabh Rameshchandra Mashruwala
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Rahul Chaitanyabhai Shah
Composite Scheme of Amalgamation	Composite scheme of amalgamation dated September 15, 2015 between Torrent Energy Limited, Torrent Cables Limited (together, "**Transferor Companies**") and Torrent Power Limited ("**Transferee Company**") under sections 391 to 394 of the Companies Act, 1956, with effect from October 1, 2015. Pursuant to the Composite Scheme of Arrangement, the Transferor Companies were amalgamated into the Transferee Company.
Composite Scheme of Arrangement	Composite scheme of arrangement including amalgamation dated July 12, 2006 between Torrent Power AEC Limited, Torrent Power SEC Limited, Torrent Power Generation Limited (together, "**Transferor Companies**") and Torrent Power Limited ("**Transferee Company**") under sections 391 to 394 of the Companies Act, 1956, with effect from September 13, 2006. Pursuant to the Composite Scheme of Arrangement, the Transferor Companies were amalgamated into the Transferee Company.

Term	Description
Corporate Social Responsibility and Sustainability Committee	The Corporate Social Responsibility and Sustainability Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 208
CRISIL MI&A Report	The report titled *"Strategic assessment of Indian power market"* dated November 29, 2024, commissioned and paid for by our Company and prepared and issued by CRISIL MI&A
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of face value of ₹10 each of our Company
Financial Statements	Collectively, the Audited Consolidated Financial Statements and Unaudited Special Purpose Interim Condensed Consolidated Financial Statements
Holding Company	The holding company of our Company, namely, Torrent Investments Private Limited
Independent Director(s)	Independent directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 199
Joint Venture	The Joint Venture of our Company, namely, UNM Foundation
Key Managerial Personnel or KMP	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 207
Material Subsidiary	The material subsidiary of our Company in terms of our policy for determining material subsidiaries, namely Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination & Remuneration Committee	The Nomination & Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 208
Non-executive Director(s)	Non- executive directors of our Company, unless otherwise specified as disclosed in "*Board of Directors and Senior Management*" on page 199
Promoters	The promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act namely Torrent Investments Private Limited, Sudhir Uttamlal Mehta, Samir Uttamlal Mehta, Jinal Sudhirbhai Mehta, Mehta Family Trust 1, Mehta Family Trust 2, Mehta Family Trust 3 and Mehta Family Trust 4.
Promoter Group	The individuals and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered and corporate office of our Company, situated at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India
Risk Management Committee	The Risk Management Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 208
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management – Members of Senior Management*" on page 207
Shareholders	Shareholders of our Company from time to time
Stakeholders' Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 207
Subsidiary or Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Preliminary Placement Document, as described in "*Organisational structure of our Company*" on page 210. For the purpose of the Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Condensed Financial Statements and Unaudited Consolidated Financial Results, subsidiaries would mean subsidiaries as at and during the relevant fiscal year/period. The term "Subsidiary/Subsidiaries" shall be construed accordingly
Unaudited Special Purpose Interim Condensed Consolidated Financial Statements	the unaudited special purpose interim condensed consolidated financial statements of our Company as at and for the six months period ended September 30, 2024 and September 30, 2023, comprising its condensed consolidated balance sheet as at September 30, 2024 and September 30, 2023, and the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the the six months period ended on that

Term	Description
	date, and a summary of material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder along with the special purpose review report thereon
Unaudited Consolidated Financial Results	Unaudited consolidated financial results as of and for the six months period ended September 30, 2024 and September 30, 2023 prepared in accordance with Regulations 33, 52 and 63 of the SEBI Listing Regulations along with the limited review report thereon.
Vice-Chairman and Managing Director	The vice-chairman and managing director of our Company, namely Jinal Sudhirbhai Mehta as disclosed in "*Board of Directors and Senior Management*" on page 199
Whole-time Director	The whole-time director of our Company, namely, Jigish Bhogilal Mehta as disclosed in "*Board of Directors and Senior Management*" on page 199

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to the Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Collectively, Kotak Mahindra Capital Company Limited, Jefferies India Private Limited and JM Financial Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act are also considered Eligible QIBs. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 217,232 and 238, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style *"TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024"* with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders

Term	Description
Escrow Agreement	Agreement dated December 2, 2024 entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	Floor price of ₹ 1,555.75 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board at the meeting held on May 22, 2024 and the Shareholders at the AGM held on July 30, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. The net price after discount on the Floor Price is ₹ [●]
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of the Application Forms and the Application Amount
Issue Opening Date	December 2, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which the Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] crores
Listing Agreement(s)	The agreements entered into by our Company with each of the Stock Exchanges in relation to Equity Shares listed on each of the Stock Exchanges
Monitoring Agency	India Ratings and Research Private Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated December 2, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated December 2, 2024 between our Company and the Book Running Lead Managers
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	This Preliminary Placement Document along with the Application Form dated December 2, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	December 2, 2024, which is the date of the meeting in which our Fund Raising Committee decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue

Term	Description
U.S. / United States	The United States of America
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
FBIL	Financial Benchmarks India Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income-tax Act, 1961/I.T. Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Accounting Standards as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014

Term	Description
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S./ U.S.A.	The United States of America and its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital funds as defined in and registered with the SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Business, technical and industry related terms

Term	Description
AT&C	Aggregate Technical and Commercial
AMGEN	A 362 MW coal-based generation plant of our Company situated in Gujarat
BOOT	Build Own Operate Transfer
BUs	Billion Units
C&I	Commercial and Industrial
CO2	Carbon Dioxide
DGEN	A 1200 MW gas-based power plant of our Company situated in Gujarat
DISCOM	Distribution Company
EPC	Engineering, Procurement and Construction
ESG	Environmental, Social and Corporate Governance
GW	Gigawatt
GWh	Gigawatt Hours
GWp	Gigawatt Peak
KTPA	Kilo-tonnes Per Annum
kV	Kilovolt
LNG	Liquified Natural Gas
MW	Megawatt

Term	Description
MWp	Megawatt Peak
PLI	Performance Linked Incentive
PPA	Power Purchase Agreement
PSP	Pumped Hydro Storage
RE	Renewable Energy
SCADA	Supervisory Control and Data Acquisition
SUGEN	A 1147.5 MW gas-based power plant of our Company situated in Gujarat
RPO	Renewable Purchase Obligations
UNOSUGEN	A 382.5 MW gas-based power plant of our Company situated in Gujarat

SUMMARY OF BUSINESS

Overview

We are one of India's leading private sector integrated power utility companies with an established presence across power generation, transmission and distribution (Source: *CRISIL MI&A Report*). We are part of the Torrent Group, an Indian conglomerate with significant experience in multiple businesses such as pharmaceuticals, power and city gas distribution (Source: *CRISIL MI&A Report*).

Our Company was incorporated in 2004 and the Torrent Group has been involved in the business of power distribution since 1997 following the acquisitions of Surat Electricity Company and AEC Limited. Our operational power generation plants are spread across the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Haryana, Telangana, Andhra Pradesh and Tamil Nadu, and a combined capacity of 7,559 MWp (including 2,979 MWp under construction) as of September 30, 2024. We own and operate a portfolio of 3,092 MW of thermal generation plants with 2,730 MW or 88.29% of our thermal capacity being natural gas-based power plants and 362 MW or 11.71% of our thermal capacity being coal-based power plants, as on September 30, 2024. Our renewable generation portfolio comprises a combination of solar and wind generation plants. As of September 30, 2024, our total operational renewable generation capacity was 1,488 MWp. This included a solar power capacity of 567 MWp and wind power capacity of 921 MW. In addition, we have an under construction renewable portfolio of 2,979 MWp (1,374 MW wind and 1,605 MWp solar).

We are actively pursuing development of a pumped hydro storage project. We received a letter of award from the Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") for a 1,500 MW / 12,000 MWh pumped hydro storage project in the Raigad District with energy storage capacity for 40 years. Further, we have been awarded additional 500 MW / 4000 MWh under greenshoe option. We are in the process of obtaining the necessary approvals for the development of 8,350 MW in the states of Uttar Pradesh and Maharashtra. We are also exploring investment opportunities in green hydrogen. We were awarded 18 KTPA production capacity under the Strategic Intervention for Green Hydrogen Transition Scheme, a production linked scheme.

Our distribution business includes both licensed and franchised distribution, covering an aggregate area of approximately 3,054 sq. km. and distributing 29.62 billion units of power to 4.13 million customers, as of March 31, 2024. We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej Special Economic Zone ("**Dahej SEZ**"), Dholera Special Investment Region ("**Dholera SIR**"), Mandal Bechraji Special Investment Region ("**Mandal Bechraji SIR**") and in the Union Territory of Dadra and Nagar Haveli and Daman and Diu ("**DNH DD**").

Through our franchise model, we distribute power in Bhiwandi, Agra and Shil-Mumbra-Kalwa ("**SMK**"), operating under input-based distribution franchise agreements where we manage the distribution and collection processes. We entered into India's first of its kind distribution franchisee agreement with MSEDCL for the franchisee area of Bhiwandi (Source: *CRISIL MI&A Report*). Notably, we were the first private sector entity to manage power distribution under a franchise agreement, and through a combination of advanced technology, improved management practices, and customer-focused initiatives, we successfully reduced AT&C losses from 58.00% at the time we took over distribution in Financial Year 2007 to 9.30% during Financial Year 2024. We have also entered into franchisee agreements to distribute power in the region of Agra and SMK.

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines operated by us and 355 km of 400kV double-circuit operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. These transmission lines within Torrent Power Grid Limited's operations are governed by tariff regulations stipulated by the Central Electricity Regulatory Commission ("**CERC**").

We have an established presence across key markets in India. (Source: *CRISIL MI&A Report)* Our generation and distribution infrastructure is strategically located to serve both urban and industrial centers, ensuring reliability and efficiency in power supply. Our distribution network covers key regions under both licensed and franchisee models. We hold distribution licenses in urban and industrial regions such as Ahmedabad, Surat, Dahej SEZ, Dholera SIR, DNH DD and Mandal Bechraji SIR.

We are led by experienced Promoters, Board and a senior management team with an extensive experience in the power industry. Our Senior Management Personnel and Key Management Personnel have worked with us for an average of more than 14 years, resulting in effective operational co-ordination and continuity essential for our growth.

During the Financial Year 2024, we achieved a return on net worth of 14.48%, and a return on capital employed aggregating to 14.60%. Moreover, we have been able to generate a higher return on equity ("**ROE**") and return of capital employed ("**ROCE**") among our listed peers during Financial Years 2024 and 2023 (Source: *CRISIL MI&A Report*). We also maintain a healthy capital structure, with a net debt to Adjusted EBITDA ratio of 2.25 and a net debt to equity ratio of 0.80 as of March 31, 2024. This provides with significant financial flexibility, allowing us to pursue growth opportunities, particularly in the renewable energy sector.

The following table sets forth certain operational and financial parameters, as of or for the period and financial years indicated below:

Parameter	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Revenue from Operations	*₹ in Crore*	16,209.54	27,183.21	25,694.12	14,257.61
Sales – Licensed Distribution	*Million Units*	12,933.59	23,362.08	22,311.79	11,680.10
Sales – Franchised Distribution	*Million Units*	3,494.04	6,260.45	6,085.28	5,317.73
Distribution Loss – Licensed Distribution	*%*	3.02	2.69	2.62	3.74
Distribution Loss – Franchised Distribution	*%*	12.91	11.89	12.47	15.19
Adjusted EBITDA(1)	*₹ in Crore*	3,065.24	4,559.18	4,758.67	3,591.00
Adjusted EBITDA Margin(2)	*%*	18.91	16.77	18.52	25.19
Profit for the period/year	₹ in Crore	1,492.06	1,896.00	2,164.67	458.70
Adjusted Net Profit (3)	*₹ in Crore*	1,492.06	1,896.00	2,164.67	1,386.70*
Net Profit Margin(10)	%	9.20	6.97	8.42	3.22
Adjusted Net Profit Margin (4)	*%*	9.20	6.97	8.42	9.73*
Net Worth(5)	*₹ in Crore*	15,456.16	13,764.77	12,416.79	10,289.20
Net Debt / Adjusted EBITDA(6)	*Ratio*	—	2.25	1.97	2.30
Net Debt / Equity(7)	*Ratio*	0.70	0.80	0.82	0.81
Return on Capital Employed(8)	*%*	—	14.60	18.22	13.13*
Return on Net Worth(9)	*%*	—	14.48	19.07	13.20*

**Excluding exceptional item pertaining to DGEN plant impairment in Financial Year 2022.*

(1) Adjusted EBITDA is calculated as the sum of Profit before Tax, Finance Cost, Depreciation and Amortization Expense and Exceptional Items less Other Income.

(2) Adjusted EBITDA margin is calculated as Adjusted EBITDA for the period/year divided by Revenue from Operations for the period/year.

(3) Adjusted Net Profit is calculated as the sum of Net Profit for the period/year and Exceptional Items (net of tax effect).

(4) Adjusted Net Profit Margin is calculated as Adjusted Net Profit for the period/year divided by Revenue from Operations for the period/year.

(5) Net Worth is calculated as the sum of Equity Share Capital, Other Equity, Non-controlling interests, Deferred tax liabilities less Deferred tax assets.

(6) Net Debt / Adjusted EBITDA is calculated as Net Debt (calculated as Total Debt by the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings less Cash and cash equivalents, Balance in fixed deposit accounts included in Bank Balance other than cash and cash equivalent, Bank fixed deposits included in Other Non-Current Financial Assets, Current Investments, Inter-corporate deposits included in Other Non-Current Financial Assets and Other Current Financial Assets) divided by Adjusted EBITDA.

(7) Net Debt / Equity is calculated as Net Debt divided by Equity. Net Debt is calculated as Total Debt by the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings less Cash and Cash Equivalents, Balance in fixed deposit accounts included in Bank Balance other than cash and cash equivalent, Bank fixed deposits included in Other Non-Current Financial Assets, Current Investments, Inter-corporate deposits included in Other Non-Current Financial Assets and Other Current Financial Assets. Equity is calculated as the sum of Equity Share Capital, Other Equity, Non-controlling Interests, Deferred Tax Liabilities less sum of Deferred Tax Assets, Other Intangible Assets and Goodwill.

(8) Return on Capital Employed is calculated as return (calculated as the sum of Profit before Tax, Exceptional Items and Finance Cost) divided by Average for 2 years (current and previous) of Debt (calculated as the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings) and Equity (calculated as the sum of Total Equity and Deferred Tax Liabilities less Deferred tax assets).

(9) Return on Net Worth is calculated as Adjusted Net Profit divided by Average for 2 years (current and previous) Net Worth.

(10) Net Profit Margin is calculated as Profit for the period/year divided by Revenue from Operations for the period/year

Note: For Reconciliation of our Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Equity, Adjusted Net Profit, Adjusted Net Profit Margin, Net Worth and Return on Net Worth, Return on Capital Employed and Net Debt to Adjusted EBITDA, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 149 of the Preliminary Placement Document.

Interest Coverage Ratio

The interest coverage ratio for the period/ financial years indicated below are as follow:

(₹ *in crores)*

Particulars	For six months period ended		For the financial years ended		
	September 30, 2024	**September 30, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
Total Comprehensive Income **(A)**	1,484.37	1,064.96	1,881.95	2,170.71	460.55
Adjusted Deferred Tax **(B)**	241.89	121.41	234.77	207.37	(266.17)
Depreciation and amortisation expense **(C)**	730.47	673.70	1,377.50	1,280.96	1,333.86
Exceptional Items **(D)**	-	-	-	-	1,300.00
Adjusted Finance Cost# **(E)**	479.88	433.09	863.71	783.70	580.73
Adjusted Profit (F= A+B+C+D+E)	2,936.61	2,293.16	4,357.93	4,442.74	3,408.97
Interest Coverage Ratio (number of times) (on a consolidated basis) (F/E)	**6.12**	**5.29**	**5.05**	**5.67**	**5.87**

Notes:

Interest coverage ratio is calculated as the sum of total comprehensive income, Adjusted deferred tax, depreciation and amortisation and Adjusted finance cost divided by Adjusted finance cost. Adjusted deferred tax is calculated as the sum of tax relating to remeasurement of the defined benefit plans and deferred tax.

#Adjusted Finance costs is calculated as sum of Interest expense for financial liabilities measured at amortised cost for Term loans, Interest expense for financial liabilities measured at amortised cost for Non convertible debentures, Interest expense for financial liabilities measured at amortised cost for Working capital loans and Interest expense for financial liabilities measured at amortised cost for Suppliers credit.

Our Strengths

Large and Established Private Sector Integrated Power Utility Company

We are one of India's leading private sector integrated power utility companies, with a strong presence across power generation (both thermal and renewable), transmission, and distribution (Source: *CRISIL MI&A Report*). As part of the Torrent Group, an Indian conglomerate with extensive experience in diverse sectors including pharmaceuticals, power and city gas distribution (Source: *CRISIL MI&A Report*).

We have a diversified generation portfolio of thermal, renewable and hybrid power projects (under construction) (Source: *CRISIL MI&A Report*). Of our three gas-based power plants (SUGEN, UNOSUGEN and DGEN), 1,163 MW of our SUGEN and UNOSUGEN plants are supported by long-term power purchase agreements ("**PPAs**") regulated by the CERC. These PPAs operate under a cost-plus framework ensuring stable and predictable returns through fixed tariffs, plus performance-based incentives. Our coal-based plant, AMGEN also operates under a regulated structure regulated by Gujarat Electricity Regulatory Commission ("**GERC**") that provides guaranteed returns, further strengthening our financial performance.

In our generation business, we are focused on cleaner energy sources. For the six months ended September 30, 2024, 95.21% of our capacity utilized cleaner fuels, such as natural gas and renewable energy sources, resulting in a lower carbon footprint as compared to traditional coal-based power generation. This emphasis on environmentally responsible operations positions us as one of the leaders in India's energy transition, aligning with global sustainability goals while maintaining high operational efficiency (Source: *CRISIL MI&A Report*).

As of September 30, 2024, our projects had a total operational capacity of 4.5 GW, distributed across several types of fuel: 2.7 GW of gas-based generation, 0.4 GW of coal-based generation, 0.9 GW of wind projects, and 0.5 MWp of solar projects. Additionally, we have significant capacity under development, including 1.6 GWp of solar projects and 1.4 GW of wind projects. This diverse energy mix allows us to optimize generation efficiency, reduce our carbon footprint, and meet India's growing demand for reliable and sustainable power.

Our distribution business includes both licensed and franchised distribution. We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera SIR and Mandal Bechraji SIR and in the union territory of DNH DD, covering an aggregate area of approximately 2,047 sq. km. Through our franchise model, we hold licenses to distribute power in Bhiwandi, Agra, and SMK, operating under input-based distribution franchise agreements where we manage the distribution and collection processes. We distribute 29.62 billion units of power, serving 4.13 million customers as of March 31, 2024 in our distribution areas.

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines by us and 355 km of 400kV double-circuit lines operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. These transmission lines under Torrent Power Grid Limited's operations are governed by tariff regulations stipulated by the CERC.

Fully Integrated Power Utility Model

We operate a fully integrated, power utility model that spans power generation, transmission, and distribution, (Source: *CRISIL MI&A Report*) with assets across coal, gas, and renewable energy. A portion of our generating assets, including those powered by gas, coal, and renewable sources, directly supply our distribution network, and 49.51% of our operational renewable power capacity is tied up with our own licenced distribution business, integrating our operations and providing long-term revenue visibility. A significant portion of our thermal generating capacity is secured through long-term PPAs with our licensed distribution business. These agreements are based on a cost-plus model, providing predictable returns through regulated tariffs and performance-based incentives.

Our licensed distribution, transmission and thermal generation businesses (excluding untied capacity) are regulated with established tariff frameworks. With established tariff frameworks, our transmission network is primarily utilized to evacuate power from our generating assets to our licensed distribution areas which, as of March 31, 2024, served 2.73 million consumers. During the Financial Year 2023, 60.43% of our EBITDA came from stable integrated generation and distribution business segments. This integrated model provides long-term cash flow visibility and reduces exposure to market volatility, resulting in a business model that is both resilient and scalable, and positioning us as one of the leaders in India's energy sector (Source: *CRISIL MI&A Report*).

Our distribution business is a key driver of our stability and profitability. We are the sole licensee in the service areas of Ahmedabad, Gandhinagar and Surat in Gujarat and DNH DD, operating under a fully regulated business model with exclusive rights to distribute electricity. We are also the second licensee in the service areas of Dholera SIR, Dahej SEZ and Mandal Bechraji SIR. Through our franchise model, we distribute power in Bhiwandi, Agra, and SMK, operating under input-based distribution franchise agreements where we manage the distribution and collection processes. This offers us the ability to retain the upside from improved operational efficiencies. Notably, our Bhiwandi franchise was the first-of-its-kind franchise distribution agreement in India permitting a private sector company to manage a high-loss distribution area (Source: *CRISIL MI&A Report*). At the time of entering into this agreement, the franchise faced severe challenges, including overloaded and unsafe infrastructure, a disorganized billing system, and rampant power theft, with up to several hours of daily power cuts and high aggregate technical and commercial ("**AT&C**") losses. We have achieved a significant turnaround, reducing AT&C losses to 9.30% during Financial Year 2024.

To address the technical and commercial challenges faced at the Bhiwandi and Agra distribution areas, we implemented a comprehensive strategy involving automation and supervisory control and data acquisition ("**SCADA**") control systems across networks, extensive upgrades to improve safety and load management, and targeted initiatives to reduce transmission and distribution losses. Additionally, we engaged with customers through grievance camps, and fire and electrification safety initiatives to encourage safety of our consumers. Through these targeted efforts, we not only improved the safety, reliability, and efficiency of these distribution networks but also demonstrated our expertise in transforming high-loss areas into efficient, customer-focused operations.

A key competitive advantage of our portfolio is our ability to directly import liquefied natural gas ("**LNG**") for our gas-based power plants. This direct procurement capability allows us to secure LNG at more competitive rates compared to other gas-based power projects, which rely on intermediaries for fuel supply (Source: *CRISIL MI&A Report*). By controlling our fuel supply chain, we optimize fuel costs and maintain a reliable supply, enabling us to capitalize on market opportunities, particularly in the merchant power market. Furthermore, through our integrated utility model and power generation capacity, we were able to meet 33.44% of the electricity demand in Ahmedabad and Surat during Financial Year 2023. This in-house supply of electricity provides us a competitive advantage by delivering cost-effective power to our distribution regions, leading to lower power purchase costs.

Comprehensive Presence Across Key Markets

We have an established presence across key markets in India (Source: *CRISIL MI&A Report*). Our generation and distribution infrastructure is strategically located to serve both urban and industrial centers, ensuring reliability and efficiency in power supply. We operate across multiple states, with assets in the States of Gujarat, Maharashtra, Haryana, Karnataka, Rajasthan, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Telangana and DNH DD. This geographic diversity reduces our reliance on any single market and enhances our ability to serve a broad customer base, ensuring long-term operational and financial stability.

Our power generation portfolio, comprising wind, solar, gas, and coal-based plants, is strategically dispersed to meet local and regional demand. Our wind and solar assets are located in Gujarat, Maharashtra, Haryana, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh and Rajasthan, while our gas and coal plants are concentrated in regions such as Gujarat, where industrial demand is high. This diverse energy mix allows us to balance energy generation from traditional thermal sources with renewable energy projects, providing us with a competitive advantage in terms of cost, supply stability, and regulatory compliance.

Operational Excellence and Industry-Leading Efficiency

We have significant experience in executing and operating large-scale, complex power projects, including gas-based power plants and extensive power distribution networks. Our ability to manage these operations demonstrates our operational expertise and capability to handle infrastructure projects critical to India's energy sector.

We focus heavily on operations and maintenance to continually improve yields and optimize the performance of our assets. Our proactive operations and maintenance practices ensure that our plants operate at peak efficiency and maintain high levels of availability, enhancing output and extending the lifespan of our infrastructure. For the six months ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, had a distribution loss of 3.02%, 2.69%, 2.62% and 3.74%, respectively, in our licensed power distribution areas, which was one of the lowest among power distribution companies in India (Source: *CRISIL MI&A Report*). During these periods, we also maintained more than 99% average power availability in these areas (excluding DNH DD), respectively, ensuring consistent and reliable service for our consumers.

One of our notable operational achievements is our role in the Bhiwandi distribution franchise where we were the first private sector entity to manage power distribution under a franchise agreement. Through a combination of advanced technology, improved management practices, and customer-focused initiatives, we successfully reduced AT&C losses from 58.00% during Financial Year 2007 to 9.30% during Financial Year 2024, demonstrating our ability to turnaround high-loss areas with significant operational improvements.

We also provide 24x7 power supply in our licensed services areas, ensuring more than 99% power availability excluding DNH DD for our customers during Financial Year 2024.

Strong Financial Performance and Capital Efficiency

We have consistently demonstrated good financial performance with prudent capital management. During the Financial Years 2024, 2023 and 2022, we achieved a return on net worth of 14.48%, 19.07% and 13.20%, respectively. Similarly, during the Financial Years 2024, 2023 and 2022, we achieved a return on capital employed aggregating to 14.60%, 18.22% and 13.13%, respectively.

We also maintain a healthy capital structure, with a net debt to Adjusted EBITDA ratio of 2.25 and a net debt to equity ratio of 0.80 as of March 31, 2024.

Furthermore, we have 1.57 GW of gas-based generation capacity available for short-term and merchant market opportunities. This capacity allows us to capitalize on fluctuations in demand and supply in the energy market, providing additional revenue streams through opportunistic trading in the merchant market.

Experienced Promoters and Management Team

We are led by experienced Promoters, Board and a management team with extensive experience in the power industry and a proven track record of performance.

Our senior management personnel and key management personnel have worked with us for an average of more than 14 years, resulting in effective operational coordination and continuity essential for our growth. See also, "*Board of Directors and Senior Management*" on page 199.

Our Strategies

Expand Renewable and Hybrid Energy Portfolio

We are committed to scaling our renewable energy portfolio to transition towards a more sustainable energy portfolio and are actively developing additional solar and wind energy projects that will help us increase our installed renewable capacity.

We recognise the opportunity in flexible power generation through the pooling of renewable energy and gas-based power. This flexibility allows us to offer round-the-clock ("**RTC**") power at a competitive cost, meeting the growing demand for reliable and sustainable energy solutions in India. In response to the increased infusion of renewable energy into the grid, we also recognize the critical role of storage solutions in managing renewable intermittency (Source: *CRISIL MI&A Report*). Moreover, we have identified hydro pump storage as a key growth driver and have secured 2 GW hydro pump storage letter of award from MSEDCL, ensuring a reliable storage solution for the next 40 years.

We also aim to expand our renewable and hybrid portfolio, both in terms of capacity and geography, to capitalize on the growing demand for green and reliable power in India. This includes the following initiatives:

- Diversify our renewable portfolio by adding new technologies such as pumped storage power and green hydrogen, which can enhance our value proposition and competitiveness in the market. We also aim to increase our renewable capacity to 4.4 GW, and are currently pursuing the development of a pumped hydro storage project to enhance our renewable energy portfolio. We have secured in-principle allotment of four sites of 8.4 GW capacity in Maharashtra and Uttar Pradesh and in the process of seeking necessary approvals to commence development of the project.

- Leverage our gas-based capacity to offer flexible and round-the-clock power solutions, by combining renewable and gas-based generation.

- Participate in a number of bidding opportunities for renewable and hybrid projects, both at the central and state level, and also explore opportunities for captive and commercial and industrial customers.

- Reduce our greenhouse gas emissions and focus on other green molecule technologies such as pumped hydro storage power and green hydrogen. Our gas-based plants are registered under the clean development mechanism, and have reduced over 25.74 million metric tonnes of CO_2 emissions since 2009.

Strengthen Distribution Presence and Performance

In alignment with the Government of India's initiatives to improve the performance of the power distribution sector, we aim to strengthen our distribution presence and performance by improving our operational efficiency, customer service and profitability in existing areas, and by exploring new opportunities for expansion in other areas (Source: *CRISIL MI&A Report*). With state-owned distribution companies ("**DISCOMs**") facing challenges such as financial strain, high AT&C losses, and outdated infrastructure, the Government of India has been exploring privatization to attract private investment, improve operational efficiencies, and reduce losses (Source: *CRISIL MI&A Report*). Under the *Aatma Nirbhar Bharat Abhiyaan*, the privatization of power departments and utilities in the Union Territories of India has commenced, with the goal of delivering better services and increasing financial stability in the sector (Source: *CRISIL MI&A Report*). In support of this initiative, we have strengthened our distribution presence by acquiring a 51.00% stake in the power distribution company serving DNH DD and the SMK distribution area under a franchise agreement with the MSEDCL. Additionally, we have applied for a second distribution license in Pune, Palghar and Nagpur in Maharashtra.

We also aim to reduce our distribution losses, especially in our franchised areas, by deploying advanced metering infrastructure, smart grid solutions, and loss reduction initiatives. We aim to improve our profitability through the reduction of AT&C losses and availing various regulatory incentives and mechanisms.

Pursue Selective and Value-Accretive Opportunities in Transmission

To support a large installed generation base, cumulative investment in the Indian transmission sector is projected to reach approximately ₹3 trillion for fiscal years 2025-30 (Source: CRISIL MI&A Report). This growth is expected to be driven by the demand for a robust and reliable transmission infrastructure to accommodate ongoing generation expansion, a significant focus on renewable energy, and the push for rural electrification (source: CRISIL). Given the sizable opportunities in this sector, we aim to pursue selective, value-accretive transmission projects, focusing on both greenfield and brownfield developments.

We have recently been awarded two transmission projects, one for evacuation of power from 4.5 GW renewable project in Khavda, Gujarat under the cost plus incentive model. The project scope covers laying of 60 km 400 kV D/C lines together with bay upgradation. The other project is for evacuation of 1.5 GW renewable power in Solapur, Maharashtra, through tariff-based competitive bidding. The project covers laying of 44 km 400 kV D/C line together with two line bays and one substation. We intend to participate in more transmission projects, both at the inter-state and intra-state level, that can offer attractive returns.

As of September 30, 2024, we operate 355 circuit km of 400 kV transmission lines and 128 circuit km of 220 kV transmission lines.

We also aim to continue to evaluate brownfield opportunities, such as acquisition of existing transmission assets or companies, that can strengthen our presence and portfolio in the transmission segment.

Leverage Digital and Technological Capabilities to Enhance Operational Efficiency, Customer Experience and Innovation

We aim to leverage digital and technological capabilities to enhance our operational efficiency, customer experience, and innovation across businesses. We have already adopted several digital and technological solutions, such as SCADA and GIS, among others, to improve our generation, transmission and distribution performance. We have adopted several digital and technological solutions, including a field force mobile application to digitalize field activities, such as complaint management, meter reading, and asset surveys, promoting paperless operations and enabling better monitoring. Customer service has also been enhanced with mobile message notifications for power outages, restoration updates, and application statuses, as well as a mobile e-portal for efficient customer interaction. Additionally, our Bhiwandi and SMK franchise distribution units have adopted initiatives focused on enhancing billing accuracy and consumer satisfaction, including the replacement of outdated meters with quality static electronic meters and the introduction of automated meter reading to better monitor transmission and distribution losses. Additionally, we have incorporated distribution automation, established gas-insulated substations for improved reliability, introduced an advanced distribution management system to enhance grid efficiency and safety, and implemented switch mode power supply chargers to increase energy efficiency and redundancy.

We intend to further invest in digital and technological capabilities, to enable real-time monitoring and control, predictive and preventive maintenance, demand response and load management, energy efficiency and conservation, and cybersecurity and resilience. To further improve customer experience, we are in the process of updating bill formats, including the addition of QR codes for easier payment. We also plan to foster a culture of innovation and learning, by collaborating with industry participants, such as original equipment manufacturers, research institutions, start-ups, and industry associations, to explore new technologies and solutions for the power sector.

Enhance ESG Performance and Reporting

Our approach focuses on environmental responsibility with only 11.71% of our thermal capacity being coal-based as of September 30, 2024, and the balance of 88.29% utilizing natural gas. We are also making substantial investments in renewable energy and diversifying our renewable portfolio by adding new technologies such as pumped storage power and green hydrogen.

We aim to enhance our ESG performance and reporting, and have undertaken a range of initiatives and measures to reduce our environmental impact, improve our social practices and strengthen our governance framework. We intend to further improve our ESG performance by setting and achieving measurable targets and indicators, aligning with national and global standards and frameworks, and adopting best practices and benchmarks. We also plan to enhance our ESG reporting by disclosing our ESG performance, policies, and initiatives, in a transparent, consistent, and comprehensive manner, and by engaging with stakeholders to solicit their feedback and suggestions.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 47, 90, 230, 217 and 245, respectively.

Issuer	Torrent Power Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 1,555.75 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Board may, in consultation with the Book Running Lead Managers, may offer a discount of not more than 5% on the Floor Price, in accordance with the approval of our Shareholders accorded by way of a special resolution at the AGM held on July 30, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to ₹ [●] crores A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorizing the Issue	May 22, 2024
Date of shareholders' resolution authorizing the Issue	July 30, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form are delivered shall be determined by our Company in consultation with the Book Running Lead Managers, at its discretion. For further details, see "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations"* on pages 221, 232 and 238, respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 245 and 101, respectively
Taxation	See "*Taxation*" on page 248
Equity Shares issued and outstanding immediately prior to the Issue	480,616,784 Equity Shares
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 4,806,167,840
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see the section entitled "*Issue Procedure*" on page 217.
Listing and trading	Our Company has obtained in-principle approvals each dated December 2, 2024 from NSE and BSE, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for the listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants. The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "*Placement – Lock-up*" on page 230
Proposed Allottees	See "*Details of Proposed Allottees*" on page 280 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company

Transferability restrictions	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see "*Transfer Restrictions and Purchaser Representations*" on page 238.	
Use of proceeds	The gross proceeds from the Issue will be aggregating to ₹ [●] crores* The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue, will be approximately ₹ [●] crores, which is proposed to be utilized for (i) repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company and/ or some of our Subsidiaries; and (ii) general corporate purposes. For details, see "*Use of Proceeds*" on page 90 for additional information regarding the use of Net Proceeds from the Issue. **Subject to allotment of Equity Shares pursuant to the Issue*	
Risk factors	For details, see "*Risk Factors*" on page 47 for a discussion of risks you should consider before participating in the Issue	
Closing Date	The Allotment of the Equity Shares issued pursuant to the Issue is expected to be made on or about [●], 2024	
Ranking and Dividend	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, please see "*Dividends*" and "*Description of the Equity Shares*" on pages 101 and 245, respectively.	
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 246	
Security codes for the Equity Shares	ISIN	INE813H01021
	BSE Code	532779
	NSE Symbol	TORNTPOWER

SUMMARY OF FINANCIAL INFORMATION

The following selected financial information of our Company is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and the Unaudited Consolidated Financial Results included on page 277 in this Preliminary Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 149, for further discussion and analysis of the Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and the Unaudited Consolidated Financial Results. For further details, see "Financial Information" on page 277.

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Summary of condensed unaudited consolidated balance sheet as at September 30, 2024 and September 30, 2023 and audited consolidated balance sheets as at March 31, 2024, March 31, 2023 and March 31, 2022

(In ₹ crores)

Sr. No.	Particulars	As at				
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	ASSETS					
1	**Non-current assets**					
	(a) Property, plant and equipment	21,571.06	19,176.19	20,653.68	18,115.94	16,759.39
	(b) Right-of-use assets	282.19	244.98	259.07	216.46	214.60
	(c) Capital work-in-progress	2,143.61	1,977.47	2,472.36	2,624.69	1,297.27
	(d) Investment property	-	6.22	-	9.39	-
	(e) Goodwill	171.07	171.07	171.07	171.07	-
	(f) Other intangible assets	700.17	737.20	718.46	756.33	123.29
	(g) Financial assets					
	(i) Investments	22.15	17.02	17.02	15.94	132.82
	(ii) Loans	-	-	-	-	121.87
	(iii) Other financial assets	85.73	123.64	94.68	135.38	101.55
	(h) Non-current tax assets (net)	19.52	32.53	12.64	12.50	10.56
	(i) Deferred tax assets (net)	61.58	41.97	66.38	38.65	35.12
	(j) Other non-current assets	581.32	462.87	420.76	361.04	1,000.47
	Sub-total - Non-current assets	**25,638.40**	**22,991.16**	**24,886.12**	**22,457.39**	**19,796.94**
2	**Current assets**					
	(a) Inventories	701.90	976.74	800.45	820.28	537.57
	(b) Financial assets					
	(i) Investments	927.57	1,073.55	937.37	787.75	273.70
	(ii) Trade receivables	2,890.87	2,685.11	2,190.86	2,246.33	1,602.70
	(iii) Cash and cash equivalents	344.43	370.28	350.83	188.23	289.41
	(iv) Bank balances other than cash and cash equivalents above	101.35	88.63	67.91	155.29	62.93
	(v) Loans	-	-	-	-	19.90
	(vi) Other financial assets	4,413.84	3,560.39	3,989.23	3,111.40	2,298.81
	(c) Other current assets	187.95	248.17	169.71	143.51	140.74
	(d) Assets classified as held for sale	367.22	-	-	-	-
	Sub-total - Current assets	**9,935.13**	**9,002.87**	**8,506.36**	**7,452.79**	**5,225.76**
	Total assets	**35,573.53**	**31,994.03**	**33,392.48**	**29,910.18**	**25,022.70**
	EQUITY AND LIABILITIES					
	Equity					
	(a) Equity share capital	480.62	480.62	480.62	480.62	480.62
	(b) Other equity	12,835.23	11,371.36	11,581.09	10,529.38	9,462.56
	Sub-total -- Equity attributable to equity holders of the Company	**13,315.85**	**11,851.98**	**12,061.71**	**11,010.00**	**9,943.18**
	Non-controlling interests	569.79	505.27	535.79	476.65	35.93
	Sub-total - Equity	**13,885.64**	**12,357.25**	**12,597.50**	**11,486.65**	**9,979.11**

Sr. No.	Particulars	As at				
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	Liabilities					
1	**Non-current liabilities**					
	(a) Financial liabilities					
	(i) Borrowings	10,445.45	9,486.94	9,916.40	8,902.32	7,099.15
	(ii) Lease liabilities	49.97	40.32	39.50	39.32	39.10
	(iii) Trade payables					
	Total outstanding dues of micro and small enterprises	-	-	-	-	-
	Total outstanding dues other than micro and small enterprises	481.05	286.86	345.71	210.61	150.46
	(iv) Other financial liabilities	5.73	0.74	0.95	-	0.33
	(b) Deferred tax liabilities (net)	1,632.10	1,093.51	1,233.65	968.79	345.21
	(c) Other non-current liabilities	1,462.15	1,396.85	1,445.68	1,372.46	1,261.67
	Sub-Total - Non-current liabilities	**14,076.45**	**12,305.22**	**12,981.89**	**11,493.50**	**8,895.92**
2	**Current liabilities**					
	(a) Financial liabilities					
	(i) Borrowings	1,063.36	1,151.16	1,668.63	1,593.75	1,999.27
	(ii) Lease liabilities	8.66	6.46	7.27	6.02	5.11
	(iii) Trade payables					
	Total outstanding dues of micro and small enterprises	46.48	47.34	64.12	68.99	54.02
	Total outstanding dues other than micro and small enterprises	2,149.92	2,269.24	1,747.80	1,453.68	1,057.11
	(iv) Other financial liabilities	2,938.89	2,632.98	3,264.67	2,687.72	2,021.51
	(b) Other current liabilities	708.92	695.86	735.06	677.24	613.56
	(c) Provisions	194.03	286.80	201.74	264.06	274.55
	(d) Current tax liabilities (net)	358.21	241.72	123.80	178.57	122.54
3	Liabilities directly associated with assets classified as held for sale	142.97	-	-	-	-
	Sub-total - Current liabilities	**7,611.44**	**7,331.56**	**7,813.09**	**6,930.03**	**6,147.67**
	Total equity and liabilities	**35,573.53**	**31,994.03**	**33,392.48**	**29,910.18**	**25,022.70**

Summary of condensed unaudited consolidated statement of profit and loss for the six months period ended September 30, 2024 and September 30, 2023 and audited consolidated statement of profit and loss for Fiscals 2024, 2023 and 2022

(in ₹ crores)

Sr. No.	Particulars	For the six months period ended		For the year ended		
		September 30, 2024	**September 30, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
1	**Income**					
	(a) Revenue from operations	16,209.54	14,288.54	27,183.21	25,694.12	14,257.61
	(b) Other income	200.99	193.89	344.32	381.85	235.04
	Total income	**16,410.53**	**14,482.43**	**27,527.53**	**26,075.97**	**14,492.65**
2	**Expenses**					
	(a) Electrical energy purchased	7,574.94	7,266.96	13,743.27	14,440.53	5,116.39
	(b) Fuel cost	3,787.79	3,159.11	5,647.95	2,508.23	3,403.40
	(c) Cost of materials consumed	213.46	214.41	406.50	334.81	262.64
	(d) Purchase of stock-in-trade	329.15	195.24	690.53	1,879.26	305.99
	(e) Changes in inventories of finished goods and work-in-progress	0.11	13.59	20.45	(29.19)	(11.11)
	(f) Employee benefits expense	363.19	307.89	611.19	578.25	533.54
	(g) Finance costs	532.43	474.44	943.40	818.20	628.21
	(h) Depreciation and amortisation expense	730.47	673.70	1,377.50	1,280.96	1,333.86
	(i) Other expenses	875.66	725.15	1,504.14	1,223.56	1,055.76
	Total expenses	**14,407.20**	**13,030.49**	**24,944.93**	**23,034.61**	**12,628.68**
3	**Profit before exceptional items and tax**	**2,003.33**	**1,451.94**	**2,582.60**	**3,041.36**	**1,863.97**
	Exceptional items	-	-	-	-	1,300.00
4	**Profit before tax**	**2,003.33**	**1,451.94**	**2,582.60**	**3,041.36**	**563.97**
5	**Tax expense**					
	(a) Current tax	265.58	250.96	445.07	672.82	372.48
	(b) Deferred tax	245.69	126.15	241.53	203.87	(267.21)
	Total tax expense	**511.27**	**377.11**	**686.60**	**876.69**	**105.27**
6	**Profit for the period**	**1,492.06**	**1,074.83**	**1,896.00**	**2,164.67**	**458.70**
7	**Other comprehensive income**					
	A (i) Items that will not be reclassified to profit or loss					
	(a) Remeasurement of the defined benefit plans	(11.49)	(14.61)	(20.81)	9.54	2.89
	(b) Tax relating to remeasurement of the defined benefit plans	(3.80)	(4.74)	(6.76)	3.50	1.04
	Other comprehensive income for the period, net of tax	**(7.69)**	**(9.87)**	**(14.05)**	**6.04**	**1.85**
8	**Total comprehensive income for the period**	**1,484.37**	**1,064.96**	**1,881.95**	**2,170.71**	**460.55**
	Profit for the period attributable to:					
	Owners of the Company	1,453.27	1,043.16	1,833.23	2,117.43	453.98

Sr. No.	Particulars	For the six months period ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	Non-controlling interest	38.79	31.67	62.77	47.24	4.72
	Other comprehensive income for the period attributable to:					
	Owners of the Company	(6.88)	(8.93)	(12.53)	6.75	1.85
	Non-controlling interests	(0.81)	(0.94)	(1.52)	(0.71)	-
	Total comprehensive income for the period attributable to:					
	Owners of the Company	1,446.39	1,034.23	1,820.70	2,124.18	455.83
	Non-controlling interests	37.98	30.73	61.25	46.53	4.72
9	**Earnings per equity share of ₹ 10 each**					
	Basic (₹)	30.24	21.70	38.14	44.06	9.45
	Diluted (₹)	30.24	21.70	38.14	44.06	9.45

Summary condensed unaudited consolidated cash flow statement for the six months period ended September 30, 2024 and September 30, 2023 and audited consolidated cash flow statement for Fiscals 2024, 2023 and 2022

(in ₹ crores)

Sr. No.	Particulars	For the six months period ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
I.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Profit before tax	**2,003.33**	**1,451.94**	**2,582.60**	**3,041.36**	**563.97**
	Adjusted for:					
	Depreciation and amortisation expense	730.47	673.70	1,377.50	1,280.96	1,333.86
	Amortisation of deferred revenue	(55.02)	(51.92)	(106.18)	(100.10)	(90.27)
	Provision of earlier years written back	(1.06)	(0.01)	(1.09)	(0.80)	(1.04)
	Loss on sale of non-current investments	0.13	-	-	-	-
	Loss on sale / discarding of property, plant and equipment and capital work-in-progress	4.49	11.15	37.19	29.91	23.66
	Gain on disposal of property, plant and equipment / investment property	(7.23)	(19.31)	(40.01)	(44.84)	(30.05)
	Bad debts written off (net of recovery)	(13.78)	(9.01)	12.41	4.02	46.83
	Reversal of provision for onerous contracts	-	-	(109.40)	(10.82)	(55.07)
	Provision for onerous contracts	-	-	-	9.44	0.53
	Allowance for doubtful advances (net)	-	(6.06)	(6.06)	-	-
	Allowance for doubtful debts (net)	29.94	38.84	(10.11)	(13.21)	(32.71)
	Exceptional items	-	-	-	-	1,300.00
	Finance costs	532.43	474.44	943.40	818.20	628.21
	Interest income from financial assets measured at amortised cost	(25.68)	(26.62)	(56.80)	(68.84)	(66.62)
	Gain on sale of current investments in mutual funds	(25.32)	(26.78)	(57.94)	(55.64)	(27.84)
	Gain on sale of non-current investments	(0.04)	(0.05)	(0.05)	-	-
	Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	1.37	(3.83)	(1.93)	(7.23)	2.20
	Net gain arising on financial assets / liabilities measured at amortised cost	(25.33)	(17.40)	(50.02)	(23.67)	(28.93)
	Net unrealised loss/ (gain) on foreign currency transactions	17.14	(4.89)	3.98	10.76	(5.34)
	Operating profit before working capital changes	**3,165.84**	**2,484.19**	**4,517.49**	**4,869.50**	**3,561.39**
	Movement in working capital:					
	Adjustments for decrease/ (increase) in operating assets:					
	Inventories	(173.18)	(156.46)	198.84	(265.58)	(85.44)
	Trade receivables	(872.78)	(468.61)	59.23	(148.96)	(119.78)
	Other financial assets	(420.48)	(431.54)	(775.59)	(929.80)	(287.41)
	Other assets	(28.69)	(80.05)	13.79	(22.13)	(43.68)
	Adjustments for decrease/ (increase) in operating liabilities:					
	Trade payables	573.99	892.39	470.34	125.37	196.61
	Other financial liabilities	23.16	(33.37)	188.29	260.20	118.13

Sr. No.	Particulars	For the six months period ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	Provisions	(12.84)	8.13	26.27	0.43	(3.92)
	Other liabilities	(21.98)	17.65	57.32	56.84	62.33
	Cash generated from operations	**2,233.04**	**2,232.33**	**4,755.98**	**3,945.87**	**3,398.23**
	Taxes paid (net)	**102.15**	**(207.85)**	**(497.63)**	**(490.09)**	**(231.05)**
	NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**2,335.19**	**2,024.48**	**4,258.35**	**3,455.78**	**3,167.18**
II.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of property, plant and equipment, intangible assets & right-of-use assets	(1,861.25)	(1,247.28)	(3,656.48)	(2,815.55)	(1,809.14)
	Proceeds from sale of property, plant and equipment, intangible assets & investment property	81.20	27.43	57.42	65.74	49.44
	Acquisition of subsidiaries net of cash and cash equivalents	-	(19.02)	(18.74)	28.05	(515.23)
	Advance against equity investment	-	-	-	(3.00)	(555.00)
	Purchase of non-current investments	(5.14)	(4.03)	(4.03)	(1.94)	(1.91)
	Proceeds from sale of non-current investments	2.86	1.98	1.98	-	-
	Loans to related parties	-	-	-	(277.02)	(7.95)
	Repayment of loans from related parties	-	-	-	11.25	21.30
	(Investments) / redemption in bank deposits (net) (original maturity more than three months)	-	-	-	(115.43)	50.63
	Investments in bank deposits (original maturity more than three months)	(62.97)	(338.22)	(1,118.90)	-	-
	Redemption in bank deposits (original maturity more than three months)	34.11	406.35	1,225.43	-	-
	(Investments) / redemption in inter corporate deposits	-	-	-	266.84	113.40
	Interest received	25.79	27.20	57.62	74.35	69.31
	(Purchase of) / proceeds from current investments (net)	30.80	(254.17)	(88.73)	(449.25)	102.03
	NET CASH USED IN INVESTING ACTIVITIES	**(1,754.60)**	**(1,399.76)**	**(3,544.43)**	**(3,215.96)**	**(2,483.12)**
III.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from issuance of shares to non-controlling interest	-	0.74	-	-	-
	Proceeds from long-term borrowings	964.26	962.18	3,300.13	3,812.34	1,125.22
	Proceeds from short-term borrowings	527.00	475.00	1,365.00	400.00	693.22
	Repayment of long-term borrowings	(361.62)	(694.09)	(1,263.68)	(1,359.28)	(885.59)
	Prepayment of long-term borrowings	(311.15)	(353.92)	(1,241.54)	(341.86)	(235.49)
	Repayment of short-term borrowings	(817.02)	(250.00)	(1,074.98)	(1,113.74)	-
	Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(1.53)	(1.75)	(3.82)	(3.82)	(3.82)
	Receipt of contribution from consumers	75.46	77.29	179.35	217.04	200.41
	Dividend paid	(196.23)	(194.36)	(771.10)	(1,061.81)	(702.04)
	Principal elements of lease payments	(5.52)	(17.35)	(44.02)	(22.34)	(44.35)
	Finance cost paid	(452.02)	(446.41)	(996.66)	(867.53)	(649.49)
	NET CASH USED IN FINANCING ACTIVITIES	**(578.37)**	**(442.67)**	**(551.32)**	**(341.00)**	**(501.93)**

Sr. No.	Particulars	For the six months period ended		For the year ended		
		September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	**2.22**	**182.05**	**162.60**	**(101.18)**	**182.13**
	CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR/ PERIOD	**350.83**	**188.23**	**188.23**	**289.41**	**107.28**
	Cash and cash equivalents considered as assets classified as held for sale	(8.62)	-	-	-	-
	CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR/ PERIOD	**344.43**	**370.28**	**350.83**	**188.23**	**289.41**
	Cash and cash equivalents as at the end of the year/ period:					
	a) Balances with banks					
	Balance in current accounts	343.85	269.63	268.41	187.33	288.10
	Balance in fixed deposit accounts (original maturity for less than three months)	-	100.05	80.32	-	0.05
	b) Cheques on hand	0.23	0.25	1.40	0.60	0.79
	c) Cash on hand	0.35	0.35	0.70	0.30	0.47
	Total	**344.43**	**370.28**	**350.83**	**188.23**	**289.41**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the six months period ended September 30, 2024 and September 30, 2023; (ii) Fiscal 2024; (iii) Fiscal 2023; and (iv) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see *"Financial Information"* on page 277.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors, uncertainties and all other information set forth in this Preliminary Placement Document before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows.

If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company on a consolidated basis and the terms of this Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 176, 103 and 149 respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 18. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision with respect to this Issue, prospective investors must rely on their own examination of our Group and the terms of this Issue, including the merits and risks involved. Unless otherwise indicated or the context otherwise requires, in this section, references to "group", "we", "us" and "our" are to the Company together with its Subsidiaries, Associate, and Joint Venture, on a consolidated basis.

Unless stated otherwise, all financial information is presented on a consolidated basis and in INR crores. Our financial year ends on March 31 of every year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

INTERNAL RISKS

Risks relating to our business

1. Our generation and distribution business are exposed to variations in demand for electricity. Any reduction in demand as a result of increase in price or other factors could have an adverse effect on our business, financial condition and results of operations.

The revenues from our licensed distribution business are based on the Aggregate Revenue Requirement ("**ARR**") as per applicable tariff regulations. Due to variations in demand, the cash flows of our licensed distribution business may be affected by lower recovery of ARR. The profitability of our licensed distribution is unaffected by virtue of cost plus tariff under the applicable tariff regulations; under recovery of ARR in a prior period enables recovery in subsequent periods along with carrying cost. The revenues from our franchised distribution business are derived from the volume of electricity metered at the consumers' end through distribution networks at tariffs determined by the regulator.

The volume of electricity consumed by our customers is subject to seasonal fluctuations and to a range of variables, including economic conditions, population growth, government policy, weather, alternative energy sources, technology, energy saving behaviour and the availability of adequate supplies of electricity. Accordingly, our revenues from our distribution business in the months of November to February are generally lower than those during the other months of the year. Economic recession, customer relocations out of a distribution area and customers opting for open access or captive generation would also have a direct adverse effect on our distribution business. Our customers may also react negatively if the price of electricity is increased significantly, which may result in reduced demand for our electricity. A reduction in demand as a result of our consumers in distribution areas sourcing their power from other suppliers could also have an adverse effect on our revenues and results of operations.

In our thermal generation business, a decrease in demand may adversely affect profitability, particularly in relation to the sharing of gains. While fuel-related costs under fixed cost obligations such as "Take or Pay," "Use or Pay," "Ship or Pay," and "Fixed Facility Charges" in our fuel purchase contracts are recoverable from long-term customers under the Tariff Regulations, losses may still arise. Specifically, "Use or Pay" charges related to regasification capacity allocated for merchant capacity may result in a loss if the expected demand is not realized.

Furthermore, revenue from our licensed distribution business is mainly concentrated in the Ahmedabad, Surat, Dahej SEZ and Dadra and Nagar Haveli and Daman and Diu distribution areas. Following the implementation of the Electricity Act, non-retail consumers with demand exceeding 1 MVA are permitted to procure power from a supplier of their choice. If a substantial portion of these consumers opt to source electricity from alternative suppliers, our business and results of operations may be adversely affected.

2. ***Our distribution business is exposed to a decrease in demand for electricity due to adoption of solar rooftop systems. Any reduction in demand for electricity could have an adverse effect on our business, financial condition and results of operations.***

Our distribution business is increasingly at risk due to the rising adoption of solar rooftop installations. The Government of India is actively promoting the installation of solar rooftop systems among residential, commercial, and industrial customers, including through the provision of certain incentives and subsidies to improve attractiveness of solar adoption. As more consumers and businesses install solar panels to generate their own electricity, the demand for traditional grid-supplied electricity is expected to be adversely affected. This trend is driven by the desire for energy independence, cost savings and environmental benefits, supported by government incentives and technological advancements in solar energy. The widespread installation of solar rooftops could reduce overall consumption of traditional grid-supplied electricity, leading to a decrease in revenue and potentially affecting our financial health and operational performance of our distribution business.

3. ***We may face challenges in obtaining new licenses, entering into new franchise agreements, or renewing existing licenses or franchisee agreements for our transmission and distribution businesses in a timely manner, on acceptable terms, or at all.***

We require certain approvals, licenses, registrations and permissions to operate our businesses. In the licensed distribution business, licenses are issued for distribution of electricity for specific areas. We have distribution licenses under the Electricity Act for electricity distribution in several regions, including Ahmedabad and Gandhinagar, Surat, Dahej SEZ, Dholera Special Investment Region and Mandal Bechraji Special Investment Region in the state of Gujarat, and in the Union Territory of Dadra and Nagar Haveli and Daman and Diu. According to the Electricity Amendment Rules, 2023, these licenses are automatically renewed for an additional 25 years, unless they are revoked. The license for Ahmedabad and Gandhinagar is valid until November 2025 and will automatically renew for further 25 years unless revoked. The licenses for Surat, Dahej, Dholera Special Investment Region and the Union Territory of Dadra and Nagar Haveli and Daman and Diu are valid until 2028, 2034, 2043 and 2047 respectively, and will automatically renew for further 25 years unless revoked.We also operate as a franchisee of the licensee for electricity distribution in the areas of Bhiwandi and Shil-Mumbra-Kalwa in the state of Maharashtra and Agra in the state of Uttar Pradesh. The distribution franchise agreements of Bhiwandi, Agra and SMK are valid until January 25, 2027, March 31, 2030 and February 29, 2040 respectively, and for Bhiwandi and SMK, may be extended by mutual agreement as per the terms and conditions as per the franchise agreement.

Further, we were granted a parallel distribution license for distribution and supply of electricity in the area of Mandal Bechraji SIR in Financial Year 2023 by Gujarat Electricity Regulatory Commission ("**GERC**") for the period of 25 years. However, Gujarat Urja Vikas Nigam Limited and Uttar Gujarat Vij Company Limited have filed appeals challenging the GERC's order for grant of license to us and the appeals are pending with the Appellate Tribunal for Electricity. There can be no assurance that we will be able to retain such licenses and in the event that we are unable to retain such licenses, we would not be able to operate distribution lines in such area.

We have also applied for licenses to operate parallel distribution lines for distribution and supply of electricity in three areas of the state of Maharashtra, i.e., Thane and Palghar, Pune and Nagpur. Our petition to obtain such licenses remain pending with the Maharashtra Electricity Regulatory Commission. There can be no assurance that we will be able to obtain such licenses and in the event that we are unable to obtain such licenses, we would not be able to operate distribution lines in such areas.

Our transmission and distribution licenses may be revoked or may not be renewed by the relevant regulators prior to the expiry date in certain circumstances, including a wilful and prolonged default by us, our inability to make statutory payments or our failure to meet the standard of performance prescribed under the license, or any adverse findings of any independent body appointed to review our operations. In addition, regulators may revoke our license if our financial condition is such that we would be unable to fully and efficiently discharge the duties imposed under such license. Approvals, licenses, registrations and permits which have been issued to us could be suspended or revoked due to our non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action against us. We may fail to obtain, retain or renew any approvals, licenses, registrations or permissions essential to our businesses, or fail to comply with the conditions prescribed therein. Furthermore, any such approvals, licenses, registrations or permissions could be withdrawn or subject to onerous conditions, which may require us to expend substantial capital, or any applicable regulation or method of implementation could change. There are instances where our Company or our Subsidiaries are in the process of renewing licenses which are material for their business and operations. For instance, our Company has applied for a renewal of a fire no objection certificate for one of our substations located at Ahmedabad. Additionally, with respect to our AMGEN plant, we have applied for the renewal of a ground water no objection certificate under the Environmental Protection Act, 1986. If we fail to obtain, renew or maintain, or relevant authorities suspend or revoke, the required permits or approvals at the requisite time, it may result in penalties or interruption of our operations and may have an adverse effect on our business, financial condition and results of operations.

In our distribution business, some agreements include a change in law clause. There is no assurance that our licensee or regulator will extend our franchise agreement or license, respectively, in the event of an adverse change in law. Failure to enter into new franchise distribution agreements, renew the existing franchise distribution agreements, extend the validity of licenses for the existing licensed distribution areas, or acquire new licensed areas could adversely affect our business, financial condition, cash flows and results of operations.

Furthermore, we may re-negotiate the terms of our licenses and franchise agreements from time to time. However, there can be no assurance that we will be able to obtain similar or more favourable terms, tariffs or duration following such re-negotiations. We also propose to continue to participate in competitive bidding and there is no assurance that we will be the successful bidder in any of these bids. We cannot assure you that we will be able to enter into new franchise agreements or able to get new license areas for our distribution business. Failure to enter into or renew license and agreements in a timely manner and on terms that are acceptable to us could adversely affect our business, results of operations and financial condition.

4. ***Changes to the regulatory environment and the laws, rules and directives of the Government of India may negatively affect our business and operations and our ability to secure the necessary approvals, permits and licenses.***

The statutory and regulatory framework for the power sector in India, which our business and operations are heavily influenced by, is constantly evolving and subject to change. The Electricity Act governs power tariffs in India and our profitability is influenced by the operational efficiency standards established by electricity regulators in India. Electricity laws in India have changed significantly over the years and continue to evolve. There are likely to be more changes, including to the Electricity Act and related rules and regulations in the future. Such changes could impact our operations and financial outcomes. Additionally, regulatory true-up orders may result in revenue reversals or adjustments, further reducing the reliability of past financial results as an indicator of future performance. As we expand into non-regulated businesses, the revenues and profits generated from these businesses may not exhibit the same predictability as those from our regulated operations. This may adversely affect our business, financial condition, and operational performance.

The enactment of the Electricity Act has also resulted in structural changes in the power sector in India, including the de-licensing of power generation, competition in supply, open access to distribution and transmission systems, the re-organization of the State Electricity Boards and the introduction of franchising in electricity distribution. These changes have increased competitive pressures in our generation, distribution and transmission business and may continue to do so in the future. Furthermore, the Electricity Act introduced parallel licensing, which allows multiple licensees to operate in the same geographic area. This change could lead to increased competition as new companies may enter the market, potentially reducing our customer base and exerting downward pressure on tariffs. The entry of competitors with parallel licenses could also lead to a fragmented market, making it more difficult for us to achieve economies of scale and potentially impacting our profitability. In addition, the number of our competitors may increase in the future should further liberalization measures be adopted. As a result, any movement toward further liberalization of the Indian electricity sector could increase competitive pressures on us and may adversely impact our business.

Also, with a part of our current power off-take arrangements being with industrial consumers, any adverse regulations by the state or central regulators on the availability-based-tariff regime and time-of-day charge regimes could have an impact on our pricing strategies, could potentially reduce our revenues, business and profitability. Under the Electricity Act, state governments have inherent powers to regulate power generation and distribution within the state, although the primary function is that of the Central Electricity Regulatory Commission ("**CERC**"), and in case of shortage of power in the state where our projects could be located, the states may impose restriction on sale of power to parties outside the state through cross subsidy charges and other measures, thereby creating shortfall in performance of our power supply obligations as well as loss of potential opportunities.

We could also be affected by the adoption or implementation of new safety, health and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other similar developments in the future. Complying with, and changes in, these laws and regulations may increase our compliance costs and adversely affect our business, financial condition and results of operations.

The AMGEN plant is required to comply with the revised emission norms, as per circular of Union Ministry of Environment, Forest and Climate Change. Our AMGEN plant is compliant with all environmental norms except sulphur oxide ("**SOx**"). Moreover, our AMGEN plant is permitted to operate till December 31, 2027 without SOx compliance with an undertaking to retire the plant on or before December 31, 2027. If the plant continues to operate beyond December 31, 2027, environment compensation charges of ₹0.40/kWh will be imposed with effect from January 1, 2025. To control emissions below mandated levels, we have installed electrostatic precipitators at all three units of our AMGEN plant.

We also believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by the Central or State Governments and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by the central or state Governments, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

With respect to potential impacts on statutory dispatch bodies, in accordance with the Electricity Act, operators of the national or state transmission grids, the national load dispatch centers ("**NLDC**"), the regional load dispatch centers ("**RLDC**") and the state load dispatch centers ("**SLDC**") operate the grids as independent operators. Any negative change in the operating statutory parameters of the NLDCs, RLDCs or SLDCs may negatively affect the corresponding availability of our systems and in turn adversely impact our business, financial condition and results of operations.

5. ***Any changes to current tariff policies, modifications of tariffs standards or the implementation of tariff regulations by regulatory authorities could have an adverse effect on our business, financial condition and results of operations.***

Power tariffs in India are currently established through competitive bidding or determined by central or state regulators. Although we expect that tariffs with respect to some of the power plants will be determined through a process of competitive bidding, it is possible that some projects we develop in the future will be subject to central or state tariff regulation or will be subject to tariff anticipation and negotiation by beneficiary states (where power plants are located or states whose industry and commerce departments have entered into agreements with us for power supply). It is unlikely that we may be able to renegotiate the terms of existing power purchase agreements ("**PPAs**") to take advantage of any increase in tariffs or increased operational costs resulting from inter alia inflation-based increases in price. Furthermore, delay in commissioning may entail payment of differential tariffs or providing compensation to procurers under the PPAs that could have an adverse effect on our profitability and cash flows.

The tariffs for our regulated businesses (including our licensed distribution business, transmission business and the contracted capacity of our thermal generation business) are approved by the applicable electricity commission. These tariffs typically allow for a fixed return on equity and a performance-based incentive. At periodic intervals, the regulator typically reviews the costs to be recovered as per regulations, and the actual costs recovered along with any under or excess recoveries are appropriately adjusted towards the tariffs set for the next year(s). Such tariff regulations are also subject to change before the start of the next control period. Any adverse change in the tariff regulations may have an adverse impact on our ability to recover our costs through tariffs.

The Ministry of Power has notified the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 (the "**Rules**") to enhance transparency in financial disclosures and to enhance regulatory compliance for licensed power distribution entities. We are in the process of evaluating the implication of the Rules with respect to the recognition of revenue, provisioning of trade receivables and certain additional disclosures to be included in the annual consolidated financial information. We understand that the Rules are required to be applied prospectively from the date of notification in the official gazette, which was issued on October 24, 2024, and accordingly there is no impact of the same on the financial statements for six months ended September 30, 2024. However, any unanticipated complexities or challenges in implementing the implication of the Rules could affect our financial reporting processes and compliance, potentially impacting our operations and financial performance.

Moreover, for controllable costs, we are allowed to recover only part of such costs from customers as per applicable regulation. In addition, during the tariff determination process, the regulator carries prudence checks on the costs submitted by us, and there is a possibility that the regulator may disallow any cost incurred by us if it is not satisfied with our justifications for the cost incurred. Under current tariff regulations for licensed distribution in the state of Gujarat and in the Union Territory of Dadra and Nagar Haveli and Daman and Diu, if power purchase and other costs are uncontrollable, we can recover these costs from consumers through tariff and fuel adjustment charges or at the time of true up. However, recovery of these additional costs is at the discretion of the regulator and there is no assurance of their recovery.

Some of our regulators have granted provisional approvals for our tariffs. For our gas-based generation and transmission businesses, we operate on the "cost plus" basis. The CERC will determine the tariff for the period starting from 2025 to 2029 which will be adjusted in accordance with the CERC Tariff Regulations, 2024. The GERC and Joint Electricity Regulatory Commission have provisionally approved the tariff for April 1, 2023 to March 31, 2024 and April 1, 2024 to March 31, 2025. If the trued up tariffs are set lower than the provisional tariffs or the estimated tariffs, our business, financial condition and results of operations could be adversely affected (including, without limitation, due to the occurrence of revenue reversals as a result of trueing up orders). Further, the final tariffs could be set at levels that may negatively affect the return on equity on our regulated businesses and not provide the expected level of financial incentive that justifies the investments and costs we have incurred, and will need to continue to make and incur, for our regulated businesses. For the purposes of determining tariffs for our regulated businesses, for capital cost, a debt-equity ratio of 70:30 is considered. In the event that our equity actually invested is more than 30% of the capital cost, the equity invested in excess of 30% will be treated as a normative loan which may lead to reduced profitability and return on equity.

The Government of India has notified the national tariff policy that deals with several parameters with respect to the fixation of power tariffs, such as providing fair return on investment to the power generator and transmitter and distributor and ensuring reasonable user charges for the consumers. It provides uniform guidelines for the state electricity regulatory commissions for the fixation of tariffs for their respective entities as well as the CERC. These guidelines include a detailed methodology for determination of the different components of the tariff and also lay down the parameters for what types of charges are subject to escalation and those that are not. Once the tariff for a power project under construction or an operating power plant has been approved by the state electricity regulatory commission or the CERC, any changes or revisions to the tariff due to factors such as cost over-runs or delays in the project implementation can only be revised by filing a petition to review the tariff with the appropriate state electricity regulatory commission or the CERC. There can be no assurance that any such petition to revise the tariff, for reasons such as project cost over-runs or delays in project implementation or for any other reason, will be approved. In situations where we incur additional costs in the implementation of a power project or the operation of our power plants and are unable to obtain the approval of the state electricity regulatory commissions or the CERC for increased tariffs, our business, results of operations and financial condition may be adversely affected.

6. ***A delay in payments of power purchase costs to the "generator" in the case of licensed distribution and the "State DISCOM" in case of franchise distribution, could adversely affect our business, financial condition and results of operations.***

In our distribution business, we need to pay power purchase cost to a generator in the case of licensed distribution and to a State DISCOM in the case of franchise distribution on a timely basis. As per the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended, all distribution licensees must pay monthly charges for power procured from generating companies or electricity trading licensees by the due date specified in the agreement, or if not specified, within 45 days from the date of bill presentation by the generating company or electricity trading company. In case of non-payment of dues to a DISCOM even after two and a half months from the bill presentation, or in case of default in the payment of installments as per these late payment rules, the short term power supply shall be regulated entirely; and if default continues for three and a half months even after the regulation of short-term power supply, it would result in the regulation of long and medium-term access by 10%, with a progressive increase of 10% for each month of default. Such delay in payments could adversely affect our business, financial condition and results of the operation.

7. ***A delay in recovery or non-recovery of our receivables from consumers, Government and other public bodies for our distribution or generation business could adversely affect our business, financial condition and results of operations.***

Our customers for our generation business tend to be state-owned distribution companies, public utilities and other private procurers. Certain of these entities may have had weak credit histories and we cannot assure you that these entities will always be able to pay in a timely manner, if at all. Any change in the financial condition of our customers, especially those which off-take a substantial amount of power, that adversely affects their ability to pay us or any failure or inability, financial or otherwise, to fulfil their obligations under the relevant power purchase agreements may adversely affect our financial condition and results of operations. Receivables for our distribution business include receivables due from municipal corporations, Government and quasi-Government bodies. Sometimes the settlement of dues by these entities is delayed due to either budget constraints or long bill processing schedules. Given the quasi-Government nature of these entities, we do not terminate the supply of electricity to these entities. Future lockdowns or Government restrictions imposed may force us our counterparties shut down or affect our counterparties adversely and prevent them from complying with the terms of our agreements that excuses our counterparties from discharging their obligations under our contracts. While our PPAs provide for credit support from the relevant counterparties in the form of letters of credit, the credit support received from such customers may not be sufficient to cover our losses in the event of a failure to recover dues from our customers.

Furthermore, we may face difficulties enforcing state government guarantees under our PPAs. Also, faced with disputes and counterclaims between transmission companies, electricity boards and generation companies caused by a variety of factors, certain state governments have in the past refused to perform their obligations under such guarantees until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. Any failure by any Government entity to fulfil its obligations to us could have an adverse effect on our business, results of operations and cash flows.

Particulars	Units	As of/For the Six Months ended September 30, 2024	As of / For the Year ended March 31, 2024	As of/ For the Year ended March 31, 2023	As of/ For the Year ended March 31, 2022
Sales for the period/year	(₹ in crores)	16,087.67	26,894.39	25,402.84	14,055.26
Gross debtors	(₹ in crores)	3,115.20	2,385.25	2,450.83	1,820.41
Outstanding gross debtors	(in days)	35.44	32.37	35.21	47.27
Net debtors (net of provision)	(₹ in crores)	2,890.87	2,190.86	2,246.33	1,602.70

Particulars	Units	As of/For the Six Months ended September 30, 2024	As of / For the Year ended March 31, 2024	As of/ For the Year ended March 31, 2023	As of/ For the Year ended March 31, 2022
Outstanding net debtors	(in days)	32.88	29.73	32.28	41.62

8. ***We may not be able to enter into new off-take arrangements or extend existing arrangements for the power generated by our facilities in a timely manner or on terms acceptable to us or at all.***

As of September 30, 2024, we had operational power generation capacity of approximately 4.58 GW, out of which approximately 66% is contracted under long term PPAs and the remaining 34% is untied capacity dependent on short-term PPAs, merchant sales or other arrangements. The customer base for our power projects without PPAs is limited to state utility companies, electricity boards, industrial consumers, power exchanges and licensed power traders. It is likely that any decision by the customer base without PPAs regarding the purchase of power from us will depend upon a variety of factors, some of which are beyond our control, including the demand for power, the availability of alternative sources of supply, fuel prices and the competitiveness of other potential power producers. During the past three Financial Years and the six months ended September 30, 2024, certain portion of untied capacity remained unutilised for want of short-term power contracts particularly in view of high liquified natural gas ("**LNG**") prices.

Further, some of our PPAs also have a change in law clause and there is no assurance that our customers would continue our engagement in case of any such adverse change in law. If we are unable to enter into new PPAs, we may not be able to enjoy security of off-take which may adversely affect our cash flows.

Furthermore, we may re-negotiate the terms of our PPAs from time to time. However, there can be no assurance that we will be able to obtain similar or more favourable terms, tariffs or duration following such re-negotiations. We propose to continue to participate in competitive bidding and there is no assurance that we will be the successful bidder in any of these bids. In addition, where the tariff is determined based on a competitive bidding process, our estimates when calculating such costs and charges may not be accurate or effective and we may be unable to recoup the underlying costs under such contracts. We cannot assure you that we will be able to enter into off-take arrangements for our untied capacity to ensure continuous demand for our power, or at all. Failure to enter into or renew off-take arrangements in a timely manner and on terms that are acceptable to us could adversely affect our results of operations, financial condition and business.

9. ***Our generation business is predominately dependent on the availability of LNG and coal for fuel, and our thermal power plants require significant quantities of such fuel to generate electricity. Accordingly, the unavailability of LNG and coal and/or fluctuations in LNG and coal prices could adversely affect our business and results of operations. Additionally, any failure to meet the minimum obligation conditions specified in our fuel contracts may result in additional costs under "Take or Pay," "Use or Pay," or "Ship or Pay" obligations, which could adversely affect our business, results of operations and cash flows.***

The most critical feedstock required by thermal power generation plants to generate electricity is fuel. A key factor in the success of these plants is the ability to source fuel at competitive prices and in sufficient quantities necessary to generate the contracted capacity under the PPAs. For our current and future power generation plants, we cannot assure you that we will always be able to secure long-term fuel arrangements on competitive terms, if at all. Further, our thermal power plants predominately rely on imported LNG and a mix of domestic and imported coal, and our performance is highly dependent on prices we pay for LNG and coal.

Factors affecting LNG prices include, worldwide oil and gas supply and demand, the level of economic activity in the markets we serve, the level of worldwide economic activity, geopolitical developments and military conflicts in major oil and gas producing and trading regions, such as the Russian invasion of Ukraine and tensions in the Taiwan Strait, geo-political conflicts in the Middle-East, the ability of the Organization of the Petroleum Exporting Countries ("**OPEC**") and other producing regions (including North America and Russia) to influence global production levels and prices, the price and availability of new technology, the availability and cost of alternative sources of energy and the transition away from fossil fuels and changes in environmental and other regulations. Similarly, factors affecting coal prices include changes in coal mining capacity and output levels, patterns of demand and consumption of coal from the electricity generation industry and other industries for which coal is the principal fuel and changes in the world economy. Both LNG and coal prices also be affected by weather, natural disasters, distribution problems and labour disputes. We also procure LNG from the market considering the short-term business opportunities. Any fluctuations in LNG and coal prices could adversely affect our business and results of operations.

In addition, delays at ports, transportation bottlenecks or limitations in storage infrastructure may disrupt timely arrival and processing of fuel imports, potentially impacting our ability to generate power reliably.

If a fuel supplier fails or is unable to deliver fuel as scheduled or contracted for, or if the fuel supply to one or more power plants is otherwise disrupted, we may not be able to make alternative arrangements in a timely manner, if at all, and any such alternative arrangements may be costlier to us. As a result, such disruption could disrupt the normal operations of the thermal power plants and could have an adverse effect on our business, results of operations and cash flows.

The fuel and transportation contracts for our gas-based generation projects contain fixed cost obligations, such as "Take or Pay", "Use or Pay", "Ship or Pay", requiring us to be subject to costs even if we do not take the contracted fuel. These costs could adversely affect our results of operations, financial condition and cash flows.

10. ***Our projects under development require a number of approvals from central and state government entities. Any delay in obtaining or inability to obtain these approvals could have an adverse effect on our results of operations, business and financial condition.***

As of September 30, 2024, we had approximately 2,979 MWp of renewable energy capacity under development, comprising around 21 projects, including various commercial and industrial projects across the states of Gujarat, Karnataka, Tamil Nadu, Andhra Pradesh, and Maharashtra. Additionally, we are developing transmission lines and approximately 8.4 GW of pumped storage hydro capacity. These projects include, but are not limited to, entering into memoranda of understanding and/or letters of intent; approvals for land acquisition and use; connectivity or evacuation approval; environmental clearances; approvals to operate factories; registration of location; approval from the Airport Authority of India for wind power projects; electricity related approvals, e.g., from CEA, respective state electricity development authority and no objection certificate from the distribution company; approval from the Ministry of Defence; and approval under Section 68 and 164 of the Electricity Act. We cannot assure you that we will be able to obtain these approvals and consents in a timely manner, or at all, or enter into binding documentation for these projects under development. Consequently, our projects under development are at risk of being delayed or not proceeding at all, any of which could have an adverse effect on our results of operations and business.

These projects require approvals, licenses, registrations and permissions from multiple government entities at both the central and state levels, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or our renewal. Our business may be adversely affected if we fail to obtain these approvals and licenses, or renewals thereof, in a timely manner. Furthermore, our approvals and licenses are usually subject to conditions, some of which are onerous and require us to make expenditures. If we fail to comply or a regulator claims we have not complied with these conditions, our business, results of operations and financial condition may be adversely affected.

11. ***Our licensed distribution business faces the risk of delay in recovery of some part of cost on account of regulatory stipulations.***

Our licensed distribution business is exposed to delays in cost recovery on account of regulatory constraints. Increase in power costs without corresponding tariff adjustments have led to a widening regulatory gap, impacting cash flows despite the allowance for delayed recovery with carrying costs. Any adverse changes in key business plan parameters or limitations on allowable expenses by regulators could result in insufficient recovery of the ARR. Additionally, as our assets age, expenses exceeding prescribed regulatory limits may not be recoverable, further affecting our results of operations, financial condition and profitability.

The GERC, in its true up order for Financial Year 2023 and tariff order for Financial Year 2025, capped the landed cost of power from our UNOSUGEN plant at ₹5.479 per unit and linked fixed charge recovery to plant load factor rather than plant availability factor. This cap, coupled with the current ex-ship price of LNG, could result in lower capacity charge recovery and reduced revenues. Such regulatory actions may limit power offtake from our UNOSUGEN plant, adversely impacting cash flows, business operations, and financial performance.

12. ***The generation of electricity from solar and wind sources depends heavily on suitable meteorological and climate conditions. If conditions are unfavourable, our electricity generation and revenue from such projects, may be below our expectations.***

The electricity produced and revenues generated by our solar and wind projects are highly dependent on suitable solar irradiation levels, wind speeds, associated weather conditions and other climate conditions at the project sites which are beyond our control. Climate change can also cause conditions that may result in unusual meteorological and geological variations and extremities, such as flooding, drought or other extreme weather conditions. Further, components of our systems, such as solar panels and inverters in relation to our solar projects and wind turbines in relation to our wind power projects, could be damaged by severe weather, such as hailstorms, tornadoes or lightning strikes. Furthermore, unfavourable weather and atmospheric conditions could impair the effectiveness of our assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of our solar and wind assets and our ability to achieve certain performance thresholds pursuant to our PPAs, forecasted revenues and cash flows. For example, in July 2022, a flooding at the Torrent Urja 7 Private Ltd site caused the collapse of our 220 KV line tower at the 50 MW wind generation plant, resulting in the shutdown of the plant.

Sustained unfavourable weather could also unexpectedly delay the installation of solar or wind energy systems, which could result in delay in project completion and could have an adverse impact on our business including increase in cost of such projects. Under the terms of some of our PPAs, we are required to maintain certain minimum capacity utilization factor at our solar and wind power plants and may suffer monetary consequences or an event of default, if our plants do not produce at such contracted levels. If we are unable to meet the performance thresholds and/or obligations under the terms of the PPAs in respect of certain of our solar or wind energy projects, we may have to compensate off-takers in proportion to the amount of power not supplied.

13. ***The ability to deliver electricity to our counterparties requires the availability of and access to interconnection facilities and transmission systems, and the extent and reliability of the Indian power grid and its dispatch regime may adversely affect our business, results of operations, financial condition and cash flows.***

As per our contractual obligations, it is our responsibility to provide power to a customer. The power is transferred from our power plants to customers through transmission lines. The transmission lines and other transmission and distribution facilities are often owned and run by the relevant state governments or other private bodies if such transmission lines and transmission and distribution facilities are not owned and operated by us. Grid constraints, such as grid congestion and transmission capacity restrictions, may limit transmission and dispatch of power from our projects. Furthermore, any breakdown or failure of transmission systems can disrupt transmission of electricity by our power plants to the applicable delivery point.

We may be required to halt electricity generation during periods when transmission is not possible, such as in the event of transmission grid failures. These events, which are beyond our control, can reduce the net power generation of our projects, adversely affecting electricity sales, and consequently, our business and results of operations. For instance, on April 5, 2024, we had to regulate electricity generation at our DGEN plant due to an internal fault at the Navsari substation, which caused the 400KV line to trip.

Furthermore, we may be unable to secure access to such infrastructure at reasonable prices, in a timely manner, or at all. In such cases, we may need to construct transmission lines and other necessary infrastructure. As a result, we may face additional costs and risks associated with developing transmission lines and other related infrastructure, such as the ability to obtain rights of way from landowners for transmission grid construction, which may cause our solar, wind or other power projects to be delayed or increased in cost. Consequently, the availability, reliability and capacity of interconnection facilities and transmission systems affect our ability to deliver electricity to our various counterparties.

Also, if the commissioning of power generation projects surpasses the transmission capacity of power networks, the Government of India or other public/private bodies may have to build and improve grid infrastructure. We cannot assure you that the pertinent public bodies or government will take these actions, either promptly or at all.

14. ***The operations of our power projects may be adversely affected by any breakdown of equipment, civil structure or transmission systems.***

The breakdown or failure of generation equipment, civil structure or other equipment can disrupt generation of electricity by any of our power plants and result in performance being below expected levels. In addition, the development or operation of our power projects may be disrupted for reasons that are beyond our control, including explosions, fires, earthquakes and other natural disasters, breakdown, failure or sub-standard performance of equipment, improper installation or operation of equipment, malfunction of machinery built by third parties, accidents, operational problems, transportation interruptions, other environmental risks and labour disputes. For example, due to a computer systems failure in April 2023, power evacuation from one of our gas based plants was affected. In addition, the failure of a generator stator affected the D unit of our AMGEN plant from February 18, 2022 to March 15, 2022 and the E unit from July 13, 2024 to August 17, 2024, resulting in loss of generation during these periods. Any compensation arrangements may not fully compensate us for the damage that we may suffer as a result of equipment failures, defects or penalties under our agreements, and may not cover indirect losses such as loss of profits or business interruption. In particular to our thermal generation and transmission systems, if we are unable to maintain at least 85% and 98% availability thresholds respectively, our revenues will be reduced according to the applicable tariff regime. Under the terms of our renewable power purchase agreements, we are required to maintain certain minimum capacity utilization factor at our solar and wind power plants and may suffer monetary consequences or an event of default, if our plants do not produce at such contracted levels. If we are unable to meet the performance thresholds and the obligations under the terms of the PPAs in respect of certain of our solar or wind energy projects, we may have to compensate off-takers in proportion to the amount of power not supplied.

15. ***There are certain outstanding legal proceedings involving our Company, Subsidiaries, Promoters and Directors. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations and cash flows.***

There are certain outstanding legal and regulatory proceeding involving our Company, our Subsidiaries, our Promoters, and Directors which are pending at different levels of adjudication before various courts, tribunals, appellate tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in applicable law or rulings against us by appellate courts or tribunals, we may need to make provisions in our audited financial statements that could increase our expenses and current liabilities. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from our directors and/or our management or Promoters. Litigation and other claims and regulatory proceedings against us or our management could result in unexpected expenses and liabilities. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that these proceedings will be decided in the favour of our Company, our Subsidiaries, Promoters, or Directors, respectively, or that no additional liability will arise out of these proceedings. The details of pending legal proceedings in relation to criminal proceedings, tax proceedings and actions by regulatory or statutory authorities and material civil litigation involving our Company, our Subsidiaries, our Promoters, and Directors has been disclosed in accordance with the materiality policy set out in the section *"Legal Proceedings"* on page 264.

16. ***The operation and maintenance of our power plants, distribution systems and transmission lines involve significant risks that may cause injury to people or property and that may lead to significant disruption to our business and consequent decreases in our revenues.***

The operation and maintenance of our power plants, distribution systems and transmission lines involve significant risks and a number of factors could increase our maintenance needs, reduce the availability of our systems, or result in forced outages, suspension of our operations, personal injury, loss of life, or damage to property. These factors include:

- the inability to operate our systems due to failure to meet licensing requirements or to obtain, maintain or renew permits and licenses;
- operator error, improper installation or mishandling of equipment;

- interruptions in the power supply;
- breakdown or failure of power generation equipment, distribution or transmission systems;
- flaws in equipment design or construction of power lines or plants;
- work stoppages or labour disturbances or disputes;
- performance of our equipment below expected levels of output or efficiency;
- environmental issues affecting the operations of our systems;
- planned or unplanned power outages; and
- *force majeure* and catastrophic events, including fires, explosions, landslides, storms, floods, earthquakes and terrorist acts.

If any of these risks or any similar risks materialize, our ability to deliver power through our systems could be adversely affected. In particular to our thermal generation and transmission systems, if we are unable to maintain at least 85% and 98% availability thresholds, respectively, our revenues will be reduced according to the applicable tariff regime. Under the terms of our renewable power purchase agreements, we are required to maintain certain minimum capacity utilization factor at our solar and wind power plants and may suffer monetary consequences or an event of default, if our plants do not produce at such contracted levels. If we are unable to meet the performance thresholds and/or obligations under the terms of the PPAs in respect of certain of our solar or wind energy projects, we may have to compensate off-takers in proportion to the amount of power not supplied. Furthermore, the relevant authorities may increase the minimum availability thresholds applicable to us. We may also face reputational risks which could affect our ability to bid for future projects, and we may face potential claims for loss of business or for damages if we are unable to deliver power. Any of these circumstances could adversely affect our business, financial condition and results of operations.

In addition, our business requires our employees and contractors to work under potentially dangerous circumstances, with highly flammable and explosive materials. Despite our attempted compliance with the requisite safety requirements and standards, our operations are subject to hazards associated with the handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, such dangerous materials, could injure our employees, contract labourers or other persons, damage our properties and properties of others or harm the environment. Due to the nature of these materials, we may be liable for certain costs, including costs for health-related claims, costs for the removal or treatment of hazardous substances, or costs from claims and litigation from our current or former employees for injuries arising from occupational exposure to materials or other hazards at our facilities. This could subject us to significant disruption in our business and to legal and regulatory actions, which could adversely affect our business, financial condition and results of operations.

17. We experience extended revenue recognition timeline for solar and green hydrogen projects.

Our renewable generation portfolio comprises a combination of solar and wind generation plants, pumped hydro storage projects and includes 18 KTPA production capacity awarded to us under the production linked incentive scheme for green hydrogen. Our investments in these projects are subject to extended timelines between initial capital expenditure and revenue generation. These projects typically require substantial lead time for development, permitting, and regulatory approvals, followed by prolonged construction and commissioning phases before reaching operational status and beginning to generate revenue. Additionally, project-specific risks such as technological challenges, policy changes, and supply chain disruption may further delay completion. While we have secured in-principle allotment of four sites of 8.4 GW capacity for pumped hydro storage in Maharashtra and Uttar Pradesh and in the process of seeking necessary approvals to commence development of the project, if these projects do not generate revenue within expected timelines, our operations and profitability could be affected, potentially impacting our financial condition, results of operations and cash flows.

18. We may be unable to effectively manage our future growth and expansion strategy.

Our expansion plans and growth could strain our managerial, operational and financial resources (including future cash flows). Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. While in the past our personnel, systems, procedures and controls were adequate to support our growth, this may not be the case in the future. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. There can be no assurance that we will be able to achieve our business strategy relating to organic and inorganic expansion.

Furthermore, due to the high levels of current and proposed development activity and due to the long gestation periods before projects achieve commercial operation, our historical financial results may not accurately predict our future performance. Delay in construction of under development projects may also result in forfeiture of security deposits, performance guarantees, bid bonds being invoked, cost overruns, lower or no returns on capital, erosion of capital, as well as failure to meet scheduled debt service payment dates. The failure by our project companies to make timely debt service payments could result in a loss on our investment in such project companies if lenders trigger the security under the financing agreements due to a project company's payment default. Moreover, any loss of goodwill could adversely affect our ability to pre-qualify for future projects.

Our growth in recent years has been partially driven by acquisitions. During Financial Year 2022 and Financial Year 2023, we undertook acquisitions to expand our renewable energy and distribution portfolios, including: (i) 156 MW wind power assets from CESC Limited, (ii) a 50 MW solar power asset from Lightsource BP and UKCI, (iii) a 50 MW solar power asset from Skypower Group, (iv) a 25 MW solar power asset from Blue Diamond and Balrampur Chini Mills, and (v) a 51% stake in the power distribution company in the Union Territory of Dadra & Nagar Haveli and Daman & Diu. During Financial Year 2024, we completed three additional acquisitions: (i) Airpower Windfarms Private Limited from Powerica Limited and Vestas Wind Technology India Private Limited, (ii) Solapur Transmission Limited from PFC Consulting Limited, and (iii) MSKVY Ninth Solar SPV Limited from MSEB Solar Agro Power Limited (a subsidiary of MSEDCL).

The risks associated with such acquisitions include obtaining regulatory approval for any acquisitions and the availability of financing (on appropriate terms). We may not be able to recover amounts in respect of any representations, warranties and indemnities given by the sellers in connection with such acquisitions. We may pursue acquisitions in new markets in which we have limited or no experience that are subject to regulations and risks that we are unfamiliar with or are more onerous than those that we currently face.
We continue to selectively evaluate potential acquisitions which we may not be able to complete on terms commercially acceptable to us or in a timely manner, or at all, or such acquisitions may not achieve the desired results. Furthermore, we believe that if there is an adverse effect on our financial condition or if our credit rating declines in the future, it may increase our financing cost which may affect our ability to procure financing to execute acquisitions. The inability to identify acceptable acquisitions or investments or failure to complete such transactions may adversely affect our competitiveness and growth prospects.

If we face difficulties to integrate projects after they have been acquired or in achieving estimated cost savings, synergies or revenue enhancements associated with such acquisitions, or in completing the acquisition effectively, our business, results of operations and financial condition may be adversely affected.

19. ***Our revenues in our distribution business are collected by several online and offline agencies. Any disruption in the services they provide may adversely affect our business, results of operations and cash flows.***

Our revenues in our distribution business are collected from consumers by several online and offline agencies. This decentralized collection process introduces several potential risks. Disruptions of operations, such as technical failures, cyber-attacks or logistical issues, could lead to delays or failures in revenue collection, affecting our cash flows and ability to meet short-term financial obligations. Additionally, the reliance on third-party agencies means we have limited control over the collection process, and any inefficiency or failure on the part of these agencies could result in losses. Regulatory changes governing payment systems could also affect the operations of these agencies, potentially increasing operational costs due to the need for compliance with new regulations. Furthermore, the use of multiple collection channels increases the risk of fraud and security breaches, which could lead to losses. Reliance on technology for online revenue collection introduces risks related to system failures, software bugs, and cyber threats, necessitating robust cybersecurity measures and regular system updates to mitigate such risks.

20. ***Any failure, delay or disruption in the logistics arrangements entered into by us or the transportation infrastructure may have an adverse effect on our business and operations.***

We are dependent on freight contracts and various other forms of transport, such as roadways, railways, to receive fuel and other raw materials for our power projects during their implementation and operation. We also rely on imported LNG and coal for certain of our operational projects which are typically transported by sea. Sea transportation is subject to certain systemic risks relating to both sea and ports where the cargo is loaded and unloaded. The transportation by sea involves risks including collision, flood, storm, fire, political disturbance, and piracy. It also involves port related risks such as availability of adequate and suitable berths for loading and discharge, availability and cost of employing ports owned by private parties and technological and handling capability of the ports employed by us. For example, on June 19, 2024, an incident relating to the delayed departure of a vessel as a result of entanglement of mooring lines could result in a claim against our Company.

Furthermore, disruptions of freight or other logistics and transportation services because of weather-related problems, strikes, inadequacies in the road or rail infrastructure, congestion at ports or other events could impair the ability of our suppliers to deliver fuel and raw materials or significant increase in transportation costs which may have an adverse impact on our business and operations.

21. ***We have significant outstanding borrowings and consequently we are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, among others, accelerated repayment schedule, losing control of assets charged and suspension of further drawdowns, which may adversely affect our business, financial condition, results of operations and cash flows.***

As of September 30, 2024 our aggregate total borrowings were ₹11,508.81 crore (after considering unamortised expenses (net of premium) aggregating to ₹21.64 crore. The financing arrangements entered into by us include covenants that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Further, in the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, among others, any change in the capital structure where the shareholding of the existing promoter(s) gets diluted below 26%, making any corporate investments or investment by way of share capital or debentures or lending or advancing funds to or placing deposits with any other concern and approaching capital market for mobilizing additional resources either in the form of debt or equity. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements, such as maintenance of capital adequacy ratio, qualifying asset norms and ensure positive net worth. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

In addition, certain of our financing arrangements may require us to provide additional business opportunities to our lenders for cross-selling other products and services, such as cash management services, deposits, currency hedging business, forex transactions, merchant banking services in equity capital market transactions, on a right of first refusal basis and provide them a right of first refusal in advance, for undertaking such transactions otherwise. We have obtained all other relevant consents in relation to the Issue from our lenders. It is possible that one or more of these lenders could assert that we have not complied with the relevant terms under our existing financing documents in this regard. While no lender has called an event of default in this regard, we cannot assure you that a lender will not do so with respect to the services being availed by us in connection with the Issue. Such failure, if not cured or waived, may trigger the event of default provisions and may lead to the lender accelerating our repayment obligations and/or enforcing the security provided, if any. This could have an adverse effect on our business, financial condition and results of operations.

22. ***Our independent auditor's report on our consolidated financial statements for the Financial Year 2024 contains an observation relating to the audit log feature of the accounting software used for maintaining our books of accounts. Further, our Statutory Auditors, in their audit/ review report in connection with our financial statements for Fiscals 2020 and 2021 and the periods ended September 30, 2023 and September 30, 2024, have included certain emphasis of matter. We cannot assure you that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods.***

Our Statutory Auditors, in their audit/ review report in connection with our financial statements for Fiscals 2020 and 2021 and the periods ended September 30, 2023 and September 30, 2024, have included certain emphasis of matter. These are as follows:

Financial Year / Period ended on	Reservation, qualification, emphasis of matter or adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
March 31, 2020	**Emphasis of matter** We draw attention to Note 57 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.	No significant impact on the financial statements and financial position of the group on consolidated basis.	Not Applicable
March 31, 2021	**Emphasis of matter** We draw your attention Note 62 to the standalone financial statements which described that the scheme of arrangement (the `Scheme') between the Company and TCL Cables Private Limited (the `Transferee Company') for transfer of the Cable business undertaking of the Company to the Transferee Company, has been approved by the National Company Law Tribunal (`NCLT') vide its Order dated December 17, 2020. Accordingly, these financial statements have been prepared after considering the effect of the Scheme with effect from the appointed date of April 01, 2020, as per NCLT approved Order. Our opinion is not modified in respect of this matter	No impact on the financial statements and financial position of the group on consolidated basis since TCL Cables Pvt. Ltd. the transferee company is wholly owned subsidiary company.	Not Applicable
September 30, 2023	We draw attention to Note 2.1 to the Special Purpose Interim Condensed Consolidated Financial Statements, which describes the basis of preparation. The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under	No significant impact on the financial statements and financial position of the group on consolidated basis	Not Applicable

	the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared. As a result, the Special Purpose Interim Condensed Consolidated Financial Statements may not be suitable for any other purpose. Our conclusion is not modified in respect of this matter.		
September 30, 2024	Emphasis of matter We draw attention to Note 2.1 to the Special Purpose Interim Condensed Consolidated Financial Statements, which describes the basis of preparation. The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared. As a result, the Special Purpose Interim Condensed Consolidated Financial Statements may not be suitable for any other purpose. Our conclusion is not modified in respect of this matter.	No significant impact on the financial statements and financial position of the group on consolidated basis.	Not Applicable

Further, our independent auditor's report on our consolidated financial statements as of/for the Financial Year 2024 contains the following observation noting that the audit log feature of the accounting software used for maintaining our books of account does not capture changes, if any, made using certain privileged access.

"Based on our examination, which included test checks, the Holding Company and thirty one subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has been operating throughout the year for all relevant transactions recorded in the software at application level and has been operating from March 27, 2024 at database level, except that the audit log does not capture changes, if any made using certain privileged access. Further, four subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the period for all relevant transactions recorded in the software.

We cannot assure you that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods.

23. We suffer distribution losses in the delivery of the electricity which may adversely affect our operations, financial condition and results of operations.

Distribution losses refer to the losses incurred during the distribution of electricity through a network which is not billed by the distributor. These losses are generally caused by technical effects such as energy losses in the form of transformer loss, heat given off by cables, faulty metering, theft, etc. Our distribution losses at our licensed and franchised distribution areas for the six months ended September 30, 2024 amounted to 3.02% and 12.91%, respectively, of the total electricity delivered by us to the system. There can be no assurance that we will be able to reduce the distribution losses or prevent them from increasing in the future. Further, in the event the distribution losses exceed the thresholds prescribed by the regulators for the licensed areas, our business, financial condition and results of operations may be adversely affected. Further, an increase in distribution loss in the franchised areas may also adversely affect our business, financial condition and results of operations.

24. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. It may affect our business in case of untied capacity not contracted under long-term PPAs and other businesses.

The energy sector is experiencing rapid technological advancements and our future success will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high variable costs of thermal power projects may make newer generation power projects or equipment more competitive than ours, especially those not contracted under long-term PPAs or may require us to make additional capital expenditure to upgrade facilities. The risk of technology obsolesce due to emergence of newer and efficient technologies is higher for newer-age businesses like solar panel/ wind turbine manufacturing, green hydrogen and its derivatives. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging power generation, transmission and distribution industry standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks.

Additionally, maintaining the confidentiality of our technical knowledge is crucial to retaining our competitive edge. Unauthorized disclosure or theft of our proprietary information could undermine our competitive position and may cause us to incur substantial costs. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial condition and results of operations could be adversely affected. The equipment, designs and other technologies that we use may become obsolete, and the technology in which we invest may not perform as expected or may be superseded by competing technologies before our investment costs have been recouped. Our ability to adopt and implement new technology in a timely manner may also be adversely impacted by government policy and bureaucracy. In addition, the cost of implementing new technologies, upgrading networks or expanding network capacity to effectively respond to technological changes may be substantial. Moreover, new technologies may not develop according to anticipated schedules or perform according to expectations or be commercially accepted. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

25. ***Failure or delays in meeting our obligations under the PPAs, and conditions precedent in certain of our PPAs, exposes us to certain risks, including termination of such PPAs by the relevant counterparties.***

Generally, PPAs, including ours, require a power supplier to guarantee certain minimum performance standards, such as plant availability and generation capacity. If our facilities do not meet the required performance standards, our customers may be entitled to reduce the fixed charge capacity payments. In particular, such defaults may result in penalties or the possibility of payment for damages or other compensation. In addition, our customers will not reimburse us for any increased costs arising as a result of our plants' failure to operate and maintain the power plants in accordance with the required performance standards or within the agreed norms, and we will have to bear the additional costs associated with such inefficiencies. For example, in particular to our thermal generation and transmission systems, if we are unable to maintain at least 85% and 98% availability thresholds, respectively, our revenues will be reduced according to the applicable tariff regime. This may in turn affect our financial condition, results of operations and business. In addition to the performance requirements specified in our PPA and other agreements, central and state regulatory bodies and other statutory and government mandated authorities may from time to time impose minimum performance standards upon us. Failure to meet these requirements could expose us to the risk of penalties.

Furthermore, our results of operations may be adversely affected if the PPAs relating to our projects are terminated under such provisions and are not renewed on comparable terms. During the six months ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, there have been no terminations of any of the PPAs entered into by us. However, on March 31, 2014, PTC India Limited terminated a PPA entered into on April 4, 2012 relating to power generated from UNOSUGEN for non-performance of a condition precedent. While there has been no material impact on our business on account of the termination of this PPA, we cannot assure you that we will not face any legal consequences on account of any termination of our PPAs in the future.

26. ***Our growth plans require significant capital expenditures and if we are unable to obtain the necessary funds on acceptable terms for expansion, we may not be able to fund our projects and our business may be adversely affected.***

We believe that we will need significant additional capital to finance our business plan. The implementation of our projects is also subject to a number of variables and the actual amount of capital requirements to implement these projects may differ from our internal estimates and the project development may face cost overruns. If the actual amount and timing of future capital requirements differs from our estimates, we may need additional financing and we cannot assure you that such financing will be available to us on acceptable terms, if at all.

We have so far been able to arrange for debt financing for certain of our projects under construction and implementation. We cannot assure you that the current tightening of credit in the financial markets on account of the high interest rates and other factors will permit future financing of projects on acceptable terms, if at all. Our ability to continue to arrange for financing on a substantially recourse / non-recourse basis for our power projects and the costs of such capital is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the success of our current power projects including our ability to secure favourable power purchase, fuel supply and other factors outside our control. Under the current difficult conditions in the global capital markets, the availability of debt financing generally has decreased and has become significantly more expensive. In addition, lenders may require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans.

We cannot assure you that we will be able to raise adequate capital in a timely manner and on acceptable terms, if at all. Our failure to obtain adequate financing on acceptable terms may result in a delay, scaling back, or abandonment of future projects, and have an adverse impact on the implementation of existing projects, project costs and schedules. For most of our projects, we intend to finance approximately 30% of the cost with equity and approximately 70% of the cost with third-party debt. While we believe that this division reflects the current market for financing power projects in India, this standard could change or financial institutions or investors could require additional contributions from us. If this occurs, it could reduce our leverage for the project being financed and could negatively affect our expected returns.

27. ***The success of our power plants depends on the reliable and stable supply of water to our power plants. In the event of water shortages, our power plants may be required to reduce their water consumption, which could reduce our power generation capability.***

Our thermal power plants require a reliable water source. There can be no assurance that water supply to our thermal power plants, particularly to projects situated away from the coast or river, will continue to be dependable. In the event of water shortages, our power plants may be required to reduce water consumption, which would reduce our power generation capability and have an adverse impact on our business and results of operations. Further, if we do not receive the necessary approvals and licenses from the relevant government authorities to draw water from river, groundwater and any other government regulated sources, we will have to find alternative sources of water supply. In addition, government approvals and licences are subject to numerous conditions, some of which are onerous and require the licence holders to incur substantial expenditure. If we fail to comply, or a regulator claims that we have not complied, with these conditions, our business, financial condition and results of operations may be adversely affected.

Further, according to the revised tariff policy issued by the Ministry of Power in January 2016 regarding water consumption for all power plants and the Gujarat State policy for the promotion of wastewater recycling and reuse dated June 15, 2017, a broad framework for wastewater treatment and use was established. These policies mandate that power plants use wastewater from a neighboring sewage treatment plant if it is within a 50 km radius. Our coal-based generation plant is located within a 50 km radius of the Ahmedabad Municipal Corporation sewage treatment plant, making the utilization of sewage water from the sewage treatment plant mandatory for us. The Ahmedabad Municipal Corporation has agreed to supply tertiary treated water of suitable quality to our plant boundary which can be used in our power plant. While we are yet to receive supply of water from the Ahmedabad Municipal Corporation, poor water quality may lead to additional maintenance costs for the plant, which could impact our operations.

28. ***Our ability to ensure that our power generation, transmission and distribution networks are fully operational at all times may be subject to the limitations of existing equipment, civil structure or any industrial accident or other accident involving the public, upgrading or renovation work or physical damage to our generation, transmission or distribution systems.***

The operation of power generation and transmission and distribution networks involves many operational risks, some of which are outside our control, including explosions, fires, earthquakes and other natural disasters, the breakdown or failure of generation plant, transmission, distribution or equipment or other equipment or processes, labour disputes and operating below expected levels. Further, our generation, transmission and distribution systems may need to undergo upgrading or renovation work from time to time to retain their competitiveness and efficiency and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of the aforementioned operational risks that can cause service interruptions to consumers, network failures, breakdowns or unplanned outages.

Power generation, transmission projects and distribution networks are complex and are susceptible to industrial accidents. Accidents or malfunctions involving our substations can disrupt the transmission and distribution of electricity and result in performance being below expected levels. For example, there could be failure in the transmission towers, distribution lines, power conductors, insulators or other major equipment. In addition, power transmission projects rely on sophisticated and complex machinery that is built by third parties and is susceptible to malfunction. Further, our generation, transmission and distribution systems may suffer some disruptions from upgrades or renovation work and it may not be possible to continue operations on areas affected by such upgrading or renovation work. In particular to our thermal generation and transmission systems, if we are unable to maintain at least 85% and 98% availability thresholds, respectively, our revenues will be reduced according to the applicable tariff regime. Under the terms of our renewable power purchase agreements, we are required to maintain certain minimum capacity utilization at our solar and wind power plants and may suffer monetary consequences or an event of default, if our plants do not produce at such contracted levels. If we are unable to meet the performance thresholds and obligations under the terms of the PPAs in respect of certain of our solar or wind energy projects, we may have to compensate off-takers in proportion to the amount of power not supplied. Service disruptions generally may also result in unforeseen costs which may have an adverse effect on our business, financial condition and results of operations. Further, any service disruption in our business may cause loss or damage to our consumers, who may seek to recover damages from us, which may harm our business and reputation.

The occurrence of any of the above events could have an adverse effect on our business, financial condition and results of operations.

29. We have experienced negative cash flows from investing activities and financing activities in the past and any net negative cash flows in the future could adversely affect our cash flow requirements.

We have experienced negative cash flows from investing activities and financing activities during the six months ended September 30, 2024 and September 30, 2023, and Financial Years 2024, 2023 and 2022, as set out below:

Particulars	As at and for the six months ended September 30,		As at and for the Financial Year ended March 31,		
	2024	2023	2024	2023	2022
	(₹in crore)				
Net cash flow generated from operating activities	2,335.19	2,024.48	4,258.35	3,455.78	3,167.18
Net cash used in investing activities	(1,754.60)	(1,399.76)	(3,544.43)	(3,215.96)	(2,483.12)
Net cash used in financing activities	(578.37)	(442.67)	(551.32)	(341.00)	(501.93)
Net (decrease) / increase in cash and cash equivalents	2.22	182.05	162.60	(101.18)	182.13
Cash and cash equivalents considered as assets classified as held for sale	(8.62)	-	-	-	-
Cash and cash equivalents at the end of the year/period	344.43	370.28	350.83	188.23	289.41

During the six months ended September 30, 2024 and 2023, and the past three Financial Years, we have used cash for investing activities primarily towards payments for property, plant and equipment, intangible assets and investment property. For further details of the movements in our cash flows, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows" on page 172*.

We cannot assure you that our net cash flows will continue to be positive in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, could adversely affect our ability to operate our business and implement our growth plans.

30. Power distribution and transmission companies are subject to adverse publicity and reputational risks, which make them vulnerable to negative customer perception and could lead to increased regulatory oversight or other sanctions.

Distribution and transmission companies have been the subject of public criticism focused on the reliability of their distribution services, the speed with which they are able to respond to outages and their billing practices. From time to time, our customers express dissatisfaction with our services, including, among other things, dissatisfaction with our customer support, our billing policies and the way our solutions operate. If we do not handle customer complaints effectively, our brand and reputation may suffer, we may lose our customers' confidence, and they may choose not to renew their contracts with us. Adverse publicity of this nature may render legislatures, public service commissions and other regulatory authorities and government officials less likely to view private utilities companies such as our Company in a favorable light and may cause it to be susceptible to less favorable legislative and regulatory outcomes or increased regulatory oversight. Unfavorable regulatory outcomes can include more stringent laws and regulations governing our operations, as well as fines, penalties or other sanctions or requirements, such as orders to issue refunds to our customers. The imposition of any of the foregoing would likely increase the compliance costs borne by us, and could have a negative impact on our reputation, business, results of operations, cash flow and financial condition.

31. The construction and operation of our projects may face opposition from local communities and other parties which may also adversely affect our results of operations and financial condition.

The construction and operation of power projects have, in the past, and future projects may, become politicized and face opposition from the local communities where these projects are located and from special interest groups. Such opposition or circumstances may be beyond our control. In particular, the public may oppose the acquisition or lease of land due to the perceived negative impact it may have on such communities or on the environment. Further, the construction and operation of our power projects may require the displacement or relocation of local communities or may otherwise disrupt their activities, especially during the project construction period. Additionally, we have in the past, and may in the future, receive complaints from customers of our distribution business regarding our billing practices. We may be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of our generation, distribution or transmission projects or in relation to land acquisition, acquisition and use of rights of way and construction activities for our projects and the consequent displacement and rehabilitation of affected communities. Several of the parcels of land on which our existing substations are situated were acquired by the GoI or the relevant state governments and were thereafter awarded to us. Land so acquired may remain subject to disputes after it is transferred to us. Moreover, despite our diligence prior to acquisitions, we may face title related issues on certain parcels of land. We may face opposition to the construction of our power projects from local communities, non-government organizations and other parties which may also adversely affect our results of operations and financial condition.

32. ***Demand for power in India may not increase to the same extent as we expect or at all, which may adversely affect our results of operations.***

We expect demand for power in India to increase in connection with anticipated increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent we expect or at all. The demand for power in India is closely linked to economic growth and level of electricity penetration, especially in rural parts of the country. As the economy grows, economic activities, such as industrial production and personal consumption, also tend to grow, which increases the demand for electricity. Conversely, in economic downturns, activities such as industrial production and consumer demand decline or stagnate, causing demand for electricity to decrease. If the Indian economy or the economies of major international markets do not grow, or if any of them enter into a period of recession, or if there is an economic downturn, demand for electricity, is likely to stagnate or decrease. In the event that demand for power in India stagnates or decreases, our results of operations and expansion strategy may be adversely affected.

33. ***Claims under the Land Acquisition Act, 1894 and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 may adversely affect us.***

While the central and state governments may obtain land clearances on which our projects are being implemented, in the event that the affected landowners seek to bring claims objecting to the acquisition of their land for a particular project, it is possible that the landowners may also make claims against us or join us as parties to these proceedings. In case of such claims, while we believe that we would not be liable to pay any compensation (as right of way is to be provided by the client), we face a risk of delay in project implementation or other intangible losses such as loss of reputation or distraction of management time.

34. ***We are dependent on external contractors for execution of our renewable projects and suppliers for machinery and spares.***

Our ability to successfully develop and execute renewable energy projects is reliant on the availability and performance of credible contractors. The lack of qualified and reliable contractors can impact our project timelines, quality and overall execution. Any delays or deficiencies in performance by contractors could lead to increased costs, project delays and potential losses.
The success of our existing and planned operations will also depend on, among other things, our ability to source sufficient amounts of machinery and spares at competitive prices for carrying out our power generation, distribution and transmission activities. We source various materials for our generation, distribution and transmission projects from third party suppliers in India and overseas. The quality of our production (and consequently, our power generation output) and distribution and transmission service depend on the quality of the machinery and spares used by us and the ability of our suppliers to timely deliver such materials. Suitable alternative suppliers who can meet our technical and quality standards, and who can supply the necessary quantities, may be hard to find in the event of a supply failure. The failure of our suppliers to deliver machinery and spares in the necessary quantities, may hamper operations at our generation, transmission and distribution facilities and may lead to failure to meet the minimum guaranteed power at the delivery points specified in PPAs and failure to deliver quality service to our customer. This, in turn, could give rise to contractual penalties or liabilities for us, loss of customers and damage to our reputation. We rely on equipment and machinery that are built by third parties and may be faulty or susceptible to malfunction. Although, in certain cases, we are entitled to be compensated by manufacturers for certain equipment failures

and defects, such arrangements may not fully compensate us for the damage and loss suffered as a result thereof.

35. ***Delays in the completion of our current power projects under implementation could have adverse effects on our results of operations, and we cannot assure you that these projects will reach commercial operation as expected on a timely basis or will sufficiently recover cost overruns, if at all.***

As of September 30, 2024, we had various renewables (with an aggregate expected generation capacity of 2,979 MWp), transmission and approximately 8.4 GW of pumped storage hydro capacity projects under development. Our under development activities are subjected to several environmental and regulatory approvals and the project completion depends on timely resource mobilization, availability of land, equipment and skilled workforce and contractors. There can be no assurance that there will be no delays to the target dates, which may result in us being liable for penalties under the corresponding implementation agreement, PPAs or the expiration of environmental clearance. Also, there can be no assurance that these delays would be condoned by the respective project term lenders in form of time or cost overruns.

We were unable to execute a 499.8 MW wind power project awarded under the SECI III auction and a 100 MW solar power project awarded in an auction conducted by Gujarat Urja Vikas Nigam Limited ("GUVNL") due to unforeseen events and challenges. These included frequent changes in land allocation policies by the Ministry of New & Renewable Energy and the Government of Gujarat, ambiguities in the Gujarat Land Allotment Policy 2019, and due to the COVID-19 pandemic, its effects on the supply chain and restriction of movement across the country. Despite our best efforts to address these issues, the circumstances were beyond our control, leading to the decision not to proceed with the project.

Furthermore, delays may also result in forfeiture of security deposits, performance guarantees being invoked, cost overruns, lower or no returns on capital, erosion of capital and reduced revenue for the project company, as well as failure to meet scheduled debt service payment dates. The failure by our project companies to make timely debt service payments could result in a loss on our investment in such project companies if lenders trigger the security under the financing agreements due to a project company's payment default. Moreover, any loss of goodwill could adversely affect our ability to pre-qualify for future projects.

36. ***Our business exposes us to risks which may not be fully covered by insurance policies to cover our economic losses, exposing us to substantial costs and potentially leading to losses.***

Our business carries many risks, many of which are not insurable or possible to insure on commercially reasonable terms. Some of these are:

- changes in government and regulatory policies;
- adverse changes in market demand or prices for the products or services that the projects, when completed, are expected to provide;
- terrorism and acts of war;
- pollution and other environmental hazards; and
- adverse developments in the overall economic environment in India.

Although we believe that we have insurance that is customary for operating business in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

We cannot assure you that the projects which we are involved in will not be affected by any of the incidents and hazards listed above, or that the terms of our insurance policies, will adequately, if at all, cover all damage or losses caused by any such incidents and hazards as they contain exclusions and limitations on coverage. To the extent that we suffer damage or losses for which we did not obtain or maintain insurance, or exceeds our insurance coverage, the loss would have to be borne by us. The proceeds of any insurance claim may also be insufficient to cover the rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. We cannot assure you that losses in excess of insurance proceeds will not occur in the future.

We may also suffer losses due to risks not addressed as a co-insured under the insurance policies of contractors. While we maintain insurance policies to cover business interruption, property damage, machinery breakdown, burglary, marine cargo, cash in transit, safes and counters, employee fraud, all risk coverage for portable equipments, erection all risk policies, cyber fraud, terrorism, fixed glass plate coverage, public liability for third party claims, loss due to fire and allied perils and other insurable risks that are not assigned to contractors, we cannot assure you that any cost overruns or additional liabilities on our part would be adequately covered by such insurance policies.

37. We face increasing competition in bidding for new projects, which may result in declining market share, if we are unable to compete effectively.

We compete with Indian and foreign companies operating in the power business in India and we currently function in an increasingly competitive environment, mainly due to the deregulation of the Indian power sector and increased power sector investment. As a result, we may face competition from other Indian companies seeking to expand their power generation, transmission and distribution businesses as well as international power companies while negotiating or bidding for power projects. Competitive bidding for power projects further increases competition among power generating, transmission and distribution companies.

Further, our ability to compete effectively will depend, in part, on our ability to source project plant, machinery and equipment and to maintain or increase our margins, which is predominantly dependent on our ability to continue to secure low-cost funding. Our business also depends on our ability to continually win bids for power projects. The bidding and selection process is also affected by several factors, including factors which may be beyond our control, such as market conditions or government incentive programs. Our market position therefore depends on our financing, development and operation capabilities, reputation, experience and track-record. Further, if we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, we may not be able to compete with them. We also cannot assure that we will be able to react effectively to market developments or compete effectively with new and existing players in an increasingly competitive industry.

Our competitors might also consolidate their businesses, which could lead to them attaining increased financial strength, management capabilities, resources, operational experience, market share. Our failure to respond effectively to these various competitive pressures could result in a decrease of our market share and could cause us to incur losses on some or all of our activities and to experience lower growth, or even a decline. A decline in our competitive position could have an adverse effect on our business, results of operations and financial condition.

38. Materialization of contingent liabilities could adversely affect our financial condition, results of operations and cash flows.

We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition. As of September 30, 2024, we had certain contingent liabilities not provided for, amounting to ₹287.18 crore determined in accordance with our accounting policies. The contingent liability of amounts disclosed in our financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities, see "*Financial Information*" on page 277.

39. We have availed certain unsecured borrowings which are repayable on demand.

As of September 30, 2024, we have availed certain unsecured borrowings in the amount of ₹3.50 crore from third parties which in accordance with the terms of such borrowings, are required to be repaid on demand. Such amounts may be recalled in full or part from us on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control.

Any inability to repay the outstanding amounts of such borrowings may affect our creditworthiness and future availability of financing.

40. There have been certain delay in payment of statutory dues by us. Any further delay in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.

We have had instances of delay in the payment of certain statutory dues with respect to non-payment of professional tax, TDS, TCS, provident fund, customs duty and labour welfare fund. The details of such delays during Financial Years 2021-22, 2022-23, 2023-24 and till the date of this Preliminary Placement Document, are as follows:

Sr. No.	Nature of Delay	Amount involved (in ₹ crores) *	Duration of Delay (in days)	Current Status as on the date
FY 2021-22				
1	Professional Tax	0.01	10	Paid
2	Professional Tax	0.06	10	Paid
3	Professional Tax	0.00	11	Paid
4	Professional Tax	0.05	10	Paid
5	Professional Tax	0.00	10	Paid
6	Professional Tax	0.00	10	Paid
7	Custom duty	0.05	7	Paid
8	TCS	0.00	28	Paid
9	TCS	0.00	28	Paid
10	Custom duty	0.01	4	Paid
11	Professional Tax	0.01	27	Paid
12	Professional Tax	0.00	24	Paid
	Total:	**0.19**		
FY 2022-23				
1	Provident Fund	0.20	22	Paid
2	Provident Fund	0.04	22	Paid
3	Provident Fund	0.00	22	Paid
4	Provident Fund	0.01	22	Paid
5	Provident Fund	0.01	22	Paid
6	TDS	1.09	20	Paid
7	TCS	0.00	11	Paid
8	TDS	0.01	22	Paid
9	TDS	0.00	61	Paid
10	TDS	0.00	31	Paid
11	LWF	0.00	179	Paid
12	LWF	0.00	144	Paid
	Total:	**1.36**		
FY 2023-24				
1	TDS	0.00	44	Paid
2	TDS	0.00	15	Paid
3	TDS	0.00	8	Paid
4	TDS	0.00	7	Paid
	Total:	**0.00**		
FY 2024-25 (Till the date of this Preliminary Placement Document)				
1	TDS	0.00	24	Paid
2	TDS	0.00	24	Paid
3	TCS	0.01	4	Paid
4	TDS	0.00	1	Paid
5	TDS	0.00	1	Paid
	Total:	**0.01**		

** Amount shown as "0.00" represents figures less than ₹50,000*

There can be no assurance that such delays may not arise in the future. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

41. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

We have 8,145 permanent employees as of March 31, 2024, and we expect to employ additional employees once we commence operations at power projects currently under implementation or development. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with the work force, which may adversely affect our business and results of operations. 2,207 of our permanent employees are part of labour unions as of March 31, 2024. Any actions by these labour unions may divert our attention and result in an adverse effect on our consumer service as well as increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes. The occurrence of such events could adversely affect our business, financial condition and results of operations.

We enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although, we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, results of operations and financial condition.

42. ***We are dependent on our Key Managerial Personnel, Senior Management, persons with technical expertise and other employees for our business and future growth. If we are unable to recruit and retain such qualified and skilled personnel, it can have an adverse effect on our business, financial condition and results of operation.***

We are dependent on our Key Managerial Personnel, Senior Management as well as persons with technical expertise for setting our strategic business direction and managing our business. Our future performance would depend on the continued service of such qualified and skilled personnel and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, financial condition, results of operations and prospects. In addition, we depend on the continued services and performances of management personnel at our Company and our subsidiaries for project implementation, the management and running of our daily operations and the planning and the successful execution of our business strategy. The loss of one or more key executives could have a negative impact on our business. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We have an attrition rate of 6.78% of our total employees during the Financial Year 2024.

We cannot assure that we, or any of our subsidiaries, will be able to retain our employees or find adequate replacements in a timely manner, or at all. There is intense competition for experienced management personnel with technical and industry expertise in the renewable energy business. In particular, any loss or interruption in the services of our Key Managerial Personnel, Senior Management and persons with technical expertise would significantly affect our ability to effectively manage our operations and to meet our strategic plans. In addition, we would incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business and growth.

43. ***We have entered into a number of related party transactions and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. We expect that we will continue to enter into related party transactions in the future.***

We have entered into transactions with a number of related parties, within the meaning of Indian Accounting Standard 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. For further information on our related party transactions, within the meaning of Ind AS 24, see "*Related Party Transactions*" on page 46. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act, the SEBI Listing Regulations and other applicable regulations pertaining to the evaluation and approval of such transactions and have not been prejudicial to the interests of our Company. Any transactions with related parties in future may give rise to conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. Furthermore, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

Further, in accordance with the applicable procedural safeguards under the Companies Act and the SEBI Listing Regulations, entering into any material related party transactions requires prior approval of the public shareholders of our Company. There can be no assurance that we will always be able to obtain such shareholder approvals for any proposed material related party transactions and, as such, these transactions may not materialize.

44. ***Our Promoters have the ability to control or influence the outcome of matters submitted to shareholders for approval, and the Promoters' interests may differ from those of other shareholders. Furthermore, if***

our Promoters cease to exercise control over us as a result of a transfer of the Equity Shares they own or otherwise, we may not be able to derive any benefits from being a part of the group and this may cause a loss of goodwill and result in increased costs, which would adversely affect our business, financial condition, results of operations and cash flows.

As of September 30, 2024, our Promoters collectively owned 53.57% of the outstanding Equity Shares of our Company. As long as the Promoters of our Company continue to hold a significant ownership stake in our Company, they have the ability to control or influence the outcome of any matter submitted to shareholders for approval. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company, even if it is in best interest of other shareholders. The Promoters may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders may not agree.

Furthermore, if our Promoters cease to exercise control over us, as a result of a transfer of the Equity Shares held by them or otherwise, we may not be able to derive any benefit from being a part of the group and this may cause a loss of goodwill and result in increased costs, which would adversely affect our business and results of operations. In addition, some of the agreements that we have entered into for some of our borrowings require us to obtain prior written consent from our lenders for transactions that result in the Promoters shareholding in our Company falling below 26.00%.

45. We may be required to record significant charges to earnings in the future when we review our power generation, transmission and distribution assets for potential impairment.

Under Ind-AS, we are required to review our power generation, transmission and distribution infrastructure assets for impairment whenever circumstances indicate the carrying value may not be recoverable. In addition, this review of impairment must be performed at least annually. Various uncertainties, including deterioration in the global economic condition that result in upward changes in cost of capital, increases in cost of completion of such power generation, transmission and distribution infrastructure assets and the occurrence of natural disasters that impact our power generation, transmission and distribution infrastructure assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these power generation, transmission and distribution infrastructure assets in the future. We have already partly impaired our 1,200 MW gas-based generation plant by ₹1,300 crore in the Financial Year 2022 and by ₹1,000 crore in the Financial Year 2020. And we may be required in the future to record additional charges to earnings in our financial statements during the period in which any impairment of our power generation, transmission and distribution infrastructure assets is determined. Notwithstanding that any such impairment would be a non-cash expense, any such charges will likely have an adverse effect on our results of operations.

46. We may be affected by volatility in interest rates which may affect our results of operations.

As our power business is capital intensive, we are exposed to interest rate risk. We are seeking to finance growth in part, with debt, which means that any increase in interest expense may have an adverse effect on our results of operations and business. Our exposure to the change in market interest rates relates primarily to our long-term debt obligations with floating interest rates. Certain of our current debt facilities carry interest at fixed rates with the provision for periodic reset of interest rates as well as variable rates.

The project company subsidiaries generally incur debt to fund the project, so an increase in interest expense at the project company level is likely to have a significant adverse effect on the project company's results of operations and also increase the cost of capital to us which will, in turn, reduce the value of projects to us.

Although we may decide to engage in interest rate hedging transactions or exercise the right available to us to terminate the current debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us fully against interest rate risk.

47. Any non-compliance of safety, health, environmental and other laws and regulations which could result in criminal and regulatory fines and severe reputational damage. Further, we may fail to detect illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition, cash flows.

Some of our projects are subject to extensive government and environmental laws and regulations. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. Under these laws and regulations, we are required to obtain and maintain permits and approvals, undergo environmental impact assessments, review processes and implement environmental health and safety programmes, impose controls on our air and water discharges, storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. For example, we are in the process of renewing our DGEN consolidated consent and authorisation (consent to operate). If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. In addition, some of our operations are subject to risks involving personal injury, loss of life and severe damage to property. We generate ash in our coal-based power plant. We are subject to the Government of India's requirement that, 100% of the fly ash produced through our generation activities must be gainfully utilized. There are limited options for utilizing ash and therefore the demand for ash is low. Currently, we are utilising 100% of fly ash generated in compliance with the regulations. However, in future our ash utilization activities may be insufficient to utilize the ash we generate. Compliance with this requirement, as well as any future rules with respect to ash utilization, may add to our capital expenditures and expenses.

In addition, we are required to comply with applicable insider trading laws and regulations, including the SEBI (Prohibition of Insider Trading) Regulations, 2015. We are also subject to anti-corruption and anti-bribery laws that prohibit improper payments or offers of improper payments to governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage and require the maintenance of internal controls to prevent such payments. Further, we are subject to various laws relating to the prevention of conflicts of interest. These laws and regulations require us to establish efficient internal control policies, training and reporting procedures. As we experience large volumes of transactions, the policies and procedures implemented by us may not always comprehensively detect or eliminate instances of violations. Any violations of such laws could result in penalties, both financial and non-financial, that could have an adverse effect on our business and reputation. If our controls and measures implemented are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may also be subject to penal action, freezing or attachment of our assets, imposition of fines, or both.

48. ***Weaknesses, disruptions, failures or infiltrations of our IT systems could adversely affect our business and results of operations.***

We operate in a highly regulated industry that requires the continued operation of sophisticated IT systems at our generation, transmission and distribution facilities. IT systems are critical to our ability to manage our operations and in turn, to maximize efficiencies and optimize costs. Our IT systems enable us to support business critical applications, human resource and management systems. If we do not allocate and effectively manage the resources necessary to build and sustain the IT systems, we could be subject to transaction errors, processing inefficiencies, customer service disruptions, cyber breaches, virus attacks and, in turn, loss of business. Furthermore, the scheduled maintenance undertaken by us is based on the analysis of previous data. If any of our system improvement projects are unsuccessful, or if our processes for managing and maintaining our information systems are inadequate, we could be subjected to inaccurate or untimely financial accounting and reporting information, inaccurate or untimely customer billing information, increased customer complaints, increased regulatory scrutiny, inaccurate forecasts of expected customer consumption requirements, which may lead to our inability to provide or bill for our services, retain or attract customers and negatively impact overall customer experience. Any disruption or loss of such data may affect the services we provide to our customers which may adversely affect our business, results of operations and financial condition. Our IT systems and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, ransomware, hackers and other cyber breaches. We cannot guarantee that we will be able to maintain or successfully develop our IT systems. Interruptions and/or failures of our IT systems could disrupt our operations which could have an adverse effect on our ability to realize the anticipated improvements in productivity and efficiency.

We are subject to data privacy laws and regulations that regulate the use of customer data. Compliance with these laws and regulations may restrict our business activities and require us to incur increased expenses and devote considerable time to compliance efforts. Certain of these laws and regulations are relatively new and their interpretation and application remain uncertain. As part of our operations, we are required to comply with the Information Technology Act, 2000, which provides for civil and criminal liability, including compensation to persons affected and penalties for various cyber-related offences, such as the unauthorised disclosure of confidential information and failure to protect sensitive personal data. In addition, the GoI has implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. If we fail to comply with such requirements and any new requirements introduced, we may be subject to regulatory scrutiny and penalties, which may have an adverse effect on our business, financial condition and results of operations.

49. We are subject to the risk of failure of, or a material weakness in, our internal control systems, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

While we manage regulatory compliance by monitoring and evaluating our internal controls to ensure that we are in compliance with all relevant statutory and regulatory requirements, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Further, we have established internal control systems and processes for our internal audit team to scrutinize, and periodically test and update, all facets of our operations, as necessary. We believe that our risk management, compliance, audit and operational risk management functions are commensurate with the size and complexity of our operations and equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an on-going basis to ensure that our employees adhere to compliance requirements and internal guidelines. However, we are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. We cannot assure you that our systems and policies will be sufficient or will fully correct any weaknesses that may arise in the future.

Furthermore, our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

50. Our Company's ability to pay dividends in the future will depend on our results of operations, financial condition, cash flows and capital requirements.

Dividends that our Company has paid in the past may not be reflective of the dividends that our Company may pay in a future period. Our Company's ability to pay dividends in the future will depend on a number of internal and external factors, including, but not limited to, our Company's availability of profits for distribution, working capital requirements, capital expenditure requirements, capital investment requirements, cash flow and liquidity, debt services and leverage ratio, outstanding borrowing and repayment schedules, past dividend trends and any other relevant factors that the board of directors of our Company may deem fit to consider before declaring dividend. Furthermore, pursuant to regulation 43A of the SEBI Listing Regulations, we have adopted a dividend distribution policy under which the board of directors of our Company shall endeavour to distribute approximately 40% of its annual Consolidated Net Profit after Tax as dividend (including all applicable taxes on distribution of such dividend) considering sufficiency of stand-alone profits available for distribution of dividend in the relevant year. Our Board may decide to declare and/or recommend higher or lower dividend based on our growth opportunities, capital requirements for ongoing, organic and inorganic growth opportunities, adequate liquidity for foreseeable future and our debt obligations. There can be no assurance that our Company will be able to pay dividends in the future.

51. Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own or lease in connection with the development of our projects. Additionally, we enjoy leasehold rights over majority of the underlying land on which our power plants are located. If

these lease agreements are terminated, our business, financial condition, cash flows and results of operations could be adversely affected.

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete, or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land. Land records are often handwritten, in local languages, and may be illegible, which makes it difficult to ascertain their contents. In addition, land records are often in poor condition and are at times untraceable, which materially impedes the title investigation process. In certain instances, there may be a discrepancy between the extent of the areas stated in the land records and the areas stated in the title deeds, and the actual physical area of some of lands on which the projects are constructed or proposed to be constructed. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners. Title may also suffer from irregularities, such as nonexecution or non-registration of conveyance deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title may result in a loss of development or operating rights over the land, which may prejudice the success of our power projects and require us to write off substantial expenditures in respect of our power projects. Further, any misrepresentation with respect to title by third parties from whom we purchase land may render such land liable to confiscation and action by other parties who may claim ownership of such land. As a result, potential disputes or claims over title to the land on which the projects are developed or used for operations or will be constructed may arise.

In addition, certain of our properties are operated on industrial land allotted by the state-owned industrial development corporations, with such allotment being subject to certain terms and conditions. Any failure on our part to meet these conditions might result in additional costs and liabilities. Our inability to identify or acquire suitable land in a timely manner would adversely affect the ability to undertake new projects in a timely manner.

52. ***Certain Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors are interested in our Company, in addition to regular remuneration, commissions or benefits and reimbursement of expenses, to the extent of, among others, their shareholding in our Company. Samir Uttamlal Mehta, Chairman and Jinal Sudhirbhai Mehta, Vice Chairman and Managing Director, may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in the Company. Samir Mehta holds 6,125 equity shares and Jinal Mehta holds 8,000 equity shares of our issued and paid-up Equity Share capital comprising 48,06,16,784 equity shares. We cannot assure you that the Directors, if they are also our shareholders, will exercise their rights as shareholders to our benefit and best interest. For further details, see "*Board of Directors and Senior Management – Interest of Directors*" on page 202.

53. ***Some of our facilities are held by us on lease or leave and license or tenancy agreements which subject us to certain risks.***

Some of our facilities, are on premises that have been leased by us from third parties, for fixed terms. Periodic renewals of short-term leases may increase our costs as they are subject to rent renegotiations. Further, if we are required to relocate any of our premises as a result of any termination or non-renewal of our leases, we may incur additional cost as a result of such relocation, and our ability to operate at such new locations may also be adversely impacted. Furthermore, some of our lease agreements require us to obtain consent from the lessors before undertaking certain actions, such as altering the leased facilities or changing our use of the leased premises. Failure to obtain consent from the lessors could result in the termination of the lease agreements. We cannot assure that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all. In the event that these existing leases are terminated, or they are not renewed on commercially acceptable terms or at all, it may have a limited impact on our operational activities for the time being.

54. ***We have in this Preliminary Placement Document included certain Non-GAAP Financial Measures relating to our operations and financial performance, which are a supplemental measure of our***

performance and liquidity and not required or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. These Non-GAAP Financial Measures may vary from any standard methodology that is applicable across the power sector, and therefore may not be comparable with financial information of similar nomenclature computed and presented by other power companies.

Certain Non-GAAP Financial Measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Profit, Adjusted Net Profit Margin, Return on Capital Employed, Net Worth, Return on Net Worth, Net Debt to Equity, Net Debt to Adjusted EBITDA, and other metrics reported on page 163 of this Preliminary Placement Document, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures, relating to our operations and financial performance have been included in this section and on page 177 of this Preliminary Placement Document. For further details, see "*Our Business*" on page 176. These Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows. Profit/(loss) for these years/periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. We compute and disclose such Non-GAAP Financial Measures relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of power sector businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. These Non-GAAP Financial Measures relating to our operations and financial performance are not standardised terms, hence a comparison of these Non-GAAP between companies may not be possible since other companies may calculate these Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure. Such Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other power sector companies.

55. Our Promoters may pledge certain of their Equity Shares.

As of September 30, 2024, our Promoters held 53.57% of our paid-up Equity Share capital, and no Equity Shares held by our Promoters have been pledged by any Promoters (the "Pledged Shares"). There can be no assurance our Promoters will not dispose of, pledge or encumber their Equity Shares in the future or that the pledges on the Pledged Shares will not be invoked.

56. There can be no assurance that we will not be a PFIC for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors.

Based on the past and projected composition of our income and assets, and the valuation of our assets, including goodwill, we do not expect to become a passive foreign investment company (a "**PFIC**") in the current taxable year or the foreseeable future, although there can be no assurance in this regard. The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets, and the market value of our assets, including goodwill, and Equity Shares, from time to time. Specifically, for any taxable year, we will be classified as a PFIC for U.S. federal income tax purposes if either: (1) 75% or more of our gross income in that taxable year is passive income, or (2) the average percentage of our assets by value (generally determined on a quarterly basis) which produce or are held for the production of passive income is at least 50%. The calculation of the value of our assets will be based, in part, on the quarterly market value of our Equity Shares, which is subject to change. See also "*Certain U.S. Federal Income Tax Considerations*" on page 258.

If we were or were to become a PFIC, such characterization could result in adverse U.S. federal income tax consequences to you if you are a U.S. investor. For example, if we are a PFIC, our U.S. investors may become subject to increased tax liabilities under U.S. federal income tax laws and regulations and will become subject to burdensome reporting requirements. We cannot assure you that we will not be a PFIC for our current taxable year or any future taxable year.

57. The fund requirement and deployment mentioned in the "Use of Proceeds" section of this Preliminary Placement Document have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation

of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns.

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, primarily for the purpose of repayment and/or pre-payment of certain outstanding borrowings and general corporate purposes. For further details, see "*Use of Proceeds*" on page 90. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. Furthermore, as per the provisions of the SEBI ICDR Regulations, we are required to appoint a monitoring agency and therefore India Ratings and Research Private Limited has been appointed as monitoring agency for the Issue. Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the net proceeds from the Issue. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements on account of a variety of factors, some of which may be beyond our control.

58. ***Industry data in this document is derived from the CRISIL MI&A Report commissioned by and paid for by us for such purpose. The CRISIL MI&A Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL MI&A Report may be inaccurate, incomplete or unreliable.***

This Preliminary Placement Document includes information that is derived from the report titled "*Strategic assessment of Indian power market*" dated November 29, 2024 prepared by CRISIL MI&A, a division of CRISIL Limited (the "**CRISIL MI&A Report**"). The CRISIL MI&A Report is not in any manner related to us, our Directors or our Promoters or our Book Running Lead Managers.

The CRISIL MI&A Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amount may differ materially from those included in this Preliminary Placement Document.

59. ***We do not own the "Torrent" trademark, name or logo and our ability to use the trademark, name or logo may be affected. Further, our inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have an adverse effect on us.***

We do not own the intellectual property in the name "Torrent" or the logo and the associated trademarks and trade names used by us. The intellectual property in "Torrent" and associated trademarks and trade names is owned by and registered in the favour of Torrent Investment Private Limited. Further, as the "Torrent" trademark, name or logo is not registered in our Company's name, we cannot assure you that we will continue to have the rights to use the same in the future. If we are no longer able to use these trademarks or names or the Torrent logo in connection with our business, we may not be able to capitalize on our brand recognition, which may have an adverse effect on our business and operations. Moreover, the use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance. Further, five of our trademarks in relation to our business have expired and we have applied for the renewal of the same. Notwithstanding the precautions we take to protect our intellectual property rights, third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, financial condition and results of operations. That could result in costly litigation, divert management's attention and resources, impair our ability to use the name "Torrent" and the Torrent logo, and potentially subject us to significant liabilities or require us to enter into expensive royalty or licensing agreements. Furthermore, necessary licenses may not be available to us on satisfactory terms or at all.

Our success depends, at least in part, on our ability to protect our technology. We own various information that includes, without limitation, financial, business, scientific, technical, economic and engineering information, formulas, designs, methods, techniques, processes and procedures, which we consider confidential and proprietary information. We therefore rely on a combination of trade secret and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. Nonetheless, the steps we take to obtain, maintain, protect and enforce our intellectual property and other proprietary rights may be inadequate. Despite our efforts to protect these rights, unauthorized third parties, including our competitors, may duplicate, mimic, reverse engineer, access, obtain, or use the proprietary aspects of our technology or processes without our permission. We cannot assure that any future patent, trademark, or service mark registrations will be issued for our future applications or that any of our future patents, copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage. We may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, or other intellectual property or other proprietary rights that are similar to, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks and our other intellectual property and proprietary rights.

Any of the foregoing could adversely affect our business, financial condition and results of operations. While we take care to ensure that we do not infringe the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights.

60. ***Due to long construction periods of our projects, the operation and maintenance costs of our projects may change significantly after a project is commissioned. As the terms and conditions, including the tariff structure, for renewable projects bid under competitive bidding ("Bid Projects") and the Transmission projects bid under a build, own, operate & transfer ("BOOT") basis, are generally fixed, we may not be able to offset any increase in costs, including operation and maintenance costs, solely from tariffs payable to us.***

The tariff structure for bid projects is generally fixed for the entire term of the agreement. However, operation and maintenance costs of the portfolio assets may increase over time due to factors beyond our control, including the following:

- increase in the cost of labour, raw materials and insurance on account of inflation;
- restoration costs in case of events such as floods, natural disasters and accidents;
- adverse weather conditions;
- unforeseen regulatory changes, legal, tax and accounting liabilities; and
- other unforeseen operational and maintenance costs.

We may not be able to offset increased operation and maintenance costs as the tariff is fixed for the bid projects, and as the scalable component forms only a small portion of the tariff payable to us, it may be insufficient to offset such cost increases. Additionally, as the scalable portion of our tariff is linked to inflation, there can be no assurance that adjustments of the scalable tariff will be sufficient to cover increased costs resulting from inflation. Significant increase in operation and maintenance costs may reduce our profits, could expose us to penalties and could adversely impact our business, financial condition, results of operations and cash flows.

61. ***We may face risks related to independent contractors, as certain construction and maintenance activities for our business are performed by them. If a contractor defaults, it could expose us to penalties and could adversely impact our business, financial condition, results of operations and cash flows.***

We may need to hire contractors for green energy projects, the construction of transmission lines and other necessary infrastructure for our business. If a contractor violates any regulation in India, we may incur additional costs, including penalties, which could adversely impact our cash flow, especially if payments have already been made to the contractors. For example, one of our independent contractor extracted sand from the land without prior permission. As a consequence, on May 20, 2024, we have received a notice from the Office of Geology and Mining Department, Patan, regarding the unauthorized extraction and imposition of a penalty for the amount of sand extracted from that area by our contractor. There can be no assurance that such defaults by independent contractors will not occur in the future. The occurrence of similar events could expose us to penalties and could adversely impact our business, financial condition, results of operations and cash flows.

EXTERNAL RISKS

Risks Relating to India

62. ***Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.***

We are incorporated in India and almost all of our business operations and assets are located in India. As a result, our results of operations and financial condition are significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy or financial instability in other countries. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our business operations and asset portfolio, the quality of our assets and our ability to implement our strategy. Factors that may adversely affect the Indian economy and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters or outbreak of an infectious diseases;
- prevailing regional or global economic conditions, including in India’s principal export markets; and
- any downgrading of India’s debt rating by a domestic or international rating agency.

Furthermore, an increase in India’s trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby, our business, financial condition, results of operations and cash flows.

63. ***Changes in the Government of India’s policies could adversely affect economic conditions in India and, consequently, us.***

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Further, unfavourable changes to the interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business and results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. A significant change in the Government of India’s policies in the future, particularly with respect to and influencing economic liberalization, cross-border relations, foreign investment, foreign currency exchange rates and other matters affecting investment in India, could adversely affect our business, results of operations and financial condition.

64. ***All of our revenue is derived from business in India. The occurrence of man-made disasters, hostilities, terrorist attacks, civil unrest and other acts of violence or a slowdown in economic growth in India could cause our business to suffer.***

All our revenue is derived from our operations in India. Accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy resulting from social or civil unrest within India or other countries in Asia could adversely affect the Indian economy or the policy of the Government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategies. Furthermore, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in actual or perceived trends in trading activity on India’s principal stock exchanges; political instability, terrorism or military conflict or any social, religious, civil unrest and hostilities in India or in countries in the region or globally including in India’s various neighbouring countries; prevailing regional or global economic conditions, including India’s principal export markets; and other significant regulatory or economic developments within India or affecting India. In addition, India has witnessed local civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

65. We may be adversely affected by future regulatory changes and consequential new compliance requirements in India.

Our business is subject to various laws and regulations. In addition, we are also subject to corporate, taxation, labour laws and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations in India and the way in which they are implemented and enforced may change and evolve which could lead to new compliance requirements, including, requiring us to obtain approvals and licenses from the Government of India and other regulatory bodies, or impose onerous requirements. Further, any material changes to the Indian Income Tax Act and Rules thereunder may affect our tax compliance requirements. Any future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds and long term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us.

Furthermore, we have a large number of employees and any further changes in labour rules and regulations may increase our employee benefits expenses, which could have an adverse effect on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment or change in governing laws, regulations or policies, including by reason of an absent or limited body of administrative or judicial precedents may be time consuming and costly for us to resolve and may affect the viability of our current businesses or restrict our ability to grow our businesses in the future. There can be no assurance that such future legislative or regulatory changes will not have any adverse effect on our business, results of operations, financial condition and cash flows.

66. Our business may be adversely affected by natural calamities or unfavourable climatic changes, health epidemics or pandemics.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian and global economy. Furthermore, health epidemics and pandemics have also affected the Indian and global economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics and other such events beyond our control were to occur or continue, our business could be adversely affected directly by such events or due to an inability to effectively manage the effects of such events. India, like other countries, is susceptible to both, natural calamities such as earthquakes, floods, droughts and tsunami and contagious diseases such as H5N1, H1N1 and strains of influenza in birds and swine. Prolonged spells of abnormal rainfall, draught and/or present or future outbreak of a contagious disease or other natural calamities could have an adverse impact on the economy, which could in turn adversely affect our business and the price of our Equity Shares.

67. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.

Our financial statements are prepared in accordance with Ind AS for the financial periods after April 1, 2016. We also prepared the opening consolidated balance sheet as per Ind AS as at April, 1 2015 (transition date). Ind AS differ in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which investors outside India may be familiar. No attempt has been made to reconcile any information given in this Placement Document to any other principles or to base it on any other standards. If our financial statements were to be prepared in accordance with such other accounting principles, our financial condition, results of operations and cash flows may be substantially different. Investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS and other Indian accounting principles on the financial information presented in this Placement Document should accordingly be limited.

68. Depreciation of the Indian Rupee against foreign currencies may have an adverse effect on our results of operations.

While the majority of our revenue is denominated in Indian Rupees, we are exposed to risks related to fluctuations in foreign currency exchange rates, particularly to the U.S. dollar and the Euro owing to our import of LNG for our untied thermal capacity. Further, we also purchase equipment, spares and avail services from suppliers located outside India and payment for such equipment and services is typically denominated in U.S. dollars or the Euro.

Generally, the actual costs of LNG and coal imports are substantially passed on to the off-takers and customers for our regulated business. However, our profitability could be negatively affected by any unfavorable depreciation of Indian Rupees for the imported LNG for our untied thermal capacity that is sold on short-term contracts or unutilized.

Further, we anticipate that future capital expenditures related to our projects will include significant foreign currency expenditures for imported equipment and machinery. Consequently, exchange rate fluctuations can affect our operations. If we are unable to adequately hedge our foreign currency exposure, our financial condition may be affected. The Indian Rupee's exchange rate with other currencies, particularly the U.S. dollar, has historically fluctuated significantly. Any further depreciation of the Indian Rupee can affect our profitability and operations. These fluctuations have previously affected our operations and may continue to do so.

69. Investors in the Equity Shares offered in the Issue may be unable to enforce a judgment of a foreign court against our Company, Directors, members of the Senior Management or Key Management Personnel, the BRLMS or any of their directors or executive officers in India, except by way of a lawsuit in India.

Our Company and our subsidiaries are incorporated under the laws of India. All of our directors and key management personnel are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India to execute such a judgment or to repatriate outside India any amounts recovered.

In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("Civil Procedure Code") on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment to which this section applies shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of their claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under Section 14 of the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such a presumption may be displaced by proving want of jurisdiction. For further details, see "*Enforcement of Civil Liabilities*" on page 20.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Civil Procedure Code. The Civil Procedure Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the Reserve Bank of India to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

70. ***Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non- Indian resident investor or at all.***

Indian laws contain certain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. For further details, see "*Issue Procedure – Eligible QIBs*" on page 221. The information has been provided for the benefit of investors and such information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the BRLMs and their respective officers, directors, representatives, agents, affiliates and associates accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire any Equity Shares offered in the Issue.

Any person not resident in India seeking to sell or transfer the Equity Shares (other than through a sale on one of the Stock Exchanges) should seek advice from Indian legal advisers as to the applicable requirements. If any approval is required, our Company cannot guarantee that any approval will be obtained in a timely manner or at all. Due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increases or limiting losses during periods of price declines.

There are certain restrictions on the conversion of Indian Rupees into foreign currency. FEMA together with rules and regulations thereunder regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons). The RBI has from time to time issued regulations, circulars and guidelines under FEMA to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.

71. ***Inflation in India could have an adverse effect on our results of operations and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. The Indian economy has had sustained periods of high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations and, if significant, on our financial condition.

72. ***Any downgrading of our or India's credit rating by an international rating agency may adversely affect our business, financial condition, results of operations and cash flows.***

Any adverse revisions to our or India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. India's sovereign rating is Baa3 (Moody's), BBB- (S&P) and BBB- (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Our Company has CRISIL IND AA+/ Stable long-term rating and A1+ short-term rating from CRISIL Ratings and IND AA+/Stable long-term rating and A1+ short-term rating from India Rating & Research. Any downgrade in India's credit ratings by international rating agencies could result in a downgrade of our credit ratings. Consequently, this may adversely affect the Indian economy and our ability to raise borrowings at favourable interest rates and other commercial terms and have an adverse effect on our business, financial condition, results of operations and cash flows.

Risks Relating to the Equity Shares and this Issue

73. ***Your ability to acquire and sell Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.***

No actions have been taken to permit a public offering of the Equity Shares offered in this Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For details, see "Selling Restrictions" on page 232. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For details, see "*Transfer Restrictions and Purchaser Representations*" on page 238. You are required to inform yourself about and observe these restrictions. Our Company, our representatives and our agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

74. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of allotment of the Equity Shares.***

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of allotment of Equity Shares allotted pursuant to the Issue. Eligible Investors subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Furthermore, allotments made to FVCIs, VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them, respectively, including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely affect the market price of the Equity Shares purchased by investors.

75. ***After this Issue, the price of our Equity Shares may be volatile and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price will be determined by us in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI Regulations and the provisions of the Companies Act, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. We cannot provide assurance that you will be able to resell the Equity Shares profitably. We cannot assure that an active trading market for the Equity Shares can be sustained post the Issue or that the trading price of the Equity Shares will correspond to the historically traded price.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian financial services industry and the perception in the market about investments in the power generation industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Further the trading price of our Equity Shares have been volatile in the past and for more details see "*Market Price Information*" on page 87. Each of these factors, among others, could adversely affect the price of our Equity Shares. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

76. Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of our Equity Shares in those currencies, independent of our operating results.

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for such sale, may reduce the net proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as, the U.S. dollar, the Euro, the Pound Sterling and the Singapore dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results. In addition, our Company's valuation could be harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyze its value based on the relevant foreign currency equivalent of our Company's financial condition and results of operation.

77. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their percentage ownership of the outstanding Equity Shares.

A company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless these rights have been waived adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. If our Company offers to its shareholders rights to subscribe for additional Equity Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making the rights available to our Company's shareholders or in disposing of the rights for the benefit of our Company's shareholders and making the net proceeds available to the shareholders. Our Company may choose not to offer the rights to our shareholders having an address outside India.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their preemptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing.

If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

78. Any future issuance of the Equity Shares, or other equity-linked instruments by us or sales of the Equity Shares by any of our significant shareholders may dilute your shareholding and/or may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company.

Except for the customary lock-up on our Company's ability to issue equity or equity linked securities discussed in "*Placement*" on page 230, there is no restriction on our ability to issue Equity Shares or our major shareholders' ability to dispose-off their Equity Shares, and we cannot assure you that we will not issue Equity Shares or that any major shareholder will not dispose of, encumber, or pledge, its Equity Shares. Future issuances of Equity Shares may dilute your shareholding and may adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares. We have not issued employee stock options; however we may issue stock options in the future to certain of our employees. To the extent such employee stock options are exercised, there will be further dilution to investors in this Issue, which may also adversely affect the trading price of the Equity Shares. For details, see "*Capital Structure*" on page 98.

79. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

80. ***We may be subject to surveillance measures, such as the Additional Surveillance Measures ("ASM") and the Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.***

We may be subject to Additional Surveillance Measures ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

81. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹125,000 realised on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess) subject to certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Furthermore, the Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities other than debentures, on a delivery basis, is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends.

Additionally, the Finance Act, 2020 removed the requirement for dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

The Government of India has announced the union budget for the Financial Year 2025, pursuant to which the Finance Bill has introduced various amendments. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. We cannot predict whether any tax laws or other regulations affecting it or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations could have an adverse effect on the trading price of our Equity Shares.

82. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non-residents and residents and issuances of shares to non-residents by our company are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified under applicable law. If such issuances or transfers are not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then prior approval will be required. Further, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA (NDI) Rules, 2019 all investments under the foreign direct investment route by entities of a country which share a land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the Government of India may be obtained, if at all.

Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India may require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares.

The Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

83. Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids or revise their bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with the depository participant could take approximately seven days and up to ten days from the Issue Closing Date.

However, there is no assurance that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in the business, results of operation or financial condition of the Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

84. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Subject to the relevant transfer restrictions, investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

85. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

MARKET PRICE INFORMATION

The Equity Shares of our Company have been listed on BSE and NSE since November 27, 2006 and November 28, 2006, respectively. As on the date of this Preliminary Placement Document, 480,616,784 Equity Shares have been issued, subscribed and paid up. The face value of our Equity Shares is ₹10 per equity share. The Equity Shares are listed and are available for trading on BSE and NSE.

As of November 29, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 1,510.95 and ₹ 1,510.70 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscal 2024, Fiscal 2023 and Fiscal 2022.

BSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in crore)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in crore)**	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the fiscal (in number)**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in crore)**
2024	1,417.70	March 27, 2024	460,338	66.67	519.9	April 10, 2023	6,965	0.36	794.05	9,816,204	900.13
2023	587.75	August 2022	16,155	0.94	419.8	May 19, 2022	12,910	0.54	505.20	7,723,133	391.20
2022	598.05	December 15, 2021	58,390	3.44	377.7	April 20, 2021	62,447	2.40	488.49	17,578,130	848.50

(Source: www.bseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in crore)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in crore)**	**Average price for the year (₹)**	**Total Volume of Equity Shares traded in the fiscal (in number)**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in crore)**
2024	1,420.05	March 27, 2024	8,682,246	1,262	519.95	April 17, 2023	775,065	40.64	794.13	890,552	19,445.04
2023	587.50	August 18, 2022	416,249	24.33	419.80	May 19, 2022	499,447	21.01	505.28	153,468,940	7,793.86
2022	598.60	December 15, 2021	2,282,818	134.86	377.75	April 20, 2021	1,545,319	59.17	488.45	304,060,279	14,876.79

(Source: www.nseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*

2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(ii) The following tables set forth the reported high, low and average closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹)**
November 2024	1,825.35	November 1, 2024	7,154	1.31	1,508.05	November 28, 2024	12,314	1.88	1,637.30	464,044	75.03
October 2024	1,972.70	October 18, 2024	20,703	4.07	1,800.00	October 7, 2024	22674	4.19	1,897.70	1,121,514	218.00
September 2024	1,933.10	September 18, 2024	194,596	37.05	1,672.25	September 9, 2024	11444	1.93	1,795.57	912,558	167.86
August 2024	1,850.55	August 2, 2024	120,360	22.09	1,627.65	August 26, 2024	14074	2.31	1,729.17	1,014,434	179.66
July 2024	1,867.10	July 31, 2024	467,916	85.13	1,457.40	July 1, 2024	7632	1.12	1,537.83	838,215	142.83
June 2024	1,603.75	June 12, 2024	65,703	10.50	1,399.65	June 4, 2024	36905	5.20	1,528.40	372,591	56.68

(Source: www.bseindia.com)
Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹)**
November 2024	1,825.45	November 1, 2024	53,939	9.85	1,508.10	November 28, 2024	370,066	56.47	1,636.91	11,934,013	1,924.45
October 2024	1,973.65	October 18, 2024	739,060	145.37	1,799.45	October 7, 2024	499,299	91.50	1,898.37	18,929,157	3,654.04
September 2024	1,932.90	September 18, 2024	6,172,266	1,176.10	1,670.45	September 9, 2024	633,571	106.74	1,795.54	24,062,020	4,420.86
August 2024	1,851.35	August 2, 2024	1,829,423	335.84	1,627.65	August 26, 2024	675,850	110.81	1,728.89	20,912,361	3,699.47
July 2024	1,866.45	July 31, 2024	15,274,443	2,785.30	1,456.45	July 1, 2024	312,165	45.94	1,537.98	24,957,292	4,294.37
June 2024	1,609.00	June 12, 2024	483,154	77.15	1,398.85	June 4, 2024	889,317	124.53	1,529.39	8,065,196	1,226.36

(Source: www.nseindia.com)
Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(iii) The following tables set forth the market price on the Stock Exchanges as on May 23, 2024, the first working day following the approval of our Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹)**
1,369.30	1,448.80	1,359.70	1,423.40	29,332	4,14,89,946

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹)**
1,360.00	1,449.95	1,360.00	1,426.45	16,56,923	2,34,51,05,308

(Source: www.nseindia.com)

In the event the high or low or closing price of Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

USE OF PROCEEDS

The Gross Proceeds from the Issue will aggregate up to ₹ [●] crores. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue (including applicable taxes) of approximately ₹ [●] crores, shall be approximately ₹ [●] crores ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we intend to utilise the Net Proceeds towards the following objects:

1. Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company and / or some of our Subsidiaries; and
2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

For the purpose of utilization of the Net Proceeds for Repayment / pre-payment of certain borrowings by some of our Subsidiaries, our Company will make investments into such Subsidiaries, by way of equity / equity like instrument or debt / debt like instrument, in compliance with the applicable laws.

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake the existing activities and activities proposed to be funded from the Net Proceeds.

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(in ₹ crores)

S. No.	Particulars	Amount	Tentative schedule for deployment of Net Proceeds
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company and / or some of our Subsidiaries	Up to 3,750	By Fiscal 2026
2.	General corporate purposes(1)	[●]	By Fiscal 2026
Total Net Proceeds(2)		[●]	

(1) To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
(2) To be determined upon finalisation of the Issue Price and updated in the Placement Document.

In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in the Placement Document.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ crores)

S. No	Particulars	Amount to be funded from Net Proceeds	Timeline for utilization of Net Proceeds
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings (including interest thereon) availed by our Company and/or some of our Subsidiaries	Up to 3,750	By Fiscal 2026
2.	General corporate purposes(1)	[•]	By Fiscal 2026
Total Net Proceeds(2)		[•]	

(1) The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.
(2) To be determined upon finalisation of the Issue Price and updated in the Placement Document.

Our funding requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above are based on internal management assessments of current and expected sectoral and market conditions, which are subject to change in the future. However, the deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. For further details, see *"Risk Factors – The fund requirement and deployment mentioned in the "Use of Proceeds" section of this Preliminary Placement Document have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns"* on page 75.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business and growth strategy and other external factors in the business eco-system such as changes in market conditions, regulatory climate, competitive environment, supply chain etc which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with the applicable laws.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals, in accordance with applicable law. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balances will be used for growth opportunities in future years, if required, in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Details of Objects

1. Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company and / or some of our Subsidiaries

We avail fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include *inter alia* term loans and working capital facilities. As of September 30, 2024, our outstanding borrowings were ₹ 11,526.94 crores. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 3,750 crores for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries. Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilise the Net Proceeds for part prepayment of any such facilities. The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 3,750 crores.

Such repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness, guarantee obligations and debt-servicing obligation, and improve our debt equity ratio.

If any of the below mentioned loans are repaid or refinanced or if any additional credit facilities are availed or drawn down or further disbursements under the existing facilities that are availed by our Company and/or some of our Subsidiaries, then our Company may utilise the Net Proceeds for prepayment / repayment of any such refinanced facilities or repayment of any additional facilities / disbursements obtained by our Company and/or our Subsidiaries.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements.

Details of utilisation

The details of certain borrowings availed by our Company and our Subsidiaries, proposed for repayment and pre-payment, in full or in part, from the Net Proceeds are set forth below:

(in ₹ crores)

Sr. No.	Name of Borrower	Name of Lender	Nature of Borrowing	Sanctioned amount	Outstanding amount as on September 30, 2024 (as per Bank Statements)	Purpose of raising the loan
1.	Torrent Power Limited	State Bank of India	Rupee Term Loan	2,500.00	971.70	Refinancing of existing debt & Capex for distribution & generation segment
2.		Bank of Baroda	Rupee Term Loan	1,719.00	669.46	Refinancing of existing debt & Capex for distribution & generation segment
3.		Bank of Baroda	Rupee Term Loan	700.00	345.33	Refinancing of existing loan
4.		Punjab National Bank	Rupee Term Loan	525.00	204.77	Refinancing of existing debt & Capex for distribution & generation segment
5.		State Bank of India	Rupee Term Loan	687.00	274.56	Refinancing of existing loan
6.		Bank of Baroda	Rupee Term Loan	400.00	159.75	Refinancing of existing loan
7.		State Bank of India	Rupee Term Loan	415.00	141.85	Capex – Capital expenditure of the Company in its existing areas of operation (licensed distribution and franchised distribution - Ahmedabad, Surat, Dahej, Bhiwandi and Agra)
8.		Bank of Baroda	Rupee Term Loan	250.00	85.21	
9.		State Bank of India	Rupee Term Loan	840.00	539.01	Capex – Capital expenditure of the Company in licensed distribution areas, franchised distribution areas and Cables unit (Ahmedabad, Surat and Dahej, Bhiwandi, Agra, Nadiad - Cables).
10.		Bank of Baroda	Rupee Term Loan	840.00	538.22	
11.		State Bank of India	Rupee Term Loan	1,200.00	1,091.98	Capex – Capital expenditure of the Company in licensed distribution and franchised distribution areas (Ahmedabad, Surat Dahej, Bhiwandi, Agra & SMK)
12.		State Bank of India	Rupee Term Loan	700.00	234.00^	Capex – Capital expenditure of the Company in licensed distribution areas and franchised distribution areas (Ahmedabad, Surat and Dahej, Bhiwandi, Agra & SMK).
13.		Bank of Baroda	Rupee Term Loan	700.00	234.00^	
14.		Punjab National Bank	Rupee Term Loan	300.00	100.00^	
15.	Surya Vidyut Limited	ICICI Bank Limited	Rupee Term Loan	430.00	330.92	Refinancing of existing loan
16.	Torrent Saurya Urja 2 Private Limited	Axis Bank Limited	Rupee Term Loan	1,316.00	846.23^^	Payment of capital expenditure letter of credits for development of the project i.e. "300 MW(AC) solar power project along with auxiliary components to be implemented at two sites comprising (i) 150 MW(AC) at Surel Village (Surendranagar District); and (ii) 150 MW(AC) at Babra Village (Amreli District) in Gujarat"
17.	Airpower Windfarms Private Limited	Axis Bank Limited	Rupee Term Loan	1,120.00	161.85#	Payment of capital expenditure letter of credits for development of the greenfield hybrid project comprising of wind and solar power project along with auxiliary components at Jam-Khambaliya district, Gujarat
18.	Dadra and Nagar Haveli and Daman and	State Bank of India	Rupee Term Loan	150.00	148.50	Capital expenditure for licensed distribution area of Dadra, Nagar, Haveli and Diu & Daman (DNH DD).

	Diu Power Distribution Corporation Limited					

Note: Above table has been certified by GK Choksi & Co., Chartered Accountant, pursuant to their certificate dated December 2, 2024

^ Excluding undrawn borrowing amounting to ₹ 1,064 Crores.

^^ Excluding unutilized borrowing amount of ₹ 469.77 Crores (i.e. Sanctioned amount ₹ 1,316 Crores less outstanding amount ₹ 846.23 Crores).

 # Excluding unutilized borrowing amount of ₹ 958.15 Crores (i.e. Sanctioned amount ₹ 1,120 Crores less outstanding amount ₹ 161.85 Crores).

2. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds, that is ₹ [●] crores, towards general corporate purposes and the business requirements of our Company and/or our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company and/or our Subsidiaries may face in the ordinary course of business, any additional capital expenditure, prepayment charges or penalty, interest on loans, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries for meeting working capital requirements incurred in the ordinary course of business (including payments for fuel, power purchase, electricity duty, shipping and transportation charges, regasification charges, etc., or any other payment related to operations and maintenance), meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013. For the purpose of utilization of the Net Proceeds for general corporate purpose by some of our Subsidiaries, our Company will make investments into such Subsidiaries, by way of equity / equity like instrument or debt / debt like instrument, in compliance with the applicable laws. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable laws.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹ 100.00 crores. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and an explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds, liquid mutual funds, overnight mutual fund and deposits with scheduled commercial banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters, members of Promoter Group nor our Directors will make any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation on a consolidated basis as at September 30, 2024 which has been derived from the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof.

You should read this table together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 149 and the Financial Statements included in "*Financial Information*" on page 277.

(₹ in crores, except ratios)

S. No.	Particulars	Pre-Issue	Post-Issue
		As at September 30, 2024 (unaudited consolidated) (Refer Note-1 below)	**Amount after considering the Issue (Refer Note-2 & 3 below)**
I	**Borrowings:**		
	Current borrowings	1,063.36	[●]
	Non-current borrowings	10,445.45	[●]
	Total borrowings	**11,508.81**	**[●]**
II	**Total equity**		
	Equity Share capital	480.62	[●]
	Other equity (excluding securities premium account)	12,835.20	[●]
	Securities premium account	0.03	[●]
	Non-controlling interests	569.79	
	Total equity	**13,885.64**	**[●]**
III	**Total capitalization (I+II)**	**25,394.45**	**[●]**
IV	**Total borrowings / Total equity**	**0.83**	**[●]**

Notes:

1. *Amounts derived from the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.*
2. *The figures to be included under post-Issue column relating to the shareholder's fund shall be derived after considering the impact due to the issue of the Equity Shares only through the qualified institutions placement assuming that the Issue will be fully subscribed and does not include any other transactions or movements / issue related expenses.*
3. *Will be finalized upon the determination of Issue Price.*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹, except Equity Share data)

	Particulars	Aggregate nominal value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	4,370,000,000 Equity Shares of face value of ₹ 10 each	43,700,000,000
	Total	**43,700,000,000**
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	480,616,784 Equity Shares of face value of ₹ 10 each	4,806,167,840
	Total	**4,806,167,840**
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] crores(1)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares(1)(3) of face value of ₹ 10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on the date of this Preliminary Placement Document)	282,000
	After the Issue(2)	[●]

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on May 22, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed at the annual general meeting on July 30, 2024.*

(2) *To be determined upon finalisation of the Issue Price. The amount has been calculated on the basis of Gross Proceeds from the Issue.*

(3) *Subject to finalisation of allotment*

Except for securities premium account

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of issue/ allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share of ₹ 10 each	Nature of transaction	Nature of consideration	Cumulative number of Equity Shares of ₹ 10 each	Cumulative paid-up Equity Share capital (₹)
April 29, 2004	10,000	10.00	10.00	Initial subscription to the Memorandum of Association	Cash	10,000	100,000
January 13, 2006	40,000	10.00	10.00	Rights Issue	Cash	50,000	500,000
The equity share capital of our Company was reorganised pursuant to the Composite Scheme of Arrangement by reducing the face value of the existing equity shares from ₹ 10.00 each to ₹ 2.50 each and subsequently consolidating four equity shares of ₹ 2.50 each into one fully paid-up equity share of face value of ₹ 10.00 each. Accordingly, 50,000 equity shares of face value of ₹ 10.00 each were reduced and consolidated into 12,500 fully paid-up equity shares of face value of ₹ 10.00 each.							
September 30, 2006	472,448,308	10.00	10.00	Allotment pursuant to Composite Scheme of Arrangement	Other than cash	472,448,308	4,724,483,080
October 23, 2015	8,168,476	10.00	10.00	Allotment pursuant to Composite Scheme of Amalgamation	Other than cash	480,616,784	4,806,167,840

Except as stated in "– *Equity Share capital history of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

Preference shares

As on the date of this Preliminary Placement Document, our Company does not have any outstanding preference shares.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see "*Details of Proposed Allottees*" on page 280.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern as of November 29, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	21,007	0.00	[●]	[●]
	Bodies corporate	257,422,311	53.56	[●]	[●]
	Trusts	-	-	[●]	[●]
	Sub-total	**257,443,318**	**53.57**	**[●]**	**[●]**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**257,443,318**	**53.57**	**[●]**	**[●]**
B	**Non-Promoter holding**				
1.	Institutional investors (Domestic + Foreign)	134,104,477	27.90	[●]	[●]
2.	Central Government / State Government(s)	42,058,501	8.75	[●]	[●]
3.	Non-Institutional investors			[●]	[●]
	Body Corporate	13,839,905	2.88	[●]	[●]
	Directors and relatives	282,898	0.06	[●]	[●]
	Indian public	28,395,168	5.91	[●]	[●]
	Others including Non- resident Indians (NRIs)	44,92,517	0.93	[●]	[●]
	Sub-total (B)	**223,173,466**	**46.43**	**[●]**	**[●]**
	Grand Total (A+B)	**480,616,784**	**100.00**	**[●]**	**[●]**

^*Based on beneficiary position data of our Company as on November 29, 2024.*
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Other confirmations

(i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the annual general meeting of our Shareholders dated July 30, 2024, for approving the Issue.

(ii) As on the date of filing of this Preliminary Placement Document, our Company does not have any employee stock option scheme.

(iii) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

(iv) Our Company has not allotted any securities on preferential basis in the last one year preceding the date of this Preliminary Placement Document.

(v) There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and the applicable laws including Companies Act, together with the applicable rules issued thereunder and will depend on a number of factors, including but not limited to the growth opportunities of the Company, capital requirements for ongoing, organic and inorganic growth opportunities, adequate liquidity for foreseeable future, debt obligations of the Company (repayments and interest) and other factors that may be considered relevant by the Board of Directors. The Board may deviate from the aforesaid criteria in case of exceptional circumstances such as inadequacy of profits in any year, absence of profits in any year or any special circumstance or events, including those which are significantly impacting or likely to significantly impact the operations, working and profits of the Company. The Board may also from time to time declare and pay interim dividends. Our Board has approved and adopted a formal dividend distribution policy on October 27, 2016, which was subsequently revised on May 20, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see "*Description of the Equity Shares*" on page 245. For details in relation to risks involved in this regard, see "*Risk Factors – Our Company's ability to pay dividends in the future will depend on our results of operations, financial condition, cash flows and capital requirements*" on page 73.

Dividend on Equity Shares

The dividends (including interim dividend, if any) recognised by our Company on the Equity shares during the six months ended September 30, 2024, Fiscals 2024, 2023 and 2022 are as follows:

Particulars	Six months period ended September 30, 2024	Six months period ended September 30, 2023	Financial Year 2024	Financial Year 2023	Financial Year 2022
No. of Equity Shares	480,616,784	480,616,784	480,616,784	480,616,784	480,616,784
Face value per share (in ₹)	10	10	10	10	10
Interim Dividend per share (in ₹) (A) #	NA	NA	12	22 (including ₹ 13 per equity share as a special dividend)	9
Final Dividend per share (in ₹) (C) @	4	4	4	NA	5.50
Dividend per share (A+C) (in ₹)	4	4	16	22	14.50
Interim dividend recognised (B) (₹ in Crores)	NA	NA	576.74	1,057.36	432.56
Final dividend recognised (D) (₹ in Crores)	192.25	192.25	192.25	NA	264.33
Aggregate Dividend recognised (B+D) (₹ in Crores)	192.25	192.25	768.99	1,057.36	696.89
Rate of dividend (%)	40	40	160	220	145
Dividend Distribution Tax (%)	NA	NA	NA	NA	NA
Dividend Distribution Tax (in ₹)	NA	NA	NA	NA	NA
Mode of payment of Dividend	Electronic and Demand Draft	Electronic and Demand Draft	Electronic and Demand Draft	Electronic and Demand Draft	Electronic, Demand Draft and Warrant

Interim dividend in relation to the respective financial year (declared and paid in same financial year)
@ *Final dividend in relation to the preceding financial year (declared and paid in subsequent financial year)*

Further, there are no dividends that have been declared but are yet to be paid out by our Company from October 1, 2024 until the date of filing this Preliminary Placement Document.

Future Dividends

The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, growth opportunities of the Company, capital expenditure requirements, inorganic growth opportunities, cash flow and liquidity, debt obligations, prevailing legal requirements, regulatory conditions or restrictions including tax laws; macro-economic factors; economic and industry outlook; growth outlook and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 245.

For a summary of certain Indian tax consequences of dividend distributions to the Shareholders, please see "*Taxation*" on page 248.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section has been derived from the report titled "Strategic assessment of Indian power market" dated 29, 2024 (the "**CRISIL MI&A Report**"), prepared and released by CRISIL MI&A, a division of CRISIL Limited, which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated September 16, 2024, for the purpose of confirming our understanding of the industry we operate in, in connection with the Issue.*

There are no parts, data or information (which may be relevant for the Issue), that have been left out or changed in any manner. See "Presentation of Financial and Other Information", "Industry and Market Data" and "Risk Factors – Industry data in this document is derived from the CRISIL MI&A Report commissioned by and paid for by us for such purpose. The CRISIL MI&A Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL MI&A Report may be inaccurate, incomplete or unreliable." on pages 12, 16 and 76, respectively.

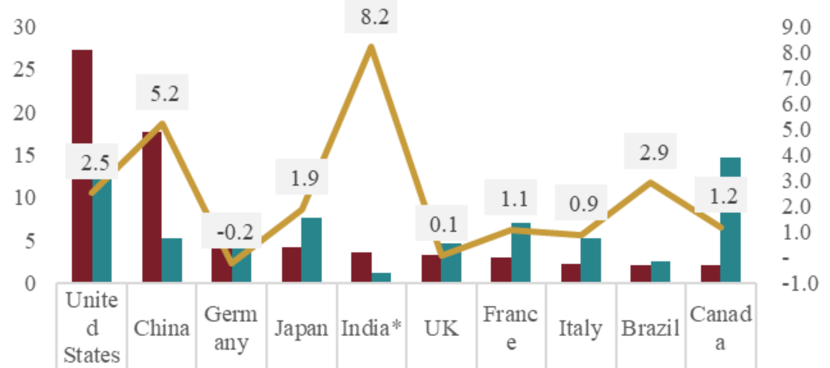
Macroeconomic overview

India's economy against developed countries

India's gross domestic product (GDP) at constant (fiscal 2012) prices was Rs. 173.8 trillion (provisional estimates) for fiscal 2024 vis-à-vis the first revised estimate of Rs.160.7 trillion for fiscal 2023 as per data released by the National Statistical Office (NSO) in May 2024. This translates into a growth of 8.2% over fiscal 2023.

India has become the fifth largest economy in the world in CY 2023, according to the International Monetary Fund's (IMF) World Economic Outlook (April 2024). As per IMF GDP Forecasts (July 2024), India's real GDP growth is estimated at 6.5% in 2025, the highest amongst the top 10 economies.

Figure 1: Comparison of India's economy with other major nations



	United States	China	Germany	Japan	India*	UK	France	Italy	Brazil	Canada
Nominal GDP (Tn USD) 2023	27.36	17.66	4.46	4.21	3.57	3.34	3.03	2.26	2.17	2.14
Per capita electricity consumption 2022 (MWh)	12.7	5.3	6.6	7.7	1.3	4.6	7	5.3	2.5	14.7
Real GDP Growth CY2023 (in %)	2.5	5.2	-0.2	1.9	8.2	0.1	1.1	0.9	2.9	1.2

**India Financial Year,*
Source: World Economic Outlook Database (April and July 2024) by IMF; IEA, CEA, CRISIL MI&A-Consulting

In the last 10 years, Indian GDP has been growing consistently., Except for years affected by COVID-19, India's growth has been highest amongst the top 10 economies. With the receding risk of global recession, India has been identified as an economic growth center by various International Agencies as well as global rating firms.

As per the World Economic Outlook released by IMF in July 2024, economic activity was surprisingly resilient through the global disinflation of 2022–23. IMF estimated global real GDP growth at 3.3% in 2023, is projected to continue at the same pace in 2024 and 2025. Real GDP growth in India is projected to remain strong at 7.0% in 2024 and 6.5% in 2025, with the robustness reflecting continuing strength in domestic demand and a rising working-age population.

India's GDP recovered with subsiding of the pandemic

In the past 11 years (during fiscal 2014 to 2024), India's GDP at constant (fiscal 2012) prices grew at a compounded growth of ~5.3% (CAGR).

After strong GDP print in the past three years, CRISIL MI&A Consulting expects some moderation to 6.8% this fiscal 2025. The growth will still be higher than the pre-pandemic decadal average of 6.7%, continuing to position India as the fastest growing major economy.

Figure 2: CRISIL's key projections

Parameters	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25P
GDP growth (%)	6.8%	6.5%	3.9%	-5.8%	9.7%	7.0%	8.2%	6.8%
CPI (%, average)	3.6%	3.4%	4.8%	6.2%	5.5%	6.7%	5.4%	4.5%
CAD/GDP (%)	-1.8%	-2.1%	-0.9%	0.9%	-1.2%	-2.0%	-0.7%	-1.0%
FAD/GDP (%)	3.5%	3.4%	4.6%	9.2%	6.7%	6.4%	5.6%	4.9%
Exchange rate (Rs/$ March-end)	65.0	69.5	74.4	72.8	76.2	82.3	83.0	84.0
10-year G-sec yield (%, March-end)	7.6%	7.5%	6.2%	6.2%	6.8%	7.4%	7.0%	6.8%

P: Projected; CPI: Consumer Price Index-linked; CAD: Current account deficit; G-sec: Government security; FAD: Fiscal account deficit
Source: CSO, Reserve Bank of India (RBI), CRISIL estimates

Investments, a key factor that boosts growth, are expected to moderate as the government focuses on fiscal consolidation. The extent of revival in private investment cycle will determine the investment momentum this fiscal. The other strong segment, urban demand, could moderate as credit conditions tightened this year. Transmission of past rate hikes to broader lending rates remains incomplete. As the wait for rate cuts from the Reserve Bank of India (RBI) prolongs, the transmission is expected to continue, raising the borrowing costs. In addition, the RBI's regulatory measures to clamp down on risky lending will weigh on credit support to consumption.

That said, the forecast of an above-normal monsoon brings hope for the rural economy, which was a laggard in the country's growth story last year. The consequent possible easing in food inflation could also boost purchasing power and support consumption. However, the distribution of monsoons will be a determining factor. Freak weather events, such as heatwaves and unseasonal rains, remain a risk.

Given the sustained momentum towards the 2% inflation target, the Federal Reserve cut the federal funds rate by 50 bps to 4.75%-5.00% in its September meeting. A steep rate cut at the start of the rate cut cycle by the United States (US) Federal Reserve (Fed) benefitted Indian markets in September. Visibility on a durable decline in inflation will be the next key determinant of a rate cut. CRISIL base case is a 25-basis points reduction in the repo rate during the MPC's policy review meeting in December. Trouble on the food inflation front can delay this further.

CRISIL MI&A Consulting expects a normalisation of the net indirect tax impact on GDP, after strong growth in the last fiscal. Slower global growth can restrict upside to goods exports owing to normalisation of supply chains and an expected pick-up in volume of trade in calendar 2024. S&P Global expects global GDP growth to slow to 3.3% in 2024 from 3.4% the previous year, weighed by interest rates staying elevated for longer. Any spike in the prices of commodities — particularly crude oil — remains a risk for the country's growth. Overall, CRISIL MI&A-Consulting expects India's real GDP to grow 6.8% in fiscal 2025, compared with 8.2% past fiscal projected by NSO.

Key economic indicators- overview and outlook

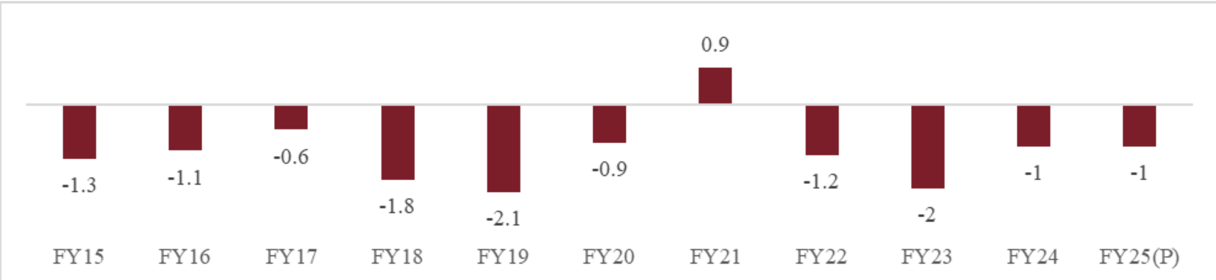
Current Account Deficit

India's current account recorded a surplus of $5.7 billion, i.e. 0.6% of GDP, in the fourth quarter of fiscal 2024 vs a deficit of $8.7 billion (1.0% of GDP) in the third quarter of fiscal 2024, and $1.3 billion (0.2% of GDP) in the fourth quarter of fiscal 2023.

Improvement in current account balance to 0.6% of GDP surplus in Q4 fiscal 2024, from a deficit of 0.2% of GDP a year ago reflects improvement on all three fronts i.e. merchandise trade deficit narrowed, services trade surplus increased, and remittances rose.

Healthy momentum in goods exports and expected moderation in imports suggest the current account deficit (CAD) is likely to remain manageable this fiscal as well. To be sure, strong external buffers are crucial at this juncture because global risks, stemming from geopolitical uncertainties, and tariff and trade wars, have heightened. CRISIL MI&A Consulting expects CAD to remain at 1.0% of GDP in fiscal 2025.

Figure 3: Current account deficit (as a % of GDP)



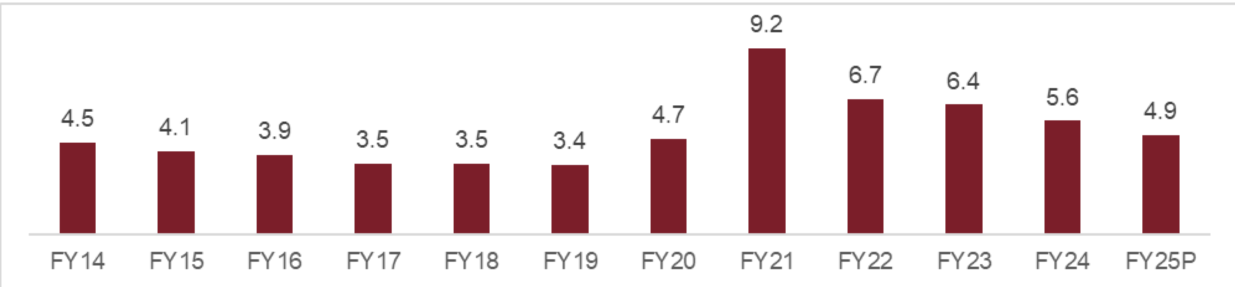
P: Projected
Source: RBI, SBI, CRISIL MI&A-Consulting

Fiscal deficit

The fiscal deficit in 2020 reached a high of 9.2% of GDP during the pandemic. It has since decreased significantly. Fiscal deficit during fiscal 2024 stood at 5.6% of the GDP was better than previous estimates of 5.8 per cent on account of higher revenue realisation and lower expenditure according to data released by the Controller General of Accounts (CGA) on May 31, 2024. In actual terms, the fiscal deficit--the gap between expenditure and revenue, was at Rs. 16.53 lakh crores.

Fiscal support to industrial activity is expected to reduce in fiscal 2025 as the government targets lowering the fiscal deficit to 5.1% of GDP from 5.8% of GDP in the previous fiscal. A pickup in private capex is critical for sustaining the investment momentum.

Figure 4: Fiscal Deficit as % of the GDP

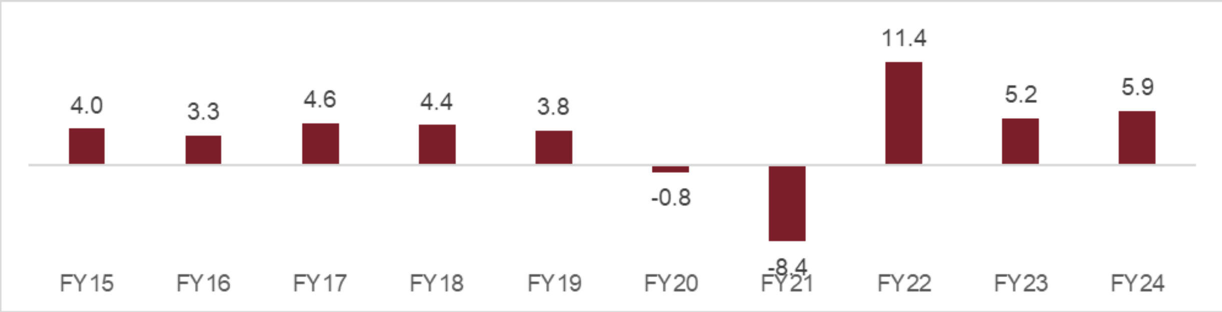


P: Projected
Source: RBI, Provisional Accounts for 2023- 2024 by Controller General of Accounts, CRISIL MI&A Consulting

IIP Trend

Index of Industrial Production (IIP) is an indicator that measures the changes in the volume of production of industrial products during a given period. IIP growth rate for fiscal 2024 over fiscal 2023 stood at 5.9%. The cumulative growth rates of the three sectors, Mining, Manufacturing and Electricity for the fiscal 2024 over the corresponding period of the previous year were 7.5%, 5.5% and 7.1% respectively.

Figure 5: Annual growth of IIP (general) calculated w.r.t previous year



Source: NSO, MOSPI, CRISIL MI&A Consulting

Aatmanirbhar Bharat Abhiyan

Production Linked Incentives (PLIs) in the 14 sectors for the *Aatmanirbhar Bharat* vision received an outstanding response, with the potential to create 6 million new jobs (as per government estimates).

The five focus points of the *Aatmanirbhar Bharat Abhiyan* are economy, infrastructure, system, vibrant demography, and demand.

Table 1: Sector-wise focus of *Aatmanirbhar Bharat* Vision

Sector	Government spends	Key schemes
Renewable energy	~Rs 1300 billion	• Rs 45 billion Production Linked Incentive Scheme 'National Programme on High Efficiency Solar PV Modules'. This was further increased by Rs 195 billion in the budget for fiscal 2023, taking it to Rs 240 billion; in Tranche I 8.7 GW and in Tranche II 39.6 GW capacity were allocated for domestic solar module manufacturing capacity under PLI. • PM Surya Ghar Muft Bijli Yojna: This scheme has a proposed outlay of Rs. 750 billion and aims to light up 10 million households (rooftop solar) by providing up to 300 units of free electricity every month. • Public procurement (Preference for 'Make in India') to provide for purchase preference (linked with local content) in respect of renewable energy (RE) sector • Implementation of Pradhan Mantri Kisan Urja Suraksha Utthan Mahabhiyan (PM KUSUM) scheme; MNRE, in November 2020, scaled up and expanded the PM KUSUM scheme to add 30.8 GW by 2022 with central financial support of Rs 344 billion. The scheme has been extended till March 31, 2026 • Approved Models & Manufacturers of Solar Photovoltaic Modules (Requirement for Compulsory Registration) Order, 2019 • List of manufacturers and models of solar PV modules recommended under ALMM Order • Scheme of grid connected wind-solar hybrid power projects • Basic customs duty (BCD) of 25% on solar cells and 40% on modules, respectively, effective April 1, 2022
Power distribution	~Rs.970 billion	• Rs 1.35 trillion liquidity infusion for discoms via Power Finance Corporation/ Rural Electrification Corporation (PFC/ REC) against receivables

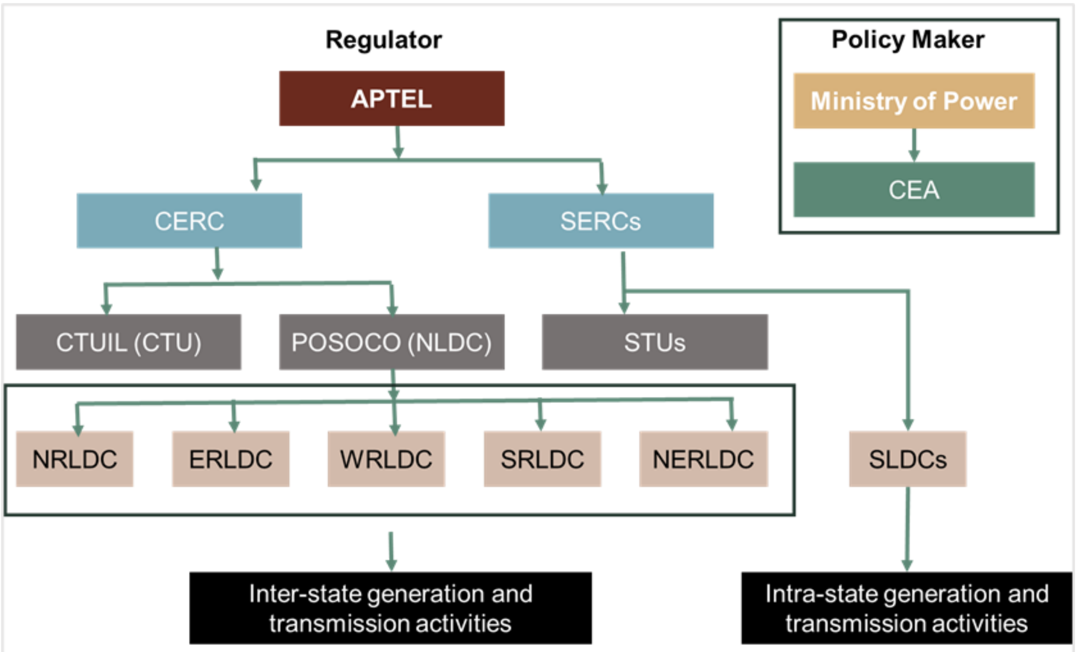
Sector	Government spends	Key schemes
companies (discoms)		• Rebate for payment to be received by generation companies (gencos) to be passed on to industrial customers • Revamped distribution sector scheme (RDSS) to help discoms improve their operational efficiencies and financial sustainability by providing result-linked financial assistance; outlay of Rs 3,037.58 billion over 5 years i.e., fiscals 2022 to 2026. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 976.31 billion.
New Energy	~Rs. 388 billion	• Rs 181 billion under PLI scheme for Advanced Chemistry Cell (ACC) Battery Storage in India launched in October to achieve 50 GWh manufacturing capacity • Green Hydrogen Policy launched in February 2022 to facilitate production of green hydrogen/green ammonia • PLI scheme on green hydrogen manufacturing with an initial outlay of Rs 197.44 billion with an aim to boost domestic production of green hydrogen

Indian Power Sector

Evolution and structure of power sector

The Indian power sector is highly regulated, with various functions being distributed between multiple implementing agencies. There are three chief architects of the sector namely the Central Electricity Regulatory Commission (CERC), the Central Electricity Authority (CEA), and the State Electricity Regulatory Commissions (SERCs).

Figure 6: Institutional and structural framework



Note:
APTEL - The Appellate Tribunal for Electricity; CERC- Central Electricity Regulatory Commission; CEA- Central Electricity Authority; WRLDC- Western Regional Load Despatch Centre; ERLDC- Eastern Regional Load Despatch Centre; SRLDC- Southern Regional Load Despatch Centre; NLDC: National Load Despatch Centre (Now called as GRID-INDIA); NRLDC- Northern Regional Load Despatch Centre; NERLDC- North-Eastern Regional Load Despatch Centre;
SLDC- State Load Despatch Centre; CTU- Central Transmission Utility; STU- State Transmission Utility.
Source: CRISIL MI&A-Consulting

Functions of key regulatory authorities

The Ministry of Power (MoP) works in close coordination with the CERC and CEA. While the CERC's role is that of a regulator for approving tariffs of central utilities, regulating inter-state transmission of electricity, approving licenses, discharging functions as may be assigned under the Electricity Act etc., the CEA is primarily a technical advisor focused on planning, i.e., estimating power demand and generation and transmission capacity addition. The CEA also reviews the performance of the power sector on a monthly basis.

a) Appellate Tribunal for Electricity

- Appellate tribunal was set up under the Electricity Act, 2003 to hear appeals against orders of the Electricity Regulatory Commissions (ERC)

b) CEA

- Advise the Central Government on matters relating to the National Electricity Policy (NEP).
- Formulation of the National Electricity Plan in accordance with the NEP
- Act as technical advisor of the government and regulatory commissions
- Specifies the technical standards and safety requirements for construction, operation and maintenance of electrical standards and electrical lines.

c) CERC

- Regulates tariff of generating companies owned or controlled by the central government.
- Regulates inter-state transmission of energy including tariff of the transmission utilities.
- Grants licenses for inter-state transmission and trading
- Adjudicate upon disputes involving generating companies or transmission licensees.
- Advises the central government in formulation of the NEP and Tariff Policy

d) SERCs

- Determine tariffs for generation, supply, transmission and wheeling of electricity, wholesale, bulk, or retail sale within the state.
- Facilitate intra-State transmission and wheeling of electricity.
- Issue licenses for intra-state transmission, distribution, and trading to promote co-generation and generation of electricity from renewal sources of energy.
- Adjudicate upon the disputes between the licensees and generating companies.
- Advises the state government in promotion of competition, efficiency, and economy in activities of the electricity industry and investment in electricity industry.

e) Central Transmission Utility

- Undertakes transmission of energy through inter-state transmission system
- Plans and coordinates the inter-state transmission systems.

f) National load dispatch centre

- Responsible for optimum scheduling and despatch of electricity among the Regional Load Despatch Centres

Review of power demand supply scenario

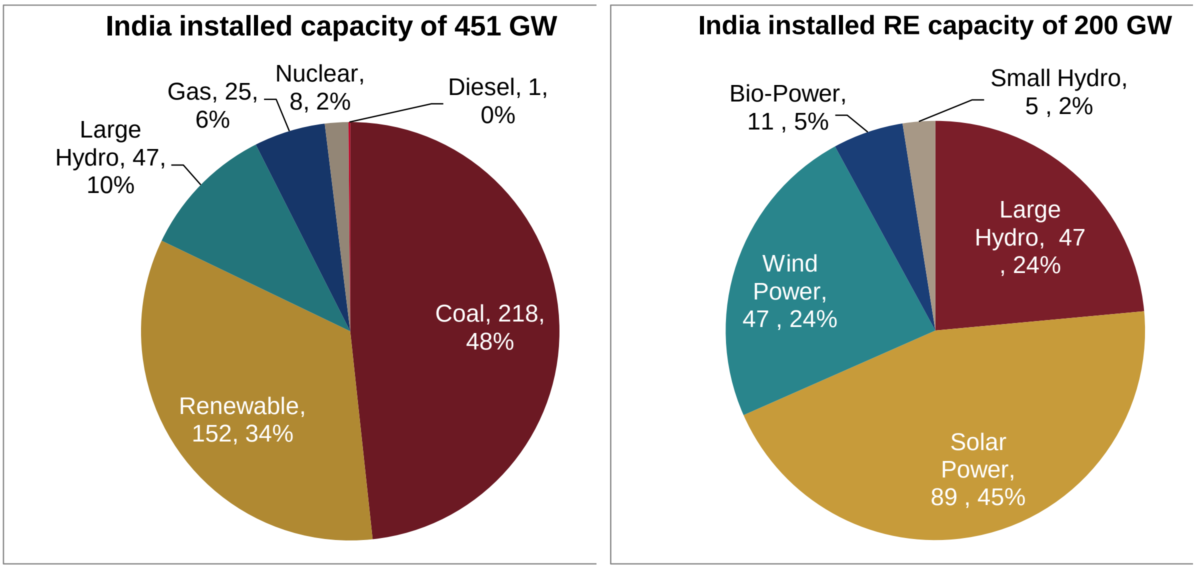
India witnessed robust growth in capacity addition over the past decade, led by delicensing of the power-generation business through the Electricity Act, 2003, followed by strong government thrust on RE through favourable policies and regulations.

Review of installed capacity and fuel mix

The total installed generation capacity as of March 2024 was ~442 GW, of which ~98 GW of capacity was added over fiscal 2018-24. The overall installed generation capacity has grown at a CAGR of 4.3% over the same period. About 9 GW of capacity has been added during fiscal 2025 as of August 2024. The installed capacity has now reached 451 GW as of August 2024.

Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for ~48% as of August 2024. However, RE installations (including large hydroelectric projects), have reached ~200 GW capacity as of August 2024, compared with 114 GW as of March 2018, constituting about 44% of total installed generation capacity. This growth has been led by solar power, which rapidly rose to ~67 GW from 22 GW over the same period.

Figure 7: Breakup of installed capacity as of August 2024 (GW, % share)

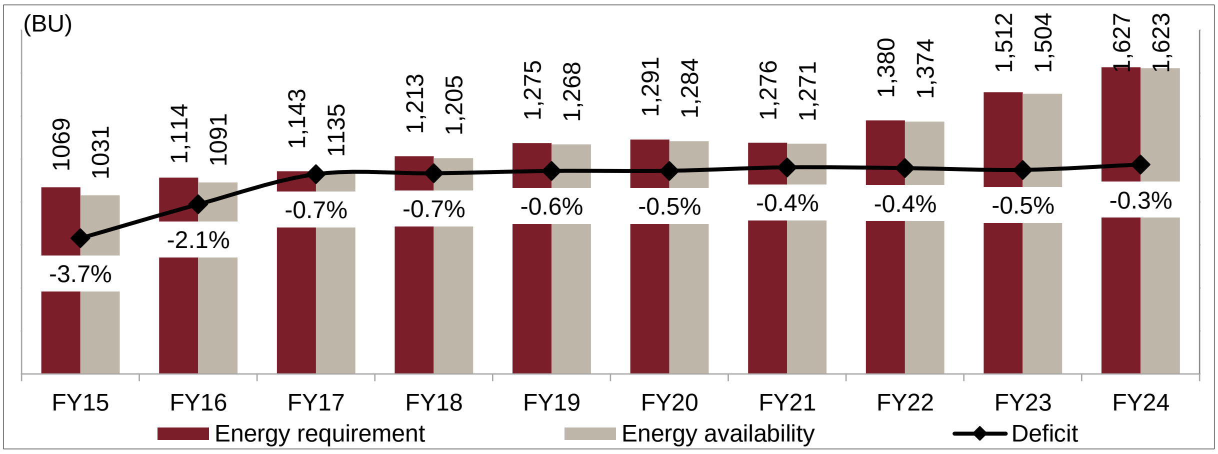


Source: CEA, CRISIL MI&A-Consulting

Historical trend in power demand and energy requirement

India's electricity requirement has risen at a CAGR of ~4.8% between fiscals 2015 and 2024, while power availability rose at ~5.2% CAGR due to strong capacity additions, both in the generation and transmission segments. As a result, the energy deficit declined to 0.5% in fiscal 2023 and further reduced to 0.3% in fiscal 2024 from 3.7% in fiscal 2015. Also, strengthening of inter-regional power transmission capacity over the past five years has further supported the fall in deficit levels as it reduced supply constraints due to congestion and lower transmission corridor availability.

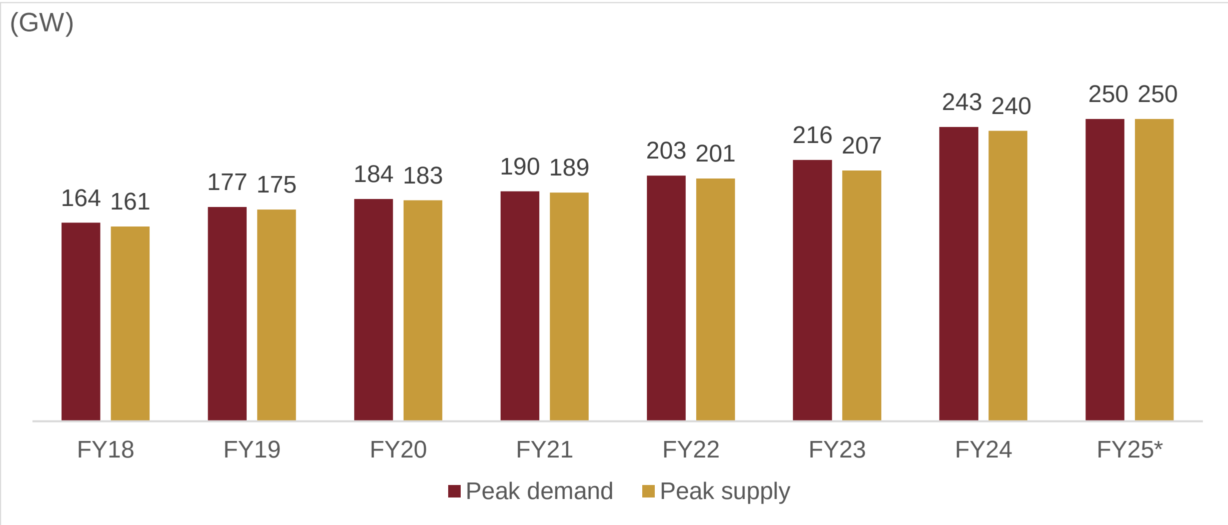
Figure 8: Aggregate power demand supply (in billion units, or BUs)



Source: CEA, CRISIL MI&A-Consulting

Peak electricity demand in India has grown from 164 GW in fiscal 2018 to 250 GW in fiscal 2025 during May 2024 clocking an average growth rate of 6.2% over the period. Prior to the pandemic, electricity demand in India usually peaked in August-September, mostly covering the monsoon season. This spike in peak demand was primarily due to an increase in domestic and commercial load, mainly space cooling load due to high humidity conditions. However, during post pandemic years, annual peak demand occurred in the summer season (April-July), due to extreme heatwave conditions.

Figure 9: Peak power demand and supply position



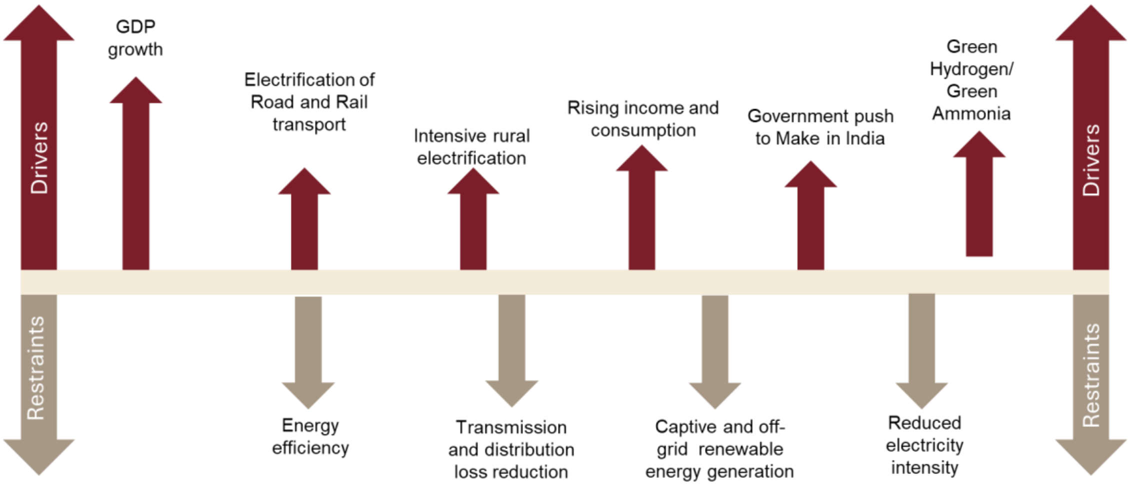
FY25 data as of August 2024; Source: CEA, CRISIL MI&A-Consulting

Power demand supply outlook

Long term Demand drivers and constraints

Power demand is closely associated with a country's GDP. Healthy economic growth leads to growth in power demand. India is already the fastest-growing economy in the world, with an average GDP growth of 5.8% over the past decade. The trickle-down effect of government spending on infrastructure through the National Infrastructure Pipeline, expansion of the services industry, growing manufacturing industries, rapid urbanisation, and increased farm income from agriculture-related reforms are key macroeconomic factors that are expected to foster power demand. Significant policy initiatives such as 24x7 power for all, Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme provided electricity connections to all households, green energy corridor to facilitate evacuation of RE power, green city scheme to promote the development of sustainable and eco-friendly cities, PLI scheme and low corporate tax rates among others are expected to further support power demand in the country.

Figure 10: Factors influencing power demand



Source: CRISIL MI&A-Consulting

Apart from macroeconomic factors, power demand would be further fueled by railway electrification, upcoming metro rail projects, growing demand for charging infrastructure due to increased adoption of electric vehicles, and higher demand from data centers, key infrastructure and manufacturing sectors. However, increasing energy efficiency, a reduction in technical losses over the longer term, and captive as well as off-grid generation from renewables would restrict growth in power demand from grid.

Railway electrification and metro rail projects to drive a majority of incremental power demand

Indian Railways has planned to become a net zero carbon emitter by 2030. Therefore, Government aimed to achieve 100% electrification of Indian Railways by fiscal 2025. This leads to incremental power demand of around 23 billion units (BUs) on average every year between fiscal 2025 to 2029. Further, Metro rail has seen substantial growth in India in recent years, and the rate of growth is set to double or triple in the coming years with multiple cities seeking metro rail services to meet daily mobility requirements. As of May 2024, around 712 km of metro rail is under construction and 1,878 km is proposed to be added. These developments are expected to add incremental power demand of 5-6 BUs every year on average between fiscal 2025 to 2029.

Further, EV charging requirements are likely to boost power demand over the medium term, with a gradual increase in the share of EVs in the vehicle population. CRISIL MI&A-Consulting projects that the adoption of EVs will boost power demand by 12-13 BUs annually on average over fiscals 2025 to 2029.

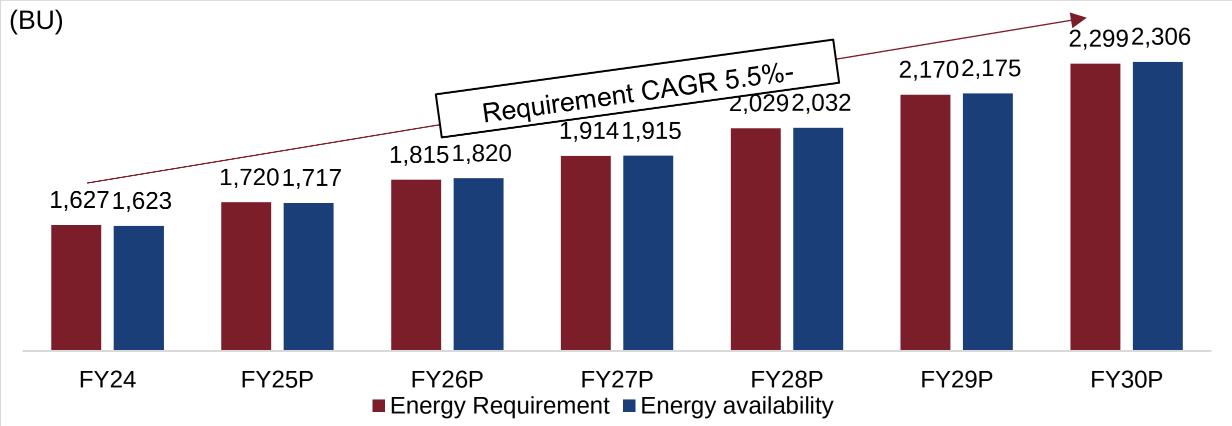
Declining T&D losses, an increase in off-grid/rooftop projects and open access transactions to drive power demand downward

T&D losses have been declining, and the reduction in losses is expected to continue further aided by a slew of government measures, primarily RDSS. Power demand is expected to be reduced by 20-25 BUs on average every year between fiscal 2025 to 2029 owing to lower T&D losses. Further, with a boost to rooftop solar and decentralized distributed generation, a reduction of 2-3% in base demand from the grid is expected with the addition of 32-33 GW of rooftop capacities are expected by fiscal 2029. Industries are expected to add ~3-4 GW of captive capacity over the next five years, adding on average 290-300 BUs of demand over the period which may lead to a reduction in demand from the grid.

Outlook on energy requirement and availability

Despite the high base of preceding three years, CRISIL MI&A-Consulting expects power demand to grow by 5.5-6.0% in the next five years which will be supported by infrastructure-linked capex, strong economic fundamentals along with expansion of the power footprint via strengthening of T&D infrastructure, coupled with major reforms initiated by the GoI for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby propelling power demand.

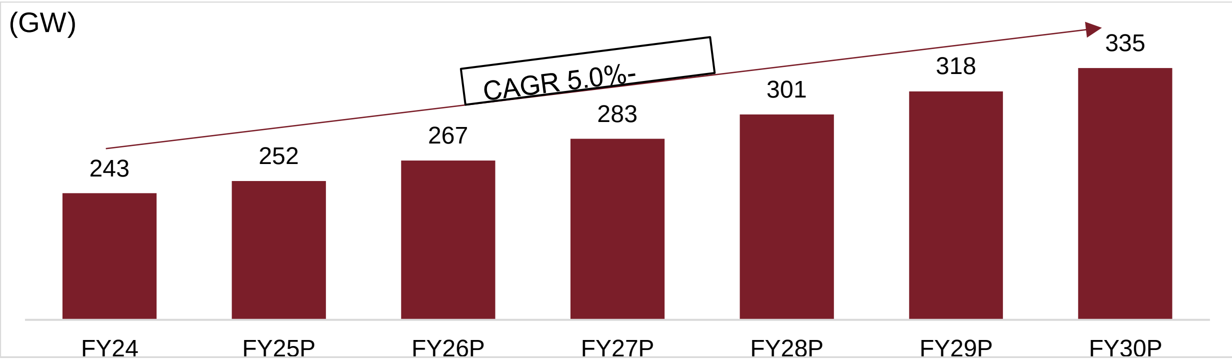
Figure 11: Energy demand outlook (fiscals 2025-30)



P: Projected, Source: CEA, CRISIL MI&A-Consulting

Peak demand is expected to grow at annual average 5-6% over fiscal 2024-30 to reach nearly 335 GW by fiscal 2030 with an expected persistent high temperatures, rising urbanization, economic growth and infrastructure push leading to higher power consumption.

Figure 12: Peak demand to increase by 85 GW between fiscals 2025 and 2030 to cross 300 GW



P: Projected, Source: CEA, CRISIL MI&A-Consulting

Capacity addition outlook

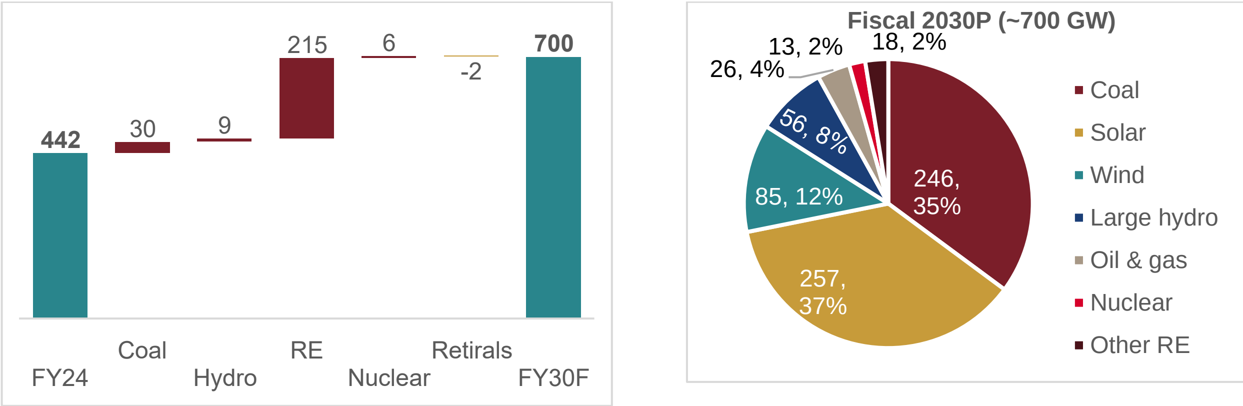
Capacity additions in the conventional power generation segment are projected to be around 32-35 GW from fiscals 2025 to 2030, driven by higher than decadal average power demand. Fresh project announcements are limited as players are opting for the inorganic route for expansion given the availability of assets at reasonable valuations. In fact, 4.8 GW of stressed power assets are awaiting debt resolution. However, the need for generation capacity equipped for flexible operations to ramp up-down quickly is critical to meet peak demand as generation from renewable capacities is intermittent in nature. CRISIL MI&A-Consulting expects 28-30 GW of coal-based power to be commissioned over fiscals 2025-30. Coal capacity additions are expected to be driven entirely by the central and state sectors, as major private gencos continue to focus on expanding RE capacity. 2-3 GW of coal-based capacity is expected to retire as per CEA's National Electricity Plan 2023.

Nuclear power capacity additions of 6-7 GW are expected during the period as ongoing projects at Kakrapara, Kalpakkam, and Rajasthan is nearing completion. As of January 2024, Unit 1 of KAPP has been commissioned with Unit 2 expected to be commissioned by the end of fiscal 2024.

CRISIL MI&A-Consulting expects 8-9 GW of hydro power installations and 32-25 GW of energy storage solutions including 8.5-9.5 GW pumped hydro storage projects (PSP) and 23-24 GW of Battery Energy storage system (BESS) capacity additions over fiscals 2025-2030.

By fiscal 2030, RE capacity (excl. large hydro) of over 210-220 GW is expected to be driven by various government initiatives, favourable policies, competitive tariffs, innovative tenders, development of solar parks and green energy corridors, etc. RE capacity is estimated to account for ~50% of the installed capacity of 700-710 GW by fiscal 2030.

Figure 13: All India installed estimated capacity addition by fiscal 2030 (in GW)

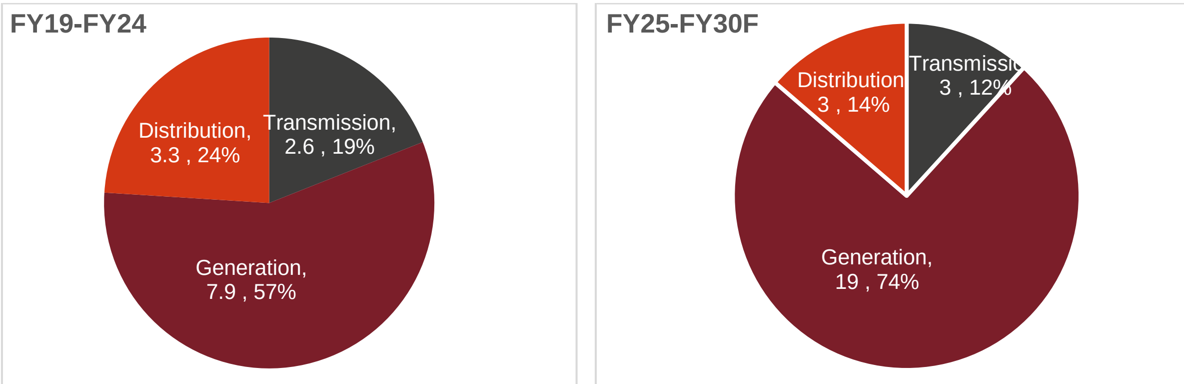


RE includes solar, wind, small hydro, and other renewable sources; Source: CEA, CRISIL MI&A-Consulting

Investments in generation, transmission, and distribution infrastructure

The total investments in the power sector between fiscal 2019-24 was about Rs. 13.8 trillion. CRISIL MI&A-Consulting expects investments of Rs 25.0-27.0 trillion in the power sector over fiscal 2025-30. Generation segment investments are being driven by capacity additions with robust growth in RE installations followed by distribution investments led by the RDSS scheme.

Figure 14: Segment-wise break-up of total investments (Rs Trillion, %)



F: Forecasted; Source: CRISIL MI&A-Consulting

Investments in the generation segment are expected to double from Rs ~7.9 trillion (over fiscals 2019-2024) to ~Rs 18.5-19.5 trillion (over fiscals 2025-30). Capacity addition from RE sources is expected to be 225-230 GW from fiscals 2025 to 2030 (including large hydro and ESS), and 28-30 GW from coal-based plants sources over the same period. Investments in RE capacity is expected to be Rs 14-15 trillion over the next five years, in line with capacity additions, which will constitute over 75% of overall generation investments. Investments in solar alone is expected to be half of the RE investment, i.e., Rs. 7.0-8.0 trillion over the same period.

To achieve the RE generation target, strong transmission infrastructure is needed so as to integrate large scale RE capacities into the grid. This is expected to lead to transmission investments of Rs 3.0-4.0 trillion between fiscals 2025-2030 from ~Rs 2.6 trillion between fiscals 2019-2024 led by upcoming ISTS projects. The distribution segment is expected to attract investments worth Rs 3.5-4.5 trillion over fiscals 2025 to 2030 vis-à-vis ~Rs 3.3 trillion between fiscal 2019-2024. This is driven by the government's thrust on the RDSS scheme entailing an outlay of Rs 3.04 trillion for state discoms, to be allocated until fiscal 2026.

Indian Renewable energy market

Initiatives for RE growth

Renewable sources are a clean source of energy as they do not burn like fossil fuels, preventing the release of pollutants into the air. Increasing use of RE would help avoid carbon emissions, and thereby, restrict global warming. Further, the wide availability of these resources makes them less susceptible to depletion unlike conventional sources of energy. While there are multiple renewable sources that can be utilised, including solar, wind, small hydro, biomass, and bagasse remain key sources.

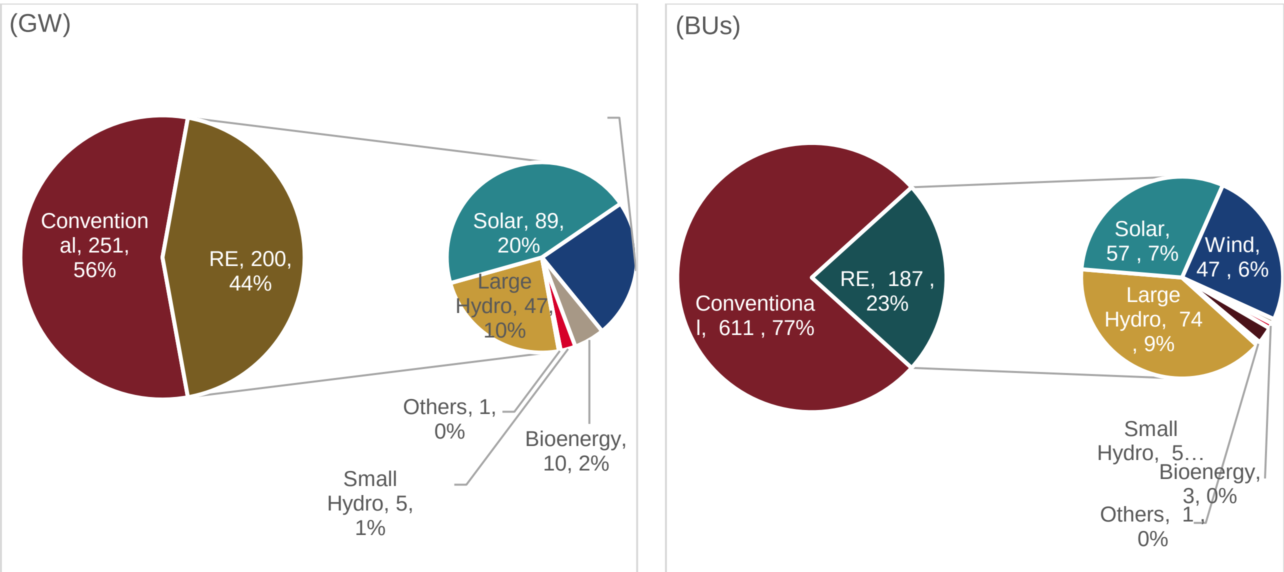
Overview of RE capacity additions in India

Renewable sources are a cleaner source of energy than conventional ones as they do not burn like fossil fuels, preventing the release of pollutants into the air. Increasing use of renewable energy would help reduce carbon emissions, and thereby, global warming. Further, the wide availability of these resources makes them less susceptible to depletion unlike conventional sources of energy. While there are multiple renewable sources that can be utilised, including solar, wind, small hydro, biomass and bagasse, solar and wind remain key sources.

Renewable energy installations (incl. large hydro) have increased fivefold to ~200 GW as of August 2024, as compared with ~63 GW as of March 2012 (source: MNRE), led by various central and state-level incentives. As of August 2024, installed grid connected renewable energy generation capacity (incl. large hydro) in India constituted~44% of the total installed generation base in India. In particular, this growth has been led by solar power, which has grown to ~89 GW from ~0.09 GW over the discussed time period.

However, owing to lower capacity utilisation factors, the RE penetration (incl. large hydro) in terms of energy generation was at ~23% as of August 2024.

Figure 15: India's RE (incl. Large Hydro) capacity (in GW) was ~44% as of August 2024 and energy penetration (in BU) was ~23% (Apr- Aug 2024)

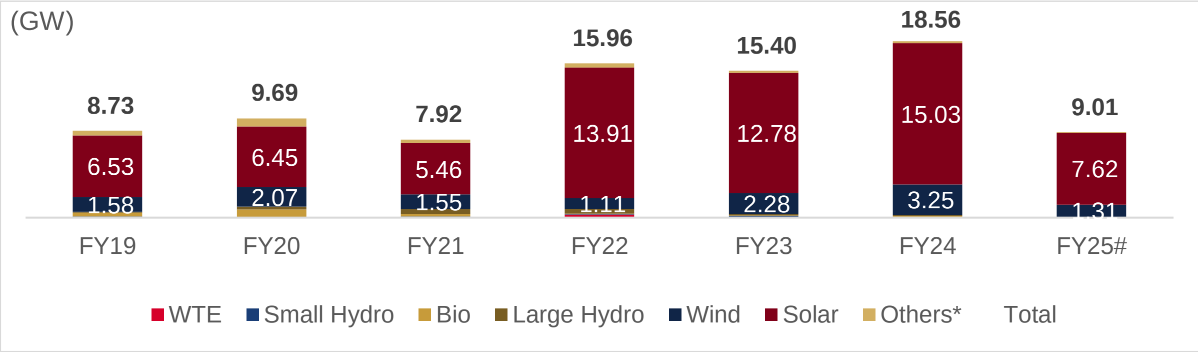


Note: Excl. imports from Bhutan
Source: MNRE; CEA, CRISIL MI&A Consulting

Historical RE capacity additions trend

With the increased support of the Government and improved economics, the RE sector has become attractive from an investor's perspective. During fiscals 2018 to 2024, India added around 76 GW of RE (incl. large hydro) capacities. The installed RE (incl. large hydro) capacity has grown from 114 GW in fiscal 2018 to 191 GW in fiscal 2024 at a CAGR of 8.9%. Solar segment led the capacity additions with cumulative additions of ~60 GW followed by wind ~12 GW during the same period. The other RE sources added ~4 GW during the same period.

Figure 16: Historical RE Capacity additions in India



*# As of Aug-2024; *Others include small-hydro, biomass and waste-to-energy*
Source: CEA, MNRE, CRISIL MI&A Consulting

India Renewable Potential

Despite strong capacity addition, there is huge untapped potential for RE installations in India, as is evident from the table below.

Table 2: Potential and cumulative capacity of RE (technology-wise)

Technology	Potential	Cumulative capacity (as of August 2024)	Untapped potential
Wind	~696 GW (120 m hub height)	47.19 GW	93%
Solar	750 GW	89.43 GW	88%
Bioenergy	25 GW	10.35 GW	59%
Hydro*	165 GW	52.00 GW	68%
Waste to energy	NA	0.6 GW	NA

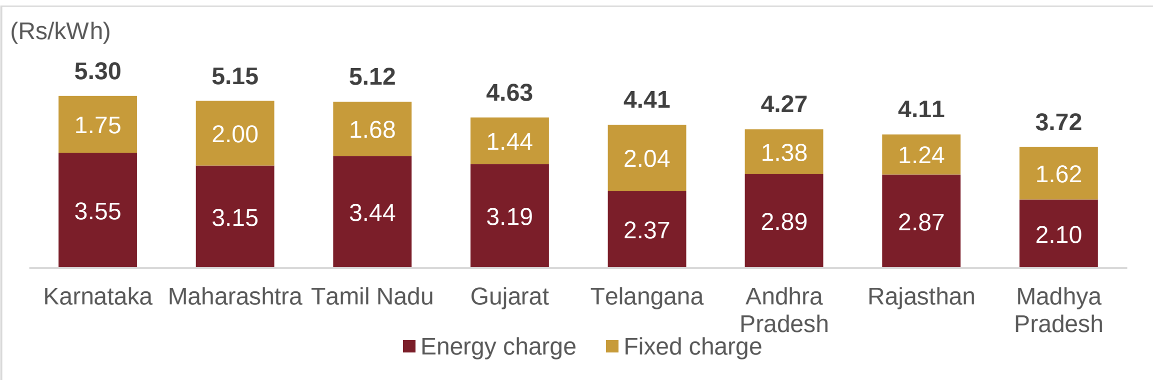
**Hydro: Large + Small hydro*
Source: MNRE; NITI Aayog; CRISIL MI&A Consulting

However, solar energy potential is the greatest in India amongst all the commercially available renewable energy sources. As per an assessment by the National Institute of Solar Energy (NISE) and a report by MNRE, the top five states with the highest solar PV potential are Rajasthan, Jammu & Kashmir, Maharashtra, Madhya Pradesh and Andhra Pradesh. While the MNRE has considered 3% of wasteland that can be utilised in a state for the installation of ground-mounted solar PV projects, it has also considered 2%-25% of the rooftop space being utilised (1 kWp – 100 kWp) across various buildings, such as offices, shops, hospital, and government buildings, for the setting up of rooftop solar PV projects.

Comparison of levelised tariff and APPC

With large-scale capacity of coal-based power, several states entered into PPAs over fiscals 2010-2016 to meet power requirement and bridge the deficit. As a result, coal dominates in the power procurement mix of discoms and their average power purchase cost mirrors the cost of coal-based power.

Figure 17: Average power purchase cost in key states for FY2024



Source: State discoms tariff orders, CRISIL MI&A Consulting

All India power purchase cost during fiscal 2023 was Rs. 5.49 per unit, a rise of 14.8% y-o-y. This rise in power purchase cost was driven by increase in imported coal volume, rise in prices of imported coal due to Russia-Ukraine war and surge in power exchange prices. The weighted average for solar, wind and hybrid project for FY24 is ~ Rs 3.34 per unit.

As can be observed from the chart above, the estimated APPC for fiscal 2024 as per the tariff order of major RE rich states varies between Rs 3.7 – 5.3 per unit. Variable cost is higher in case of plants located in South India such as Karnataka, Tamil Nadu, due to the distance from East India, where key coal bearing states are located, and higher dependence on imported coal. Also, total cost of coal-based power is Rs 4.4 – 5.6 per unit, factoring in the capital intensity on a per-MW basis and maintenance requirement of plants. These coal-based tariffs are further expected to increase with adoption of stricter environmental norms.

Table 3: APPC vs Levelized tariffs

State	APPC for FY24	Plain Vanilla Solar	Plain Vanilla Wind	Wind Solar Hybrid (WSH)	Peak power supply (PPS)	Round the clock (RTC)	Firm and despatchable RE (FDRE)
Karnataka	5.30	2.5-2.6	3.2-3.4	3.2-3.5	4.25-4.7	4.5-4.8	4.4-5.7
Maharashtra	5.15						
Tamil Nadu	5.12						
Gujarat	4.63						
Telangana	4.41						
Andhra Pradesh	4.27						
Rajasthan	4.11						
Madhya Pradesh	3.72						

Source: SERC Tariff Orders, Industry, CRISIL MI&A Consulting

Outlook of solar energy capacity additions in India

Fiscal 2025 is projected to witness 16-18 GW of solar projects, including 3.1-3.3 GW of open access projects. The large base will be on account of execution of pipeline projects which were affected in fiscal 2023 and fiscal 2022, due to supply chain issue. The imposition of duty on imported solar modules had also led to an increase in pricing of imported modules. The projects were also delayed due to land and transmission line issues. The commissioning momentum, however, saw a revival in fiscal 2024, with ~15 GW being commissioned during the year. Pent-up pipeline from previous years started coming to fruition combined with temporary abeyance of ALMM, led to high commissioning rate during the year.

As on March 2024, domestic manufacturing capacities have touched 63 GW where global module capacity is estimated at 949 GW in 2024. This is expected to help supply-side constraints to abate considerably. Already, prices of modules and upstream components have fallen owing to an oversupply scenario. Abeyance of ALMM till March 2024 had already resulted in easing pressure on developers. However, reapplication of ALMM from fiscal 2025 with relief for selected projects (i.e. those in advance stage of construction and few projects on case-to-case basis where modules had reached the site before 31st March 2024) will also aid additions in fiscal 2025, with the open access market expected to account for ~19% of the additions. But it should be noted that while the industry has a healthy medium-term project pipeline, with close to 2.5 GW already commissioned in the first two months of fiscal 2025, a 137% rise compared to same duration previous fiscal.

The solar additions momentum in fiscal 2023 witnessed flat movement at ~13 GW owing to cost pressures arising from supply chain disruptions. However, with increase in capacity additions and ease of supply chain pressures, fiscal 2024 added 15 GW. This will be supported by moderating raw material prices.

The long-term growth drivers for solar capacity additions:

- **NSM**: The entire NSM Phase II Batch II Tranche I of 3,000 MW has been commissioned. Under NSM Phase II, Batch III, and Batch IV, SECI through its state specific VGF has tendered out ~7 GW of capacities, most of which has been completed.

- **Other central schemes**: The Solar Energy Corporation of India (SECI) has also started tendering projects outside the JNNSM Batch programme. It has initiated the Inter-State Transmission System (ISTS) scheme, wherein projects are planned for connection with the ISTS grid directly. Under this, the SECI has already allocated ~35 GW (including hybrid) while 6 GW is tendered.

- **State solar policies**: ~25 GW of projects are under construction and are expected to be commissioned over fiscals 2025-2030. Based on tendered capacities by states at the end of June 2024, a further ~24 GW capacity of solar projects is expected to be up for bidding over the same duration.

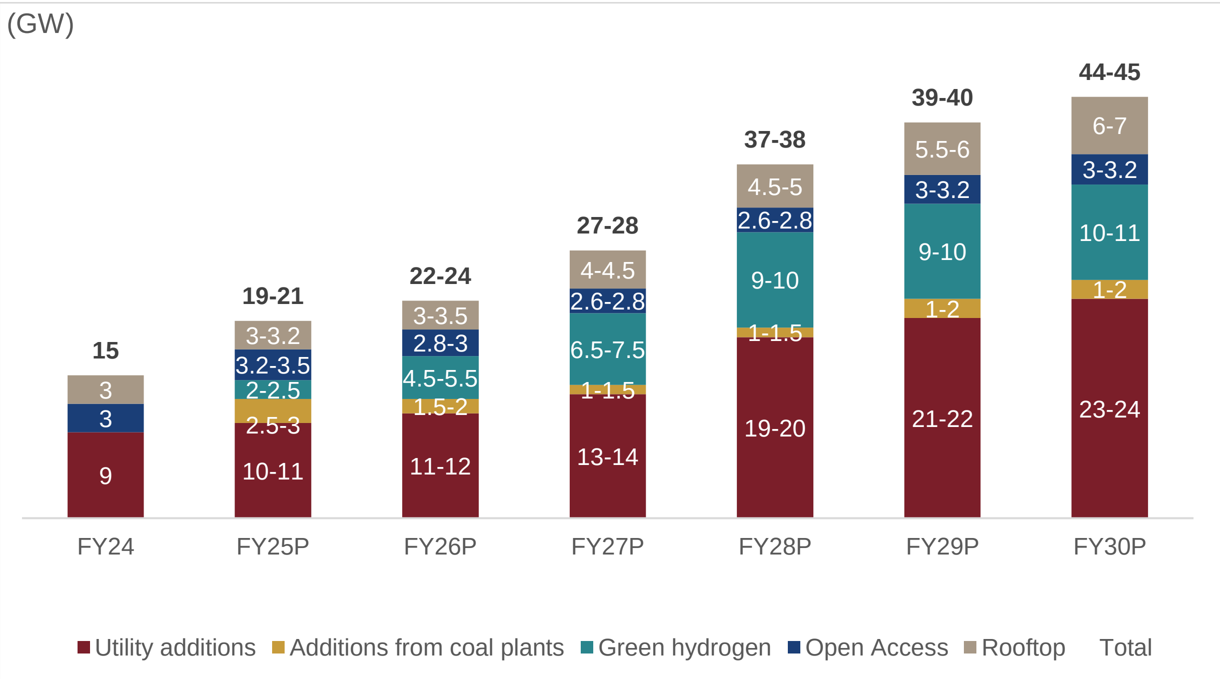
- **PSUs**: The Central Public Sector Undertaking (CPSU) programme under JNNSM has been extended to 12 GW in February 2019. The government is also encouraging cash-rich PSUs to set up renewable energy projects. Group NTPC (NTPC Limited) has commissioned 3,618 MW as on 30.06.2024 and outsourced projects are 5,273 MW. Similarly, under construction capacity is 9,214 MW for the Group and 8,810 MW on an outsourced basis. It has a target of installing ~60 GW of renewable energy capacities by fiscal 2032. Similarly, NHPC Limited had allocated 2 GW of projects in 2020, while the Indian Railways has committed to 20 GW of solar power by 2030. Other PSUs such as NLC India Limited, defence organizations, and governmental establishments are also expected to contribute to this addition.

- **Rooftop solar projects**: CRISIL MI&A-Consulting expects 23-25 GW of rooftop solar projects (under the capex and opex mode) to be commissioned by fiscal 2030, led by industrial and commercial consumers under net/gross metering schemes of various states and by the residential consumers through the Surya Yojana scheme.

- **Open-access solar projects**: CRISIL MI&A-Consulting expects 15-17 GW of open-access solar projects (under the capex and opex mode) to be commissioned by fiscal 2030, led by green energy open access rules 2022, sustainability initiatives/RE 100 targets of the corporate consumers, better tariff structures and policies of states such as Uttar Pradesh and Karnataka, which are more long term in nature.

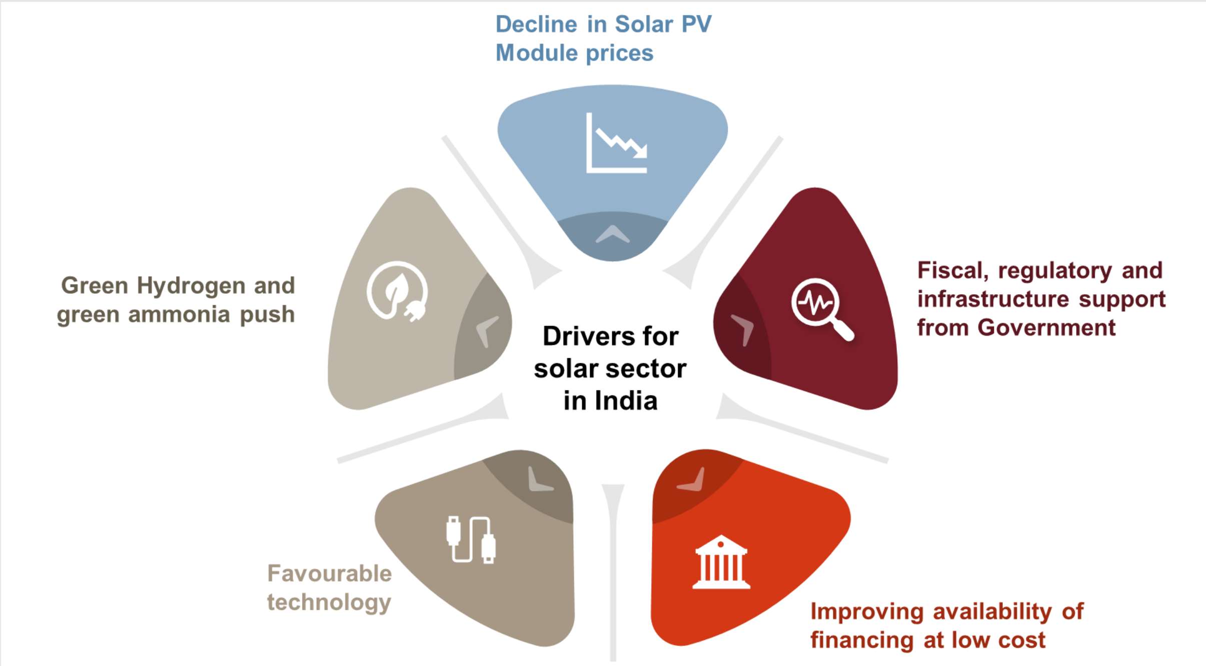
- **Push for Green hydrogen**: Production for green hydrogen is expected to start from fiscal 2026 with production of 0.5-1 million tonnes of production. The government has set the target production of 5 million tonnes of green hydrogen by 2030. As per announcement, we expect 2.5-3 MTPA of green hydrogen to commission which can lead to further upside of solar capacity of 32-37 GW, by fiscal 2030. However, developers may tie-up via grid / open access and not go to the captive route generation under this segment will remain a monitorable.

Figure 18: Year wise expected solar capacity (over fiscals 2025-2030)



Source: CRISIL MI&A Consulting

Figure 19: Growth drivers for the solar sector in India



Source: Industry, CRISIL MI&A Consulting

Each growth driver for solar energy in India is detailed below:

Declining module prices and tariffs

The global average solar module price, which constitutes 55-60% of the total system cost, crashed 73% to $0.47 per watt-peak in 2016 (average for January-December) from $1.78 per watt-peak in 2010. In fact, prices continued to decline to $0.22 per watt-peak by end-August 2019, owing to technology improvement, scale benefits and a demand-supply gap in the global solar module manufacturing industry. Further, declining inverter prices (6-7% of the capital cost), which fell to $0.2 per watt-peak by March 2020 (which has now been reduced to $0.016-0.018 per Wp), reduced system costs. Module prices reached $0.22 per watt-peak level in fiscal 2021.

Module prices started to fall in 2023 owing to the ramp-up in the production of upstream components. Prices of modules fell to $0.15-0.20 per watt-peak in April-November 2023 from $0.23 per watt-peak in January 2023. This has eased some pressure on capital costs in fiscal 2024. Global solar module prices have reached a historic low, standing at just $0.09 per watt-peak in June 2024, which is expected to stimulate growth in solar power capacity. Prices are expected to remain stable over the medium term due to supply glut and relatively weak demand internationally. In line with this trend domestic prices too fell to $ 0.14 per watt-peak, maintaining a steady premium over landed cost of imported modules.

Outlook of solar capacity additions across key states

In the renewable energy basket (including large hydro) as of March 2024, solar energy accounted for a share of 43%. Growth in the solar power sector over the last five years has been robust. As much as ~60 GW capacity was added in the segment over fiscals 2018-24, registering a CAGR of ~24.8%, although on a low base.

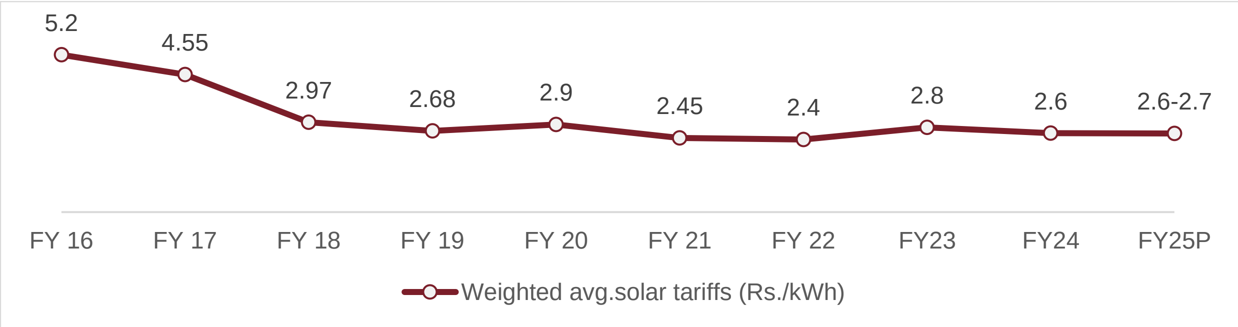
Despite the second wave of COVID-19 infections, fiscal 2022 witnessed solar capacity additions of ~14 GW. In a relief to developers, the MNRE provided total extension of seven-and-a-half months for the projects affected by the first and second waves of pandemic. This is estimated to have delayed commissioning in fiscal 2022, leading to a spillover into fiscals 2023 and 2024. In fiscal 2023, solar capacity additions stood at ~13 GW, with ~2.2 GW coming from rooftop solar projects. Similarly, in fiscal 2024, solar capacity additions stood at ~15 GW, with ~3 GW coming from grid connected rooftop solar projects.

Commissioning activity has been concentrated in the key states of Rajasthan, Gujarat, and Tamil Nadu, which accounted for two-third of total capacity added in fiscal 2024. In the previous fiscal as well, the installation trend was driven by the same states.

Outlook on levelized tariffs for solar projects

After registering the lowest tariff of Rs. 1.99/kWh in December 2020, the solar tariffs have bounced back and witnessed more than 25% increase. This increase can be attributed to increased project cost, implementation of BCD, requirement of ALMM and domestic content requirement as well as regulatory and policy risks. CRISIL MI&A Consulting believes that tariff of Rs 2.5-2.6/kWh will be required for a 12-14% equity IRR owing to a sharp decline in module prices on year in fiscal 2025, despite rising BoS cost.

Figure 20: Tariffs to remain flat in fiscal 2025 owing to fall in upstream component prices

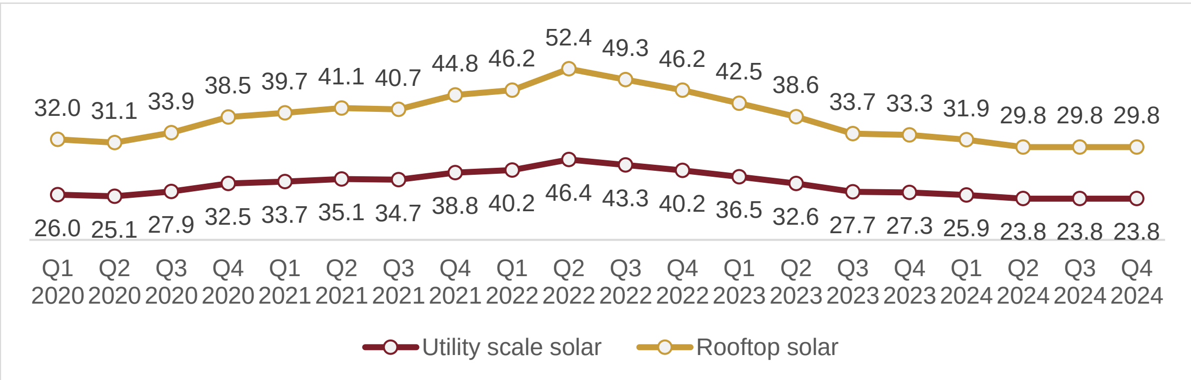


Note: The above tariffs are for ground mounted solar only; Source: Industry, CRISIL MI&A Consulting

Movement of the Solar project capital costs and O&M costs

Solar project CAPEX trend has largely followed global module price trends – between 2011 and 2021, EPC cost for utility-scale projects reduced by around 65% to Rs ~39 million/MWp due to falling module prices. While landed module cost increased temporarily in Q2 2022 due imposition of BCD on China modules, over H2 of 2022 and 2023, led by a massive supply glut in China, prices across the solar value chain declined sharply – China module prices decreased by around 57% in two-year period ended December 2023 to USD 0.12/Wp. As a result, EPC cost for utility-scale projects declined by around 33% in the two-year period ended December 2023 to Rs 27 million/ MWp. On the BoS front, while prices of commodities like copper and aluminium (used for building mounting structures and other key components) are volatile, the effect on overall EPC cost is marginal due to low share in CAPEX.

Figure 21: EPC cost, Rs million/ MWp



Source: Industry, CRISIL MI&A Consulting
Note: EPC cost for utility scale projects is estimated using imported mono-crystalline modules in a fixed tilt layout and central inverters. EPC cost for rooftop solar systems is estimated for a typical industrial installation on a metal roof.

Going forward, while China module prices are expected to remain soft due to excess manufacturing capacity coupled with subdued international demand (mainly due to US aversion to China imports and high inventory levels in EU), domestic prices are expected to hover around USD 0.18-0.21/Wp in 2024 due to inadequate, albeit growing, domestic supply and ALMM implementation from April 2024 onwards. On the O&M front, costs have decreased by around 30% in the last 3-4 years to around Rs 0.18-0.25 Mn/MW/annum due to experience gained by service providers coupled with technology adoption including robotic cleaning. Robotic cleaning not only helps in achieving better efficiency but also are more environmentally friendly since they use less water and no chemical cleaners

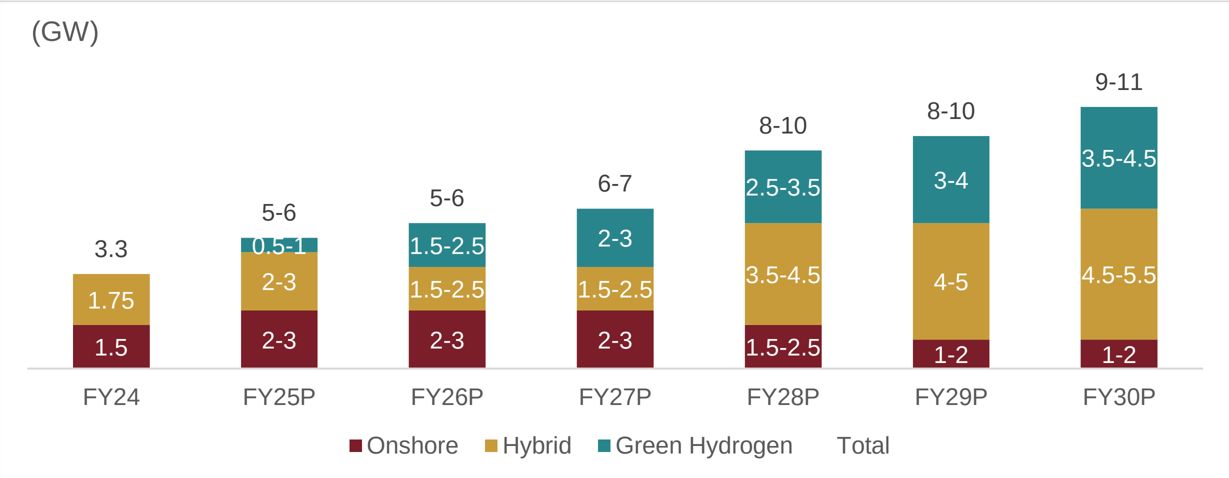
Outlook of wind energy capacity additions in India

CRISIL MI&A-Consulting expects capacity additions to grow over the next five years led by pipeline build-up under existing schemes and new tendering schemes, improvement in technology, thrust on green hydrogen, renewable generation obligation and mixed resource models (RTC, hybrid, FDRE etc.). However, incremental challenges pertaining to wind-site/land availability, grid connectivity, and viability at low tariffs due to elevated capital cost pose challenges for the sector.

Led by India's ambitious clean energy targets declared under NDC, focus on clean segments such as wind is expected to continue coupled with a healthy pipeline existing in the segment. The government policy to tender 10 GW wind capacity annually till fiscal 2028 will further boost the capacity additions. The Central Government is also contemplating for renewable generation obligation (RGO) mandating thermal power generators to generate certain % of their additional capacity from renewable energy. Capacity additions over the long term will also be driven by increased hybrid tenders, storage and new business model-based tenders. Central government allocations under relatively strong off-takers such as SECI and PTC, reduce risk and would support developer interest. State allocation, on the other hand, has slowed as several states have instead signed power sale agreements (PSAs) with PTC and SECI for procurement of wind power to help fulfil their non-renewable purchase obligation targets.

Considering above, CRISIL MI&A-Consulting expects wind power capacity additions to remain at ~36-40 GW over fiscals 2025-2030, higher than the ~13 GW seen over fiscals 2018-2024.

Figure 22: Expected annual wind power capacity additions



Source: CRISIL MI&A Consulting

Outlook of wind capacity additions across key states

India has the fourth largest installed wind power capacity in the world, with ~47 GW as of 31st August 2024. Wind power accounted for nearly 10.4% of India's total installed utility power generation capacity. India's wind power installed capacity increased at a CAGR of approximately 7% from 26.8 GW in fiscal 2016 to 45.9 GW in fiscal 2024. Wind power capacity is mainly spread across the southern, western, and northwestern states of India. Leading states in wind power installations include Tamil Nadu, Gujarat, Maharashtra, Rajasthan, and Karnataka.

Wind power has witnessed a healthy capacity addition of ~3.25 GW in fiscal 2024. In fiscal 2023, ~2.28 GW wind power capacity was installed on the back of commissioning under several schemes that have been pending - SECI Tranche IV, V and VI. The rising trend of hybrid power (solar plus wind) projects coupled with moderation and stabilisation in key commodity prices has also supported growth.

The top five states (Gujarat, Tamil Nadu, Karnataka, Rajasthan, Maharashtra) make up ~84% of the installed wind capacity (as of 31st August 2024), with some regions within these states accounting for most wind power projects. Since April 2021, ~80% the new capacity additions have happened in 3 states – Gujarat, Tamil Nadu, and Karnataka.

As per CEA's report on under construction RE projects, about 16.5 GW of Wind projects are under construction and ~13.2 GW is under-development stage. These projects with cumulative capacity of ~30 GW are expected to be commissioned by fiscal 2029. Of this, over 55% of the capacity is expected to be added in Gujarat (~12.8 GW) and Karnataka (3.2 GW) and 10% of the capacity is expected in Rajasthan, Maharashtra and Madhya Pradesh.

Key factors to drive wind energy capacity additions

a) New tender opportunities

New opportunities have emerged in the wind sector in India with SECI tendering projects including hybrid, round-the-clock, peak power supply and FDRE projects.

Although the exact split of wind vs solar for hybrid projects is based on developer choice and technical design, they tend to have a higher share of solar energy, due to lower capital costs and ease of installation. However, since hybrid projects have a floor cap on capacity contribution from solar and wind (power capacity of one resource is at least 33% of the rated power capacity of the other resource), they contribute to capacity additions for wind. Similarly, round-the-clock, peak power supply and FDRE projects also generate substantial demand for wind capacity addition as developers require a good mix of sources (solar, wind and/or energy storage) to get the maximum possible efficiency. With the rising trend of such tenders, wind power additions will further increase gradually over the long term.

b) Improved technology

Newer wind turbines are being launched that have higher rated capacity and higher hub height (120 -140 m), which can be set up at low-quality wind sites, otherwise considered economically unattractive. However, plant load factors and subsequent viability would vary. Technological advancements have allowed players to set up windmills in states/sites with lower wind density. Based on our estimates, for every 100-bps change in PLFs, equity IRRs improve by 100-150 bps. As per industry interactions, increased capital costs factor-in the improvement in turbine technology, and 3.5 MW and above wind turbine technology have already started installations. Innovations in blade technology with lower weight which allows for building longer blades with lower mass. These improvements in technology will enable lower levelised cost and capacity additions outside the windy region, thereby driving capacity additions.

c) Large -scale central allocations

Post competitive bidding of 1 GW by SECI in February 2017, SECI further allocated ~15 GW (excluding cancelled contracts) of capacities over March 2017-Feb 2024 through wind only schemes. MNRE has outlined further plans to tender 10 GW of capacity each year by RE Implementing Agencies (like SECI, NTPC, NHPC, SJVN). This bodes well as central sector PPAs have lower counterparty risk compared with PPAs directly with discoms. The latter are known to delay payments to developers and have poor financial ratings, while SECI and PTC are better rated and provide various payment security mechanisms (LCs, payment security fund and SECI, NTPC, NHPC, SJVN being party to the tripartite agreement).

Major payment security mechanisms to de-risk investment in renewable energy inter- alia include Letter of Credit (LC); Payment Security Funds and Tripartite Agreement (TPA) between Ministry of Power, RBI and State Government (if applicable). These instruments are invoked in case of delays/default in payment to Renewable Energy Generating Companies and have been further strengthened by the notification of the Late Payment Surcharge Rules, 2022. Various initiatives such as stringent late payment surcharge rules, mandatory letter of credit by Discoms, regulation of power supply in case of non-maintenance of payment security mechanisms, denial of open access in case of non-payment of dues beyond 75 days from due date etc. have tightened the payment security and brought in the much-required discipline in payments to RE generators by Discoms.

Movement of the wind project capital costs and O&M costs

Increase in prices for key commodities (4% and 26% y-o-y rise in cement and steel prices, respectively, in fiscal 2022 and further increase of ~3% and 4% in fiscal 2023), along with supply chain disruptions due to Russia-Ukraine crisis, contributed to cost escalations and higher capital cost for wind projects. Further, the shift in trend of larger size turbines of over 3 MW has further increased cost pressures. In fact, the commodity price surge has been one of the principal reasons for stagnation of growth in the industry as it has translated into lower project returns, which has impacted project commissioning since the second half of fiscal 2022. CRISIL MI&A-Consulting expects key commodity prices to reduce by 5-7% during fiscal 2025. This is expected to reduce the capital costs by 2-3%.

Outlook on levelized tariffs for wind projects

Wind power tariffs fell to Rs 2.5 per unit level, with tariffs as low as Rs 2.43 per unit in December 2017 in Gujarat state wind auctions of 500 MW. However, tariffs have since inched back up, reaching a weighted average of Rs. 3.00/ unit in fiscal year 2023 and Rs. 3.39/ unit in fiscal year 2024, a rise compared to those recorded in previous years. The weighted average tariffs stood at Rs. 2.80, Rs. 2.89 and Rs. 2.80 per unit in fiscal 2020, 2021 and 2022 respectively. The recent SECI auction held in July 2024 witnessed the highest tariff of Rs 3.70 per unit in Tranche-XVI, while the latest auction held by state agency was GUVNL Phase VI which saw weighted average tariff of Rs. 3.43 per unit. However, this is still lower than the Rs.4-5 per unit witnessed by the sector under FiT.

CRISIL MI&A Consulting believes that a levelised tariff of Rs 3.4-3.6 per unit is required for an equity IRR of ~11-13%. For every 100-bps change in PLFs, equity IRRs improve by 100-200 bps. Also, every 20 paise hike in tariff improves equity IRR by 200-300 bps.

Outlook on levelized tariffs for hybrid projects

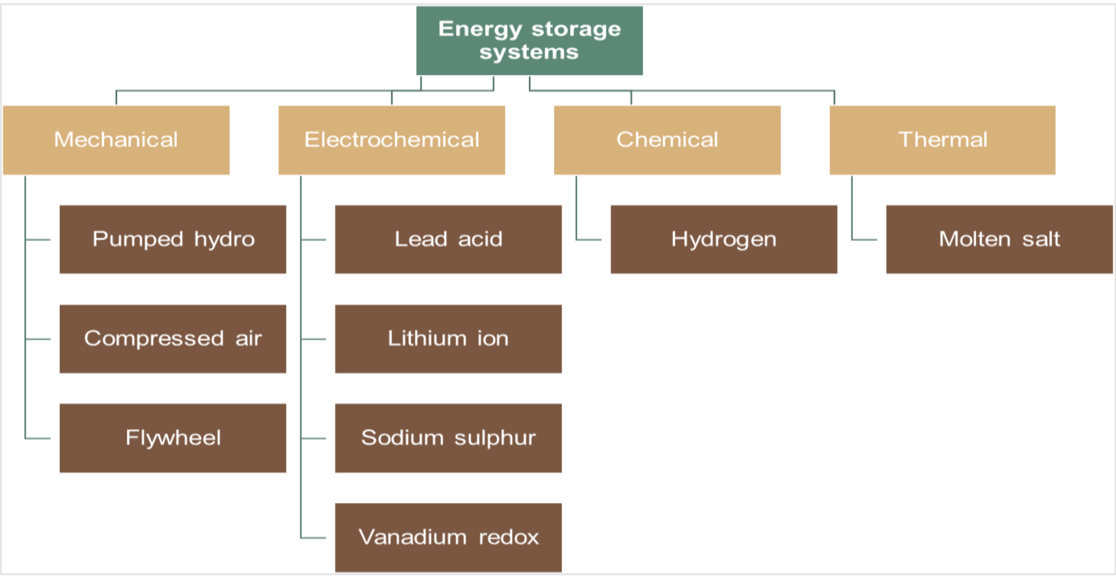
Levelized tariffs for hybrid projects in India have been declining over the years, driven by falling component costs, economies of scale, and increasing competition. The levelized tariff for hybrid projects in India is currently in the range of Rs. 2.50-3.50 per unit (kWh) for wind-solar hybrids and Rs.2.80-4.00 per unit (kWh) for solar-wind-storage hybrids. These tariffs are competitive with traditional fossil fuel-based power generation and are expected to continue declining as technology costs decrease. The levelized tariffs for hybrid projects are expected to decline by 10-15% to Rs.2.20-3.20 per unit (kWh) for wind-solar hybrids and Rs.2.50-3.80 per unit (kWh) for solar-wind-storage hybrids. It is worth noting that the tariff of hybrid projects depends upon the sizing of each solar and wind component in the project configuration. With correction in input prices and increasing competition coupled with advanced technology, the hybrid tariffs are expected to be competitive compared to tariffs of conventional sources.

Energy storage in India

Overview of energy storage technologies

Energy storage technologies can be broadly divided into four segments – mechanical, electromechanical, chemical, and thermal storage. However, only a few technologies are available on a commercial scale worldwide. Technologies such as pumped hydro storage (PHS), lithium, and sodium batteries are available commercially and are being used for different applications. Other technologies such as compressed air, flywheel, thermal and hydrogen storage, have yet to demonstrate their commercial viability at scale.

Figure 23: Major types of storage technologies



Source: Industry reports, CRISIL MI&A-Consulting

Pumped Hydro Storage Project (PHSP) is the most widely used and commercially available means of energy storage technology in India. However, the total installed capacity of PHSP is minuscule (~4% of the exploitable potential) in the country. Considering the intermittent and unpredictable nature of RE technologies, such as solar and wind technologies, efficient and economical grid operation is increasingly becoming one of the critical challenges for India's power system. This challenge calls for solutions such as spinning reserves, flexible generation, ancillary services, transmission system augmentation & frequency control, etc.

Energy storage technologies could play a vital role in smoothening the delivery of intermittent resources like wind and solar energy. By storing excess energy during periods of high generation and use of the same during high demand period thereby ensuring grid stability. This balancing effect helps ensure a more consistent and reliable energy supply, reducing dependence on immediate availability and improving overall grid stability.

Advantages of PHS projects

Some of the major advantages provided by PHS are as follows:

- **Peak shaving -** PHS has a very high ramp rate. As per CEA's study, the ramp rate of Pondage /Storage Hydro-based power plants is about 50% of its capacity per minute, the highest amongst the different categories of plants. In comparison to this, the ramp rate of combined cycle gas-based plants is up to 10% per minute. The lowest ramp rate is that of coal-based power plants, maximum of 3% for super-critical power plants.

- **Load balancing -** PHS can play a crucial role in load balancing, i.e., storing power during off-peak hours and utilising it when required during periods of high demand.

- **Frequency and voltage regulation -** PHS can respond rapidly to changes in grid frequency to maintain the frequency within the given band. PHS can be operated in pumping mode when frequency is higher than 50 Hz, to help the grid bring down frequency to 50 Hz. On the other hand, in case of frequency lower than 50 Hz, it can be operated in generation mode to provide necessary relief to the grid. PHS can also help control grid voltage within acceptable limits by adjusting their generation levels by rendering reactive power balancing services.

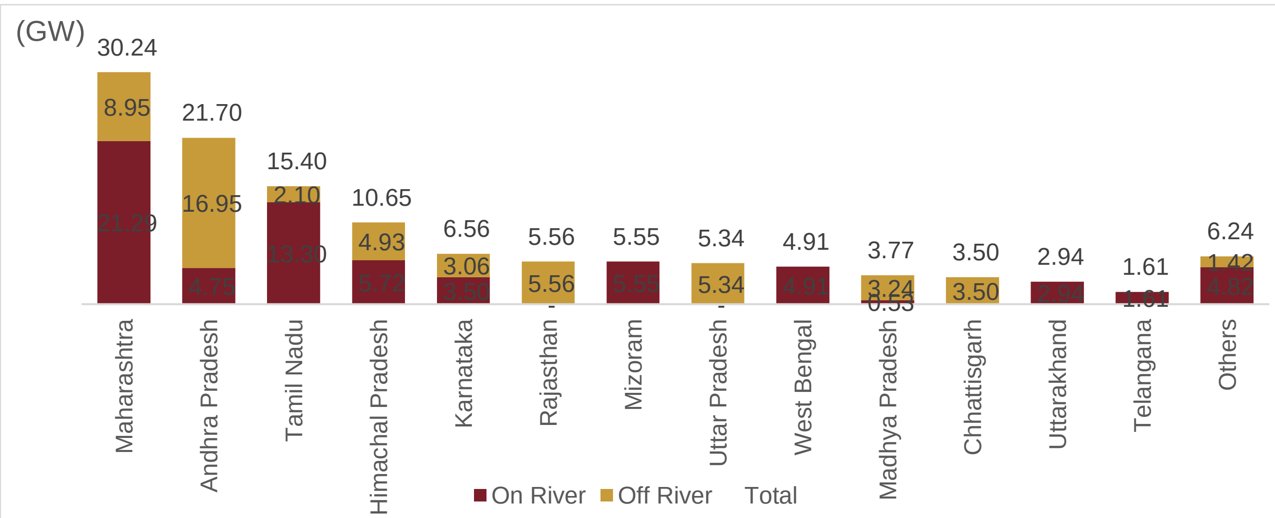
- **Spinning Reserve -** PHS can also be used to provide back-up reserve, spinning reserve, with its high ramping rate and can be operated in case of sudden outage or failure of any load in the grid.

- **Black Start Services -** PHS can provide black start capability, which means, if the upper reservoir of PHS is full and ready for generation, it can be used for energizing the grid in case of cascade tripping.

Potential of PHS in India

The identified potential of PHS in the country is about 124 GW (comprising 114 PHSP). However, the operational capacity of PHSP is merely 4.7 GW, which indicates the large potential growth in this segment.

Figure 24: State wise PHS Potential in India



Source: MoP, CEA (Pumped storage potential as of May 2023), CRISIL MI&A-Consulting

Overview of PHS projects in India

As on August 2024, India has an installed capacity of 4.75 GW of on-river pumped storage projects in operation. Further, as per CEA as of August 2024, 4.05 GW is under construction, of which 2.7 GW is expected to be commissioned during end of fiscal 2026. Also, 3.6 GW projects have been cleared by CEA and will shortly commence construction and about 59 GW of PHS projects (including on-river and off-river) are under survey and investigation stage for which different states have already allocated these projects to various agencies. The summary of PHS projects at different stages is tabulated below:

Table 4: Status of PHS development in India as of August 2024

Description	Pumped storage capacity	
	Nos	**MW**
Identified on-river & off-river PHS potential as per CEA	**114**	**1,23,951**
Operational pumped storage projects	8	4,746
Under construction projects	4	4,050
Projects allotted by States for development	44	62,950
Total capacity – operational & under various stages	**55**	**71,746**
Status of projects allotted for development		
Projects cleared by CEA and yet to be taken up for construction	3	3,600
Projects under survey & investigation	41	59,350
Total	**44**	**62,950**

Source: CEA, CRISIL MI&A-Consulting

Battery energy storage

Battery Energy Storage Systems (BESS) is another form of storage technology which has gained traction in the last few years. It has a very high energy density, making it appropriate to offer ancillary services. More importantly, BESS can be installed easily, requires less time for setup, and can be used for a wide range of grid support activities, such as energy time shift, distribution deferral, and energy arbitrage etc. The technology is yet to achieve its full potential to provide grid support services, and comes with high investment cost and changing technology, and therefore has associated risks. Further, batteries would require replacement or disposal after 8-10 years, depending upon usage.

Impact of Energy storage solutions in countering intermittent supply of RE power

To enhance the integration of RE generation with the grid and mitigate the challenges posed by weather conditions, governments have implemented various measures. Some of these measures include:

(a) Construction of Intra-State and Inter-State transmission systems for evacuation of Renewable power.

(b) Setting up of Renewable Energy Management Centers (REMCs) for accurate forecasting of renewable power and for assisting grid operators to manage variability and intermittency of renewable power.

(c) Innovative products like solar-wind hybrid projects, Round the Clock RE projects, RE projects with energy storage systems and supply of RE power balanced with power from non-RE sources started to reduce intermittency.

(d) Implementation of Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM) for sale of renewable power.

(e) Flexibility in Generation and Scheduling of Thermal/Hydro Power Stations through bundling with Renewable power and Storage Power.

(f) Notification of Energy Storage Obligation trajectory till 2029-30.

As of now, PSP and BESS are the major feasible options to store RE. The PSPs have long gestation period, and their capacity is dependent on location, however, they have longer life. On the other hand, BESS have short gestation periods, are non- dependent on location but limited by availability of minerals and technology.

Energy storage plays a crucial role in smoothing out the delivery of variable or intermittent resources like wind and solar power. By storing excess energy during periods of high generation, such as when the wind is blowing or the sun is shining, energy storage systems can then release this stored energy when generation is low, such as during calm or cloudy periods. This balancing effect helps ensure a more consistent and reliable energy supply, reducing dependence on immediate availability and improving overall grid stability.

Energy storage systems are not limited to supporting variable renewable resources alone. They can also play a vital role in efficiently delivering electricity for inflexible, baseload resources. When rapid changes in demand occur, requiring flexibility in electricity supply, energy storage can provide the necessary support by injecting or extracting electricity as needed. This capability allows energy storage to precisely match the load requirements, ensuring electricity is delivered efficiently and on-demand, regardless of location or time. Thus, energy storage offers versatility and adaptability, serving as a valuable asset in meeting fluctuating energy demands and optimizing grid operations.

Policy and regulatory landscape for storage projects

Over the last 2-3 years, the government has taken several initiatives to promote energy storage through standardisation of the policy and regulatory framework by issuing guidelines, regulations, changes in bidding mechanisms, etc. The summary of key policy measures is listed below.

Figure 25: Key policy measures for storage projects

2021	2022	2022	2023	2023
• In June 2021, ISTS charge waiver for ESS projects commissioned on or before June 30, 2025 • In Jun 2021, PLI scheme for manufacturing of ACC batteries was launched	• In Jan 2022, CERC issued Ancillary Services Regulations. Storage projects allowed to participate in secondary and tertiary ancillary markets • In Mar 2022, govt formulated Guidelines for Procurement and Utilization of BESS as part of GTD assets	• In Dec 2022, CEA issued National transmission system plan 2030 in which district-wise BESS capacity that needs to be set up by 2030 is specified • In Apr 2023, MoP issued guideline for PHS which provides framework for bidding and allotment of PHS sites to developer	• In Jun 2023, Electricity (amendment) Rules, 2023, MoP allowed the energy stored in BESS to be considered for captive status • In Jun 2023, MoP issued bidding guidelines for FDRE based tenders which require mandatory ESS deployment	• In Aug 2023, MoP issued National Framework for Promoting ESS • In Sept 2023, the govt approved VGF scheme to develop 4 GWh BESS capacity by 2030

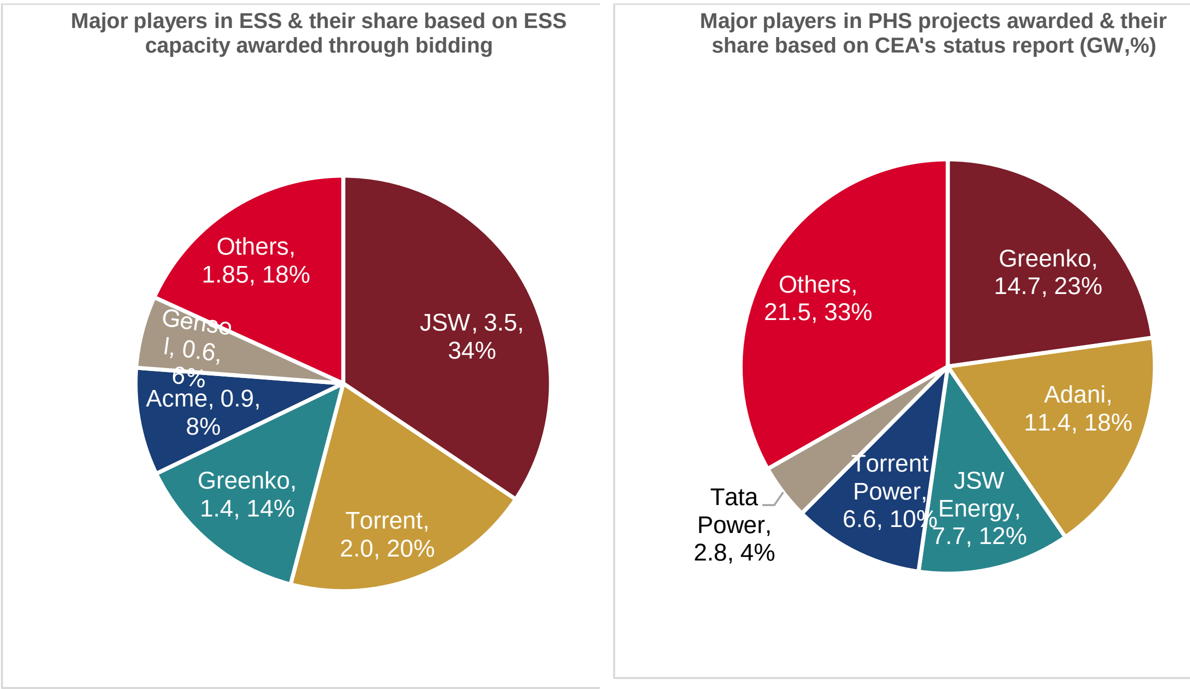
Source: MoP, MNRE, CRISIL MI&A-Consulting

The GoI has taken several measures such as providing legal status to storage, energy storage obligation, waiver in ISTS charges, captive status for energy stored in BESS. These measures are expected to expedite the deployment of storage systems and thereby accelerating the growth of India's RE capacity.

Major players in pumped storage and BESS technology

Major RE developers such as ReNew, Greenko, Torrent Power, JSW, Acme are aggressively adopting ESS. ReNew won two ESS tenders (Peak Power Supply, RTC-1). Greenko is developing ESS through PHS. It is developing Integrated Renewable Energy Storage Projects (IRESP) in Andhra Pradesh combining GW scale wind, solar and PHS power.

Figure 26: Major players and their share in ESS/PHS based projects as of August 2024



Source: CEA, SECI, Bidding agencies, CRISIL MI&A-Consulting

According to CEA's status report on PHS development as of August 2024, a cumulative capacity of ~14.7 GW has been allotted to Greenko. Other players such as Adani Green Energy, JSW, Torrent Power are cumulatively developing ~25 GW of PHSPs. Torrent Power is also developing a total of 6.6 GW Off-river PHSP in Uttar Pradesh and Maharashtra.

Outlook for ESS market

As per the updated NDC, India now stands committed to reduce emissions intensity of its GDP by 45% by 2030, from 2005 level and achieve about 50% cumulative installed electricity capacity from non-fossil fuel-based energy resources by 2030. This is expected to significant RE capacity additions by 2030. However, the increasing penetration of variable RE into the grid has risks with respect to grid stability and resilience. Energy storage will play an important role in ensuring the firmness and sustainable growth of RE in the electricity mix. PHSPs are likely to play a vital grid-scale storage solution in India for the next 5-7 years led by low cost, large scale, and no reliance on international supply chains.

Usage of battery storage is expected to be strong across the generation, transmission, and distribution segments as well as at the consumer end. The National Renewable Energy Laboratory has also forecasted a fall in the price of storage solutions, especially lithium-ion technology. With the greater adoption of lithium-ion battery storage, improvement in battery efficiency, and large-scale manufacturing, CRISIL MI&A Consulting expects the four-hour utility-scale lithium-ion battery costs to decrease to $90-100 per kWh in 2030 from the costs of $130-140 per kWh in 2023.

With the announcement of several large-scale PHS projects across the country, the PHS segment is also expected to witness significant adoption. According to the CEA's report on optimum power generation mix study in April 2023, India will require at least 41.7 GW/208 GWh of BESS and 18.9 GW of PHS by fiscal 2030.

Key driving factors for adoption of ESS in India

RE capacity addition: GoI has set an ambitious target of 450 GW of RE capacity addition by 2030. Such high quantum, variability, and intermittent nature of RE will drive installation of energy storage in India.

Demand profile: During non-solar peak periods, additional generation and ramping requirements are high. Further, the projected peak load growth and the expanding disparity between peak and base demand will necessitate sufficient capacity expansion and adoption of storage-based generation technologies. Additionally, energy storage will also help in addressing ramping requirements as well as providing capacity during non-solar hours.

Regulatory and Policy Support: The GoI has placed emphasis on developing BESS and PHS capacity to improve grid operations. In April 2023, the MoP issued guidelines and incentives for the PHS project to catalyse the growth of the PHS market. Other policy support to ESS includes transmission charges waiver, inclusion of ESO, VGF scheme for BESS, among others.

Storage duration: PHS offers energy storage of 6 to 12 hours, which is significantly longer than BESS. Thus, PHS is well suited for energy-shifting applications, wherein excess RE generation can be shifted to peak demand periods of late evenings. On the other hand, a single BESS can be used for multiple applications such as voltage and frequency regulation, spinning reserves, peak shaving.

Maturity of technology: Pumped storage is a proven technology and has been in use for decades to support/balance grids. Unlike other storage technologies, performance of PHS is quite reliable on long term basis. With the evolution in BESS technology and falling costs, its adoption will also see an improvement.

Self-sufficiency of domestic equipment: PHS project infrastructure is similar to a hydropower plant. Thus, with India already having a significant presence in hydropower, most PHS project components can be sourced locally. This is in high contrast to BESS, wherein battery cells, a key project component, still need to be almost wholly imported. However, with capacities awarded under the PLI scheme for advanced chemical cell battery storage, share of indigenous solutions would increase.

Economical: PHS is a cost-effective ESS technology due to a significantly longer project life (40 to 50 years) as compared to other ESS technologies. For BESS solutions too, with rising R&D and subsequent improvement in technology as well as increasing scale, cost competitiveness of such solutions to improve.

Availability of finance: The long project life of PHS has the potential to provide a stable and consistent cash inflow for about 40 years. This healthy cash-flow profile enables favourable project financing arrangements for PHS, such as lower loan rates and a higher debt-equity ratio.

Sustainable: With long useful life (more than 40 years for plant and equipment and more than 80-100 years for Dam), PHS provide long term solution. Since it involves only the flow of water (uphill & downhill), it has relatively minimal environmental impact. For batteries, a special consideration is degradation. Batteries degrade as they age, decreases the amount of capacity they can store. The expected life of the batteries is about 10 to 15 years (depending on the technology and how the batteries are operated). By the end of that time, the batteries' capacity is expected to be reduced to less than 70% of their original capacity. Furthermore, the MoEF&CC has issued Battery Waste Management Rules, 2022 to ensure proper collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries. This will ensure environmentally sound management of waste batteries.

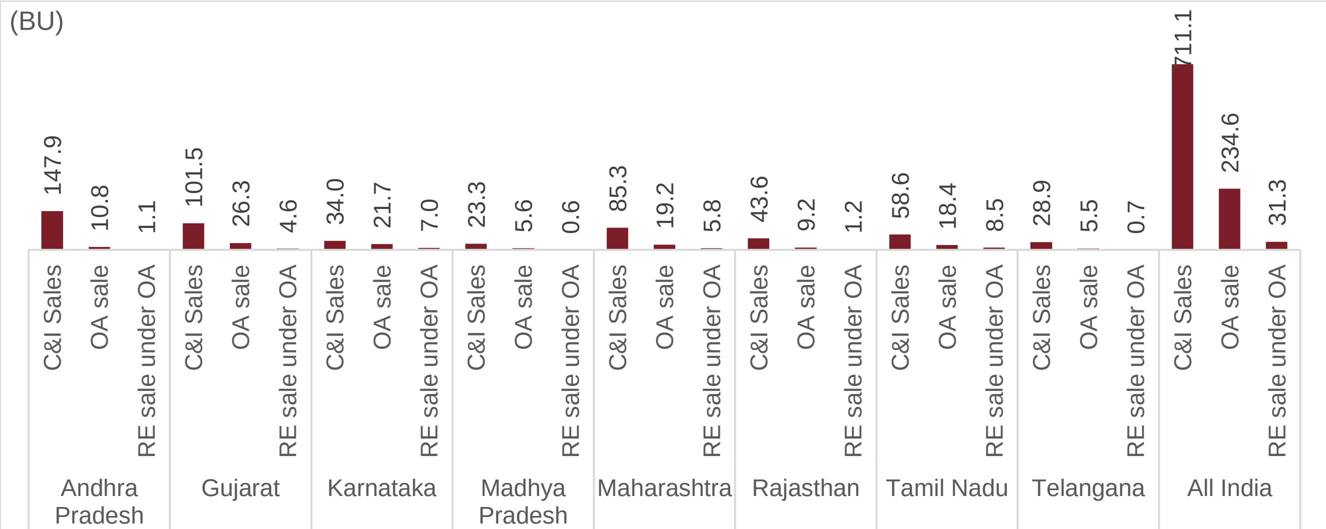
Overview and outlook on C&I/ Open Access Market in India

Current status of RE based open access sale

During FY23, the total C&I consumption in the country was 712 billion units, of which about 84% is industrial consumption and the rest is commercial consumption. The total C&I sales contribute over 49% of India's electricity consumption. However, over 30% of the total consumption is met through captive plants. As of FY23 the total installed capacity of captive based power plants was over 78 GW, which has generated 212 billion units. Of this, about 9.0 billion units were produced by RE based power plants. The majority of captive power plants are coal-based plants which contributes about 60% of the total captive based installed capacity. The share of RE capacity is about 7.2 GW which translates into 9% of the total captive based installed capacity.

The below graph shows the total C&I consumption at India level and for key states during FY23. It is evident from the graph that about 33% has been met through open access/captive projects and about 4% of the total C&I consumption has been met through RE based OA projects. Karnataka and Tamil Nadu are the leading states with over 15% of the C&I demand being met through RE open access projects.

Figure 27: Open access/captive sales in key states for FY23

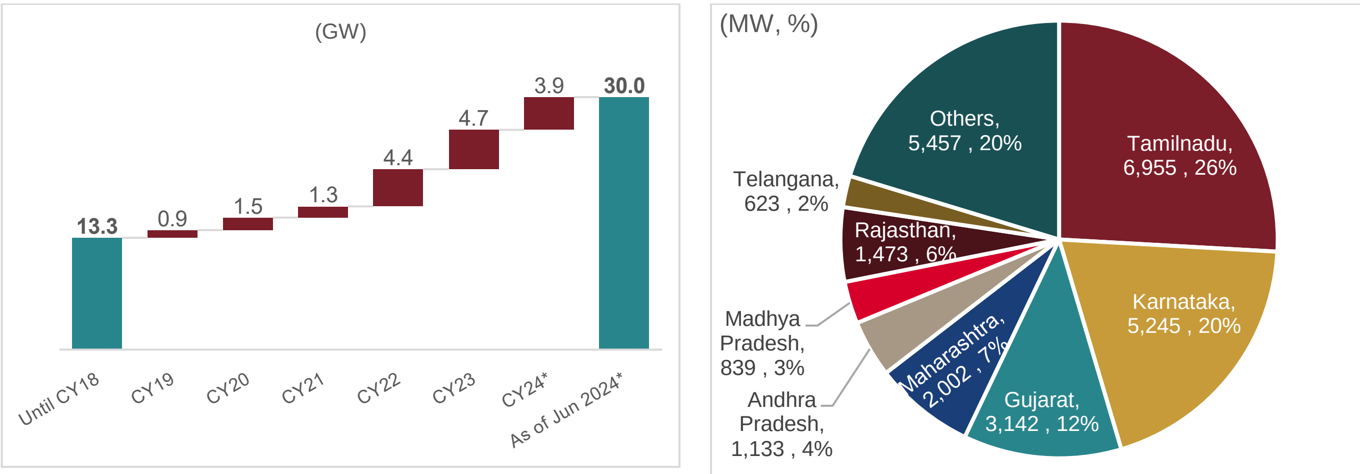


Source: CEA, CRISIL MI&A Consulting

RE based open access capacity addition in the C&I space

The cumulative open access renewable C&I capacity including solar rooftop installation is ~30 GW as of June 2024, of which solar and wind OA project accounts for ~27 GW. Among the renewable sources, solar holds the majority share at ~64% (including rooftop solar). This dominance is attributed to its advantages, such as higher accessibility, lower costs, wider availability of resources, shorter project gestation periods, and reduced construction and operational risks.

Figure 28: Historical open access RE capacity addition in C&I space (in GW) and share across states

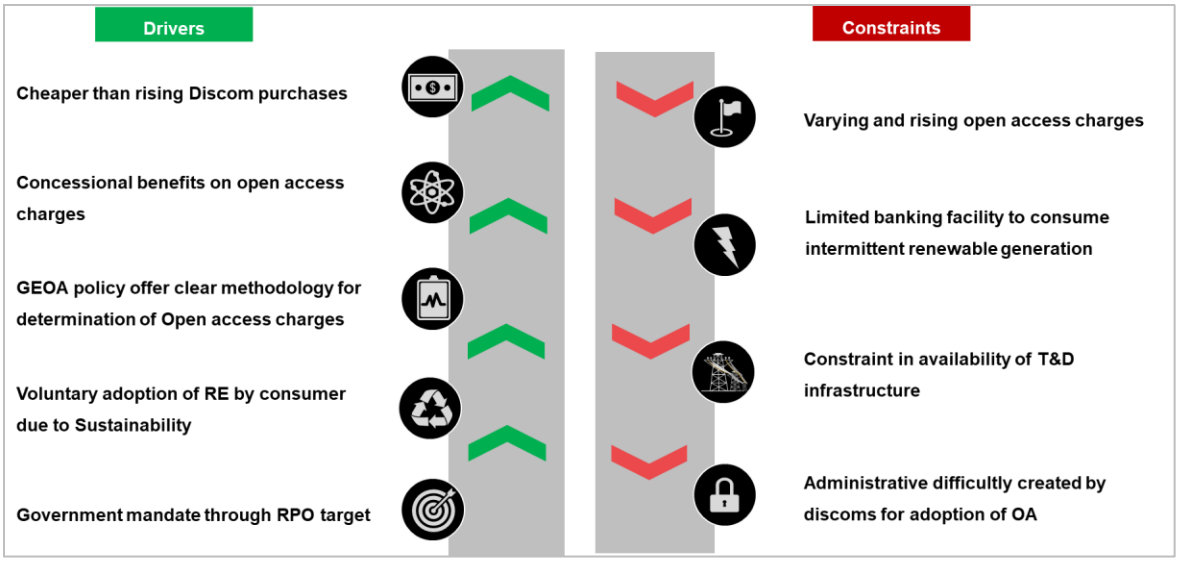


Note: Data as of June 2024; Source: CRISIL MI&A Consulting

A significant portion of this capacity is concentrated in a few states such as Maharashtra, Tamil Nadu, Gujarat, and Karnataka, which together contribute about 65% of the total C&I RE open access capacity. These states are recognized for their high industrialization levels and, consequently, account for a larger proportion of C&I power consumption compared to other states.

The C&I consumers are exhibiting a growing preference for transitioning wind-solar hybrid and RTC energy sources. This inclination is primarily driven by the advantages of wind power supplying energy during peak hours and diversified output profile of different sources helping corporates in achieving higher renewable penetration.

Drivers and constraints for open access market



Source: CRISIL MI&A Consulting

Strong investor interest to support growth in the open access market

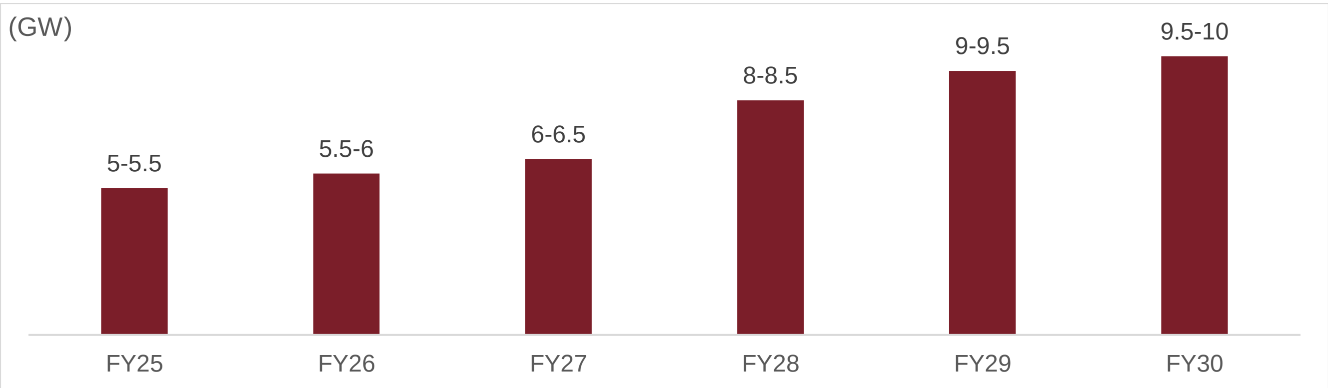
Several developers focused on the open access market have managed to attract marquee global investors. Investor interest has not only been from a specific investor class but has been witnessed across investor categories. Global IPPs, PE funds, Impact funds as well as multi-lateral agencies – have extended financing to such developers. This clearly indicates the potential of the open access market in India.

With rising awareness about climate change, several corporates in India are voluntarily procuring RE with an objective to operate sustainably. This provides a further impetus to RE.

C&I RE capacity addition outlook

CRISIL MI&A-Consulting expects an installed capacity of about 75 GW of C&I driven RE capacity by fiscal 2030. About 43-46 GW of RE projects are expected to be commissioned between fiscal 2025-30. CRISIL MI&A-Consulting expects 18-20 GW of open-access solar projects (large scale projects) to be added by fiscal 2030, led by green energy open access rules 2022, sustainability initiatives/RE 100 targets of the corporate consumers, better tariff structures and policies of states such as Uttar Pradesh and Karnataka, which are more long term in nature. Further, 10-12 GW is expected from rooftop solar projects (under the capex and opex mode), led by industrial and commercial consumers under net/gross metering schemes of various states. Moreover, 14-16 GW wind projects are also expected to be added for C&I projects to deliver RTC power by fiscal 2030.

Figure 29: Expected annual RE capacity addition outlook in C&I market



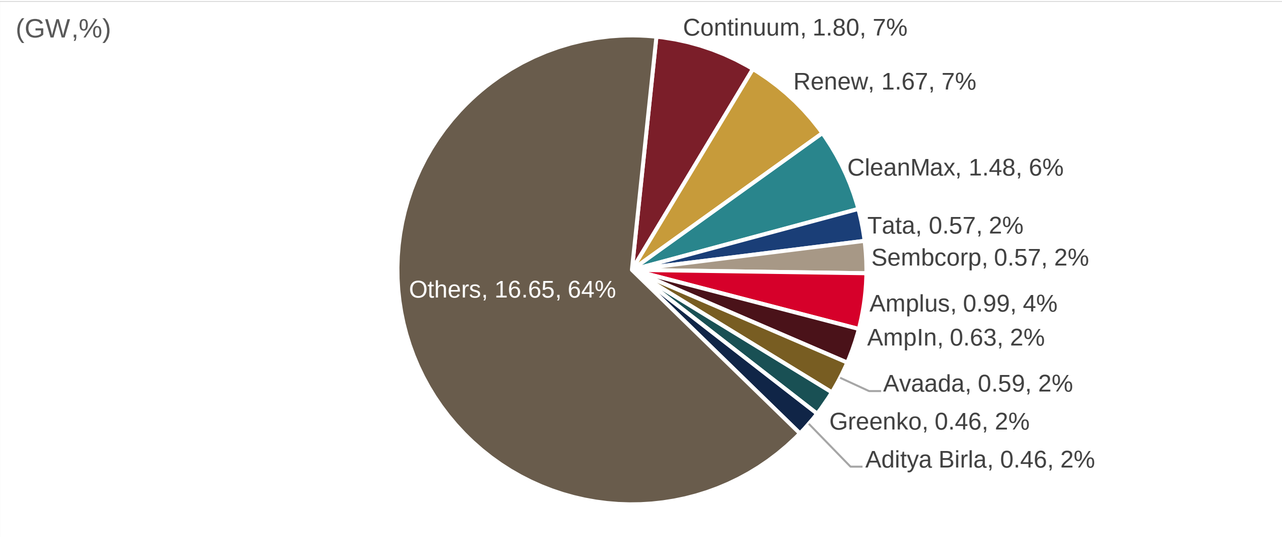
Source: CRISIL MI&A Consulting

Competitive landscape

Leading RE IPPs in C&I space

The demand for clean energy in the C&I segments is witnessing a remarkable surge, driven by falling tariffs and an increasing focus on sustainability initiatives. In response to this burgeoning demand, IPPs are stepping up to seize the opportunity. They are keen to build open access business to diversify offtake risk away from Discoms, improve financial returns (aggressive bidding for utility scale projects) and reduce lumpiness associated with utility scale projects (large project sizes, longer project development cycles). Hence, they are proactively tailoring their offerings to cater to the specific needs of C&I customers, providing them with custom-made RE solutions. Almost all major IPPs are looking to develop WSH projects because of strong consumer demand.

Figure 30: Share of leading project developers in C&I space as of March 2024



Source: CRISIL MI&A Consulting

The IPPs in the C&I RE space in India offering clean energy solutions to diverse verticals including manufacturing, aerospace & defence, automotive, FMCG, pharma, food processing, retail chains, educational institutes, hospitals & healthcare, office buildings, shopping malls, etc.

Peer comparison

Table 5: Key players active in RE C&I segment

Parameter	Continuum	ReNew Power	Adani Green Energy	CleanMax Enviro Energy	TATA Power RE Ltd.	Hero Future Energies
Years in Business (As on 31/03/2024)	~15 Yrs	~14 Yrs	~9 Yrs	~13 Yrs	~17 Yrs	~12 Yrs
Operational/Shortly operational (Installed capacity) (GW) as on 31st March 2024	Wind: 1.5 Solar: 0.8	Solar:4.0 Wind:4.3	Solar:7.4 Wind:1.4 WSH:2.1	Solar: 0.5+ Wind:0.1+	Solar:3.5 Wind:1.0	Solar: 1.18 Wind: 0.6
Under construction/ Development capacity (GW) as on 31st March 2024	2.2 GW	Solar:3.3 Wind:1.8	Solar:16.8 Wind:2.4 WSH:2.7	0.6+	Solar:1.0 Hybrid: 4.5	Solar: 0.73 Wind: 0.51
Solutions offered	IPP Corporate PPA	IPP Corporate PPA Green credits Energy management	IPP Corporate PPA RTC/ Storage	CPP, third-party open access	IPP; Corporate PPA; RTC/Storage Rooftop solar	IPP; RTC/ Storage; Corporate PPA

Parameter	Continuum	ReNew Power	Adani Green Energy	CleanMax Enviro Energy	TATA Power RE Ltd.	Hero Future Energies
	Green credit energy solutions	RTC/Storage Solar PV manufacturing	Solar Park development		Solar PV manufacturing	

WSH: Wind solar hybrid; RTC: Round the clock
Source: Company websites, CRISIL MI&A Consulting

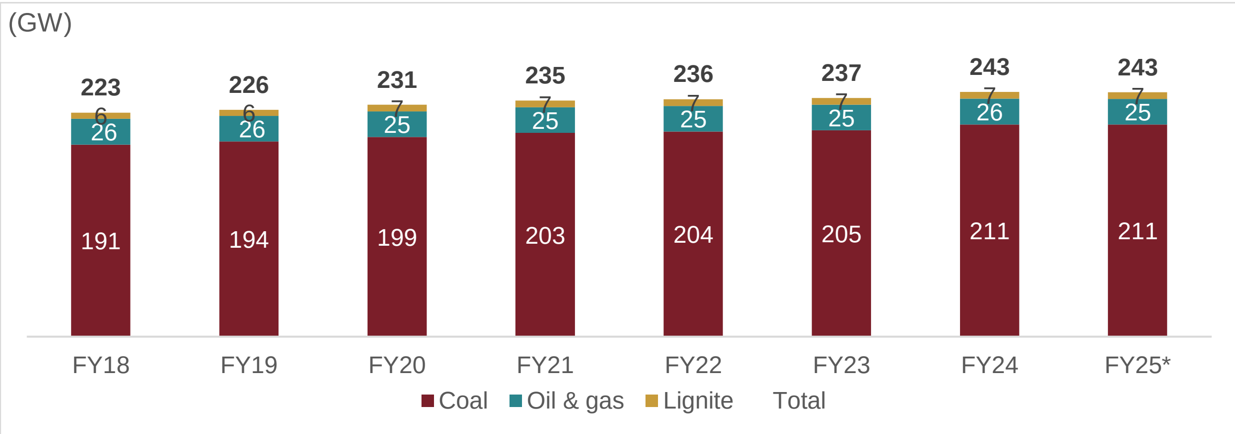
Thermal power

Review of present status of thermal power in India

Installed capacity

Between fiscal 2018 and 2024, ~20 GW of conventional power generation capacities were added driven by coal additions. Lignite based power capacities witnessed a minor increase in the past 5 fiscals, however, there was a negligible addition in natural gas based and diesel-based power capacities.

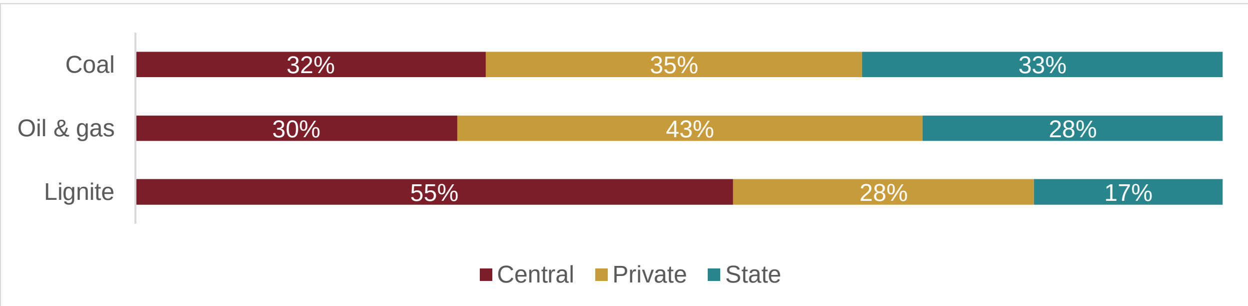
Figure 31: Coal based installed capacity in past years (GW)



**As of August 2024; Source: CEA, CRISIL Consulting*

Between fiscal 2015 and 2024, ~76 GW of conventional power generation capacities were added. However, beyond fiscal 2018, only 20 GW of conventional power capacity were added mainly by central and state PSUs. However, as of fiscal 2024, the private sector contributes the maximum share in installed thermal capacity.

Figure 32: Sector wise share of installed thermal capacity



**As of August 2024; Source: CEA, CRISIL Consulting*

Key growth factors driving thermal additions

Some of the key drivers of thermal additions are as follows:

Peak demand requirement: Capacity additions in thermal power are estimated to increase fiscals 2025 to 2030. Fresh project announcements are limited as players are opting for the inorganic route for expansion given the availability of assets at reasonable valuations, with 4.8 GW of stressed power assets awaiting debt resolution. However, the need for generation capacity equipped for flexible operations to scale generation up-down quickly to meet peak demand will support coal capacity additions in the medium term, as renewable capacities are not aligned to this requirement due to reliance on environment-sourced fuels.

Additions by central and state sector: Coal capacity additions are expected to be driven by central and state sectors, as major private gencos such as Tata Power Company and JSW Energy have announced ambitious targets to add renewable energy (RE) capacity, signalling a decisive shift towards RE capacity going forward.

Base load requirement: Infrastructure linked capex, strong economic fundamentals along with expansion of the power footprint via strengthening of transmission and distribution (T&D) infrastructure are expected to improve the quality of power supply, thereby spurting power demand. This is going to be further helped by major reforms initiated by the central government for improving the overall health of the power sector, particularly that of state distribution utilities. Therefore, power demand is expected to grow at a healthy CAGR of 5-7% between fiscals 2025 to 2030 with the growth trajectory sustaining above long-term historical growth rate of 5% over the next five years. To meet the base load requirement of the country, additional thermal capacity is expected to be set up in the next 5 fiscals. Currently, 26380 MW of thermal capacity is under construction, 11960 MW has been bid out and 19050 MW is under clearance.

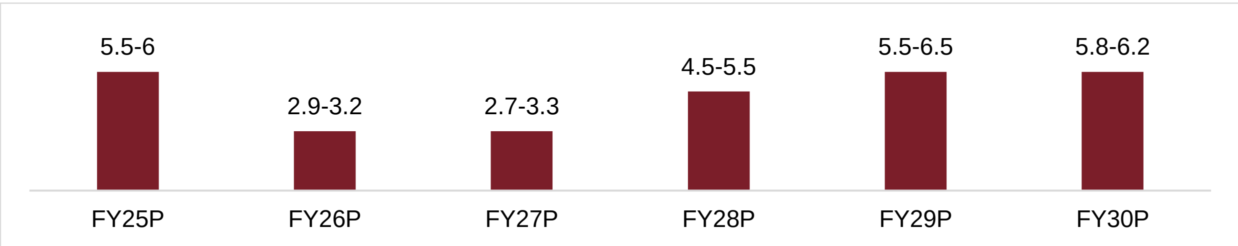
Outlook on thermal capacity additions (FY 2025-2030)

Coal capacity additions have seen an improvement in fiscal 2024 vis a vis fiscal 2023 as 5.2 GW of projects were added versus 1.4 GW in fiscal 2023. CRISIL MI&A Consulting expects additions to be 5.5-6.5 GW in fiscal 2025. NTPC will dominate coal capacity additions, with 4-4.5 GW over the next five years from fiscal 2025-2029.The entity is backed by a strong execution track record, sound financial strength and assured power off-take by PPA-holder discoms, which insulates it from any downward risk for upcoming capacities. Additionally, NTPC has 15.2 GW of projects under planning estimated to be commissioned beyond fiscal 2030.

Capacity additions by private sector players such as Adani Power, Tata Power and JSW Energy are expected to taper owing to completion of their announced projects, focus on expansion through acquisitions, and lack of fresh PPAs. Under-construction projects by private players such as KSK Energy and Lanco are stalled due to lack of adequate fuel-supply arrangements, absence of PPAs and stressed financials of promoters.

CRISIL MI&A Consulting expects 29-30 GW of new coal-based capacities to be commissioned between fiscals 2025 and 2029, led by many planned projects and given that coal remains the most widely available and economic source of fuel among conventional sources.

Figure 33: All India installed capacity addition by fiscal 2030 (in GW)



Source: CEA, CRISIL Consulting

Fiscal 2024 saw gas capacity addition of 214 MW, however, additions expected to be zero over the next 5 years.

During summer of 2024, the Government of India had decided to operationalize gas-based power plants to help meet the high electricity demand in the country. To ensure maximum power generation from Gas-Based Generating Stations, the Government had issued directions to all Gas-Based Generating Stations under Section 11 of the Electricity Act, 2003.

A significant portion of the Gas-Based Generating Stations (GBSs) were unutilized, primarily due to commercial considerations. The order under Section 11, which was on similar lines as done for imported-coal-based power plants, aimed to optimise the availability of power from Gas-Based Generating Stations during the ensuing high demand period. The order was valid for generation and supply of power from May 1, 2024, to June 30, 2024.

As per the arrangement, GRID-INDIA was to inform the Gas-based Generating Stations in advance, of the number of days for which Gas-based power required. Gas-Based Generating Stations holding Power Purchase Agreements (PPAs) with Distribution Licensees first offered their power to PPA holders. If the power offered was not utilised by any PPA holder, then it was offered in the power market. Gas-Based Generating Stations not tied to PPAs were required to offer their generation in the power market. The decision to operationalize gas-based generating stations was part of a series of measures taken by the Government of India, to ensure that the electricity demand in the summer season was met.

Outlook on thermal based PLFs and share in energy generation

Coal-based PLFs recovered with healthy power demand, likely to moderate over the medium term as RE and storage supply rises

Going forward, as power demand sees sustained growth over fiscals 2025-30, it will increasingly be served by supply from renewable sources and other non-fossil fuels such as hydro and nuclear power, with India looking to increase its share of clean energy. Concurrently, coal-based plants, particularly the newer ones, will be operated in a flexible manner to meet fluctuating peak demand, particularly in high demand seasons. As a result, coal-based PLFs are expected to stabilize at around 62.5-63.5% by fiscal 2030.

Generation to grow at 5-7% CAGR over next 5 years, coal share to fall to 55-60% of total generation

Power generation across fuels is expected to grow at a CAGR of 5-7% between fiscal 2025-30. CRISIL MI&A Consulting expects power generation to rise by 7.5-8.5% to 1,875-1,885 BU on year in fiscal 2025. Coal based generation is expected to increase by a mere 0.5-1% CAGR between fiscal 2025-30 as India moves forward with its Panch-Amrut goals of 50% of non-fossil-based electricity by 2030. The share of coal in overall generation is expected to fall from ~72% in fiscal 2025 to 55-60% by fiscal 2030, indicating coal generation will remain a key part of the nation’s energy supply mix even in the long term.

Key players in thermal power generation

Player	NTPC	Adani Power	TATA Power	Reliance Power	JSW Energy	Torrent Power	SEIL (Sembcorp)	MAHA GENCO
Ownership/Group	CPSU	Adani Group	TATA Group	ADAG	JSW	Torrent Group	Tanweer Infrastructure SAOC	Govt of Maharashtra
Years in Business	50	18	100+	29	30	30	16	19
Operational capacity (GW)	62.2	15.2	8.9	5.8	3.5	3.1	2.6	9.5
Under construction/ Development capacity (GW)	9.6	1.6	-	-	0.35	-	-	3.6
Key Offtakers for commissioned capacity	Plants (incl JV/subsidiaries) located in Andhra Pradesh, 3% Bihar, 14% Chhattisgarh, 12% Jharkhand, 2% Karnataka,4% Madhya Pradesh,13% Maharashtra, 6% Odisha,8% Telangana,7% Uttar Pradesh,18% West Bengal,4%	PPA With Regulated Utility/states, 69% Transnational (Sovereign),11% Merchant,21%	Plants located in Gujarat, 48% Maharashtra,11% Jharkhand,18% Uttar Pradesh, 23%	PPA With Gujarat, 33% Haryana, 7% Maharashtra, 14% Punjab, 9% Rajasthan, 7% UP, 20% AEML,10% (Under dispute)	PPA With Group Captive, 30% MSDECL, 8% Rajasthan, 28% Open, 34%	PPA With TPL discoms, 75% tied up and remaining merchant power	PPA With AP,43% PTC,8% Telangana,22% Bangladesh,9% Gujarat,4% Untied, 15%	PPA with MSEDCL

Player	NTPC	Adani Power	TATA Power	Reliance Power	JSW Energy	Torrent Power	SEIL (Sembcorp)	MAHA GENCO
	Others, 8%							

Source: Industry, CRISIL MI&A Consulting

Private players such as Adani Power, Tata Power and JSW Energy have announced phasing out of its thermal capacities on completion of the PPA tenure to focus on the shift towards renewable energy. The total installed coal capacity of the country is 211 GW divided into 70 GW of state capacities, 68 GW of central capacities and 73 GW of private capacities. NTPC is the largest power producer in the thermal capacity in India. It accounts for 91% of the central capacity.

Overview and outlook of Power distribution sector

Overview of power distribution sector

Power distribution is the final and most crucial link in the electricity supply value chain which is directly connected to the consumers. However, distribution sector is facing various challenges like unreliable power supply, high AT&C losses, old and overloaded network, low-cost recovery, low consumer satisfaction, etc. resulting poor financial health of Discoms and distribution companies are not able to undertake corresponding investments in infrastructure augmentation.

In the last few years, the distribution sector has received greater attention and various reforms measures/ Rules have been notified by MoP for improving financial viability of Discoms and equipping them to provide 24x7 reliable & quality power to consumer. Several initiatives have also been introduced to bring down AT&C losses within the definitive regulatory framework.

Review of existing distribution network

The electricity is generated mostly at voltages between 11 kV to 33 kV which is stepped up to 132kV, 220 kV or 400 kV or 765 kV for transmitting to various parts of the country through inter-state transmission network and within State through intra-state transmission network. For distribution purposes, the electricity is suitably stepped down to 66 kV, 33 kV, 22 kV, 11 kV and 0.4 kV for supplying to the consumers. In some states/UTs, some additional voltages like 6.6 KV or 3.3 KV are also in practice.

As on March 2022, the total number of Power Sub-stations (66/11 kV, 33/11 kV and 22/11 kV) in the country was 39,965 with a total installed capacity of 4,82,810 MVA**.** The total number of 66/33/22 kV feeders in the country were around 36,804 with total length of 5,89,304 ckm and the total number of 11 kV feeders in the country were 2,30,979 with total length of 49,35,279 ckm. The number of Distribution Transformers (DT) at all-India level as on March 2022 stood at 1,46,74,261 with an installed capacity of 6,89,192 MVA.

Table 6: Distribution infrastructure as of March 2022

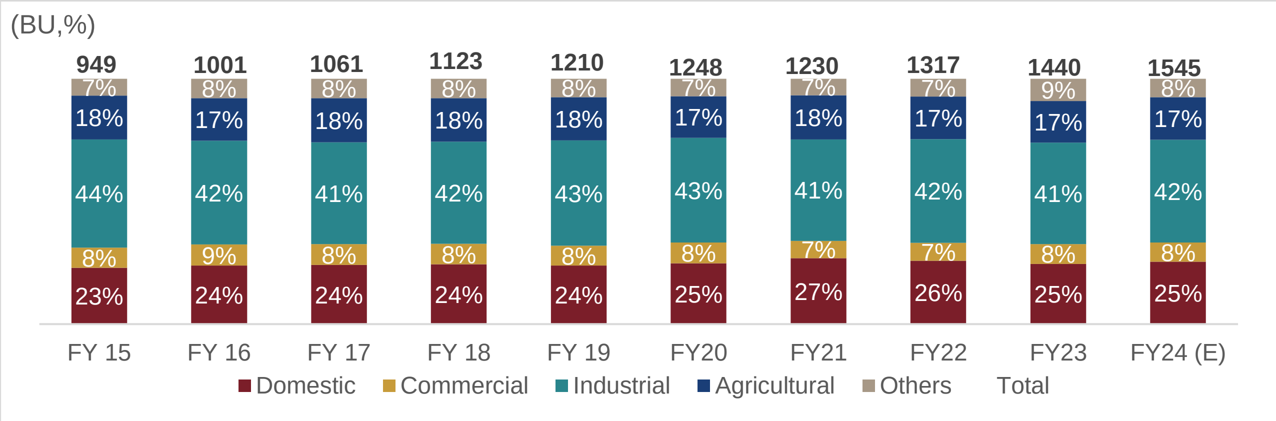
(66/33/22 kV)		*(66/33/22/11 kV)*		*(66/33/22 kV)*		*11 kV*		*400/220 V*	
Substation count	*Substation capacity (MVA)*	*DT count*	*DT capacity (MVA)*	*Feeder count*	*Feeder length (ckm)*	*Feeder count*	*Feeder length (ckm)*	*LT line (1-P)*	*LT line (3-P)*
39,965	*4,82,810*	*1,46,74,261*	*6,89,192*	*36,804*	*5,89,304*	*2,30,979*	*49,35,279*	*22,31,495*	*57,14,263*

Note: The data is as per CEA's Distribution Perspective Plan 2030. Latest available data is as of March 2022
Source: CEA, CRISIL MI&A-Consulting

Consumer category wise sale of electricity

Industrial consumers are the largest consumers of electricity in absolute terms. Going forward, India's economy is expected to continue to expand beyond fiscal 2022, with industrial activity gradually picking up over the medium term. Trickle-down effect of Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of the dedicated freight corridors, expansion of the services industry, rapid urbanization, and increased farm income from agriculture-related reforms are key macroeconomic factors fostering power demand. Significant policy initiatives such as PLI schemes and low corporate tax rates, among others have aided large scale manufacturing in India which will further boost power demand in the country.

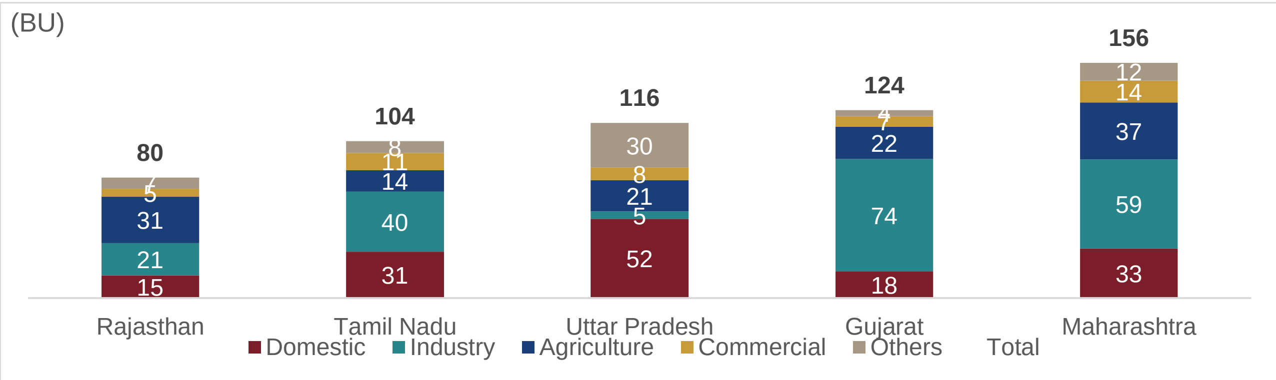
Figure 34: Consumer segment-wise energy sales in India



E: Estimated; Source: CERC, CRISIL MI&A Consulting

Growth in domestic and industrial consumption has been the key driver in the overall increase in energy demand. Between fiscals 2015 and 2023, domestic and industrial electricity consumption has grown at a CAGR of 6.3% and 4.5%, respectively, from ~217 BUs to ~353 BUs in domestic consumption and from ~418 BUs to ~595 BUs in industrial consumption. Growing population, expanding economy along with rising urbanization, industrialization government's 'Make in India' initiative encouraging domestic manufacturing, PLI schemes, emergence of special economic zones and industrial parks and access to grid-based electricity to rural households have played key roles for such an increase in energy consumption.

Figure 35: Electricity sales to ultimate consumer category in key states for FY2023



Source: CERC, CRISIL MI&A Consulting

Key private players in the space and privatisation opportunity

There are more than 70 Distribution Companies in India including more than 10 Electricity Departments at Union Territories. There are 15 private distribution licensees which are privately owned and operating across cities, limited distribution areas or even a State. Additionally, there are some Distribution Franchisees which act as an Agent of State Distribution Companies but are run by privately owned companies through a contract for certain period.

With state-owned distribution companies facing challenges such as financial strain, high AT&C losses, and outdated infrastructure, the Government of India has been exploring privatization to attract private investment, improve operational efficiencies, and reduce losses. Under the *Aatmanirbhar Bharat Abhiyaan*, the privatization of power departments and utilities in the Union Territories of India has commenced, with the goal of delivering better services and increasing financial stability in the sector.

Sr. No.	Distribution Licensee	State	No. of Consumers
1.	Torrent Power	Dadra and Nagar Haveli; Daman and Diu	1 L
2.	BSES Yamuna	Delhi	19 L
3.	BSES Rajdhani	Delhi	30 L

Sr. No.	Distribution Licensee	State	No. of Consumers
4.	Tata Power Delhi	Delhi	19 L
5.	Torrent Power (Ahemdabad)	Gujarat	16 L
6.	Torrent Power (Surat)	Gujarat	10 L
7.	Adani Electricity Mumbai	Maharashtra	26 L
8.	Tata Power Mumbai	Maharashtra	8 L
9.	Tata Power South	Odisha	25 L
10.	Tata Power North	Odisha	23 L
11.	Tata Power Central	Odisha	29 L
12.	Tata Power West	Odisha	25 L
13.	NPCL (NOIDA)	Uttar Pradesh	1.5 L
14.	India Power Corporation	West Bengal	0.05 L
15.	CESC	West Bengal	30 L

Source: NITI Aayog, Industry, CRISIL MI&A Consulting

All the private distribution companies supply power to more than 25 million consumers across 7 States in India. As per PFC 12th Annual Integrated Rating and Ranking of Power Distribution Utilities, the AT&C losses for distribution companies (DISCOMs) during the fiscal 22-23 fell from 16.2% to 15.4%, driven by a one percentage point increase in billing efficiency. The top five DISCOMs with least AT&C losses include DGVCL (1.7%), DNHDDPDCL (3.6%), Torrent Power Surat (3.7%), Brihanmumbai Electricity Supply and Transport Undertaking (BEST) (4.2%) and Torrent Power Ahmedabad (4.0%).

The franchisee model has undergone significant changes over time, culminating in the "Input-Based Distribution Franchisee" (IBDF) model, which was first introduced in 2006 in Bhiwandi, Maharashtra. Under the IBDF model, the franchisee takes on all distribution responsibilities, except for power procurement and planning. The distribution licensee provides the franchisee with electricity at predetermined input points, and the franchisee pays a fixed rate per unit, determined by a bidding process

The operational distribution franchisees are given below:

Table 7: List of operational distribution franchisees

Sr. No.	State	Area	Franchisee operator
1.	Maharashtra	Bhiwandi	Torrent Power Limited
2.		Malegaon	CESC Limited
3.		Shil, Mumbra & Kalwa (SMK)	Torrent Power Limited
4.	Uttar Pradesh	Agra	Torrent Power Limited
5.	Rajasthan	Ajmer	TP Ajmer Distribution Limited (TPADL)
6.		Kota	CESC Limited
7.		Bharatpur	CESC Limited
8.		Bikaner	CESC Limited
9.	Meghalaya	Mawkyrawat, Mawsynram, Nangalbibra and Phulbari	FEDCO
10.		Dalu subdivision	Sai Computers
11.	Tripura	Kailashahar	Sai Computers
12.		Ambassa, Manu, Mohanpur and Sabroom	FEDCO

Source: Industry, CRISIL MI&A Consulting

The following are some of the key players which are in vying for power distribution privatization.

Company	Particulars
Torrent Power Ltd	The Company distributes power to over 4 million consumers in the cities of Ahmedabad, Gandhinagar, Surat, Dahej SEZ and Dholera SIR, in Gujarat; UT of Dadra & Nagar Haveli, Daman & Diu; Bhiwandi, Shil, Mumbra & Kalwa in Maharashtra and Agra in Uttar Pradesh.
CESC Ltd.	CESC is India's first fully integrated electrical utility company ever since 1899, generating and distributing power in Kolkata and Howrah. CESC also manages Distribution Franchisee in 3 cities (Rajasthan) Kota and Bharatpur & Bikaner and Malegaon (Maharashtra)
Tata Power Ltd.	TP Ajmer Distribution Limited (TPADL) is a SPV formed by TATA Power. The company has signed a Distribution Franchisee Agreement (DFA) with Ajmer Vidyut Vitran Nigam Limited (AVVNL) to cater to the requirements of customers in Ajmer for a period of 20 years. TPADL is

Company	Particulars
	responsible for operating and maintaining the distribution network and managing the meter to the Cash cycle in Ajmer City.
Sterlite Power Transmission Limited	Sterlite Power is a leading integrated power transmission developer and solutions provider globally. It has been trying to get into Distribution Franchisee by participating in various tenders.
NESCL (from NTPC Ltd)	NTPC Electric Supply Company Limited (NESCL) was formed on August 21, 2002, as a wholly owned subsidiary company of NTPC to make a foray into the business of distribution and supply of electrical energy as a sequel to reforms initiated in the power sector.
Adani Transmission Ltd	The distribution arm of the Adani Energy Solutions Limited (AESL), Adani Electricity Mumbai Limited is India's largest private sector power distribution utility, distributing electricity in Mumbai.
GMR Energy	GMR Energy is a part of GMR Group, which is one of the largest diversified Infrastructure Conglomerates in India.
India Power Corporation Limited	India Power Corporation Limited is one of the leading power utilities in India which started its journey in the year 1919. It is an integrated power utility, headquartered in Kolkata, West Bengal. It has a Distribution License spread across 798 sq. kms. in Asansol – Ranigunj area of West Bengal.
FEDCO	A wholly owned subsidiary of Feedback Infra Ltd., FEDCO has been active in Meghalaya through a franchisee agreement. Previously, it was handling some areas of Odisha.

Source: Industry, Company websites, CRISIL MI&A Consulting

Overview and outlook on power transmission sector in India

Overview of Indian power transmission sector

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. The transmission sector needs concomitant capacity addition, in line with generation capacity addition, to enable seamless flow of power.

A transmission and distribution (T&D) system comprises transmission lines, substations, switching stations, transformers, and distribution lines. To ensure reliable supply of power and optimal utilisation of generating capacity, a T&D system is organised in a grid which interconnects various generating stations and load centres. This is done to ensure uninterrupted power supply to a load centre, even if there is a failure at the local generating station or a maintenance shutdown. In addition, power can be transmitted through an alternative route if a particular section of the transmission line is unavailable.

In India, the T&D system is a three-tier structure comprising distribution networks, state grids, and regional grids. The distribution networks and state grids are owned and operated by the respective state transmission utilities or state governments (through state electricity departments). Most inter-state and inter-regional transmission links are owned and operated by the PGCIL which facilitates the transfer of power from a surplus region to one with deficit.

The T&D system in India operates at several voltage levels:

- Extra high voltage (EHV): 765 kV, 400 kV and 220 kV
- High voltage: 132 kV and 66 kV
- Medium voltage: 33 kV, 11 kV, 6.6 kV and 3.3 kV
- Low voltage: 1.1 kV, 220 volts and below

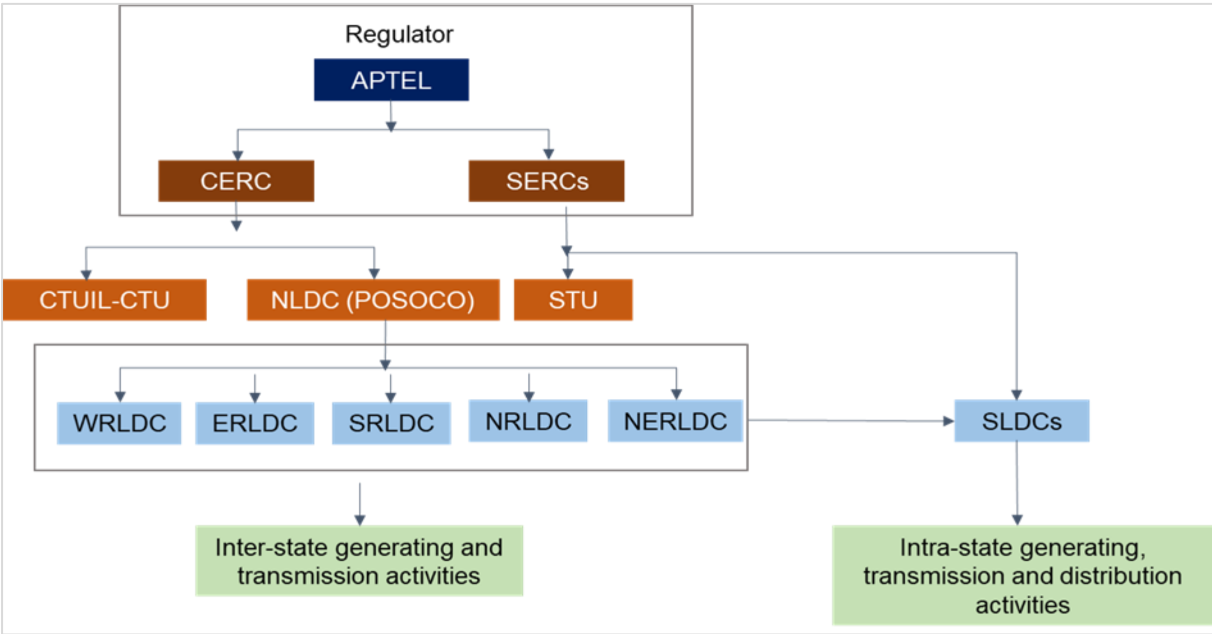
As peak demand for power does not take place at the same time in all states, it results in a surplus in one state and deficit in another. Regional or inter-state grids facilitate the transfer of power from a surplus region to the one facing a deficit. Additionally, they also facilitate the optimal scheduling of maintenance outages and better coordination between power plants.

Regulatory overview for transmission sector

Power transmission regulations in India are governed by various regulatory bodies and frameworks that ensure the efficient and reliable transmission of electricity across the country. The key regulatory and legislative aspects related to power transmission in India include:

Electricity Act, 2003: The Electricity Act, 2003, is the primary legislation governing the power sector in India. It provides the legal framework for generation, transmission, distribution, and trading of electricity.

Figure 36: Transmission sector regulatory framework

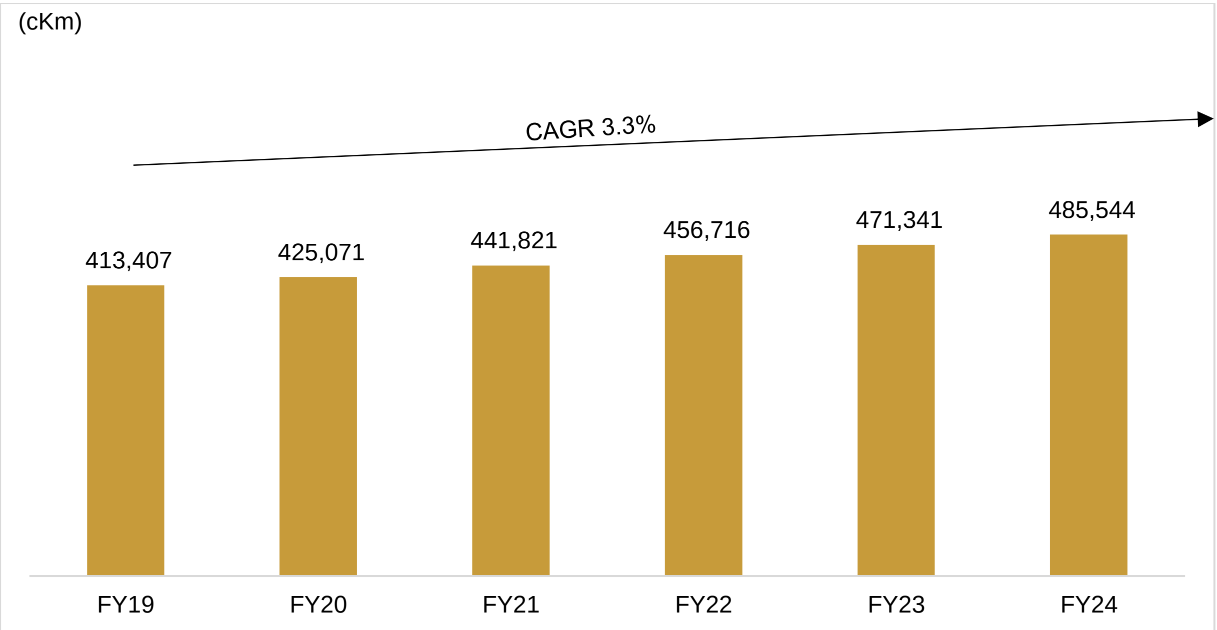


Transmission infrastructure growth

Market Review

Robust generation capacity addition over the years and government's focus on 100% rural electrification through last mile connectivity has led to extensive expansion of the T&D system across the country. The total length of domestic transmission lines rose from 413,407 circuit kilometres (ckm) in fiscal 2019 to 485,544 ckm in fiscal 2024.

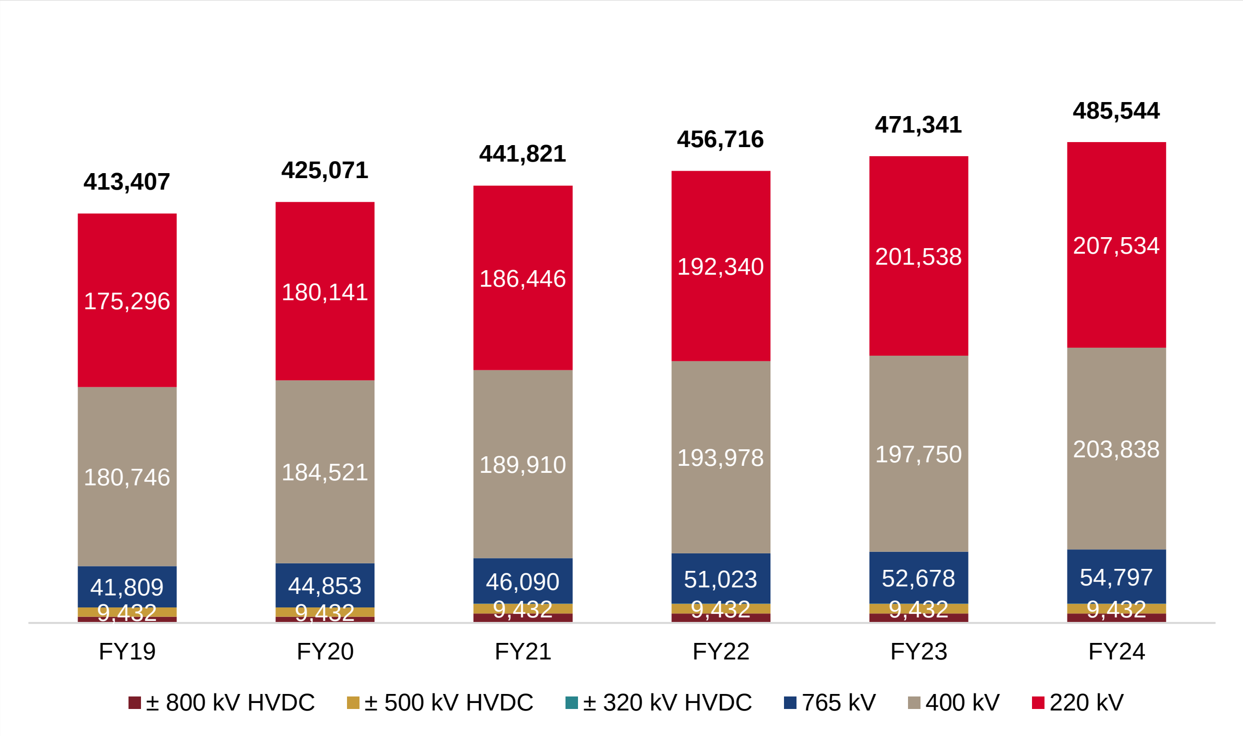
Figure 37: Total transmission line network in the country (220 kV and above)



Source: CEA, CRISIL MI&A Consulting

There has been strong growth in the transmission system at higher voltage levels and substation capacities. This is a result of increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses and improve grid reliability.

Figure 38: Strong growth in the length of high voltage transmission lines (220 kV and above)

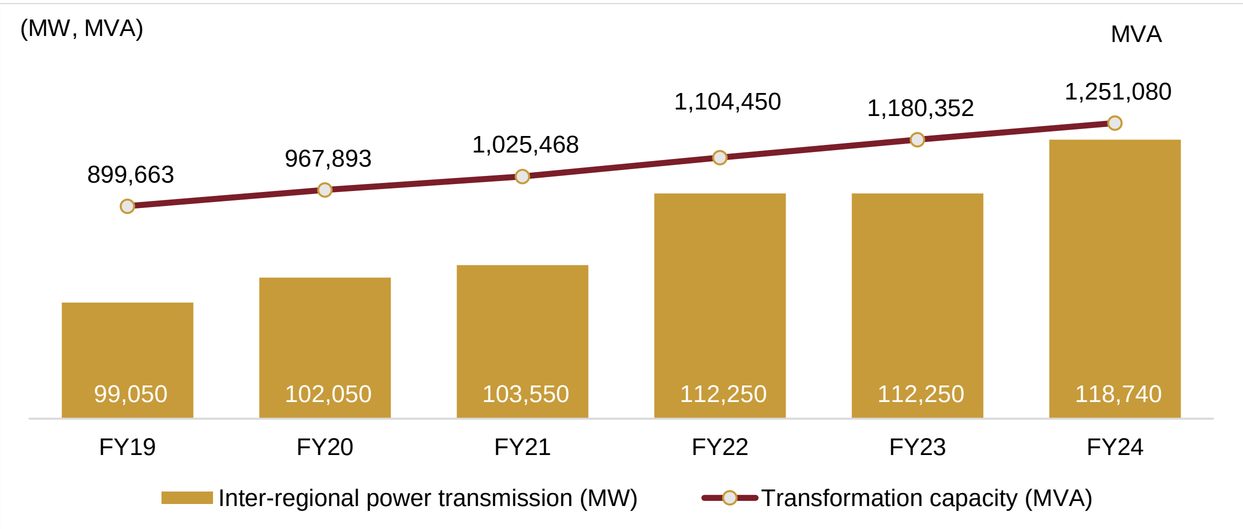


Source: CEA, CRISIL MI&A Consulting

Strong growth of transmission system at higher voltages has grown due to increased requirement of the transmission network to carry bulk power over longer distances and at the same time optimise the right of way, minimise losses, and improve grid reliability.

Inter-regional power transmission capacity of the National Grid has grown strongly from 99,050 MW in fiscal 2019 to 118,740 MW in fiscal 2024, at a CAGR of 3.7%. Subsequently, transformation capacity rose from 899,663 MVA in fiscal 2019 to 1,251,080 MVA in fiscal 2024, growing at a CAGR of ~6.8%.

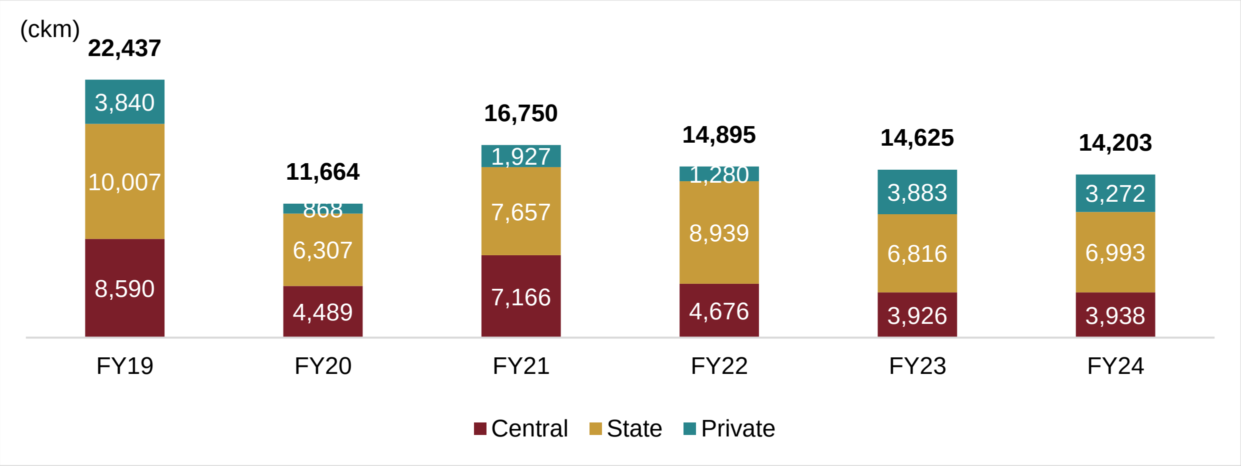
Figure 39: Growth in transformation capacity and inter-regional power transmission capacity



Source: CEA, CRISIL MI&A Consulting

Investments in transmission line additions continue to be dominated by the central and state sectors. In the 13th five-year plan (2017- 2022), a total of 88,865 ckm was set up in the country, with the central and state sectors contributing to 38% and 50%, respectively.

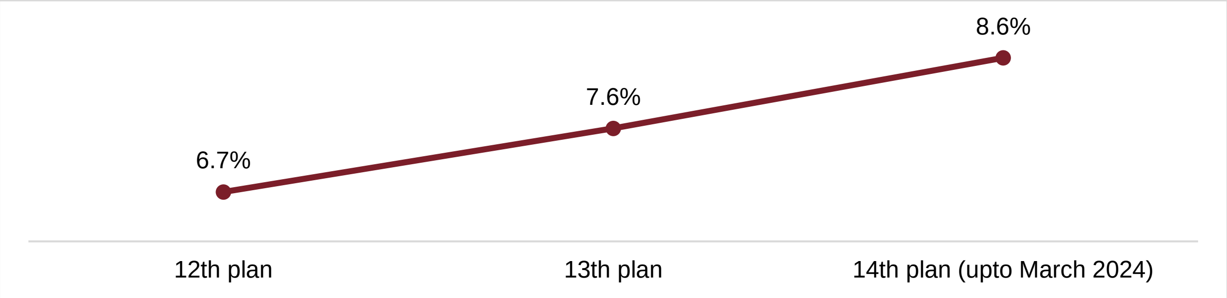
Figure 40: Sector-wise share of transmission line additions



Source: CEA, CRISIL MI&A Consulting

Private sector participation has been growing in the segment, with the total share reaching ~8.6% in FY24. However, private participation in the transmission segment still lags the generation segment, where private contribution has grown strongly from 46% in fiscal 2019 to 52% in fiscal 2024.

Figure 41: Private sector participation in transmission sector

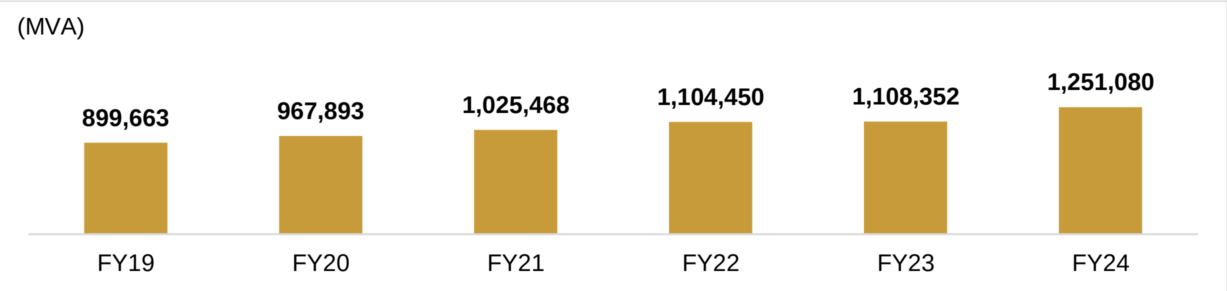


% share of JV/Private in transmission lines (ckm); Source: CEA, CRISIL MI&A Consulting

Although to encourage private-sector participation in building transmission capacity, the central government notified power-transmission schemes to be undertaken through TBCB, but still lower private player penetration in the transmission sector necessitates higher allotment of transmission lines to private players by the central transmission utilities.

Sub-station capacities in the country have grown from 899,663 MVA in fiscal 2019 to reach 1,251,080 MVA in fiscal 2024, at a CAGR of 6.8%.

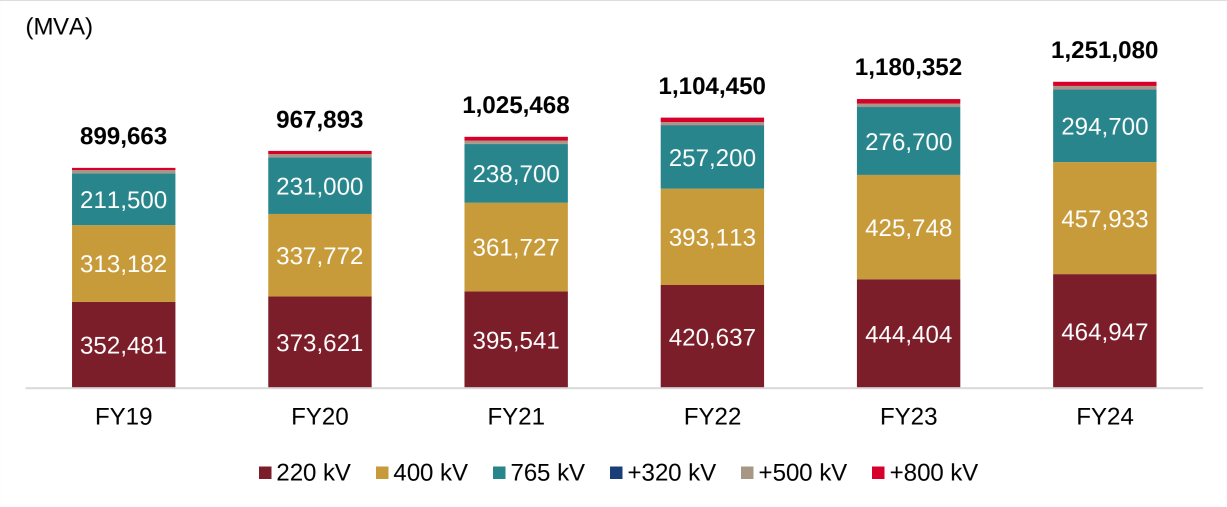
Figure 42: Total substations in the country



Source: CEA, CRISIL MI&A Consulting

The growth in sub-station capacities has majorly seen traction in 220 kV, 400 kV and 765 kV segments, contributing to 32%, 41% and 24% of the incremental additions between fiscals 2019 and fiscal 2024.

Figure 43: Robust growth in high voltage sub-station capacity (above 220 kV)



Source: CEA, CRISIL MI&A Consulting

Substation additions have been dominated by the central sector and state sector, contributing to 40% and 56% of the cumulative capacity as of fiscal 2024 respectively.

Plans to increase grid infrastructure

Report on "Transmission System for Integration of over 500 GW RE Capacity by 2030" published by CEA portrays the broad transmission system roadmap for reliable integration of 537 GW RE capacity by the year 2030.

The length of the transmission lines and sub-station capacity planned under ISTS for integration of additional wind and solar capacity by 2030 has been estimated as 50,890 ckm and 433,575 MVA respectively at an estimated cost of Rs 244,200 crores. The present inter-regional transmission capacity is 118,740 MW. With the additional inter-regional transmission corridors under implementation/planned, the cumulative inter-regional transmission capacity is likely to be about 150,000 MW in 2030.

Table 8: Planned Transmission capacity additions by CEA till 2030

Transmission system type/ voltage class	Unit	Capacity additions till 2030
(a) ± 800 kV	ckm	6,200
(b) ± 350 kV	ckm	1,920
(c) 765 kV	ckm	25,960
(d) 400 kV	ckm	15,758
(e) 220 kV cable	ckm	1,052
Total transmission lines	**ckm**	**50,890**
(a) ± 800 kV	MVA	20,000
(b) ± 350 kV	MVA	5,000
(c) 765 kV	MVA	274,500
(d) 400 kV	MVA	134,075
(e) 220 kV cable	MVA	0
Total substations	**MVA**	**433,575**

Source: CEA, CRISIL MI&A Consulting

Table 9: Inter-regional capacity addition till 2030

Inter-regional capacity	Capacity additions till 2030 (MW)
West – East	22,790
West – North	62,720
West – South	28,120
North – East	22,530

Inter-regional capacity	Capacity additions till 2030 (MW)
South – East	7,830
East – Northeast	2,860
Northeast – North	3,000
Total	**149,850**

Source: CEA, CRISIL MI&A Consulting

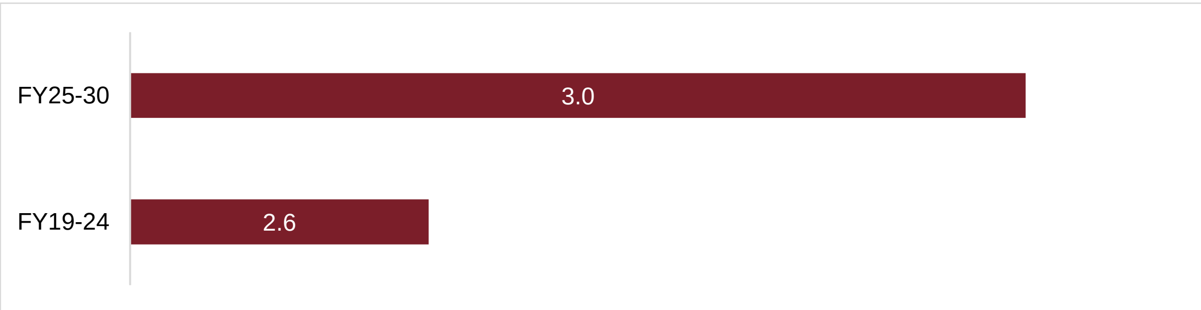
Investments of Rs ~3 trillion expected in transmission segment

To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach Rs ~3 trillion for fiscal 2025-30. Investments in the sector are expected to be driven by the need for a robust and reliable transmission system to support continued generation additions and the strong push to the renewable energy sector as well as rural electrification. Also, strong execution capability coupled with healthy financials of PGCIL will drive investments.

As capacity additions in the country are not evenly distributed geographically, few regions in the country will be in deficit and others in surplus. To cater to this, there will be a need to import/export from/to regions. A number of inter-regional transmission corridors have been planned, and some of these high-capacity transmission corridors are in various stages of implementation. Newly sanctioned projects under the North-Eastern System Strengthening Scheme and system strengthening schemes focused in the Ladakh region are also expected to augment investments in the transmission segment.

1. North-Eastern region power system improvement project
2. Comprehensive scheme of T&D system in Arunachal Pradesh and Sikkim
3. 220 kV transmission system from Alusteng (Srinagar) to Leh (via Drass, Kargil, Khalsti and Leh Sub-stations in Jammu and Kashmir)

Figure 44: Investment in transmission sector (Rs. Trillion)



The numbers do not include private sector investments in T&D sector
Source: CRISIL MI&A Consulting

Government plans to increase TBCB to shift focus from PGCIL

At present private sector participation in the T&D space is low. However, with the introduction of TBCB and viability gap funding (VGF) schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the long term. This is in a move to shift the burden from PGCIL and increase private sector participation in the sector, although PGCIL is also allowed to bid for the same. Even for the renewable energy projects mentioned above, half are to be awarded via the TBCB route.

A few key players that bid in the recent project allocations were Sterlite Grid Ltd., Adani Transmission Ltd, Essel Infra Ltd, ReNew Transmission Ventures, PGCIL and Kalpataru Power Transmission Ltd. With increased awarding of projects under TBCB in the future, private participants shall also be key in driving domestic demand going forward. As of September 2024, 55 projects awarded under TBCB have been commissioned/ready for commissioning, 59 are under construction. Construction of two projects could not be started due to litigations, while one project has been cancelled by CERC and another one is expected to be cancelled as per the request of the transmission service provider. Of the 59 projects under construction, 28 are of PGCIL and the balance are of private players.

Key Growth Drivers for growth in transmission sector

Some of the key growth drivers for the transmission segment in India are:

Widening gap between inter-regional power demand-supply to drive transmission capacity additions

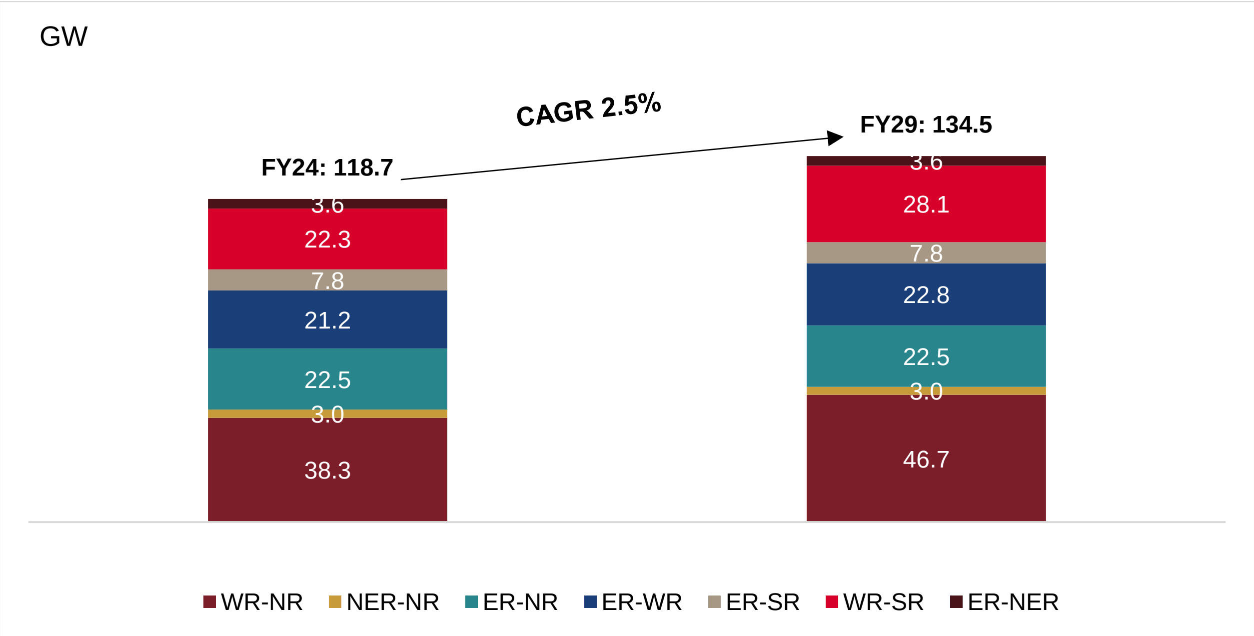
As per CTUIL, the total power generation capacity (including renewable energy and energy storage) at a pan India would rise to ~729 GW in fiscal 2029 from ~442 GW in fiscal 2024. However, the upcoming generation capacity will not be spread evenly across India. Most of the upcoming renewable capacities would be concentrated in the northern (specifically in Rajasthan), western and southern regions of India, while significant thermal capacities would commission close to the coal mines in eastern and central regions of India. The addition of such large quantity of generation capacities would necessitate the investments in transmission segment to supply power to different demand centres.

Further, the infirm nature of renewable energy (extreme variations in the power output) would give rise to grid issues unless the generated power is distributed over longer distances and to multiple demand centres via transmission lines. Moreover, there exists significant variation in demand on account of seasonal differences and time of day demand differences, which will necessitate large inter-regional transmission capacities to prevent grid fluctuations.

As a result, to reduce the demand-supply mismatch, government has planned to increase the interregional power transfer capacity to 134,540 MW by FY 2029. Moreover, the share of inter-regional transmission capacity is expected to increase from 13.9% in fiscal 2012 to 18.4% in fiscal 2029 (inter-regional transmission capacity as a fraction of total installed generation capacity), resulting in growth of investment in the power transmission sector.

The inter-regional transmission line corridor expansion requirement, as per CEA estimates, would be as follows:

Figure 45: Inter-regional transmission links and capacity (GW)



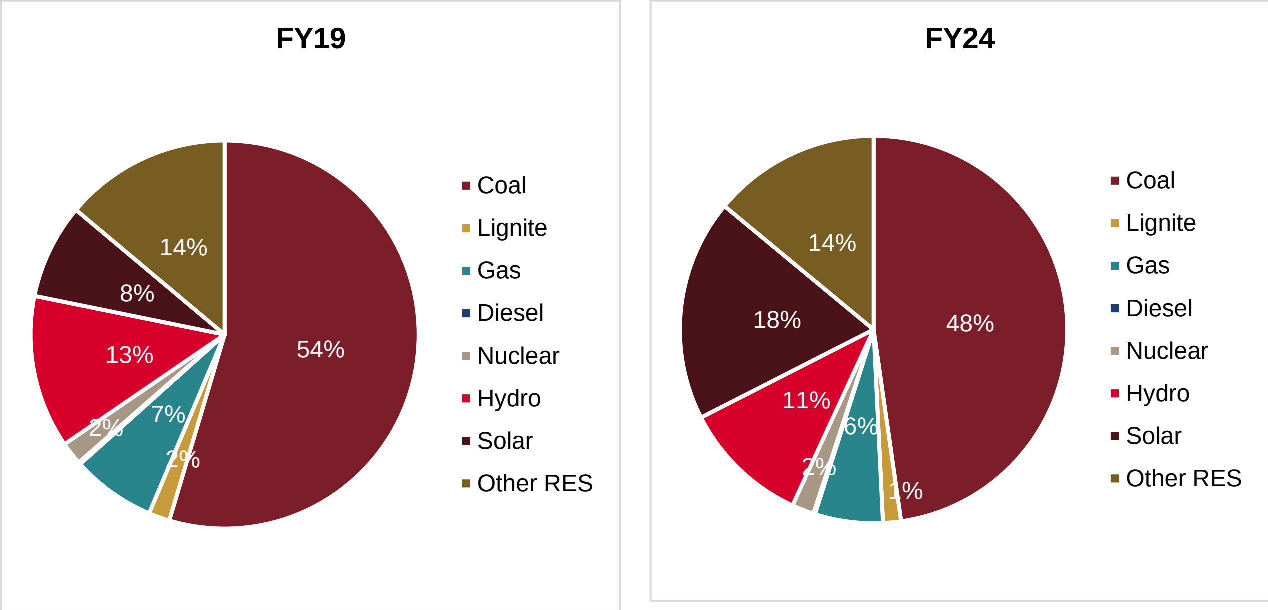
Source: CEA, CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

To cater to the above import/export requirement, several inter-regional transmission corridors have been planned and some of these high-capacity transmission corridors are in various stages of implementation, taking care of past under investments in grid.

Strong renewable energy capacity additions to also drive transmission capacity

Power generation in India is dominated by coal-based generation, contributing to ~47% of the total installed capacity in India. Further, with ~211 GW installed capacity; the coal-based generation contributes to around 3/4th of total electricity generation in India. However, there has been a staggering growth in installed capacity of Renewable energy sources from 63 GW in fiscal 2012 to 123 GW in fiscal 2019, further reaching to ~191 GW (including large hydro) in March 2024.

Figure 46: Increase in share of renewable energy sources



Total installed capacity: 356 GW	Total installed capacity: 442 GW

Source: CEA, CRISIL MI&A Consulting

Furthermore, central government has planned to achieve 500 GW capacity from non-fossil fuel-based energy sources by 2030. Solar and wind will pay a more role in achieving the said target. The share of renewable energy (incl. hydro and energy storage) in the installed capacity mix is expected to reach ~62% in fiscal 2029 from ~43% in fiscal 2024.

Such multi fold expansion plans also require large scale development in transmission sector. This is mainly because large scale grid connected solar and wind plants are usually located in the far-flung areas, where there is limited existing transmission infrastructure. Moreover, renewable energy is not well distributed across states and is in-firm in nature. Robust transmission planning is required to optimize the high costs, utilization levels and losses associated with transmission system to transmit the power generated to load centres is critical. **Upgradation of existing lines critical to meet rising power demand in an economical way**

India has ~4.85 lakh ckm of transmission network as of fiscal 2024 of which most of the lines are using the Aluminium core steel reinforced (ACSR) conductor. This type of conductor is having lower current carrying capacity and lower withstand temperature (85 ºC) capacity as compared to other latest available technology and substitutes such as ACCC (Aluminium Conductor Composite Core), CCC (Copper clad composite conductors) which are High tension low sag conductors (HTLS). Further these lines have lower efficiency and higher T&D losses. As per World Bank study, T&D losses cost the Indian economy ~1%-1.5% of its GDP, hence CEA in its recent revisions of the National transmission planning has embodied the new technological advancements.

Wherever transmission constraints are felt and enhancement in power transmission capacity in existing corridor becomes necessity, alternative means such as use of higher size conductor, voltage increase technologies, circuit addition, HVDC, dynamic line rating etc. need to be explored. One such emerging technology is the use of new generation High Performance Conductors (HPC), which include High Temperature (HT) conductors and High Temperature Low Sag (HTLS) conductors, and these conductors have been proven successful globally.

Both upgradation and re-conductoring of lines is economically viable as it can augment capacity without the need for heavy investments. Further, upgradation of transmission lines will not result in right of way (RoW) issues as newer technology conductors can easily replace the existing transmission line without modifying or reinforcing the existing lattice. Upgrading transmission network to a higher voltage i.e., from 400 kV capacity to 765 kV capacity increases the power handling capacity of the system four-fold. Other benefits of replacing old conductors with high-capacity new conductors include reduction in losses. Moreover, the gestation period of for upgrading a line is much lesser as compared to erection of a completely new line. Power transmission lines have reaped huge benefits in terms of increased power transmission capacity with such Upgradation efforts.

Improving power scenario and measures to stabilize grid to lead to transmission corridors to neighbouring countries

Power deficit in India has been on a declining trajectory with energy deficit shrinking to 0.3% for fiscal 2024 as compared 3.6% in fiscal 2015. Thus, with healthy availability of power, India is evaluating opportunities to tap neighbouring countries for better integration and synergies.

India and its neighboring countries are interlinking the electricity transmission systems allowing surplus power to be exported to other grid while simultaneously importing large hydro based power from Nepal and Bhutan. Further, India is evaluating to build a platform to establish power exchange beyond its shores, which will act as a neutral and robust price discovery platform to create an orderly marketplace for all buyers and sellers for neighbouring Asian countries.

To ensure effective utilisation of regional resources, India is actively planning to inter-connect the national grid with neighbouring countries like Nepal, Bhutan, Sri Lanka, and Bangladesh. India is linked to its neighboring countries through a network of electrical interconnections, with a total power transfer capacity of approximately 4,748 MW. Some of the key inter country projects include:

Table 10: Cross-border power transfer capacity by 2028-29

Sl. No.	Country	Existing (MW)	Under-construction (MW)	Planned (MW)	Total (MW)
1.	India – Bangladesh	1,160	0	1,000	2,160
2.	India – Bhutan	2,185	2,220	0	4,405
3.	India – Myanmar	3	0	504	507
4.	India – Nepal	1,400	1,900	3,000	6,300
5.	India – Sri Lanka	0	0	500	500
	Total	**4,748**	**4,120**	**5,004**	**13,872**

Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

Strong government support to also drive transmission investments

Government support for power transmission is expected to continue. In the past, it has supported the transmission segment through several measures – increasing the concession period of a transmission asset, relaxation of norms to speed up project construction and implementation of UDAY scheme to boost power demand, which in turn, will eventually result in rise in transmission requirements.

Outlook on transmission capacity additions

The power transmission sector in the country has grown steadily in recent years, mainly due to the rising demand for electricity and the increasing capacity of power generation plants, particularly renewable energy plants. A major factor driving the further expansion of the grid is the need to evacuate electricity from upcoming renewable energy projects. Green energy corridors and a transmission system for renewable energy zones are already being built to make it easier to integrate renewable energy into the grid.

Following are the major transmission capacity additions as envisaged till FY2029:

Table 11: Under-construction transmission lines (in ckm)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2023-24	980	320	354	-	371	**2,025**
2.	2024-25	3,479	1,611	7,742	185	340	**13,357**
3.	2025-26	1,642	940	178	3	150	**2,913**
4.	2026-27	-	-	-	-	-	**-**
5.	2027-28	-	-	-	-	-	**-**
6.	2028-29	-	-	2,028	-	-	**2,028**
	Total	**6,101**	**2,871**	**10,302**	**188**	**861**	**20,322**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

Table 12: Under-construction transformation capacity (in MVA)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2023-24	5,000	5,000	7,135	-	-	**17,135**
2.	2024-25	41,500	18,000	49,185	1,250	320	**110,255**
3.	2025-26	20,500	24,000	3,715	1,500	320	**50,035**
4.	2026-27	1,000	-	-	-	-	**1,000**
5.	2027-28	-	-	-	-	-	**-**
6.	2028-29	-	-	6,630	-	-	**6,630**
	Total	**68,000**	**47,000**	**66,665**	**2,750**	**640**	**185,055**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

Table 13: Under planning/ approval/ bidding transmission lines (in ckm)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2024-25	-	-	-	-	-	**-**
2.	2025-26	1,670	320	6,652	850	120	**9,612**
3.	2026-27	3,870	3,013	4,835	-	-	**11,718**
4.	2027-28	-	1,960	-	50	75	**2,085**
5.	2028-29	2,558	360	1,964	-	-	**4,882**
	Total	**8,098**	**5,653**	**13,451**	**900**	**195**	**28,927**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

Table 14: Under planning/ approval/ bidding transformation capacity (in MVA)

Sl. No.	FY	WR	SR	NR	ER	NER	Total
1.	2024-25	-	500	5,000	-	-	**5,500**
2.	2025-26	26,100	12,500	46,390	6,000	1,400	**92,390**
3.	2026-27	39,500	37,000	35,700	-	-	**112,200**
4.	2027-28	-	28,000	-	-	-	**28,000**
5.	2028-29	22,630		7,500	-	-	**32,980**
	Total	**88,230**	**80,760**	**94,590**	**6,000**	**1,400**	**270,980**

Note: WR: Western Region, SR: Southern Region, NR: Northern Region, ER: Eastern Region, NER: North-Eastern Region
Source: CTUIL ISTS Rolling plan 2028-29 Report; CRISIL MI&A Consulting

Competition Assessment

Competitive mapping covers the details of companies, their products and services within a given market to understand competitive intensity. Some of the key players in the integrated power business include Torrent Power Ltd., Adani Energy Solutions Limited, TATA Power Co. Ltd. and CESC Ltd.

Parameters	Torrent Power Ltd.	Adani Energy Solutions Limited	TATA Power Co. Ltd.	CESC Ltd.
Profile	Torrent Power is one of the leading brands in the Indian power sector, promoted by the Torrent Group.	AESL is a private transmission and distribution company and part of Adani Group.	Tata Power is a leading integrated power company and a part of Tata Group.	Part of RP-SG Group, CESC is India's first fully integrated electrical utility company ever since 1899, generating and distributing power in Kolkata and Howrah.
Presence	Presence across G, T and D segment including RE generation	Largely into transmission and distribution	Presence across G, T and D segment including RE generation	Presence across G, T and D segment including RE generation
Capacities as on date	Thermal: 3454 MW RE: 1236 MW Transmission Lines: > 350 ckm Distribution: > 4.10 Mn consumers	Transmission Lines: > 21,100 ckm Distribution: > 3 Mn consumers	Thermal: 9300 MW Hydro: 880 MW RE: 4777 MW Transmission Lines: > 4600 ckm Distribution: > 12 Mn consumers	Thermal: 2125 MW RE: 27 MW Distribution Network: > 666 ckm EHV; 8762 ckm HV and 13798 ckm LV Distribution: > 3 Mn consumers

G: Generation, T: Transmission, D: Distribution, EHV: Extra high voltage, HV: High voltage, LV: Low voltage;
Source: Company, Company websites, CRISIL MI&A Consulting

The following table summarises the competitive analysis of Torrent Power Ltd. with some of the leading players in power sector.

Table 15: Competitive analysis with some of the leading players

Parameters	Torrent Power Ltd.			Adani Energy Solutions Limited			TATA Power Co. Ltd.			CESC Ltd.		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Operating Revenue (Rs. Mn)	271,832.1	256,941.2	142,576.1	166,073.6	132,927.2	112,575.2	614,489.0	551,090.8	428,156.7	152,932.1	142,463.5	125,438.8
Revenue Growth	5.8%	80.2%	17.1%	24.9%	18.1%	13.4%	11.5%	28.7%	30.9%	7.3%	13.6%	7.8%
EBITDA (Rs. Mn)	45,591.8	47,586.7	35,910.0	61,712.1	45,026.5	42,061.7	120,548.3	118,298.3	92,145.3	38,827.1	34,254.4	36,537.5
EBITDA Margin	16.8%	18.5%	25.2%	37.2%	33.9%	37.4%	19.6%	21.5%	21.5%	25.4%	24.0%	29.1%
PAT (Rs. Mn)	18,960.0	21,646.7	4,587.0	11,994.3	11,994.3	12,644.3	42,801.0	38,096.7	21,556.1	14,472.9	13,973.3	14,040.8
PAT Margin	7.0%	8.4%	3.2%	7.2%	9.0%	11.2%	7.0%	6.9%	5.0%	9.5%	9.8%	11.2%
ROE (Avg. Equity)	15.7%	20.2%	4.5%	9.0%	10.0%	12.0%	11.8%	12.6%	8.4%	12.4%	12.6%	13.3%
ROCE (Avg. Capital Employed)	14.0%	17.2%	12.4%	9.4%	6.8%	7.4%	11.0%	12.1%	9.4%	11.5%	11.3%	12.7%
Net Debt-Equity Ratio	0.9	0.9	0.9	2.5	2.5	2.6	1.1	1.1	1.6	1.0	1.0	1.1
Net Debt/EBITDA	2.4	2.1	2.4	5.6	7.2	6.8	3.3	3.2	4.4	3.0	3.3	3.1

Note: On Consolidated basis;
Source: Company, Company websites, Annual Reports, Regulatory Filings, CRISIL MI&A Consulting

Formulae used:

EBITDA: Profit before tax + Finance cost + Depreciation and amortization expense - Other income - Exceptional items

EBITDA margin: EBITDA / Revenue from operations

PAT margin: PAT / Revenue from operations where PAT: Profit after tax

ROE: PAT/Average equity

ROCE: EBITD/ Average equity where EBIT=EBITDA - Depreciation

Net Debt/Equity: (Long term borrowing + Short term borrowing – Cash and cash equivalents – Other Bank balances)/ Average equity

From the above comparison, it can be observed that:

- o Torrent Power's revenues are primarily driven from power supply
- o Transmission and distribution segments contribute 90% to operating revenue
- o Among its peers, the company has earned higher ROE and ROCE in the last 2 Fiscals.
- o The Company has net debt: equity ratio of 0.9 for Fiscal 2024 which indicates a moderate leverage. Further, it is lower than its peers, indicating higher funding through equity.

- Torrent Group is one of the leading Indian conglomerate with significant experience in multiple businesses such as Pharma, Power and City Gas Distribution.
- Torrent Power is one of the leading private sector integrated power Utility with presence across generation including thermal, renewable and hybrid power projects (under construction), transmission and distribution. This integrated model provides long-term cash flow visibility and reduces exposure to market volatility, resulting in a business model that is both resilient and scalable, and positioning the Company as one of the leading player in India's energy sector.

- Torrent Power generates power from natural gas and renewable energy sources. This emphasis on environmentally responsible operations positions the Company as one of the leading player in India's energy transition, aligning with global sustainability goals while maintaining high operational efficiency.

- Direct procurement capability (import of liquefied natural gas) allows the Company to secure LNG at more competitive rates compared to other gas-based power projects, which rely on intermediaries for fuel supply.

- Torrent Power has entered into India's first of its kind distribution franchisee agreement with Maharashtra State Electricity Distribution Company Limited for the franchisee area of Bhiwandi.

- Bhiwandi franchise was the first-of-its-kind franchise distribution agreement in India permitting a private sector company to manage a high-loss distribution area.

- Torrent Power has an established presence across key markets in India.

- Torrent Power has a satisfactory operational track record with a strong focus on customer service.

- In alignment with the Government of India's initiatives to improve the performance of the power distribution sector, Torrent Power aims to strengthen its distribution presence and performance by improving its operational efficiency, customer service and profitability in existing areas, and by exploring new opportunities for expansion in other areas.

- Torrent Power is the sole licensee in Dadra & Nagar Haveli and Diu & Daman Distribution (DNH DD), ensuring near-total control over electricity distribution in these regions.

- Torrent power has one of the lowest distribution losses in the country (Ahmedabad, Surat, Dahej, and DNH DD Distribution).

- Torrent Power's power availability of >99%, is among the highest in the country (Ahmedabad, Surat & Dahej Distribution).

- Wind and solar assets of Torrent Power are located in resource-rich areas such as Gujarat, Maharashtra, and Rajasthan, while its gas and coal plants are concentrated in regions such as Gujarat, where industrial demand is high.

- In response to the increased infusion of RE into the grid, Torrent Power also recognizes the critical role of storage solutions in managing renewable intermittency.

- Torrent Power has also been awarded an 18 KTPA production capacity under the production linked incentive Scheme for manufacturing of green hydrogen, positioning it as a key power utility company in advancing green hydrogen and ammonia production.

- To address the technical and commercial challenges faced at the Bhiwandi and Agra distribution areas, Torrent Power implemented a comprehensive strategy involving automation and supervisory control and data acquisition ("SCADA") control systems across networks, extensive upgrades to improve safety and load management, and targeted initiatives to reduce transmission and distribution losses. Additionally, Torrent Power also engaged customers through grievance camps, continuous vigilance and electrification initiatives to encourage safe and legal connections. Through these targeted efforts, Torrent Power not only improved the safety, reliability, and efficiency of these distribution networks but also demonstrated our expertise in transforming high-loss areas into efficient, customer-focused operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Unaudited Special Purpose Interim Condensed Consolidated Financial Statements included herein as of and for the six-month periods ended September 30, 2024 and 2023 and the Audited Consolidated Financial Statements for Financial Years 2024, 2023 and 2022, including the related notes, schedules and annexures.

Our Annual Consolidated Financial Information is based on our audited financial statements, prepared in accordance with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations, the SEBI Listing Regulations and the Guidance Note. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between Ind AS and other accounting principles, such as Indian Generally Accepted Accounting Principles, U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards, which may be material to investors' assessments of our financial condition" on page 79.

Our Financial Year commences on April 1 and ends on March 31 of each year, and all references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Annual Consolidated Financial Information included in this Preliminary Placement Document.

*We have commissioned and paid for the services of independent third party research agency, CRISIL MI&A ("**CRISIL MI&A**") for the purposes of confirming our understanding of the industry exclusively in connection with the Offer, and have relied on the report titled "Strategic assessment of Indian power market" dated November 29, 2024 (the "**CRISIL MI&A Report**"), for industry related data in this Preliminary Placement Document, including in the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 103, 176, and 149, respectively. We officially engaged CRISIL MI&A in connection with the preparation of the CRISIL MI&A Report pursuant to engagement letter dated September 16, 2024. The CRISIL MI&A Report shall be made available on the website of our Company at www.torrentpower.com from the date of this Preliminary Placement Document. The data included herein includes excerpts from the CRISIL MI&A Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL MI&A Report and included herein with respect to any particular year, refers to such information for the relevant financial year.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 18 and 47.

Overview

We are one of India's leading private sector integrated power utility companies with an established presence across power generation, transmission and distribution (Source: *CRISIL MI&A Report*). We are part of the Torrent Group, an Indian conglomerate with significant experience in multiple businesses such as pharmaceuticals, power and city gas distribution (Source: *CRISIL MI&A Report*).

Our Company was incorporated in 2004 and the Torrent Group has been involved in the business of power distribution since 1997 following the acquisitions of Surat Electricity Company and AEC Limited. Our operational power generation plants are spread across the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Haryana, Telangana, Andhra Pradesh and Tamil Nadu, and a combined capacity of over 7,559 MWp (including 2,979 MWp under construction) as of September 30, 2024. We own and operate a portfolio of 3,092 MW of thermal generation plants with 2,730 MW or 88.29% of our thermal capacity being natural gas-based power plants and 362 MW or 11.71% of our thermal capacity being coal-based power plants, as on September 30, 2024. Our renewable generation portfolio comprises a combination of solar and wind generation plants. As of September 30, 2024, our total operational renewable generation capacity was 1,488 MWp. This included a solar power capacity of 567 MWp and wind power capacity of 921 MW. In addition, we have an under construction renewable portfolio of 2,979 MWp (1,374 MW wind and 1,605 MWp solar).

We are actively pursuing development of a pumped hydro storage project. We received a letter of award from the

Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") for a 1,500 MW / 12,000 MWh pumped hydro storage project in the Raigad District with energy storage capacity for 40 years. Further, we have been awarded additional 500 MW / 4000 MWh under greenshoe option. We are in the process of obtaining the necessary approvals for the development of 8,350 MW in the states of Uttar Pradesh and Maharashtra. We are also exploring investment opportunities in green hydrogen. We were awarded 18 KTPA production capacity under the Strategic Intervention for Green Hydrogen Transition Scheme, a production linked scheme.

Our distribution business includes both licensed and franchised distribution, covering an aggregate area of approximately 3,054 sq. km. and distributing 29.62 billion units of power to 4.13 million customers, as of March 31, 2024. We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej Special Economic Zone ("**Dahej SEZ**"), Dholera Special Investment Region ("**Dholera SIR**"), Mandal Bechraji Special Investment Region ("**Mandal Bechraji SIR**") and in the Union Territory of Dadra and Nagar Haveli and Daman and Diu ("**DNH DD**").

Through our franchise model, we hold licenses to distribute power in Bhiwandi, Agra, and Shil-Mumbra-Kalwa ("**SMK**"), operating under input-based distribution franchise agreements where we manage the distribution and collection processes. We entered into India's first of its kind distribution franchisee agreement with MSEDCL for the franchisee area of Bhiwandi. Notably, we were the first private sector entity to manage power distribution under a franchise agreement, and through a combination of advanced technology, improved management practices, and customer-focused initiatives, we successfully reduced AT&C losses from 58.00% at the time we took over distribution in Financial Year 2007 to 9.30% during Financial Year 2024. We have also entered into franchisee agreements to distribute power in the region of Agra and SMK.

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines operated by us and 355 km of 400kV double-circuit operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. These transmission lines within Torrent Power Grid Limited's operations are governed by tariff regulations stipulated by the Central Electricity Regulatory Commission ("**CERC**").

We have an established presence across key markets in India (Source: *CRISIL MI&A Report*). Our generation and distribution infrastructure is strategically located to serve both urban and industrial centers, ensuring reliability and efficiency in power supply. Our distribution network covers key regions under both licensed and franchisee models. We hold distribution licenses in urban and industrial regions such as Ahmedabad, Surat, Dahej SEZ, Dholera SIR, DNH DD and Mandal Bechraji SIR. We are also the sole licensee in DNH DD, ensuring near-total control over electricity distribution in these regions (Source: *CRISIL MI&A Report*).

We are led by experienced Board and a management team with extensive experience in the power industry. Our Senior Management Personnel and Key Management Personnel have worked with us for an average of more than 14 years, resulting in effective operational co-ordination and continuity essential for our growth.

During the Financial Year 2024, we achieved a return on net worth of 14.48%, and a return on capital employed ("**ROCE**") aggregating to 14.60%. Moreover, we have been able to generate a higher return on equity ("**ROE**") and ROCE among our listed peers during Financial Years 2024 and 2023 (Source: *CRISIL MI&A Report*). We also maintain a healthy capital structure, with a net debt to Adjusted EBITDA ratio of 2.25 and a net debt to equity ratio of 0.80 as of March 31, 2024. This provides with significant financial flexibility, allowing us to pursue growth opportunities, particularly in the renewable energy sector.

Significant Factors Affecting our Results of Operations

Regulatory Policy and Economic Conditions

Our performance is influenced by government policy, regulatory framework and economic conditions that impact the power sector in India. Key government policies, including the *Aatma Nirbhar Bharat Abhiyaan*, drive privatization efforts aimed at improving distribution efficiencies and encouraging private sector participation, particularly in Union Territories.

Furthermore, economic conditions (including interest rates, inflation, and fuel price fluctuations) affect our profitability by influencing infrastructure investments, operational costs, and consumer demand. Broader macroeconomic factors also impact the availability and cost of capital, which in turn affects our financial flexibility in pursuing new projects, particularly in capital-intensive areas like renewable energy.

Our operations and expansion plans benefit from government incentives that support renewable energy, aligning with our strategic focus on advancing cleaner energy solutions. However, policy changes or delays in implementation may lead to uncertainty in our operations and impact our business. For example, adjustments to power tariffs or delays in regulatory approvals could affect revenue stability, especially within our regulated transmission and distribution segments.

Operational Efficiency and Deployment of Technology

Achieving and maintaining operational efficiency is critical to our business. Our use of advanced technology, such as automation, the implementation of supervisory control and data acquisition systems, advanced metering infrastructure, and smart grid solutions, enables us to monitor and control power flow, reduce transmission and distribution losses, and improve system reliability. For example, our deployment of automation in Bhiwandi, a high-loss distribution franchise area, helped us reduce AT&C losses significantly over a multi-year period. This has not only helped us improve our revenue collection but also demonstrates our ability to address technical and commercial challenges in high-loss areas. Expanding these technologies to other distribution regions requires ongoing capital investment and integration with legacy systems. Delays in deployment or issues with technological integration could adversely affect our ability to achieve operational efficiencies and increase costs. Additionally, continuous enhancements in customer-facing digital platforms are essential for improving customer satisfaction.

Expansion of our Renewable Energy Portfolio

The global transition towards renewable energy presents both an opportunity and a necessity for us to diversify our energy mix. We are committed to expanding our renewable portfolio, with plans to add significant solar and wind capacity over the coming years. Our renewable projects include approximately 1.6 GWp of solar and 1.4 GW of wind energy capacity currently under development, positioning us to reach an installed renewable capacity target of 4.4 GW. We also aim to develop green hydrogen and pumped hydro storage projects, and have secured in-principle allotment of four sites of 8.4 GW capacity in Maharashtra and Uttar Pradesh for pumped storage hydro projects. We are currently in the process of seeking necessary approvals to commence development of the project. Expanding our renewable capacity also involves securing land, regulatory approvals, and grid connectivity, all of which are complex, time-intensive processes that carry the risk of delays or additional costs. Additionally, our ability to integrate gas-based generation with renewables offers us a unique opportunity to deliver flexible power solutions. Any inability to execute these projects, secure the necessary permits, or maintain cost competitiveness could impact our growth in this sector and our contribution to India's renewable energy goals.

Financial Stability and Capital Efficiency

Our financial stability is foundational to our growth strategy, enabling us to fund new projects, meet debt obligations, and maintain operational stability. We rely on stable cash flows from our regulated utility businesses to support debt servicing and capital reinvestment, especially in expanding our renewable energy portfolio. As of March 31, 2024, our net debt to Adjusted EBITDA ratio was 2.25, and our net debt to equity ratio was 0.80, indicating a healthy balance between leverage and equity, and providing us with significant financial flexibility. Effective management of these ratios is critical as we expand into capital-intensive projects such as solar and wind energy, which require substantial upfront investment. Furthermore, maintaining this capital structure allows us to manage risks associated with interest rate fluctuations. Any increase in financing costs could affect our ability to undertake new projects or refinance existing debt. We also have a 1.57 GW gas-based generation capacity dedicated to short-term and merchant market opportunities, which allows us to capitalize on price fluctuations and supply-demand dynamics in the energy market. Any deterioration in our financial metrics or reduction in cash flows could restrict our ability to invest in growth initiatives, affect our cost of capital, and ultimately impact our competitive position.

Availability and Reliability of Fuel for Power Generation

Reliable access to fuel, especially natural gas, is essential for maintaining our generation capacity and meeting power demand in our distribution regions. A significant portion of our thermal capacity (88.29% during Financial Year 2024) is gas-based, and we rely on direct imports of liquefied natural gas ("**LNG**") to manage fuel costs and supply stability. This direct procurement capability helps reduce dependency on intermediaries and enables us to secure LNG at more favorable rates. However, we remain exposed to risks associated with price volatility, supply chain disruptions, and regulatory changes that could affect the availability and cost of LNG. For instance, global geopolitical events or supply disruptions could lead to higher LNG prices or reduced availability, impacting our generation costs and profitability. Furthermore, our coal-based generation capacity, though limited, also depends on consistent coal supply, which is subject to domestic logistical challenges and potential government interventions. Any disruptions in the supply of LNG or coal, or significant increases in fuel costs, could impair our generation capacity, affect our ability to meet contractual obligations, and have a material adverse impact on our financial performance.

Impact of the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024

The Ministry of Power has notified the Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 (the "**Rules**") to enhance transparency in financial disclosures and to enhance regulatory compliance for licensed power distribution entities. We are in the process of evaluating the implication of the Rules with respect to the recognition of revenue, provisioning of trade receivables and certain additional disclosures to be included in the Annual Consolidated Financial Information. We understand that the Rules are required to be applied prospectively from the date of notification in the official gazette, which was issued on October 24, 2024, and accordingly, there is no impact of the same on the financial statements for six months ended September 30, 2024. However, any unanticipated complexities or challenges in implementing the implication of the Rules could affect our financial reporting processes and compliance, potentially impacting our operations and financial performance.

Summary of Material Accounting Policies

Set forth below is a summary of material accounting policies used in the preparation of our annual financial statements for the year ended March 31, 2024.

Principles of Consolidation

Subsidiaries

The financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the period are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., period ended on September 30.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

Business Combinations and Goodwill

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.
Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Directly attributable costs are capitalized until the asset is ready to use in accordance with the Group's accounting policy of capitalization.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the period is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of Assets	Rate of Depreciation		
	Regulated business$	Franchisee business@	Other business
Buildings	1.26% to 6.73%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	6.86% to 23.08%	-
Plant and machinery	0.92% to 19.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	0.64% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	0.91% to 15.00%	6.33%	6.33% to 9.91%
Vehicles	9.50% to 18.00%	9.50%	9.50% to 11.88%
Office equipment	0.91% to 31.67%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of Uttar Pradesh Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.
$ For assets acquired on or after April 01, 2009 in case of Regulated generation and distribution business, remaining depreciable value as on March 31 of the year closing after a period of 12 years from date on which assets are ready for their intended use, shall be spread over the balance useful life of the assets as defined in GERC / CERC Multi Year Tariff (MYT) regulations.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 22 years
- Distribution License – 25 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under “Intangible assets under development”.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of assets

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset’s fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash- generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and /

or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the consolidated statement of profit and loss in the period of their accrual.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

Inventories

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of regasified liquefied natural gas which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Revenue recognition

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved fuel and power purchase price adjustment which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

    These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of regasified liquefied natural gas ("**RLNG**") are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Gross proceeds from sale of certified emission reduction certificates ("**CERs**") are recognized when all the control of CERs have been passed to buyer, usually on delivery of the CERs.

(iv) Income from generation based incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(v) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

(vi) Service concession arrangements (SCA):

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services and are accounted for separately.

Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA. When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the Group recognizes the consideration for construction services at its fair value and is disclosed as a "Service concession arrangements" under financial assets.

(a) Infrastructure is under project phase, the treatment of income is as follows:

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(b) Infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed transmission charges is recognized using effective interest method. Variable transmission charges revenue is recognized in the period when the service is provided.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

Employee Benefits

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated balance sheet in respect of the retirement benefit plan i.e.

gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

Financial Instruments

Financial assets

Classification of financial assets (including debt instruments)

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Initial measurement

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses. The Group currently does not have any debt instruments which are measured at FVOCI.

- Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The policy of the Group is to provide for credit loss takes into consideration of factors such as type of consumers i.e. government consumers / non-government consumers, status of consumers i.e. live consumers / disconnected consumers and security deposits provided by the consumer, status of consumers i.e. live consumers / disconnected consumers and security deposits provided by the consumer.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted when there is a certainty of recovery.

Derivative

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Financial liabilities

- Classification

All the Group's financial liabilities are measured at amortized cost.

- Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

- Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

- Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Contributed Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

Redemption Liability

Liability for put option issued to non-controlling shareholders in subsidiaries, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference arising between the amount received from the customer towards share capital, and the present value of redemption liability on initial recognition, would be recognised as a contract liability for electricity to be supplied in future. The liability shall be subsequently measured at amortised cost as per the principles of Ind AS 109.

Leases

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

Repurchase Arrangements

A repurchase agreement is a contract in which a Company sells an asset and also promises or has the option (either in the same contract or in another contract) to repurchase the asset. The repurchased asset may be the asset that was originally sold to the customer, an asset that is substantially the same as that asset, or another asset of which the asset that was originally sold is a component.

Assets held for sale

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. The Company must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale of the asset or disposal group to be highly probable when:

- the appropriate level of management is committed to a plan to sell the asset (or disposal group);
- an active programme to locate a buyer and complete the plan has been initiated (if applicable);
- the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Amount presented and rounding off

All amounts in the financial statements and notes have been presented in ` Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹50,000 are denoted by '*'.

Reconciliation of our Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Equity, Adjusted Net Profit, Adjusted Net Profit Margin, Net Worth and Return on Net Worth, Return on Capital Employed and Net Debt to Adjusted EBITDA (in ₹ crores, unless specified otherwise):

The tables below provide reconciliation of our Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Equity, Adjusted Net Profit, Adjusted Net Profit Margin, Net Worth, Return on Net Worth, Return on Capital Employed and Net Debt to Adjusted EBITDA (in ₹ crores, unless specified otherwise):

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin:

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit before tax	2,003.33	2,582.60	3,041.36	563.97
Add: Finance costs	532.43	943.40	818.20	628.21
Add: Depreciation and amortisation expense	730.47	1,377.50	1,280.96	1,333.86
Add : Exceptional items	-	-	-	1,300.00
Less: Other Income	200.99	344.32	381.85	235.04
Adjusted EBITDA - (A)	**3,065.24**	**4,559.18**	**4,758.67**	**3,591.00**
Revenue from Operations (B)	**16,209.54**	**27,183.21**	**25,694.12**	**14,257.61**
Adjusted EBITDA Margin - [(A)/(B)]	**18.91%**	**16.77%**	**18.52%**	**25.19%**

Reconciliation of Net Debt and Net Debt / Adjusted EBITDA:

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Debt				
Non-Current Borrowings	10,445.45	9,916.40	8,902.32	7,099.15
Add: Current Borrowings	1,063.36	1,668.63	1,593.75	1,999.27
Add: Unamortised Expenses of Non-Current Borrowings and Current Borrowings	21.64	20.61	28.46	32.47
Total Debt – (C)	**11,530.45**	**11,605.64**	**10,524.53**	**9,130.89**
Less: Cash and cash equivalents	344.43	350.83	188.23	289.41
Less: Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	81.33	54.76	144.08	52.03
Less: Current Investments	927.57	937.37	787.75	273.70
Less: Inter-corporate deposits ***(Other Non-Current Financial Assets)***	-	-	-	80.00
Less: Inter-corporate deposits ***(Other Current Financial Assets)***	-	-	-	186.84
Less: Bank fixed deposits ***(Other Non-Current Financial Assets)***	7.26	7.18	24.40	1.02
Total – (D)	**1,360.59**	**1,350.14**	**1,144.46**	**883.00**
Net Debt – (E) = [(C)-(D)]	**10,169.86**	**10,255.50**	**9,380.07**	**8,247.89**
Net Debt / Adjusted EBITDA - [(E)/(A)]		**2.25x**	**1.97x**	**2.30x**

Reconciliation of Equity and Net Debt / Equity:

Particulars	As at September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share Capital	480.62	480.62	480.62	480.62
Add: Other Equity	12,835.23	11,581.09	10,529.38	9,462.56
Add: Non-controlling interests	569.79	535.79	476.65	35.93
Add: Deferred tax liabilities (net)	1632.10	1,233.65	968.79	345.21
Less: Deferred tax assets (net)	61.58	66.38	38.65	35.12
Less: Other intangible assets / Intangible assets	700.17	718.46	756.33	123.29
Less: Goodwill	171.07	171.07	171.07	-
Equity (F)	**14,584.92**	**12,875.24**	**11,489.39**	**10,165.91**
Net Debt / Equity - [(E)/(F)]	**0.70x**	**0.80x**	**0.82x**	**0.81x**

Reconciliation of Adjusted Net Profit and Adjusted Net Profit Margin:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Profit for the year	1,896.00	2,164.67	458.70
Add: Exceptional Item (net of tax effect)	-	-	928.00
Adjusted Net Profit - (G)	**1,896.00**	**2,164.67**	**1,386.70**
Adjusted Net Profit Margin – [(G)/(B)]	**6.97%**	**8.42%**	**9.73%**

Reconciliation of Net Worth and Return on Net Worth

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Share Capital	480.62	480.62	480.62
Other Equity	11,581.09	10,529.38	9,462.56
Non-Controlling Interest	535.79	476.65	35.93
Add: Deferred tax liabilities (net)	1,233.65	968.79	345.21
Less : Deferred tax assets (net)	66.38	38.65	35.12
Total Net Worth – (H)	**13,764.77**	**12,416.79**	**10,289.20**
Average Net Worth – (I)	**13,090.78**	**11,353.00**	**10,506.41**
Return on Net Worth – [(G)/(I)]	**14.48%**	**19.07%**	**13.20%**

Reconciliation of Return on Capital Employed:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Net Worth (H)	13,764.77	12,416.79	10,289.20
Total Debt (C)	11,605.64	10,524.53	9,130.89
Total Capital Employed (J) = (C)+(H)	**25,370.41**	**22,941.32**	**19,420.09**
Average Capital Employed – (K)	**24,155.87**	**21,180.71**	**18,976.10**
Profit before tax	2,582.60	3,041.36	563.97
Add: Exceptional Items	-	-	1,300.00
Add: Finance Costs	943.40	818.20	628.21
Return – (L)	**3,526.00**	**3,859.56**	**2,492.18**
Return on Capital Employed – [(L)/(K)]	**14.60%**	**18.22%**	**13.13%**

Our Results of Operations

The following table sets out selected financial data for the six-month periods ended September 30, 2024 and 2023, respectively, and the Financial Years 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods and Financial Years:

Particulars	Six-month period ended September 30,			
	2024		2023	
	Amount (₹in crore)	***(% of total income)***	***Amount (₹in crore)***	***(% of total income)***
Income:				
Revenue from operations:	16,209.54	98.78%	14,288.54	98.66%
Other income	200.99	1.22%	193.89	1.34%
Total income	**16,410.53**	**100.00%**	**14,482.43**	**100.00%**
Expenses:				
Electrical energy purchased	7,574.94	46.16%	7,266.96	50.18%
Fuel cost	3,787.79	23.08%	3,159.11	21.81%
Cost of materials consumed	213.46	1.30%	214.41	1.48%
Purchase of stock-in-trade	329.15	2.01%	195.24	1.35%
Changes in inventories of finished goods and work-in-progress	0.11	0.00%	13.59	0.09%
Employee benefits expense	363.19	2.21%	307.89	2.13%

Particulars	Six-month period ended September 30,			
	2024		2023	
	Amount (₹in crore)	***(% of total income)***	***Amount (₹in crore)***	***(% of total income)***
Finance costs	532.43	3.24%	474.44	3.28%
Depreciation and amortisation expense	730.47	4.45%	673.70	4.65%
Other expenses	875.66	5.34%	725.15	5.01%
Total expenses	**14,407.20**	**87.79%**	**13,030.49**	**89.98%**
Profit before tax	**2,003.33**	**12.21%**	**1,451.94**	**10.02%**
Tax expense:				
Current tax	265.58	1.62%	250.96	1.73%
Deferred tax	245.69	1.50%	126.15	0.87%
Profit for the period	**1,492.06**	**9.09%**	**1,074.83**	**7.42%**

Six-month period ended September 30, 2024 compared to the six-month period ended September 30, 2023

Total Income

Our total income increased by 13.31% to ₹16,410.53 crore for the six-month period ended September 30, 2024 from ₹14,482.43 crore for the six-month period ended September 30, 2023, primarily due to an increase in our revenue from operations.

Revenue from Operations: Revenue from operations increased by 13.44% to ₹16,209.54 crore for the six-month period ended September 30, 2024 from ₹14,288.54 crore for the six-month period ended September 30, 2023. The increase in our revenue from operations was primarily due to an increase in revenue from our thermal generation business on account of an increase in power generated to 6,021 MUs for the six-month period ended September 30, 2024 from 4,736 MUs for the six-month period ended September 30, 2023. Revenue from our distribution business increased mainly due to an increase in sales to 16,427.63 MUs for the six-month period ended September 30, 2024 from 15,778.56 MUs for the six-month period ended September 30, 2023. Revenue from our renewable generation decreased due to a decrease in generation from existing plants on account of lower plant load factor ("**PLF**") for our wind and solar power resulting from lower wind speeds and lower solar irradiation, which was offset by the commissioning of a new renewable plant.

Other Income: Other income marginally increased to ₹200.99 crore for the six-month period ended September 30, 2024 from ₹193.89 crore for the six-month period ended September 30, 2023.

Total Expenses

Our total expenses increased by 10.57% to ₹14,407.20 crore for the six-month period ended September 30, 2024 from ₹13,030.49 crore for the six-month period ended September 30, 2023, due to increases in our electrical energy purchased, fuel cost, purchase of stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses, which was partially offset by decreases in our cost of materials consumed and changes in inventories of finished goods and work-in-progress.

Electrical energy purchased: Electrical energy purchased increased by 4.24% to ₹7,574.94 crore for the six-month period ended September 30, 2024 from ₹7,266.96 crore for the six-month period ended September 30, 2023, primarily due to the increase in the volume of electricity purchased from external sources during the six-month period ended September 30, 2024.

Fuel cost: Fuel cost increased by 19.90% to ₹3,787.79 crore for the six-month period ended September 30, 2024 from ₹3,159.11 crore for the six-month period ended September 30, 2023, primarily due to an increase in power generation volumes at our thermal generation plants, on account of an increase in off-take from long-term PPAs and sales in the merchant market.

Cost of material consumed: Cost of materials consumed decreased by 0.44% to ₹213.46 crore for the six-month period ended September 30, 2024 from ₹214.41 crore for the six-month period ended September 30, 2023, primarily due to lower consumption at our cables manufacturing unit.

Purchase of stock-in-trade: Purchase of stock-in-trade increased by 68.59% to ₹329.15 crore for the six-month period ended September 30, 2024 from ₹195.24 crore for the six-month period ended September 30, 2023, primarily due to an increase in LNG procured for trading in the six-month period ended September 30, 2024 as compared to the six-month period ended September 30, 2023.

Changes in inventories of finished goods and work-in-progress: Changes in inventories of finished goods and work-in-progress decreased by 99.19% to an increase of ₹0.11 crore for the six-month period ended September 30, 2023 from an increase of ₹13.59 crore for the six-month period ended September 30, 2023, primarily due to a decrease of ₹15.47 crore in inventory of finished goods.

Employee benefit expense: Employee benefit expense increased by 17.96% to ₹363.19 crore for the six-month period ended September 30, 2024 from ₹307.89 crore for the six-month period ended September 30, 2023, primarily due to an increase in employee headcount and a standard escalation in salaries.

Finance costs: Finance costs increased by 12.22% to ₹532.43 crore for the six-month period ended September 30, 2024 from ₹474.44 crore for the six-month period ended September 30, 2023, primarily due to an increase in additional borrowings during the six-month period ended September 30, 2024 and on account of higher interest rates during the six-month period ended September 30, 2024.

Depreciation and Amortization Expense: Depreciation and amortization expense increased by 8.43% to ₹730.47 crore for the six-month period ended September 30, 2024 from ₹673.70 crore for the six-month period ended September 30, 2023, primarily due the commissioning of renewable projects and the capitalisation of assets at our distribution areas for the improvement of our existing distribution network.

Other Expenses: Other expenses increased by 20.76% to ₹875.66 crore for the six-month period ended September 30, 2024 from ₹725.15 crore for the six-month period ended September 30, 2023, primarily due to increased expenses at our gas-based generation plants on account of an increase in operations as a result of an increase in off-take from long-term PPAs and sales in the merchant market and an increase in operations and maintenance expenses due to the commencement of operations at our new renewable projects and the completion of free operations and maintenance periods at our existing renewable energy plants.

Profit before tax: Profit before tax increased by 37.98% to ₹2,003.33 crore for the six-month period ended September 30, 2024 from ₹1,451.94 crore for the six-month period ended September 30, 2023, primary due to an increase in contribution from our gas-based generation units primarily on account of increased market sales and an increase in contribution from our licensed distribution units, which was partially offset by a decrease in contribution from our renewable energy units on account of lower plant load factor due to inclement weather conditions.

Tax Expense: Tax expense increased by 35.58% to ₹511.27 crore for the six-month period ended September 30, 2024 from ₹377.11 crore for the six-month period ended September 30, 2023. For the six-month period ended September 30, 2024, we incurred current tax of ₹265.58 crore and a deferred tax charge of ₹245.69 crore. For the six-month period ended September 30, 2023, we incurred current tax of ₹250.96 crore and a deferred tax charge of ₹126.15 crore. Our effective tax rate, calculated as tax expenses during the period divided by profit before tax during the period, was 25.52% and 25.97% for the six-month periods ended September 30, 2024 and September 30, 2023, respectively.

Profit for the period: Our net profit for the period increased by 38.82% to ₹1,492.06 crore for the six-month period ended September 30, 2024 from ₹1,074.83 crore for the six-month period ended September 30, 2023.

Particulars	**Financial Year**					
	2024		**2023**		**2022**	
	Amount (₹in crore)	***(% of total income)***	***Amount (₹in crore)***	***(% of total income)***	***Amount (₹in crore)***	***(% of total income)***
Income:						
Revenue from operations	27,183.21	98.75%	25,694.12	98.54%	14,257.61	98.38%
Other income	344.32	1.25%	381.85	1.46%	235.04	1.62%
Total income	**27,527.53**	100.00%	**26,075.97**	100.00%	**14,492.65**	100.00%
Expenses:						

Particulars	Financial Year					
	2024		2023		2022	
	Amount (₹in crore)	*(% of total income)*	*Amount (₹in crore)*	*(% of total income)*	*Amount (₹in crore)*	*(% of total income)*
Electrical energy purchased	13,743.27	49.93%	14,440.53	55.38%	5,116.39	35.30%
Fuel cost	5,647.95	20.52%	2,508.23	9.62%	3,403.40	23.48%
Cost of materials consumed	406.50	1.48%	334.81	1.28%	262.64	1.81%
Purchase of stock-in-trade	690.53	2.51%	1,879.26	7.21%	305.99	2.11%
Changes in inventories of finished goods and work-in-progress	20.45	0.07%	(29.19)	(0.11%)	(11.11)	(0.08%)
Employee benefits expense	611.19	2.22%	578.25	2.22%	533.54	3.68%
Finance costs	943.40	3.43%	818.20	3.14%	628.21	4.33%
Depreciation and amortisation expense	1,377.50	5.00%	1,280.96	4.91%	1,333.86	9.20%
Other expenses	1,504.14	5.46%	1,223.56	4.69%	1,055.76	7.28%
Total expenses	**24,944.93**	90.62%	**23,034.61**	88.34%	**12,628.68**	87.14%
Profit before exceptional items and tax	**2,582.60**	9.38%	**3,041.36**	11.66%	**1,863.97**	12.86%
Exceptional items	-	-	-	-	1,300.00	8.97%
Profit before tax	**2,582.60**	9.38%	**3,041.36**	11.66%	**563.97**	3.89%
Tax expense:						
Current tax	445.07	1.62%	672.82	2.58%	372.48	2.57%
Deferred tax	241.53	0.88%	203.87	0.78%	(267.21)	(1.84%)
Total tax expense	**686.60**	2.49%	**876.69**	3.36%	**105.27**	0.73%
Profit for the year	**1,896.00**	6.89%	**2,164.67**	8.30%	**458.70**	3.16%

Financial Year 2024 compared to Financial Year 2023

Total Income

Our total income increased by 5.57% to ₹27,527.53 crore for the Financial Year 2024 from ₹26,075.97 crore for the Financial Year 2023, primarily due to an increase in our revenue from operations.

Revenue from Operations: Revenue from operations increased by 5.80% to ₹27,183.21 crore for the Financial Year 2024 from ₹25,694.12 crore for Financial Year 2023. The increase in our revenue from operations was primarily due to an increase in revenue from our distribution business as the total power sold increased to 29,622 MUs in Financial Year 2024 from 28,398 MUs in Financial Year 2023. Revenue from our thermal generation business decreased in Financial Year 2024 due to decreased RLNG sales, which was partially offset by an increase in the volume of sale of power, on account of increased merchant sales in Financial Year 2024 as compared to Financial Year 2023. Revenue from our renewable generation business also increased due to the commissioning of renewable energy plants during Financial Year 2024 and an increase in generation from existing renewable energy plants due to a higher PLF for our wind power plants on account of an increase in plant availability.

Other Income: Other income decreased by 9.83% to ₹344.32 crore for Financial Year 2024 from ₹381.85 crore for Financial Year 2023, primarily due to a decrease on discounts on the prompt payment of power purchased.

Total Expenses

Our total expenses increased by 8.29% to ₹24,944.93 crore for Financial Year 2024 from ₹23,034.61 crore for the Financial Year 2023, due to increases in our fuel cost, cost of materials consumed, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses, which was partially offset by decreases in our electrical energy purchased, purchase of stock-in-trade and changes in inventories of finished goods and work-in-progress.

Electrical energy purchased: Electrical energy purchased decreased by 4.83% to ₹13,743.27 crore for Financial Year 2024 from ₹14,440.53 crore for Financial Year 2023, primarily due to the procurement of lower-priced power from external sources during Financial Year 2024 as compared to Financial Year 2023.

Fuel cost: Fuel cost increased by 125.18% to ₹5,647.95 crore for Financial Year 2024 from ₹2,508.23 crore for Financial Year 2023, primarily due to an increase in power generation volumes at our thermal generation plants, on account of an increase in off-take from long-term PPAs and sales in the merchant market.

Cost of material consumed: Cost of materials consumed increased by 21.41% to ₹406.50 crore for the Financial Year 2024 from ₹334.81 crore for the Financial Year 2023, primarily due to an increase in cost of materials consumed at our cables manufacturing unit during the financial year.

Purchase of stock-in-trade: Purchase of stock-in-trade decreased by 63.26% to ₹690.53 crore for the Financial Year 2024 from ₹1,879.26 crore for the Financial Year 2023, primarily due to a decrease in LNG procured for trading in Financial Year 2024 as compared to Financial Year 2023.

Changes in inventories of finished goods and work-in-progress: Changes in inventories of finished goods and work-in-progress increased by 170.06% to an increase of ₹20.45 crore for the Financial Year 2024 from a decrease of ₹29.19 crore for the Financial Year 2023, primarily to due (i) an increase of ₹18.44 crore in inventory of finished goods during Financial Year 2024 as compared to a decrease of ₹30.10 crore in Financial Year 2023 and (ii) an increase of ₹5.72 crore in inventory of work-in-progress in Financial Year 2024 as compared to a decrease of ₹13.24 crore in Financial Year 2023.

Employee benefit expense: Employee benefit expense increased by 5.70% to ₹611.19 crore for Financial Year 2024 from ₹578.25 crore for Financial Year 2023, primarily due to an increase in salaries, wages and bonus to ₹731.92 crore during Financial Year 2024 from ₹708.70 crore during Financial Year 2023.

Finance costs: Finance costs increased by 15.30% to ₹943.40 crore for Financial Year 2024 from ₹818.20 crore for Financial Year 2023, primarily due to an increase in interest expense for financial liabilities measured at amortised cost to ₹996.06 crore during Financial Year 2024 from ₹853.71 crore during Financial Year 2023 on account of higher interest rates during Financial Year 2024. Other borrowing costs also increased to ₹25.76 crore during Financial Year 2024 from ₹15.00 crore during Financial Year 2023 on account of higher borrowings during the financial year.

Depreciation and Amortization Expense: Depreciation and amortization expense increased by 7.54% to ₹1,377.50 crore for Financial Year 2024 from ₹1,280.96 crore for Financial Year 2023, primarily due an increase in depreciation expense on property, plant and equipment to ₹1,322.86 crore during Financial Year 2024 from ₹1,228.60 crore during Financial Year 2023. This was on account of capitalisation of assets at our distribution areas for the improvement of our existing distribution network.

Other Expenses: Other expenses increased by 22.93% to ₹1,504.14 crore for Financial Year 2024 from ₹1,223.56 crore for Financial Year 2023, primarily due to (i) an increase in consumption of stores and spares to ₹295.02 crore during Financial Year 2024 from ₹195.80 crore during Financial Year 2023; (ii) an increase in repairs to plant and machinery to ₹543.09 core during Financial Year 2024 from ₹499.74 crore during Financial Year 2023; (iii) an increase in legal, professional and consultancy fees to ₹97.66 crore during Financial Year 2024 from ₹79.68 crore during Financial Year 2023; (iv) an increase in donations to ₹63.55 crore during Financial Year 2024 from ₹43.03 crore during Financial Year 2023; and (v) an increase in corporate social responsibility expenses to ₹45.82 crore during Financial Year 2024 from ₹34.43 crore during Financial Year 2023.

Profit before tax: Profit before tax decreased by 15.08% to ₹2,582.60 crore for Financial Year 2024 from ₹3,041.36 Crore for Financial Year 2023, due to a one-time LNG trading gain in Financial Year 2023. All of our key performance parameters, including PLF and AT&C losses remained positive during Financial Year 2024.

Tax Expense: Tax expense decreased by 21.68% to ₹686.60 crore for Financial Year 2024 from ₹876.69 crore for Financial Year 2023. For Financial Year 2024, we incurred current tax of ₹445.07 crore and a deferred tax charge of ₹241.53 crore. For the Financial Year 2023, we incurred current tax of ₹672.82 crore and a deferred tax charge of ₹203.87 crore. Our effective tax rate, calculated as tax expenses during the year divided by profit before tax for the year, was 26.59% and 28.83% for Financial Years 2024 and 2023, respectively.

Profit for the year: Our net profit for the year decreased by 12.41% to ₹1,896.00 crore for Financial Year 2024 from ₹2,164.67 crore for Financial Year 2023.

Financial Year 2023 compared to Financial Year 2022

Total Income

Our total income increased by 79.93% to ₹26,075.97 crore for Financial Year 2023 from ₹14,492.65 crore for Financial Year 2022, due to increase in our revenue from operations and other income.

Revenue from Operations: Revenue from operations increased by 80.21% to ₹25,694.12 crore for Financial Year 2023 from ₹14,257.61 crore for Financial Year 2022. The increase in our revenue from operations was primarily due to an increase in revenue from our distribution business as the total power sold increased from 16,998 MUs in Financial Year 2022 to 28,398 MUs in Financial Year 2023, primarily on account of our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli. Revenue from our thermal generation business also increased due to increased RLNG sales in Financial Year 2023 as compared to Financial Year 2022. Revenue from our renewable generation business also increased due to additions to capacity from renewable asset acquisitions during Financial Year 2023.

Other Income: Other income increased by 62.46% to ₹381.85 crore for Financial Year 2023 from ₹235.04 crore for Financial Year 2022, primarily due to (i) an increase in discounts on prompt payment of power purchased to ₹115.60 crore during Financial Year 2023 from ₹19.00 crore during Financial Year 2022, primarily on account of our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli in Financial Year 2023 and (ii) an increase on the gain on sale of current investments in mutual funds to ₹55.64 crore during Financial Year 2023 from ₹27.84 crore during Financial Year 2022.

Total Expenses

Our total expenses increased by 82.40% to ₹23,034.61 crore for Financial Year 2023 from ₹12,628.68 crore for Financial Year 2022, due to increases in our electrical energy purchased, cost of material consumed, purchase of stock-in-trade, employee benefits expense, finance costs and other expenses, which was partially offset by decreases in fuel costs, changes in inventories of finished goods and work-in-progress and depreciation and amortisation expense.

Electrical energy purchased: Electrical energy purchased increased by 182.24% to ₹14,440.53 crore for Financial Year 2023 from ₹5,116.39 crore for Financial Year 2022, primarily due to the increase in the volume of electricity purchased, primarily on account of our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli.

Fuel cost: Fuel cost decreased by 26.30% to ₹2,508.23 crore for Financial Year 2023 from ₹3,403.40 crore for Financial Year 2022, primarily due to decreases in fuel purchases at our gas-based power plants, on account of decreased long-term PPAs and decreased sales in the merchant market, which was partially offset by increased fuel costs at our coal-based power plant, on account of increased off-take.

Cost of material consumed: Cost of materials consumed increased by 27.48% to ₹334.81 crore for Financial Year 2023 from ₹262.64 crore for Financial Year 2022, primarily due to an increase in cost of materials consumed at our cables manufacturing unit during the financial year.

Purchase of stock-in-trade: Purchase of stock-in-trade increased by 514.16% to ₹1,879.26 crore for Financial Year 2023 from ₹305.99 crore for Financial Year 2022, primarily due to an increase in LNG procured for trading in Financial Year 2023 as compared to Financial Year 2022.

Changes in inventories of finished goods and work-in-progress: Changes in inventories of finished goods and work-in-progress decreased by 162.74% to a decrease of ₹29.19 crore for Financial Year 2023 from a decrease of ₹11.11 crore for Financial Year 2022, primarily to due to an increase of ₹30.10 crore in inventory of finished goods during Financial Year 2023 as compared to an increase of ₹8.24 crore in Financial Year 2022.

Employee benefit expense: Employee benefit expense increased by 8.38% to ₹578.25 crore for Financial Year 2023 from ₹533.54 crore for Financial Year 2022, primarily due to an increase in salaries, wages and bonus to ₹708.70 crore during Financial Year 2023 from ₹640.03 crore during Financial Year 2022, on account of our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli in Financial Year 2023.

Finance costs: Finance costs increased by 30.24% to ₹818.20 crore for Financial Year 2023 from ₹628.21 crore for Financial Year 2022, primarily due to an increase in interest expense for financial liabilities measure at amortised cost to ₹853.71 crore during Financial Year 2023 from ₹639.43 crore during Financial Year 2022. Other borrowings also increased to ₹15.00 crore during Financial Year 2023 from ₹14.29 crore during Financial Year 2022, on account of an increase in borrowings during the financial year.

Depreciation and Amortization Expense: Depreciation and amortization expense decreased by 3.97% to ₹1,280.96 crore for Financial Year 2023 from ₹1,333.86 crore for Financial Year 2022, primarily due to the impairment of the DGEN power plant in Financial Year 2022, which was partially offset by increased depreciation in Financial Year 2023 as compared to Financial Year 2022, on account of (i) our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli in Financial Year 2023 and (ii) the acquisition of Surya Vidyut Limited and Visual Percept Solar Projects Private Limited in Financial Year 2023.

Other Expenses: Other expenses increased by 15.89% to ₹1,223.56 crore for Financial Year 2023 from ₹1,055.76 crore for Financial Year 2022, primarily due to (i) an increase in repairs to plant and machinery to ₹499.74 core during Financial Year 2023 from ₹421.89 crore during Financial Year 2022; (ii) an increase in security expenses to ₹63.69 core during Financial Year 2023 from ₹49.87 crore during Financial Year 2022; (iii) an increase in legal, professional and consultancy fees to ₹79.68 crore during Financial Year 2023 from ₹48.83 crore during Financial Year 2022; and (iv) an increase in miscellaneous expenses to ₹143.44 crore during Financial Year 2023 from ₹104.88 crore during Financial Year 2022, on account of our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli.

Profit before exceptional items and tax: Profit before exceptional items and tax increased by 63.17% to ₹3,041.36 crore for Financial Year 2023 from ₹1,863.97 crore for Financial Year 2022, primarily due to: (i) a RLNG trading gain on sale in Financial Year 2023, (ii) our takeover of the licensed area of Diu Daman and Dadra and Nagar Haveli in Financial Year 2023, (iii) the acquisition of renewable assets in Financial Year 2023, and (iv) the positive performance on our key parameters, including PLFs and reduction in AT&C losses, and improved performance compared to normative parameters.

Exceptional item: We recorded an exceptional item ₹1,300.00 crore in Financial Year 2022, primarily due to recording an impairment loss, on account of the DGEN power plant's intermittent operation due to factors such as the unavailability of domestic gas, high prices of imported gas and the non-availability of power selling arrangements. We did not record an exceptional item in Financial Year 2023.

Profit before Tax: As a result of the foregoing, our profit before tax increased by 439.28% to ₹3,041.36 crore for Financial Year 2023 from ₹563.97 crore for Financial Year 2022.

Tax Expense: Tax expense increased by 732.80% to ₹876.69 crore for Financial Year 2023 from ₹105.27 crore for Financial Year 2022. For Financial Year 2023, we incurred current tax of ₹672.82 crore and a deferred tax charge of ₹203.87 crore. For the Financial Year 2022, we incurred current tax of ₹372.48 crore and a deferred tax credit of ₹267.21 crore. Our effective tax rate, calculated as tax expenses during the year divided by profit before tax for the year, was 28.83% and 18.67% for Financial Years 2023 and 2022, respectively.

Profit for the year: Our net profit for the year increased by 371.91% to ₹2,164.67 crore for Financial Year 2023 from ₹458.70 crore for Financial Year 2022.

Cash Flows

The following table sets forth our cash flows for the periods and years indicated:

Particulars	As at and for the six months ended September 30,		As at and for the Financial Year ended March 31,		
	2024	2023	2024	2023	2022
	(₹in crore)				
Net cash flow generated from operating activities	2,335.19	2,024.48	4,258.35	3,455.78	3,167.18
Net cash used in investing activities	(1,754.60)	(1,399.76)	(3,544.43)	(3,215.96)	(2,483.12)
Net cash used in financing activities	(578.37)	(442.67)	(551.32)	(341.00)	(501.93)
Net (decrease) / increase in cash and cash equivalents	2.22	182.05	162.60	(101.18)	182.13
Cash and cash equivalents considered as assets	(8.62)	-	-	-	-

Particulars	As at and for the six months ended September 30,		As at and for the Financial Year ended March 31,		
	2024	2023	2024	2023	2022
	(₹in crore)				
classified as held for sale					
Cash and cash equivalents at the end of the period/year	344.43	370.28	350.83	188.23	289.41

Operating Activities

Net cash flow generated from operating activities was ₹2,335.19 crore for the six-month period ended September 30, 2024. Our profit before tax was ₹2,003.33 crore for the six-month period ended September 30, 2024. Operating profit before working capital changes was ₹3,165.84 crore, which was primarily adjusted for depreciation and amortisation expense of ₹730.47 crore and finance costs of ₹532.43 crore. Movements in our working capital for the six-month period ended September 30, 2024 primarily comprised an increase in trade receivables of ₹872.78 crore.

Net cash flow generated from operating activities was ₹4,258.35 crore for Financial Year 2024. Our profit before tax was ₹2,582.60 crore for the Financial Year 2024. Operating profit before working capital changes was ₹4,517.49 crore, which was primarily adjusted for depreciation and amortisation expense of ₹1,377.50 crore and finance costs of ₹943.40 crore. Movements in our working capital for the Financial Year 2024 primarily comprised an increase in other financial assets of ₹775.59 crore.

Net cash flow generated from operating activities was ₹2,024.48 crore for the six-month period ended September 30, 2023. Our profit before tax was ₹1,451.94 crore for the six-month period ended September 30, 2023. Operating profit before working capital changes was ₹2,484.19 crore, which was primarily adjusted for depreciation and amortisation expense of ₹673.70 crore and finance costs of ₹474.44 crore. Movements in our working capital for the six-month period ended September 30, 2023 primarily comprised an increase in other financial assets of ₹431.54 crore.

Net cash flow generated from operating activities was ₹3,455.78 crore for Financial Year 2023. Our profit before tax was ₹3,041.36 crore for Financial Year 2023. Operating profit before working capital changes was ₹4,869.50 crore, which was primarily adjusted for depreciation and amortisation expense of ₹1,280.96 crore, finance costs of ₹818.20 crore. Movements in our working capital for Financial Year 2023 primarily comprised an increase in other financial assets of ₹929.80 crore.

Net cash flow generated from operating activities was ₹3,167.18 crore for Financial Year 2022. Our profit before tax was ₹563.97 crore for Financial Year 2022. Operating profit before working capital changes was ₹3,561.39 crore, which was primarily adjusted for depreciation and amortisation expense of ₹1,333.86 crore, finance costs of ₹628.21 crore and an exceptional item of ₹1,300.00 crore. Movements in our working capital for Financial Year 2022 primarily comprised an increase in other financial assets of ₹287.41 crore.

Investing Activities

Net cash used in investing activities was ₹1,754.60 crore for six-month period ended September 30, 2024, primarily comprising payments for property, plant and equipment, intangible assets and right-of-use assets of ₹1,861.25 crore.

Net cash used in investing activities was ₹3,544.43 crore for Financial Year 2024, primarily comprising (i) payments for property, plant and equipment, intangible assets and right-of-use assets of ₹3,656.48 crore; and (ii) investments in bank deposits (original maturity more than three months) of ₹1,118.90 crore, which was partially offset by redemption in bank deposits (original maturity more than three months) of ₹1,225.43 crore.

Net cash used in investing activities was ₹1,399.76 crore for six-month period ended September 30, 2023, primarily comprising (i) payments for property, plant and equipment, intangible assets and right-of-use assets of ₹1,247.28 crore; and (ii) investments in bank deposits (original maturity more than three months) of ₹338.22 crore, which was partially offset by redemption in bank deposits (original maturity more than three months) of ₹406.35 crore.

Net cash used in investing activities was ₹3,215.96 crore for the Financial Year 2023, primarily comprising (i) payments for property, plant and equipment, intangible assets & investment property of ₹ 2,815.55 crore; (ii) investments in bank deposits (net) (original maturity more than three months) of ₹ 115.43 crore, which was partially offset by (iii) purchase of current investments (net) of ₹449.25 crore; and (iv) redemption in inter corporate deposits of ₹266.84 crore.

Net cash used in investing activities was ₹2,483.12 crore for the Financial Year 2022, primarily comprising (i) payments for property, plant and equipment, intangible assets & investment property of ₹1,809.14 crore; (ii) acquisition of subsidiaries net of cash and cash equivalents of ₹515.23 crore; (iii) advance against equity investment of ₹555.00 crore; (iv) redemption in bank deposits (original maturity more than three months) (net) of ₹50.63 crore; (v) redemption in inter corporate deposits of ₹113.40 crore; and (vi) proceeds from current investments (net) of ₹102.03 crore.

Financing Activities

Net cash used in financing activities was ₹578.37 crore for the six-month period ended September 30, 2024, primarily comprising (i) repayment of long-term borrowings of ₹361.62 crore; (ii) prepayment of long-term borrowings of ₹311.15 crore; (iii) repayment of short-term borrowings of ₹817.02 crore; (iv) dividend paid of ₹196.23 crore; and (v) finance costs paid of ₹452.02 crore, which was partially offset by (i) proceeds from long-term borrowings of ₹964.26 crore and (ii) proceeds from short-term borrowings of ₹527.00 crore.

Net cash used in financing activities was ₹551.32 crore for Financial Year 2024, primarily comprising (i) repayment of long-term borrowings of ₹1,263.68 crore; (ii) prepayment of long-term borrowings of ₹1,241.54 crore; (iii) repayment of short-term borrowings of ₹1,074.98 crore; and (iv) dividend paid of ₹771.10 crore; and (v) finance costs paid of ₹996.66 crore, which was partially offset by (i) proceeds from long-term borrowings of ₹3,300.13 crore; and (ii) proceeds from short-term borrowings of ₹1,365.00 crore.

Net cash used in financing activities was ₹442.67 crore for the six-month period ended September 30, 2023, primarily comprising (i) repayment of long-term borrowings of ₹694.09 crore; (ii) prepayment of long-term borrowings of ₹353.92 crore; (iii) repayment of short-term borrowings of ₹250.00 crore; and (iv) dividend paid of ₹194.36 crore; and (v) finance costs paid of ₹446.41 crore, which was partially offset by (i) proceeds from long-term borrowings of ₹962.18 crore; and (ii) proceeds from short-term borrowings of ₹475.00 crore.

Net cash used in financing activities was ₹341.00 crore for Financial Year 2023, primarily comprising (i) repayment of long-term borrowings of ₹1,359.28 crore; (ii) prepayment of long-term borrowings of ₹341.86 crore; (iii) repayment of short-term borrowings of ₹1,113.74 crore; (iv) dividend paid of ₹1,061.81 crore; and (v) finance costs paid of ₹867.53 crore, which was partially offset by (i) proceeds from long-term borrowings of ₹3,812.34 crore; and (ii) proceeds from short-term borrowings of ₹400.00 crore.

Net cash used in financing activities was ₹501.93 crore for Financial Year 2022, primarily comprising (i) repayment of long-term borrowings of ₹885.59 crore; (ii) prepayment of long-term borrowings of ₹235.49 crore; (iii) dividend paid of ₹702.04 crore; and (iv) finance costs paid of ₹649.49 crore, which was partially offset by (i) proceeds from long-term borrowings of ₹1,125.22 crore; and (ii) proceeds from short-term borrowings of ₹693.22 crore.

Indebtedness

As at September 30, 2024, we had non-current borrowings of ₹10,445.45 crore after considering unamortised expense (net of premium) of ₹16.42 crore and current borrowings of ₹1,063.36 crore after considering unamortised expense of ₹5.22 crore.

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities, as per Ind – AS 37 (Provisions, Contingent Liabilities and Contingent Assets), as of September 30, 2024:

Contingent Liabilities	As of September 30, 2024 *(₹ in crore)*
Disputed income tax matters	20.37
Disputed sales tax matters	5.25

Contingent Liabilities	As of September 30, 2024 *(₹ in crore)*
Disputed service tax matters	0.49
Disputed custom duty matters	18.50
Disputed excise duty matters	0.43
Disputed stamp duty matters	36.37
Disputed value added tax matters	3.36
Disputed central sales tax matters	4.09
Disputed Goods and Service Tax matters	16.20
Claims against the Group not acknowledged as debt(1)	182.12

(1) *Break-up of claims against us are not acknowledged as debt.*

Claims against the Group not acknowledged as debt	As of September 30, 2024 *(₹ in crore)*
Claim of regulatory surcharge including interest in franchise distribution business	98.84
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	28.43
Compensation payable for short lifting for material	8.46
Others	46.39
Total	182.12

Capital Expenditure

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily towards improvement and development of our existing and new network at our distribution areas and expansion of renewable businesses.

For the six months ended September 30, 2024 and Financial Years 2024, 2023 and 2022, our capital expenditures (calculated as the sum of addition to property, plant and equipment, investment property and intangible asset during the year / period, increase / (decrease) in capital work-in progress during the year / period and increase / (decrease) in capital advances during the year / period) were ₹1,533.96 crore, ₹3,855.21 crore, ₹2,937.53 crore and ₹1,906.18 crore, respectively.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 46.

Unusual or Infrequent Events or Transactions

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes and Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified in "— *Significant Factors Affecting our Results of Operations*" on page 150 and the uncertainties described in "*Risk Factors*" on page 47. To our knowledge, except as disclosed in this Preliminary Placement Document, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 176, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Seasonality of Business

Our operations may be affected by difficult working conditions during the monsoon season that restrict our ability to carry on power supply and generation activities and fully utilise our resources. The volume of electricity consumed by our customers is subject to seasonal fluctuations. Accordingly, our revenues from our distribution business in the months of November to February are generally lower than those during the other months of the year. Further, the prices of power during the peak summer period generally remains higher, leading to higher working capital requirement.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 176, 103 and 47, respectively for further information on our industry and competition.

Recent Accounting Pronouncements

On August 12, 2024 and September 9, 2024, the Ministry of Corporate Affairs provided notification of amendments to the Companies (Indian Accounting Standards) Amendment Rules, 2023 as specified below:

(i) Ind AS 117 – "Insurance Contracts"

(ii) Ind AS 116 – "Leases"

The amendments became effective April 1, 2024 and did not have any material impact on the amounts recognised in prior periods.

Significant developments subsequent to September 30, 2024

A share purchase agreement has been executed between our Company, Torrent Investments Private Limited ("**TIPL**") and Torrent Electricals Limited ("**TEL**") *(formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)* on October 17, 2024 for the sale of equity shares of TEL held by our Company to TIPL.

Except as disclosed above and elsewhere in this Preliminary Placement Document, no other circumstances have arisen since the date of the last financial statements disclosed in this Preliminary Placement Document, which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 47 for a discussion of the risks that may affect our business, financial condition, or results of operations, and "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 277 and 149, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included several operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our Audited Consolidated Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled "Strategic assessment of Indian power market" dated November 29, 2024 (the "**CRISIL MI&A Report**"), prepared and released by CRISIL Market Intelligence & Analytics, a division of CRISIL Limited ("**CRISIL MI&A**"), which has been paid and commissioned for by our Company pursuant to an engagement letter dated September 16, 2024, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Issue. The CRISIL MI&A Report will be made available on the website of our Company at https://www.torrentpower.com from the date of this Preliminary Placement Document. The data included herein includes excerpts from the CRISIL MI&A Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL MI&A Report and included herein with respect to any particular year refers to such information for the relevant financial year. See "Industry and Market Data" and "Risk Factors — Internal Risk Factors — We have referred to the data derived from industry reports commissioned and paid for by our Company from CRISIL MI&A exclusively for the purpose of the Issue" on pages 16 and 47, respectively.*

Our Company's Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information as of and for the six month periods ended September 30, 2024 and the Financial Years ended March 31, 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Information" on page 277. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to our Company.

Overview

We are one of India's leading private sector integrated power utility companies with an established presence across power generation, transmission and distribution (Source: *CRISIL MI&A Report*). We are part of the Torrent Group, an Indian conglomerate with significant experience in multiple businesses such as pharmaceuticals, power and city gas distribution (Source: *CRISIL MI&A Report*).

Our Company was incorporated in 2004 and the Torrent Group has been involved in the business of power distribution since 1997 following the acquisitions of Surat Electricity Company and AEC Limited. Our operational power generation plants are spread across the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Haryana, Telangana, Andhra Pradesh and Tamil Nadu, and a combined capacity of 7,559 MWp (including 2,979 MWp under construction) as of September 30, 2024. We own and operate a portfolio of 3,092 MW of thermal generation plants with 2,730 MW or 88.29% of our thermal capacity being natural gas-based power plants and 362 MW or 11.71% of our thermal capacity being coal-based power plants, as on September 30, 2024. Our renewable generation portfolio comprises a combination of solar and wind generation plants. As of September 30, 2024, our total operational renewable generation capacity was 1,488 MWp. This included a solar power capacity of 567 MWp and wind power capacity of 921 MW. In addition, we have an under construction renewable portfolio of 2,979 MWp (1,374 MW wind and 1,605 MWp solar).

We are actively pursuing development of a pumped hydro storage project. We received a letter of award from the Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") for a 1,500 MW / 12,000 MWh pumped hydro storage project in the Raigad District with energy storage capacity for 40 years. Further, we have been awarded additional 500 MW / 4000 MWh under greenshoe option. We are in the process of obtaining the necessary approvals for the development of 8,350 MW in the states of Uttar Pradesh and Maharashtra. We are also exploring investment opportunities in green hydrogen. We were awarded 18 KTPA production capacity under the Strategic Intervention for Green Hydrogen Transition Scheme, a production linked scheme.

Our distribution business includes both licensed and franchised distribution, covering an aggregate area of approximately 3,054 sq. km. and distributing 29.62 billion units of power to 4.13 million customers, as of March 31, 2024. We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej Special Economic Zone ("**Dahej SEZ**"), Dholera Special Investment Region ("**Dholera SIR**"), Mandal Bechraji Special Investment Region ("**Mandal Bechraji SIR**") and in the Union Territory of Dadra and Nagar Haveli and Daman and Diu ("**DNH DD**").

Through our franchise model, we distribute power in Bhiwandi, Agra and Shil-Mumbra-Kalwa ("**SMK**"), operating under input-based distribution franchise agreements where we manage the distribution and collection processes. We entered into India's first of its kind distribution franchisee agreement with MSEDCL for the franchisee area of Bhiwandi (Source: *CRISIL MI&A Report*). Notably, we were the first private sector entity to manage power distribution under a franchise agreement, and through a combination of advanced technology, improved management practices, and customer-focused initiatives, we successfully reduced AT&C losses from 58.00% at the time we took over distribution in Financial Year 2007 to 9.30% during Financial Year 2024. We have also entered into franchisee agreements to distribute power in the region of Agra and SMK.

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines operated by us and 355 km of 400kV double-circuit operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. These transmission lines within Torrent Power Grid Limited's operations are governed by tariff regulations stipulated by the Central Electricity Regulatory Commission ("**CERC**").

We have an established presence across key markets in India (Source: *CRISIL MI&A Report*). Our generation and distribution infrastructure is strategically located to serve both urban and industrial centers, ensuring reliability and efficiency in power supply. Our distribution network covers key regions under both licensed and franchisee models. We hold distribution licenses in urban and industrial regions such as Ahmedabad, Surat, Dahej SEZ, Dholera SIR, DNH DD and Mandal Bechraji SIR.

We are led by experienced Promoters, Board and a senior management team with an extensive experience in the power industry. Our Senior Management Personnel and Key Management Personnel have worked with us for an average of more than 14 years, resulting in effective operational co-ordination and continuity essential for our growth.

During the Financial Year ended March 31, 2024, we achieved a return on net worth of 14.48%, and a return on capital employed aggregating to 14.60%. Moreover, we have been able to generate a higher return on equity ("**ROE**") and return of capital employed ("**ROCE**") among our listed peers during Financial Years 2024 and 2023 (Source: *CRISIL MI&A Report*). We also maintain a healthy capital structure, with a net debt to Adjusted EBITDA ratio of 2.25 and a net debt to equity ratio of 0.80 as of March 31, 2024. This provides with significant financial flexibility, allowing us to pursue growth opportunities, particularly in the renewable energy sector.

The following table sets forth certain operational and financial parameters, as of or for the period and financial years indicated below:

Parameter	**Unit**	**As of and for the six months ended September 30, 2024**	**As of and for the Financial Year**		
			2024	**2023**	**2022**
Revenue from Operations	*₹ in Crore*	16,209.54	27,183.21	25,694.12	14,257.61
Sales – Licensed Distribution	*Million Units*	12,933.59	23,362.08	22,311.79	11,680.10
Sales – Franchised Distribution	*Million Units*	3,494.04	6,260.45	6,085.28	5,317.73
Distribution Loss – Licensed Distribution	*%*	3.02	2.69	2.62	3.74
Distribution Loss – Franchised Distribution	*%*	12.91	11.89	12.47	15.19
Adjusted EBITDA[(1)]	*₹ in Crore*	3,065.24	4,559.18	4,758.67	3,591.00

Parameter	Unit	As of and for the six months ended September 30, 2024	As of and for the Financial Year		
			2024	2023	2022
Adjusted EBITDA Margin(2)	%	18.91	16.77	18.52	25.19
Profit for the period/year	₹ in Crore	1,492.06	1,896.00	2,164.67	458.70
Adjusted Net Profit (3)	*₹ in Crore*	1,492.06	1,896.00	2,164.67	1,386.70*
Net Profit Margin(10)	%	9.20	6.97	8.42	3.22
Adjusted Net Profit Margin (4)	*%*	9.20	6.97	8.42	9.73*
Net Worth(5)	*₹ in Crore*	15,456.16	13,764.77	12,416.79	10,289.20
Net Debt / Adjusted EBITDA(6)	*Ratio*	—	2.25	1.97	2.30
Net Debt / Equity(7)	*Ratio*	0.70	0.80	0.82	0.81
Return on Capital Employed(8)	*%*	—	14.60	18.22	13.13*
Return on Net Worth(9)	*%*	—	14.48	19.07	13.20*

**Excluding exceptional item pertaining to DGEN plant impairment in Financial Year 2022.*
(1) Adjusted EBITDA is calculated as the sum of Profit before Tax, Finance Cost, Depreciation and Amortization Expense and Exceptional Items less Other Income.
(2) Adjusted EBITDA margin is calculated as Adjusted EBITDA for the period/year divided by Revenue from Operations for the period/year.
(3) Adjusted Net Profit is calculated as the sum of Net Profit for the period/year and Exceptional Items (net of tax effect).
(4) Adjusted Net Profit Margin is calculated as Adjusted Net Profit for the period/year divided by Revenue from Operations for the period/year.
(5) Net Worth is calculated as the sum of Equity Share Capital, Other Equity, Non-controlling interests, Deferred tax liabilities less Deferred tax assets.
(6) Net Debt / Adjusted EBITDA is calculated as Net Debt (calculated as Total Debt by the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings less Cash and cash equivalents, Balance in fixed deposit accounts included in Bank Balance other than cash and cash equivalent, Bank fixed deposits included in Other Non-Current Financial Assets, Current Investments, Inter-corporate deposits included in Other Non-Current Financial Assets and Other Current Financial Assets) divided by Adjusted EBITDA.
(7) Net Debt / Equity is calculated as Net Debt divided by Equity. Net Debt is calculated as Total Debt by the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings less Cash and Cash Equivalents, Balance in fixed deposit accounts included in Bank Balance other than cash and cash equivalent, Bank fixed deposits included in Other Non-Current Financial Assets, Current Investments, Inter-corporate deposits included in Other Non-Current Financial Assets and Other Current Financial Assets. Equity is calculated as the sum of Equity Share Capital, Other Equity, Non-controlling Interests, Deferred Tax Liabilities less sum of Deferred Tax Assets, Other Intangible Assets and Goodwill.
(8) Return on Capital Employed is calculated as return (calculated as the sum of Profit before Tax, Exceptional Items and Finance Cost) divided by Average for 2 years (current and previous) of Debt (calculated as the sum of Non-Current Borrowings, Current Borrowings, Unamortised Expenses of Non-Current Borrowings and Unamortised Expenses of Current Borrowings) and Equity (calculated as the sum of Total Equity and Deferred Tax Liabilities less Deferred tax assets).
(9) Return on Net Worth is calculated as Adjusted Net Profit divided by Average for 2 years (current and previous) Net Worth.
(10) Net Profit Margin is calculated as Profit for the period/year divided by Revenue from Operations for the period/year
Note: For Reconciliation of our Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt to Equity, Adjusted Net Profit, Adjusted Net Profit Margin, Net Worth and Return on Net Worth, Return on Capital Employed and Net Debt to Adjusted EBITDA, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 149 of the Preliminary Placement Document.

Interest Coverage Ratio

The interest coverage ratio for the period/ financial years indicated below are as follow:

(₹ in crores)

Particulars	For six months period ended		For the financial years ended		
	September 30, 2024	September 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Total Comprehensive Income **(A)**	1,484.37	1,064.96	1,881.95	2,170.71	460.55
Adjusted Deferred Tax **(B)**	241.89	121.41	234.77	207.37	(266.17)
Depreciation and amortisation expense **(C)**	730.47	673.70	1,377.50	1,280.96	1,333.86
Exceptional Items **(D)**	-	-	-	-	1,300.00
Adjusted Finance Cost# **(E)**	479.88	433.09	863.71	783.70	580.73
Adjusted Profit (F= A+B+C+D+E)	2,936.61	2,293.16	4,357.93	4,442.74	3,408.97
Interest Coverage Ratio (number of times) (on a consolidated basis) (F/E)	**6.12**	**5.29**	**5.05**	**5.67**	**5.87**

Notes:
Interest coverage ratio is calculated as the sum of total comprehensive income, Adjusted deferred tax, depreciation and amortisation and Adjusted finance cost divided by Adjusted finance cost. Adjusted deferred tax is calculated as the sum of tax relating to remeasurement of the defined benefit plans and deferred tax.
#Adjusted Finance costs is calculated as sum of Interest expense for financial liabilities measured at amortised cost for Term loans, Interest expense for financial liabilities measured at amortised cost for Non convertible debentures, Interest expense for financial liabilities measured at amortised cost for Working capital loans and Interest expense for financial liabilities measured at amortised cost for Suppliers credit.

Our Strengths

Large and Established Private Sector Integrated Power Utility Company

We are one of India's leading private sector integrated power utility companies, with a strong presence across power generation (both thermal and renewable), transmission, and distribution (Source: *CRISIL MI&A Report*). As part of the Torrent Group, an Indian conglomerate with extensive experience in diverse sectors including pharmaceuticals, power and city gas distribution (Source: *CRISIL MI&A Report*).

We have a diversified generation portfolio of thermal, renewable and hybrid power projects (under construction) (Source: *CRISIL MI&A Report*). Of our three gas-based power plants (SUGEN, UNOSUGEN and DGEN), 1,163 MW of our SUGEN and UNOSUGEN plants are supported by long-term power purchase agreements ("**PPAs**") regulated by the CERC. These PPAs operate under a cost-plus framework ensuring stable and predictable returns through fixed tariffs, plus performance-based incentives. Our coal-based plant, AMGEN also operates under a regulated structure regulated by Gujarat Electricity Regulatory Commission ("**GERC**") that provides guaranteed returns, further strengthening our financial performance.

In our generation business, we are focused on cleaner energy sources. For the six months ended September 30, 2024, 95.21% of our capacity utilized cleaner fuels, such as natural gas and renewable energy sources, resulting in a lower carbon footprint as compared to traditional coal-based power generation. This emphasis on environmentally responsible operations positions us as one of the leaders in India's energy transition, aligning with global sustainability goals while maintaining high operational efficiency (Source: *CRISIL MI&A Report*).

As of September 30, 2024, our projects had a total operational capacity of 4.5 GW, distributed across several types of fuel: 2.7 GW of gas-based generation, 0.4 GW of coal-based generation, 0.9 GW of wind projects, and 0.5 MWp of solar projects. Additionally, we have significant capacity under development, including 1.6 GWp of solar projects and 1.4 GW of wind projects. This diverse energy mix allows us to optimize generation efficiency, reduce our carbon footprint, and meet India's growing demand for reliable and sustainable power.

Our distribution business includes both licensed and franchised distribution. We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera SIR and Mandal Bechraji SIR and in the union territory of DNH DD, covering an aggregate area of approximately 2,047 sq. km. Through our franchise model, we hold licenses to distribute power in Bhiwandi, Agra, and SMK, operating under input-based distribution franchise agreements where we manage the distribution and collection processes. We distribute 29.62 billion units of power, serving 4.13 million customers as of March 31, 2024 in our distribution areas.

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines by us and 355 km of 400kV double-circuit lines operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. These transmission lines under Torrent Power Grid Limited's operations are governed by tariff regulations stipulated by the CERC.

Fully Integrated Power Utility Model

We operate a fully integrated, power utility model that spans power generation, transmission, and distribution, (Source: *CRISIL MI&A Report*) with assets across coal, gas, and renewable energy. A portion of our generating assets, including those powered by gas, coal, and renewable sources, directly supply our distribution network, and 49.51% of our operational renewable power capacity is tied up with our own licenced distribution business, integrating our operations and providing long-term revenue visibility. A significant portion of our thermal generating capacity is secured through long-term PPAs with our licensed distribution business. These agreements are based on a cost-plus model, providing predictable returns through regulated tariffs and performance-based incentives.

Our licensed distribution, transmission and thermal generation businesses (excluding untied capacity) are regulated with established tariff frameworks. With established tariff frameworks, our transmission network is primarily utilized to evacuate power from our generating assets to our licensed distribution areas which, as of March 31, 2024, served 2.73 million consumers. During the Financial Year 2023, 60.43% of our EBITDA came from stable integrated generation and distribution business segments. This integrated model provides long-term cash flow visibility and reduces exposure to market volatility, resulting in a business model that is both resilient and scalable, and positioning us as one of the leaders in India's energy sector (Source: *CRISIL MI&A Report*).

Our distribution business is a key driver of our stability and profitability. We are the sole licensee in the service areas of Ahmedabad, Gandhinagar and Surat in Gujarat and DNH DD, operating under a fully regulated business model with exclusive rights to distribute electricity. We are also the second licensee in the service areas of Dholera SIR, Dahej SEZ and Mandal Bechraji SIR. Through our franchise model, we distribute power in Bhiwandi, Agra, and SMK, operating under input-based distribution franchise agreements where we manage the distribution and collection processes. This offers us the ability to retain the upside from improved operational efficiencies. Notably, our Bhiwandi franchise was the first-of-its-kind franchise distribution agreement in India permitting a private sector company to manage a high-loss distribution area (Source: *CRISIL MI&A Report*). At the time of entering into this agreement, the franchise faced severe challenges, including overloaded and unsafe infrastructure, a disorganized billing system, and rampant power theft, with up to several hours of daily power cuts and high aggregate technical and commercial ("**AT&C**") losses. We have achieved a significant turnaround, reducing AT&C losses to 9.30% during Financial Year 2024.

To address the technical and commercial challenges faced at the Bhiwandi and Agra distribution areas, we implemented a comprehensive strategy involving automation and supervisory control and data acquisition ("**SCADA**") control systems across networks, extensive upgrades to improve safety and load management, and targeted initiatives to reduce transmission and distribution losses. Additionally, we engaged with customers through grievance camps, and fire and electrification safety initiatives to encourage safety of our consumers. Through these targeted efforts, we not only improved the safety, reliability, and efficiency of these distribution networks but also demonstrated our expertise in transforming high-loss areas into efficient, customer-focused operations.

A key competitive advantage of our portfolio is our ability to directly import liquefied natural gas ("**LNG**") for our gas-based power plants. This direct procurement capability allows us to secure LNG at more competitive rates compared to other gas-based power projects, which rely on intermediaries for fuel supply (Source: *CRISIL MI&A Report*). By controlling our fuel supply chain, we optimize fuel costs and maintain a reliable supply, enabling us to capitalize on market opportunities, particularly in the merchant power market. Furthermore, through our integrated utility model and power generation capacity, we were able to meet 33.44% of the electricity demand in Ahmedabad and Surat during Financial Year 2023. This in-house supply of electricity provides us a competitive advantage by delivering cost-effective power to our distribution regions, leading to lower power purchase costs.

Comprehensive Presence Across Key Markets

We have an established presence across key markets in India (Source: *CRISIL MI&A Report*). Our generation and distribution infrastructure is strategically located to serve both urban and industrial centers, ensuring reliability and efficiency in power supply. We operate across multiple states, with assets in the States of Gujarat, Maharashtra, Haryana, Karnataka, Rajasthan, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, Andhra Pradesh, Telangana and DNH DD. This geographic diversity reduces our reliance on any single market and enhances our ability to serve a broad customer base, ensuring long-term operational and financial stability.

Our power generation portfolio, comprising wind, solar, gas, and coal-based plants, is strategically dispersed to meet local and regional demand. Our wind and solar assets are located in Gujarat, Maharashtra, Haryana, Karnataka, Tamil Nadu, Telangana, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh and Rajasthan, while our gas and coal plants are concentrated in regions such as Gujarat, where industrial demand is high. This diverse energy mix allows us to balance energy generation from traditional thermal sources with renewable energy projects, providing us with a competitive advantage in terms of cost, supply stability, and regulatory compliance.

Operational Excellence and Industry-Leading Efficiency

We have significant experience in executing and operating large-scale, complex power projects, including gas-based power plants and extensive power distribution networks. Our ability to manage these operations demonstrates our operational expertise and capability to handle infrastructure projects critical to India's energy sector.

We focus heavily on operations and maintenance to continually improve yields and optimize the performance of our assets. Our proactive operations and maintenance practices ensure that our plants operate at peak efficiency and maintain high levels of availability, enhancing output and extending the lifespan of our infrastructure. For the six months ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, had a distribution loss of 3.02%, 2.69%, 2.62% and 3.74%, respectively, in our licensed power distribution areas, which was one of the lowest among power distribution companies in India (Source: *CRISIL MI&A Report*). During these periods, we also maintained more than 99% average power availability in these areas (excluding DNH DD), respectively, ensuring consistent and reliable service for our consumers.

One of our notable operational achievements is our role in the Bhiwandi distribution franchise where we were the first private sector entity to manage power distribution under a franchise agreement. Through a combination of advanced technology, improved management practices, and customer-focused initiatives, we successfully reduced AT&C losses from 58.00% during Financial Year 2007 to 9.30% during Financial Year 2024, demonstrating our ability to turnaround high-loss areas with significant operational improvements.

We also provide 24x7 power supply in our licensed services areas, ensuring more than 99% power availability excluding DNH DD for our customers during Financial Year 2024.

Strong Financial Performance and Capital Efficiency

We have consistently demonstrated good financial performance with prudent capital management. During the Financial Years 2024, 2023 and 2022, we achieved a return on net worth of 14.48%, 19.07% and 13.20%, respectively. Similarly, during the Financial Years 2024, 2023 and 2022, we achieved a return on capital employed aggregating to 14.60%, 18.22% and 13.13%, respectively.

We also maintain a healthy capital structure, with a net debt to Adjusted EBITDA ratio of 2.25 and a net debt to equity ratio of 0.80 as of March 31, 2024.

Furthermore, we have 1.57 GW of gas-based generation capacity available for short-term and merchant market opportunities. This capacity allows us to capitalize on fluctuations in demand and supply in the energy market, providing additional revenue streams through opportunistic trading in the merchant market.

Experienced Promoters and Management Team

We are led by experienced Promoters, Board and a management team with extensive experience in the power industry and a proven track record of performance.

Our senior management personnel and key management personnel have worked with us for an average of more than 14 years, resulting in effective operational coordination and continuity essential for our growth. See also, "*Board of Directors and Senior Management*" on page 199.

Our Strategies

Expand Renewable and Hybrid Energy Portfolio

We are committed to scaling our renewable energy portfolio to transition towards a more sustainable energy portfolio and are actively developing additional solar and wind energy projects that will help us increase our installed renewable capacity.

We recognise the opportunity in flexible power generation through the pooling of renewable energy and gas-based power. This flexibility allows us to offer round-the-clock ("**RTC**") power at a competitive cost, meeting the growing demand for reliable and sustainable energy solutions in India. In response to the increased infusion of renewable energy into the grid, we also recognize the critical role of storage solutions in managing renewable intermittency (Source: *CRISIL MI&A Report*). Moreover, we have identified hydro pump storage as a key growth driver and have secured 2 GW hydro pump storage letter of award from MSEDCL, ensuring a reliable storage solution for the next 40 years.

We also aim to expand our renewable and hybrid portfolio, both in terms of capacity and geography, to capitalize on the growing demand for green and reliable power in India. This includes the following initiatives:

- Diversify our renewable portfolio by adding new technologies such as pumped storage power and green hydrogen, which can enhance our value proposition and competitiveness in the market. We also aim to increase our renewable capacity to 4.4 GW, and are currently pursuing the development of a pumped hydro storage project to enhance our renewable energy portfolio. We have secured in-principle allotment of four sites of 8.4 GW capacity in Maharashtra and Uttar Pradesh and in the process of seeking necessary approvals to commence development of the project.

- Leverage our gas-based capacity to offer flexible and round-the-clock power solutions, by combining renewable and gas-based generation.

- Participate in a number of bidding opportunities for renewable and hybrid projects, both at the central and state level, and also explore opportunities for captive and commercial and industrial customers.

- Reduce our greenhouse gas emissions and focus on other green molecule technologies such as pumped hydro storage power and green hydrogen. Our gas-based plants are registered under the clean development mechanism, and have reduced over 25.74 million metric tonnes of CO_2 emissions since 2009.

Strengthen Distribution Presence and Performance

In alignment with the Government of India's initiatives to improve the performance of the power distribution sector, we aim to strengthen our distribution presence and performance by improving our operational efficiency, customer service and profitability in existing areas, and by exploring new opportunities for expansion in other areas (Source: *CRISIL MI&A Report*). With state-owned distribution companies ("**DISCOMs**") facing challenges such as financial strain, high AT&C losses, and outdated infrastructure, the Government of India has been exploring privatization to attract private investment, improve operational efficiencies, and reduce losses (Source: *CRISIL MI&A Report*). Under the *Aatma Nirbhar Bharat Abhiyaan*, the privatization of power departments and utilities in the Union Territories of India has commenced, with the goal of delivering better services and increasing financial stability in the sector (Source: *CRISIL MI&A Report*). In support of this initiative, we have strengthened our distribution presence by acquiring a 51.00% stake in the power distribution company serving DNH DD and the SMK distribution area under a franchise agreement with the MSEDCL. Additionally, we have applied for a second distribution license in Pune, Palghar and Nagpur in Maharashtra.

We also aim to reduce our distribution losses, especially in our franchised areas, by deploying advanced metering infrastructure, smart grid solutions, and loss reduction initiatives. We aim to improve our profitability through the reduction of AT&C losses and availing various regulatory incentives and mechanisms.

Pursue Selective and Value-Accretive Opportunities in Transmission

To support a large installed generation base, cumulative investment in the Indian transmission sector is projected to reach approximately ₹3 trillion for fiscal years 2025-30 (Source: *CRISIL MI&A Report*). This growth is expected to be driven by the demand for a robust and reliable transmission infrastructure to accommodate ongoing generation expansion, a significant focus on renewable energy, and the push for rural electrification (source: CRISIL). Given the sizable opportunities in this sector, we aim to pursue selective, value-accretive transmission projects, focusing on both greenfield and brownfield developments.

We have recently been awarded two transmission projects, one for evacuation of power from 4.5 GW renewable project in Khavda, Gujarat under the cost plus incentive model. The project scope covers laying of 60 km 400 kV D/C lines together with bay upgradation. The other project is for evacuation of 1.5 GW renewable power in Solapur, Maharashtra, through tariff-based competitive bidding. The project covers laying of 44 km 400 kV D/C line together with two line bays and one substation. We intend to participate in more transmission projects, both at the inter-state and intra-state level, that can offer attractive returns.

As of September 30, 2024, we operate 355 circuit km of 400 kV transmission lines and 128 circuit km of 220 kV transmission lines.

We also aim to continue to evaluate brownfield opportunities, such as acquisition of existing transmission assets or companies, that can strengthen our presence and portfolio in the transmission segment.

Leverage Digital and Technological Capabilities to Enhance Operational Efficiency, Customer Experience and Innovation

We aim to leverage digital and technological capabilities to enhance our operational efficiency, customer experience, and innovation across businesses. We have already adopted several digital and technological solutions, such as SCADA and GIS, among others, to improve our generation, transmission and distribution performance. We have adopted several digital and technological solutions, including a field force mobile application to digitalize field activities, such as complaint management, meter reading, and asset surveys, promoting paperless operations and enabling better monitoring. Customer service has also been enhanced with mobile message notifications for power outages, restoration updates, and application statuses, as well as a mobile e-portal for efficient customer interaction. Additionally, our Bhiwandi and SMK franchise distribution units have adopted initiatives focused on enhancing billing accuracy and consumer satisfaction, including the replacement of outdated meters with quality static electronic meters and the introduction of automated meter reading to better monitor transmission and distribution losses. Additionally, we have incorporated distribution automation, established gas-insulated substations for improved reliability, introduced an advanced distribution management system to enhance grid efficiency and safety, and implemented switch mode power supply chargers to increase energy efficiency and redundancy.

We intend to further invest in digital and technological capabilities, to enable real-time monitoring and control, predictive and preventive maintenance, demand response and load management, energy efficiency and conservation, and cybersecurity and resilience. To further improve customer experience, we are in the process of updating bill formats, including the addition of QR codes for easier payment. We also plan to foster a culture of innovation and learning, by collaborating with industry participants, such as original equipment manufacturers, research institutions, start-ups, and industry associations, to explore new technologies and solutions for the power sector.

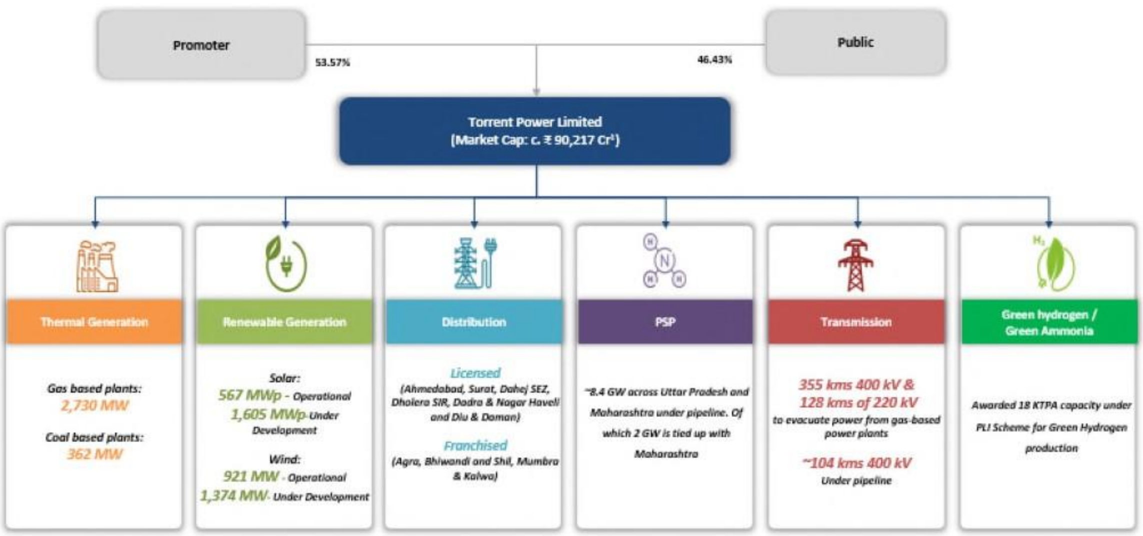
Enhance ESG Performance and Reporting

Our approach focuses on environmental responsibility with only 11.71% of our thermal capacity being coal-based as of September 30, 2024, and the balance of 88.29% utilizing natural gas. We are also making substantial investments in renewable energy and diversifying our renewable portfolio by adding new technologies such as pumped storage power and green hydrogen.

We aim to enhance our ESG performance and reporting, and have undertaken a range of initiatives and measures to reduce our environmental impact, improve our social practices and strengthen our governance framework. We intend to further improve our ESG performance by setting and achieving measurable targets and indicators, aligning with national and global standards and frameworks, and adopting best practices and benchmarks. We also plan to enhance our ESG reporting by disclosing our ESG performance, policies, and initiatives, in a transparent, consistent, and comprehensive manner, and by engaging with stakeholders to solicit their feedback and suggestions.

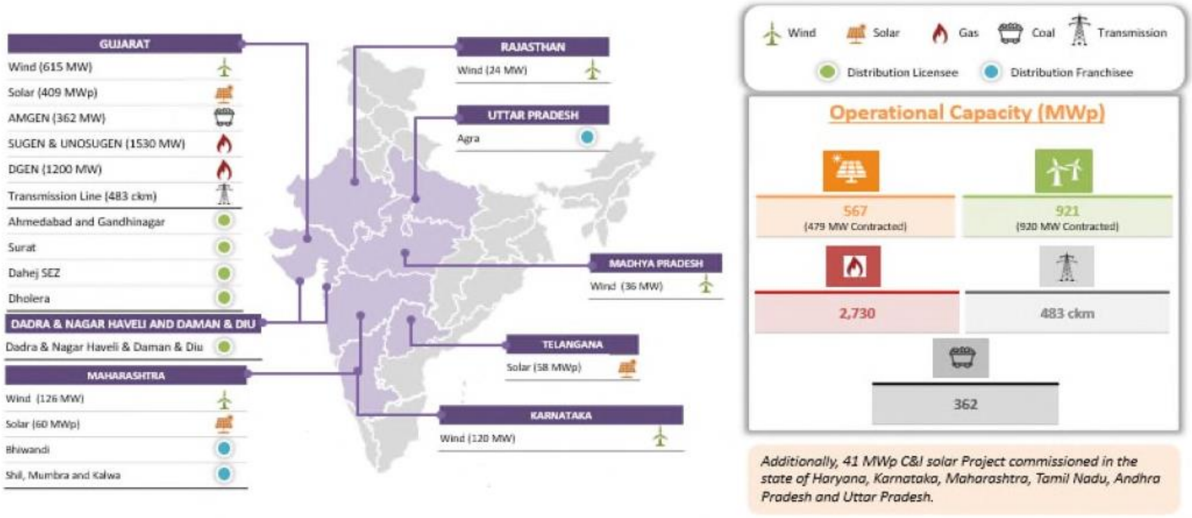
Description of Our Business

We are one of India's leading private sector integrated power utility companies with operations across power generation, distribution and transmission (Source: *CRISIL MI&A Report*). We have a presence in the states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Madhya Pradesh, Haryana, Telangana, Karnataka, Tamil Nadu, Andhra Pradesh and DNH DD.



1. Market Capitalization as on September 30, 2024
All Capacities are as on September 30, 2024

The map below sets out the locations and breakdown of our assets in India across our operations, as at September 30, 2024.



Power Generation

Our generation portfolio comprises a mix of thermal and renewable energy sources, to meet the growing demand of energy. These plants are spread across the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Haryana, Telangana, Andhra Pradesh and Tamil Nadu; with a combined capacity of 7,559 MWp (including under construction capacity).

Thermal Generation

We own and operate a portfolio of 3,092 MW of thermal generation plants with 2,730 MW or 88.29% of our thermal capacity being natural gas based power plants and the balance of 362 MW or 11.71% of our thermal capacity being coal based power plants, as on September 30, 2024.

Gas-based Generation

We operate three gas-based power plants, namely the 1147.5 MW SUGEN, the 382.5 MW UNOSUGEN and the 1200 MW DGEN having cumulative capacity of 2,730 MW as on September 30, 2024.

Our SUGEN and UNOSUGEN plants are governed by the CERC's tariff regulation which allows for cost plus post-tax ROE plus performance incentives. As on September 30, 2024, 76.01% of SUGEN and UNOSUGEN capacities are tied-up under long-term PPAs. The untied capacity of 1.57 GW (including 1.20 GW of DGEN plant) is utilised to supply power in short term bilateral contracts and merchant markets (through power exchanges), depending on demand and opportunities.

These plants utilise F-class gas turbines and single shaft combined cycle power plants, which enhance operational efficiency and minimise carbon and nitrogen oxide emissions. These capacities are registered under the Clean Development Mechanism of the United Nations Framework Convention on Climate Change and are capable of reducing 8.56 million CO2 emissions annually.

The following table sets out certain key features of our SUGEN, UNOSUGEN and DGEN power plants:

Power Plant	Capacity (MW)	Capacity Contracted under power purchase agreements	Location	Commercial Operation Date	Fuel Type
SUGEN	1,147.5	835 MW for the service areas of Ahmedabad and Gandhinagar, and Surat; 50 MW with Madhya Pradesh Power Transmission Company Limited	Surat, Gujarat	August 2009	Domestic Gas and Imported LNG
UNOSUGEN	382.5	278 MW for distribution areas of Ahmedabad and Gandhinagar, and Surat	Surat, Gujarat	April 2013	Domestic Gas and R-LNG

Power Plant	Capacity (MW)	Capacity Contracted under power purchase agreements	Location	Commercial Operation Date	Fuel Type
DGEN	1,200	No tie-up	Bharuch, Gujarat	November 2014	Imported LNG

Operational parameters for our gas-based generation is as follows for the six months ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

SUGEN

Particulars	Six months ending September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Plant Availability Factor (%)	98.52	97.94	98.04	92.74[#]
Plant Load Factor (%)	55.35	36.62	15.01	44.31
Generation (million units)	2,712.76	3,589.96	1,466.92	4,331.89

[#] *Our plant availability factor was lower during Financial Year 2022 on account of major overhauls.*

UNOSUGEN

Particulars	Six months ending September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Plant Availability Factor (%)[#]	96.60	97.39	99.09	91.22[#]
Plant Load Factor (%)	33.24	39.74	1.74	41.09
Generation (million units)	543.01	1,298.49	56.72	1,338.85

[#] *Our plant availability factor was lower during Financial Year 2022 on account of major overhauls.*

DGEN

Particulars	Six months ending September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Plant Availability Factor (%)	99.13	93.34	100.00	100.00
Plant Load Factor (%)	28.52	9.28	NIL**	0.10
Generation (million units)	1,461.67	952.53	NIL**	10.24

[**] *Our DGEN plant operated intermittently over past years (on account of balancing high gas prices and demand) and did not operate during Financial Year 2023.*

Operational parameters for our gas-based generation is as follows for the six months ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

Particulars	Six months ending September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Plant Load Factor (%)	40.46	25.05	6.55	24.43
Generation (million units)	4,717.44	5,840.98	1,523.64	5,680.98

Coal-based Generation

Our coal-based generation plant, the AMGEN power plant, having capacity of 362 MW, is an embedded generation unit for our licensed distribution operations in Ahmedabad, Gujarat. The AMGEN plant uses a blend of domestic coal and imported coal as fuel. The AMGEN plant is regulated by the Gujarat Electricity Regulatory Commission ("**GERC**") and operates under a tariff structure that allows for a cost plus post tax Return on Equity ("**ROE**") and Return on Capital Employed ("**ROCE**") plus performance incentives. During Financial Year 2024, AMGEN had water consumption aggregating to 2.87 m3/MWh against normative of 3.50 m3/MWh, with a plant load factor of 90.95%. Our coal-based plant has fuel supply agreement with South Eastern Coalfields limited till March 2029, which is subject to renewal based on mutual agreement, ensuring visibility on availability of fuel.

Operational parameters for our coal-based generation are as follows for the six months ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

Particulars	Six months ending September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Plant Availability Factor (%)	92.93	95.25	93.40	92.05
Plant Load Factor (%)	89.55	90.95	88.23	76.88
Generation (million units)	1,303.18	2,654.22	2,564.98	2,222.10

Renewable Generation

Our renewable generation portfolio comprises a combination of solar and wind generation plants. Renewable generation has become a significant focus for us as evident in our current combined capacity of 4,467 MWp as of September 30, 2024. This includes 2,979 MWp capacity currently under construction. We have also been awarded an 18 KTPA production capacity under the production linked incentive Scheme for the manufacturing of green hydrogen, positioning us as a key power utility company in advancing green hydrogen and ammonia production (Source: *CRISIL MI&A Report*).

All of our operational renewable generation capacity is secured under long-term power purchase agreements with 49.51% of this capacity tied with our distribution utilities, as of September 30, 2024. Furthermore, 93.29% of our under-construction projects are tied up, of which 33.53% is tied up with our distribution utilities and 13.43% is tied up with the Solar Energy Corporation of India ("**SECI**"), as of September 30, 2024.

We are currently pursuing the development of a pumped hydro storage project to enhance our renewable energy portfolio. We have secured in-principle allotment of four sites of 8.4 GW capacity in Maharashtra and Uttar Pradesh and in the process of seeking necessary approvals to commence development of the project.

We have also received a letter of award from MSEDCL for a 1,500 MW / 12,000 MWh pumped hydro storage site in Raigad district with energy storage capacity for 40 years. Further, we have been awarded additional 500 MW / 4000 MWh under greenshoe option.

Operating Renewable Plants

As of September 30, 2024, our total operational renewable generation capacity was 1,488 MWp. This included a solar power capacity of 567 MWp and wind power capacity of 921 MW.

Operational parameters for our renewable generation are as follows for the six months ended September 30, 2024 and Financial Years 2024, 2023 and 2022:

Operational Projects	Solar				Wind			
	September 30, 2024	FY 2024	FY 2023	FY 2022	September 30, 2024	FY 2024	FY 2023	FY 2022
Capacity (MWp)	567	315	281	138	921	921	805	648
PLF (%)	15.88	18.42	18.69	16.82	30.35	26.71	24.33	27.12
Net Generation (MUs)	262.46	442.34	414.17	203.36	1,225.66	2,095.22	1,714.75	1,540.56

The following table sets out certain key features of our operating solar and wind generation plants as of September 30, 2024:

Asset Type	Capacity (MWp)	Location	Average Tariff (₹/kWh)	Capacity Contracted under PPA (Capacity Weighted Average)
Solar	567	Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Tamil Nadu, Telangana and Uttar Pradesh	4.43	• 138 MWp with our Licensed Distribution business (FIT) • 246 MWp with our Licensed Distribution business (bid) • 60 MWp with SECI (bid) • 58 MWp with Telangana State distribution companies

Asset Type	Capacity (MWp)	Location	Average Tariff (₹/kWh)	Capacity Contracted under PPA (Capacity Weighted Average)
				• 25 MWp with Gujarat Urja Vikas Nigam Limited ("**GUVNL**") (FIT) • 40.5 MWp with commercial and industrial customers
Wind	921	Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Rajasthan	3.81	• 352.5 MW with our Licensed Distribution business (FIT) • 126 MW MSEDCL (bid) • 120 MW with Gulbarga Electricity Supply Company Limited ("**GESCOM**"), Karnataka (FIT) • 116 MW with SECI (SECI V Bid) (commissioned in July 2023) • 96 MW with GUVNL Gujarat, 36 MW with Madhya Pradesh and 24 MW with Rajasthan State DISCOMS (FIT) • 50 MW with PTC (through SECI)

Renewable Energy Projects under Construction

In addition to our operational renewable generation assets, we have certain renewable generation projects under construction, details of which are set out below:

Project	Type	Contracted Capacity (MW)	Installed Capacity (MWp)[1]	Average Tariff (₹/kWh)	Off-taker	Location	Expected Project Cost (₹ in Crore)	Scheduled Commercial Operation Date
Torrent Power Limited Distribution	Solar	300	420	2.22[2]	Own discom	Surel and Babra, Gujarat	1,737	246 MWp commissioned, balance to be commissioned shortly
MSEDCL	Solar	306	367	3.10	MSEDCL	Across 48 distributed locations in Nasik, Maharashtra	1,342	September 2025
SECI XII	Wind	300	300	2.94	SECI	Todkibad, Karnataka	2,500	January 2026
SECI XVI	Wind	100	100	3.60	SECI	Kukunoor, Karnataka	925	June 2026
Airpower Windfarms Private Limited	Hybrid	200	200	Merchant	Merchant	Jam Khambaliya, Gujarat	1,398	Likely by September 2025
Torrent Power Limited Distribution	Hybrid	450	825	3.65	Own Discom	Bhogat, Gujarat	5,500	September 2026
Railway energy Management Company	Hybrid	100	368	4.25	REMCL	Beed, Maharashtra	2,625	24 months from PPA

Project	Type	Contracted Capacity (MW)	Installed Capacity (MWp)[1]	Average Tariff (₹/kWh)	Off-taker	Location	Expected Project Cost (₹ in Crore)	Scheduled Commercial Operation Date
Limited (“**REMCL**”)								
Commercial and Industrial Projects	Hybrid & Solar	393	645	Multiple	Multiple	Across various locations in the states of Gujarat, Tamil Nadu, Karnataka, Andhra Pradesh	3,289	To be commissioned progressively

[1]As at September 30, 2024
[2] Minimum tariff, subject to change in law increase

Further details for our renewable generation projects under construction are below:

(a) 420 MWp Solar Power Project (300 MW Contracted Capacity) for our Licensed Distribution Business

We were awarded a 150 MW solar project through competitive bidding conducted by our distribution business to service renewable purchase obligations (RPO), with a further 150 MW of capacity awarded under a green-shoe option. The power purchase agreement for this project is for a period of 25 years, with the project being implemented in Gujarat by Torrent Saurya Urja 2 Private Limited, a wholly owned subsidiary of our Company. We have already commissioned 246 MWp as on September 30, 2024, and balance to be commissioned shortly.

*(b) 367 MWp Mukhyamantri Saur Krishi Vahini Yojana 2.0 (“**MSKVY 2.0**”) Solar PV Project for MSEDCL (306 MW Contracted Capacity)*

During Financial Year 2024, we secured a 306 MW solar PV power project from the Maharashtra State Electricity Distribution Company Limited under the MSKVY 2.0 scheme. This scheme involves multiple small solar projects at various locations in the Nashik district of Maharashtra to provide daytime solar power to farmers through solarised agriculture feeders. The project qualifies for Central Financial Assistance under the Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan scheme. The power purchase agreement is for 25 years and the project is scheduled to be commissioned by September 2025.

(c) *300 MW SECI XII Wind Power Project (300 MW Contracted Capacity)*

We have a 25-year power purchase agreement with Solar Energy Corporation of India Limited under SECI Wind Tranche XII for a 300 MW wind project. The project, located in Karnataka, is being executed by Torrent Saurya Urja 2 Private Limited, our wholly owned subsidiary. The scheduled commercial operation date for this project under the PPA is January 2026.

(d) 100 MW SECI XVI Wind Power Project (100 MW Contracted Capacity)

In Financial Year 2024, we won a bid for a 100 MW wind power project under SECI Wind Tranche XVI. The power purchase agreement is for 25 years from date of commissioning. The project is proposed to be executed in Karnataka by Torrent Solar Power Private Limited, our wholly owned subsidiary. The project is scheduled to be commissioned by June 2026.

*(e) 368 MWp REMCL Renewable Energy Round-The-Clock (“**RE-RTC**”) Power Project (100 MW Contracted Capacity)*

In Financial Year 2024, we won a bid for a 100 MW RE-RTC power project through competitive bidding from Railway Energy Management Company Limited ("**REMCL**"). The power purchase agreement is for 25 years from the scheduled commissioning date with the project proposed to be executed in Maharashtra.

(f) 825 MWp Hybrid Power Project for our Licensed Distribution Business (450 MW Contracted Capacity)

We won a bid for a 300 MW hybrid energy project through competitive bidding from our distribution business, and we also exercised a green-shoe option for another 150 MW of capacity. The project, planned to be in Gujarat, has a 25-year power purchase agreement and is scheduled to be commissioned by September 2026.

(g) 200 MWp Hybrid Project (200 MW Contracted Capacity)

Through our Subsidiary, Airpower Windfarms Private Limited, we are developing a 200 MWp hybrid project in Gujarat comprising 125 MW wind and 75 MWp solar by utilizing our existing evacuation network installed for our 115 MW SECI Wind Tranche V project. The project is currently being developed for selling power in the exchange or on a merchant basis, and is expected to be commissioned in September 2025.

(h) 645 MWp renewable projects for commercial and industrial consumers

We are developing renewable projects for supply of power to commercial and industrial consumers, which are likely to be commissioned progressively.

Pumped Hydro Storage Projects

We are currently pursuing the development of a pumped hydro storage project to enhance our renewable energy portfolio. We have secured in-principle allotment of four sites of 8.4 GW capacity in Maharashtra and Uttar Pradesh and are in the process of seeking necessary approvals to commence development of the project.

We have also received a letter of award from MSEDCL for a 1,500 MW / 12,000 MWh pumped hydro storage site in Raigad district with energy storage capacity for 40 years. Further, we have been awarded additional 500 MW / 4000 MWh under greenshoe option.

Potential Investment Opportunities

We are also exploring opportunities in the green hydrogen sector, and have been awarded a production linked incentive scheme by SECI for producing 18,000 tonnes per annum of green hydrogen under the MNRE SIGHT Mode-I Tranche-I Scheme. A letter of award has been issued by SECI.

Initiatives Implemented for our Renewable Assets

We have implemented various initiatives to enhance the performance and efficiency of our renewable assets, such as:

- Centralised remote monitoring of all solar and wind sites at our SUGEN plant, which enables us to access real-time data, provide predictive analyses and condition monitoring input, and optimise operational and performance improvement.

- Optimising module performance by identifying and relocating or replacing underperforming modules through IV curve and VOC testing, which improves power generation.

- Dry cleaning of solar modules using robots at our 25 MW solar plant at Surendranagar, Gujarat, which minimises soiling loss, improves generation and reduces water consumption.

- Blade inspection of wind turbines using drones at our Dayapar, Lohara Koral, Zalki and Gudadanal sites, which enables us to identify defects more accurately and quickly.

- Predictive maintenance at solar plants by performing thermography of modules and electrical systems and dissolved gas analysis testing of transformer oil samples, which detects issues at the incipient stage and improves plant availability.

- Real-time condition monitoring system for wind turbines by installing an online real time drive train vibration monitoring system in 13 of our wind turbines, which assists with the early detection of major component failures. The system covers drivetrain components, including the gearbox, main bearing and generator DE/NDE bearing. Vibration data and other machine parameters are continuously monitored in real time and managed across all renewable energy wing fleets.

Distribution

Our distribution business includes both licensed and franchised distribution. Through this business, we deliver electricity to 4.13 million consumers across three states and one Union Territory, as of March 31, 2024. During Financial Year 2024, we catered to a peak demand of 5,311 MW and distributed 29.62 billion units.

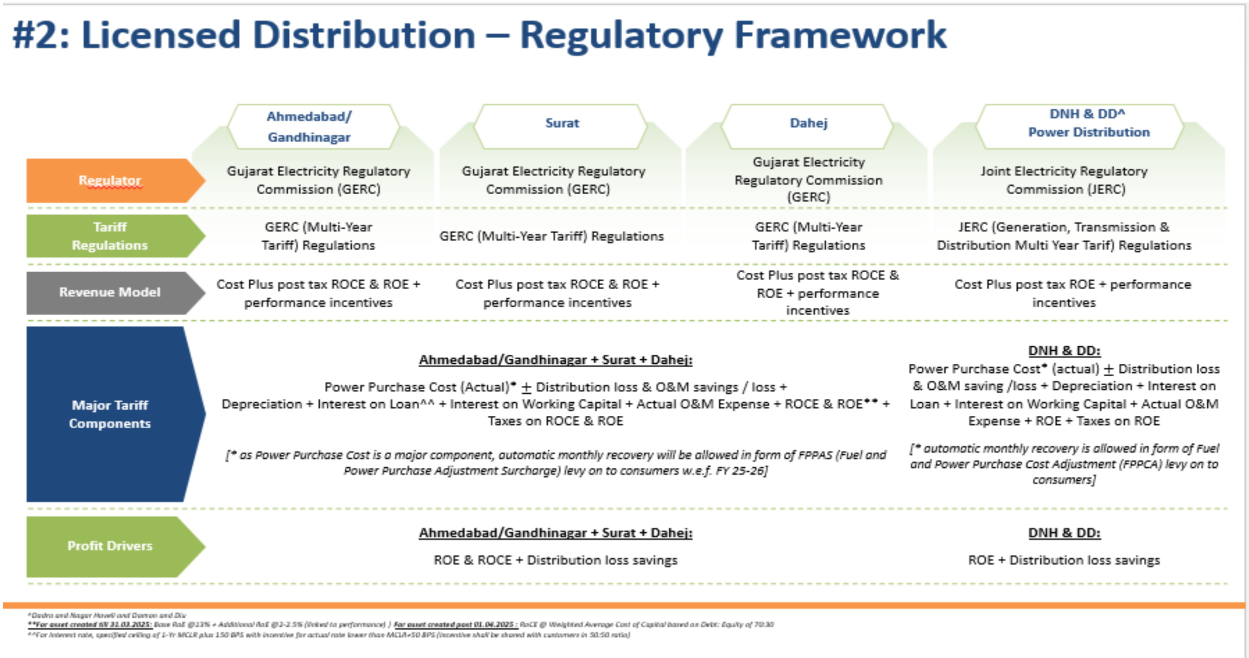
Licensed Distribution

Overview

We are the licensed operator for electricity distribution in several regions of Gujarat including Ahmedabad, Gandhinagar, Surat, Dahej SEZ, Dholera SIR and Mandal Bechraji SIR and in the union territory of DNH DD, covering an aggregate area of approximately 2,047 sq. km.

The licensed distribution business of our Company in the state of Gujarat is regulated by the GERC, which allows cost plus post-tax return on equity and return on capital employed, along with performance incentives as part of a regulated tariff structure.

The licensed distribution business in DNH DD is regulated by the Joint Electricity Regulatory Commission which allows cost plus post-tax return on equity along with performance incentives as part of the regulated tariff structure.



We have also applied for licenses to operate parallel distribution lines for distribution and supply of electricity in three major areas of Maharashtra (Thane and Palghar, Pune and Nagpur). As of the date of this Preliminary Placement Document, our petition to obtain such licenses is pending with the regulators.

Furthermore, according to the 12th Annual Integrated Rating and Ranking Report by the Ministry of Power, Government of India, which evaluates the performance of power distribution utilities in India, our licensed areas of Surat and Ahmedabad ranked second and third, respectively, in the State and private utilities category.

Ahmedabad and Gandhinagar

Our distribution license in Ahmedabad and Gandhinagar covers an area of approximately 356 sq. km and caters to 2.10 million customers, including residential, commercial, industrial and agricultural customers as of March 31, 2024. During Financial Year 2024, our distribution loss in this area was 4.16%, which was higher than 3.74%

in Financial Year 2023, due to seasonal fluctuations and increased extra high voltage losses. Our sales grew by 2.16% in Financial Year 2024, driven by increased demand from industrial and commercial customers.

The table below sets out details relating to our license in the Ahmedabad and Gandhinagar service area for Financial Years 2024, 2023, 2022 and the six months ended September 30, 2024:

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~356	~356	~356	~356
Sales (MUs)	5,098.57	8,452.89	8,273.93	7,683.69
Distribution Loss (%) – Actual	4.50	4.16	3.74	4.17
Distribution Loss (%) – Normative	3.74	5.03	6.03	6.24
Consumer base (Million)	2.11	2.10	2.07	2.04
Peak Demand (MW)	2,116	1,834	1,900	1,646

The current license validity for the licensed area for Ahmedabad/Gandhinagar is valid till 2025, which, unless revoked, will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

Surat

Our distribution license in Surat covers an area of approximately 52 sq. km serving primarily industry customers. During Financial Year 2024, our distribution loss in Surat was 2.77% which was lower compared to 3.17% in Financial Year 2023. This reduction is attributed to an increase in high-tension sales. In addition, we achieved sales growth of 6.01%, which was driven by increased demand by industrial customers, in particular industrial customers from the diamond sector. The table below sets out details relating to our license in the Surat service area for Financial Years 2024, 2023, 2022 and the six months ended September 30, 2024:

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~52	~52	~52	~52
Sales (MUs)	2,132.61	3,913.98	3,692.01	3,337.03
Distribution Loss (%) – Actual	3.27	2.77	3.17	3.38
Distribution Loss (%) – Normative	3.17	3.59	3.54	3.54
Consumer base (Million)	0.64	0.64	0.63	0.63
Peak Demand (MW)	812	757	742	689

The current license validity for the licensed area for Surat is valid till 2028, which, unless revoked, will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

Dahej SEZ

We operate as second licensee in the Dahej SEZ, spread across 17 sq. km and housing export-oriented plants. We supply the electricity demand of these plants. In Financial Year 2024, our distribution loss in the Dahej SEZ was 0.38% with a sales growth of 11.76%.

The table below sets out details relating to our license in the Dahej SEZ for Financial Years 2024, 2023, 2022 and the six months ended September 30, 2024:

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~17	~17	~17	~17
Sales (MUs)	408.12	794.67	711.07	659.37
Distribution Loss (%) – Actual	0.58	0.38	0.48	0.45
Distribution Loss (%) – Normative	0.45	0.45	0.43	0.43
Consumer base	144*	129*	120*	117*
Peak Demand (MW)	115	115	106	93

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

The current license validity for the licensed area for Dahej SEZ is valid till 2034 which, unless revoked, will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

DNH DD

Our DNH DD licensed distribution area covers approximately 600 sq. km and serves 0.16 million customers as of March 31, 2024, the majority of which are industrial. In Financial Year 2024, our distribution loss in this licensed distribution areas was 1.58%, with a sales growth of 5.86%.

The table below sets out details relating to our license in the DNH DD distribution area for the six months ended September 30, 2024 and Financial Years 2024 and 2023:

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023#
Area (sq. km)	~600	~600	~600
Sales (MUs)	5,278.10	10,198.93	9,634.78
Distribution Loss (%) – Actual	1.62	1.58	1.59
Distribution Loss (%) – Normative	2.99	3.16	3.35
Consumer base (Million)	0.17	0.16	0.16
Peak Demand (MW)	1,396	1,333	1,281

Operations at the DNH DD service area were taken over by us with effect from April 1, 2022.

The current license validity for the licensed area for Dadra and Nagar Haveli and Daman and Diu is valid till 2047, which, unless revoked by the regulator, will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

Dholera SIR

We are currently developing a distribution network as a second licensee in Dholera SIR that spans approximately 920 sq. km. The Dholera SIR is part of the Delhi-Mumbai Industrial Corridor Project and is being developed in phases as a manufacturing hub on the "plug and play" model. In Financial Year 2024, we successfully started operations in the Dholera SIR licensed area.

The current license validity for the licensed area for Dholera SIR is valid till 2043, which unless revoked will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

Mandal Bechraji SIR

In Financial Year 2023, we were granted a parallel distribution license for distribution and supply of electricity in the Mandal Bechraji SIR service area which covers approximately 102 sq. km for a period of 25 years. The Mandal Bechraji SIR is also a part of the DMIC Project and is being developed as an automobile hub. Uttar Gujarat Vij Company Limited ("**UGVCL**") is the incumbent licensee and will continue to remain a licensee; however, the consumers will have an option to choose one of the licensees for supply of power.

Gujarat Urja Vikas Nigam Limited and UGVCL have filed two appeals challenging the order granting licence to us, and the matter is currently pending. See "*Legal Proceedings - Litigation involving our Company - Actions taken by regulatory and statutory authorities involving our Promoters - Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations*" on page 274 for additional details.

The current license validity for the licensed area for the Mandal Bechraji SIR is valid till 2047, which unless revoked will be automatically renewed for further 25 years, as per Electricity Amendment Rules, 2023.

Franchised Distribution

Overview

We entered into India's first of its kind distribution franchisee agreement with Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") for the franchisee area of Bhiwandi (Source: *CRISIL MI&A Report*). We have since entered into franchisee agreements to distribute power in the region of Agra and SMK.

We operate as a franchisee of the license holder for electricity distribution in the areas of Bhiwandi, Agra and SMK, aggregating to approximately 1,007 km^2 with a customer base of 1.23 million as on March 31, 2024. Our franchise distribution business follows the input-based distribution franchisee business model, wherein the licensee retains the obligation to supply power to the franchisee as per input rates as per the distribution franchise agreement and the franchisee takes over all the remaining obligations for efficient power distribution and collection. Under franchisee arrangement, the franchisee works on regulatory tariff and indexed input costs rather than on a cost-plus model under licensee arrangements. The key profitability drivers here are primarily improved volume, improved sales tariff and lower AT&C losses.

Since entering into this business during Financial Year 2007, we have achieved a reduction in distribution losses across all our franchised distribution units. Specifically, AT&C losses in Bhiwandi have been reduced from 58.00% at the time of takeover to 9.30% in Financial Year 2024. Similarly, AT&C losses in Agra have decreased from 58.77% at the time of takeover to 8.43% in Financial Year 2024. Additionally, the AT&C losses in SMK has been reduced from 48.63% at the time of takeover in Financial Year 2020 to 30.21% in Financial Year 2024.

The terms of our distribution franchise agreements for the Bhiwandi, Agra and SMK franchisee expire on January 25, 2027, March 31, 2030 and February 29, 2040, respectively, with our distribution franchise agreement for the SMK and Bhiwandi franchisees renewable upon expiration.

The table below sets out certain details relating to our franchised distribution areas for the six months ended September 30, 2024 and Financial Years 2024, 2023, and 2022:

Bhiwandi

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~721	~721	~721	~721
Sales (MUs)	1,766.65	3,582.16	3,552.08	3,093.91
Distribution Loss (%)	10.90	9.64	10.00	11.64
Consumer base (Million)	0.40	0.39	0.38	0.36
Peak Demand (MVA)	604	609	595	566
Collection Efficiency (%)	98.96	100.38	100.41	102.01
AT&C Losses (%)	11.83	9.30	9.64	9.87

Agra

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~221	~221	~221	~221
Sales (MUs)	1,385.33	2,090.60	2,014.65	1,784.20
Distribution Loss (%)	10.74	9.16	9.49	12.10
Consumer base (Million)	0.51	0.51	0.50	0.49
Peak Demand (MVA)	572	505	510	472
Collection Efficiency (%)	97.91	100.81	100.06	98.61
AT&C Losses (%)	12.60	8.43	9.43	13.33

SMK

Particulars	Six months ended September 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Area (sq. km)	~65	~65	~65	~65
Sales (MUs)	342.06	587.69	518.55	439.62
Distribution Loss (%)	28.37	29.97	33.48	40.48
Consumer base (Million)	0.33	0.32	0.30	0.28
Peak Demand (MVA)	167	155	146	132
Collection Efficiency (%)	97.05	99.65	101.07	102.67
AT&C Losses (%)	30.48	30.21	32.77	38.89

Key Improvement Initiatives Undertaken Across License and Franchised Distribution Areas:

- *Ring Main Unit ("**RMU**") Installation*: We installed RMUs to enhance the reliability and efficiency of our electrical distribution system. This resulted in fewer outages, improved fault management, enhanced load balancing and increased safety, ultimately leading to improved service quality for customers, reduced operational costs and a more robust electrical grid.

- *Installation of Internet of Things ("**IoT**")-based Distribution Transformer ("**DT**") Monitoring Device:* We deployed IoT-based DT monitoring devices to facilitate real-time monitoring of DTs. This enabled early fault detection, optimised maintenance scheduling and minimised downtime, increasing the reliability of our distribution system.

- *Low-Tension ("**LT**") Terminal Connector for DT Bushing Installation*: We installed LT terminal connectors for DT bushings, ensuring a secure and reliable connection at low-voltage terminals. This helped reduce the risk of loose connections, enhanced power delivery efficiency and prevented tampering with LT terminals by outsiders for power theft.

- *High-Tension ("**HT**") Feeder Survey using Drones*: We have begun utilising drones for HT feeder surveys to efficiently inspect HT feeders, identify issues such as damaged lines, vegetation encroachment or other hazards. This survey will aid in planning and taking preventive measures to prevent outages, thereby improving system reliability.
- *Fault Passage Indicator for Overhead HT Lines*: We deployed fault passage indicators for overhead HT lines for locating faults, reducing outage duration and enhancing system reliability by enabling faster fault repair.

- *DT Oil Sampling and Health Indexing*: We initiated oil sampling and health indexing of DTs to aid in assessing their condition. This approach allows utilities to replace or maintain transformers before they fail, ultimately enhancing system reliability.

- *Press Fit Box Installation in Slum and Village Areas*: We have installed press fit boxes in slums and village areas to mitigate the risk of unauthorised connections, improving power distribution reliability and reducing losses.

- *Cable Safeguarding Activity*: We have safeguarded underground cables from physical damage and environmental factors that extends the cable lifespan, reduces outages and enhances the long-term reliability of the electrical distribution system.

- *Enhancement of Meter Testing Capabilities at the Bhiwandi Distribution Area*: We acquired fully automatic meter test bench systems. These modern test benches are compatible to test smart meters. Notable features include the ability to test power supply quality parameters, direct meter display reading to eliminate human error, quick connectors for increased productivity and modified scanning heads that can rotate approximately 120 degrees, both vertically and horizontally.

Transmission

We transmit power from our gas-based plants to various off-take centres through 128 km of 220 kV double-circuit lines operated by us and 355 km of 400kV double-circuit lines operated by our Subsidiary, Torrent Power Grid Limited. We hold a 74.00% stake in Torrent Power Grid Limited, with the remaining 26.00% held by Power Grid Corporation of India Limited. The transmission lines under Torrent Power Grid Limited's operation are governed by CERC Tariff Regulations, which allow for a post-tax ROE of 15.50%, plus additional incentives.

During Financial Year 2023, Torrent Power Grid Limited was awarded the transmission scheme for evacuation of power from 4.5 GW of renewable power project in Khavda, Gujarat for a period of 35 years. This project is regulated by the CERC allows post tax ROE of 15.0% plus incentives under the regulated tariff mechanism model. The project involves laying a 60 km 400kV double circuit line, and an upgraded bay capacity from 2,000 Amps to 3,150 Amps. The scheduled commercial operation date of the project is set for Financial Year 2025.

During Financial Year 2024, we were awarded transmission project to establish an inter-state transmission system on a build, own, operate, and transfer basis for a period of 35 years under the tariff based competitive bidding process. The project is aimed to facilitate power evacuation from 1.5 GW renewable power projects in Solapur SEZ, Maharashtra. The project involves laying a 44 km 400 kV D/C line, along with the construction of two line bays and one substation. The scheduled commercial operation date for the project is set for Financial Year 2026. This project is being executed by Solapur Transmission Limited, a wholly owned subsidiary of our Company.

Operations and Maintenance Activities

The majority of our plants rely on third parties for operations and maintenance activities at our plants. For our gas-based plants, we have long-term supply and service agreements with an OEM for the maintenance of gas turbines. Maintenance of our steam turbines and generators is managed through orders placed on a need-basis during major scheduled outages. At AMGEN, our coal-based plant, control room operations are handled in-house, while third-party assistance is utilized for other operations and maintenance activities, including major maintenance tasks.

Information Technology

Cybersecurity

Our IT systems are ISO 27001:2013 (ISMS – Information Security Management System) certified, and we have implemented an array of cybersecurity measures to fortify our digital infrastructure. These include data leakage prevention, a unified endpoint management system covering asset/inventory control and mobile device management. Additionally, we have an endpoint detection and response system which employs artificial intelligence algorithms to detect and prevent malware spread at the endpoint. Along with a centralised firewall management system, we have a web application firewall that utilises AI and machine learning technology to safeguard against cyber threats, protecting web portals from various attacks and providing real-time monitoring, detection and mitigation.

Our dedicated cybersecurity cell leads governance and strategic planning in accordance with national and international standards, with a cyber crisis management plan approved by the Ministry of Power of India for our generation and distribution business.

IT Operations

We have leveraged open-source platforms to adopt and develop various applications. All legacy applications have been migrated to the latest framework and mobile-enabled through DevSecOps practices for continuous integration and continuous delivery of IT applications. We have also adopted a low-code/no-code platform for development of various applications. We have implemented asset management software ("**AMS**") to record and track an asset throughout its life cycle, from procurement to disposal.

In addition, we provide our IT personnel with training sessions covering advanced technologies. These training sessions ensure that our IT personnel are equipped with adequate knowledge of new technologies. Further, simulation-based information security management system awareness trainings are conducted for all employees. Our IT education module, the 'Learning Module Simulation', offers engaging monthly programmes designed to continuously enhance employee awareness. To ensure business continuity we also have a backup policy along with a data recovery site at a different seismic zone.

Overall, each of our IT processes has a SLA/KPI and the performance is monitored through various systems. Compliance of IT processes and policies is carried out by an external third party agency once a year. Further, we carry our architecture review along with a configuration review for security, performance, availability and maintainability.

Other Initiatives

Adoption of Quantum Geographic Information System Maps for Data Visualisation

Traditionally, we relied on AutoCAD maps for referring to the distribution network and our electrical assets. However, we have since adopted quantum geographic information system ("**QGIS**") software that enables the creation, editing, visualisation, analysis and publication of geospatial or location-based information. This software also enables users to explore numerical data on maps. The key advantages of QGIS include its ability to compose and export graphical maps and explore numerical data on maps, providing a multi-dimensional perspective on various issues.

Utilising 4G Technology to Automate LTMD Energy Meter Readings

The Bhiwandi and SMK distribution areas have recently experienced a surge in new connections under the LTMD tariff category, leading to extended reading times and billing delays. Timely accounting and reconciliation of real-time energy to detect misuse, pilferage and consumer supply quality became major concerns. To address these issues, we implemented 4G General Packet Radio Service ("**GPRS**") modem technology. Initially, 2,000 modems were procured—1,000 for Bhiwandi and 1,000 for SMK—to streamline energy billing, as a pilot project.

Implementation of Business Continuity Management System at Ahmedabad, Surat and Dahej

To enhance operational resilience and manage disruptions effectively, we have implemented the ISO 22301 standard for business continuity management systems. Compliance with ISO 22301 helps plan, recover and manage business operations during and after disruptions, enhancing overall resilience. This standard assigns clear responsibilities and objectives, evaluates the impact and risks of disruptions and establishes necessary communication channels, ensuring uninterrupted power distribution and operational stability.

Insurance

We maintain insurance policies consistent with industry practice. Our insurance policies cover risks including loss or damage from fire, storm, flood, cyclone, explosion, machinery breakdown, burglary and housebreaking, terrorism and loss of profit. In addition, we have general public liability policy, Cyber Policy and Director and Officer's liability Policy. These insurance policies are subject to exclusions for certain circumstances including, amongst others, wear and tear, larceny, acts of fraud or corrosion, rust, deterioration due to lack of use and normal atmospheric conditions.

Safety and Risk Management

We implement work safety measures and standards to ensure healthy and safe working conditions and have formed Safety Committees headed by senior officers with participation from supervisors and experienced workers. We have also implemented several safety initiatives such as using anemometers for the measurement of wind speed for EHV line work to reduce the hazard of 'falling from height' owing to high wind speed.

Most of our thermal plants also have an occupational health centre with doctors and nursing staff and we offer training to our employees for first aid treatment and emergency response. We also perform quarterly monitoring of environmental parameters including quality of air (workplace and ambient), noise (workplace and ambient), drinking water, food and diesel generator stack emissions.

Environment, Sustainability and Governance

We are committed to the protection of the environment and the promotion of responsible corporate policies that conserve and drive sustainable value creation. We have established an ESG Framework which identifies clear roles and responsibilities to achieve the targets under our commitment to sustainability (the "**ESG Framework**"). Some of our key focus areas include:

- *Emissions Management:* We focus on managing our greenhouse emissions through initiatives that include the use of advanced technologies, rigorous monitoring of our assets, reducing distribution losses and optimising auxiliary consumption to reduce energy consumptions. To address the impact of air emissions such as sulphur oxides, nitrogen oxides and particulate matter arising from our operations, we have implemented monitoring systems to track our emissions levels and invested in technologies including dry low nitrous oxide burners at our gas-based generation plants and electrostatic precipitators at our coal-based generation plants. Our gas-based generation plants can contribute significantly in reducing CO2 emissions, and under the Clean Development Mechanism, 25.74 million metric tonnes of CO2 emissions has been reduced as of March 31, 2024.

- *Clean Energy Generation*: We are committed to the continual augmentation and expansion of our renewable portfolio, through both greenfield project development and acquisitions.

- *Sustainable Energy Practices*: Across our business we have implemented several measures such as rooftop solar installations, adherence to energy-saving standard operating procedures and protocols, and energy audits across our generation and most of the distribution plants. Most of our units are ISO:50001 (Energy Management System) certified.

- *Water Stewardship*: We are committed to optimising our water usage through responsible water management practices. Such practices include treating wastewater for reuse within our operations, using robots for dry cleaning of modules at our renewable assets and minimising the use of fresh water in our operations. Further, we have also developed rainwater harvesting infrastructure at some of our offices and plant locations to ensure water availability and minimal fresh water withdrawal.

- *Robust Waste Management:* We have deployed strong waste management practices using our 3R principle of Reduce, Reuse and Recycle to minimize waste at the source, segregation through streamlined processes and sustainable disposal methods to curtail landfill contributions. Fly ash generated from our coal plants is utilization through vendors for various purposes like road construction, flyover embankment and land reclamation.

We also integrate our suppliers into our ESG framework and encourage them to align with internationally recognised standards such as ISO 9001, ISO 14001 and ISO 45001. Our supplier code of conduct mandates key principles such as environmental conservation, minimum wage standards, zero tolerance towards child labour, anti-bribery compliance and health and safety protocols. We screen and evaluate our suppliers based on procurement value and monitor their performance through feedback, periodic reviews, compliance systems and surveys as necessary.

We are committed to maintaining high standards of corporate governance. Our board comprises 66.66% Non-Executive Directors, 22.22% women directors, and 55.55% independent directors, underscoring our dedication to diversity, transparency, and accountability. To ensure robust oversight and strategic guidance, we have established several key committees, each chaired by independent directors. These include the Audit Committee, Nomination and Remuneration Committee, CSR and Sustainability Committee, and Stakeholders Relationship Committee, all of which are composed entirely of independent directors.

Additionally, the Risk Management Committee, with 75.00% independent directors, plays a crucial role in identifying and mitigating potential risks. We have implemented several key policies to ensure robust governance and ethical conduct. The Board Diversity Policy which promotes a diversified board comprising strategic leaders, industrial experts, and financial experts. The Code of Conduct applies to all employees and directors, ensuring ethical behavior and anti-corruption practices. Additionally, the vigil mechanism facilitates the disclosure of concerns and grievances related to unethical behavior, improper or illegal practices, wrongful conduct, and any leaks or suspected leaks of unpublished price sensitive information.

Corporate and Social Responsibility

We engage in various corporate social responsibility ("**CSR**") activities that benefit the communities around our project operations. We intend to invest each year in furtherance of our CSR initiatives as per provisions of the Companies Act. The Corporate Social Responsibility and Sustainability Committee of our Board recommends a CSR policy to our Board and is responsible for monitoring the implementation of this policy and management of the sustainability performance of our Company. Our social initiatives are carried out in the identified focus areas of Community Health Care; Education and Knowledge Enhancement and Art and Culture and Ecology. We work with an implementing agency, the UNM Foundation ("**UNMF**"), a Section 8 company, to carry out our CSR activities, which are focused on the following:

- ***Community Healthcare*****:** We run the REACH programme under UNMF, to provide healthcare services to rural and underprivileged children. This programme organises screening camps for anaemia and malnourishment in villages. We also offer ready-to-use therapeutic food to malnourished children to combat malnourishment. UNMF operates a 150-bed hospital, UNM Children Hospital and 10 Paediatric Primary Health Centres, as well as other medical clinics for all age groups. Further, we are also empowering adolescent girls in rural areas by addressing the taboo associated with menstruation and promoting menstrual hygiene. Sanitary napkins are distributed by women employees supported by female volunteers.

- ***Education and Knowledge Enhancement*****:** We support the 'Shiksha Setu Project', an initiative of UNMF to improve the quality of primary education. The project runs the Learning Enhancement Programme, which helps students of grades 3-8 to develop age-appropriate skills in reading and arithmetic. We have adopted E-learning technology as an enabler, and we have provided solutions ranging from teaching tools, self-learning tool and assessment tool. Further, under our vocational skills development programme, we provide training to youth to improve their employability.

- ***Art & Culture, and Ecology:*** We promote environmental sustainability, ecological balance and conservation of biodiversity. We implement the '*Pratiti*' programme, which creates accessible, sustainable green spaces for leisure and recreation for the public. The redevelopment of a garden in Surat has been completed, and it will soon be opened to the public following its inauguration. The redevelopment work of another garden in Surat, is currently underway. Additionally, we are also associated with Gujarat's historic initiative to train young students to become skilled equestrian athletes. At the Sanskardham Equestrian Centre, Ahmedabad, young students are provided training in horse riding, dressage and show jumping.

Competition

We compete with Indian companies operating in the power sector in India. We conduct business in an increasingly competitive environment, mainly due to the deregulation of the Indian power sector and increased power sector investment. We face competition from other Indian companies seeking to expand their power generation, distribution or transmission business while negotiating or bidding for projects. Competitive bidding for power projects further increases competition among power sector companies. Certain provisions in the Electricity Act, such as open access to the transmission and distribution network and the establishment of parallel licenses, have been introduced and encouraged competition in the power sector. Competition in the power sector depends on the size, nature and complexity of the project and the geographic region in which the project is being executed. While service quality, technical capability, health and safety history, availability of qualified personnel, as well as reputation and experience are important considerations, price is the major factor in most tender awards.

Employees

As at March 31, 2024, we had 8,206 employees, comprising 8,145 permanent employees and 61 contractual employees. The following table sets forth the number of permanent employees by function as of March 31, 2024:

Particulars	No. of employees
Senior Management	118
Middle Management	528
Junior Management	3,161
Staff	4,338
Contractual Retainer (full-time equivalent) on-roll	61
Total	**8,206**

Our operations require highly skilled and experienced management and technical personnel. We offer our employees comprehensive ongoing training in order to increase their competence and capabilities.

In addition to compensation, we provide our employees other benefits which include yearly leave benefits, Group Accident Policy, financial support in the event of an employee's demise support in case of accident under various insurance policies.

Our employees are covered by collective bargaining agreements. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees.

Intellectual Property

Some of the trademarks relating to our business operations, including, the logos, are registered in the name of Torrent Investments Private Limited, our parent company.

Properties

Our Registered and Corporate Office is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India. Our projects and offices are located in various districts in India on land that is a mix of freehold and leased from landowners or state governments.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, the SEBI Listing Regulations and our Articles of Association.

In accordance with our Articles of Association, we are required to have a minimum of three Directors and unless otherwise determined by a general meeting not more than 15 Directors as may be permissible under the Companies Act. As on the date of this Preliminary Placement Document, our Company has nine Directors on its Board, comprising of three Executive Directors, one Non-Executive Director and five Independent Directors, including two women Directors.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. No.	Name, Address, Term, DIN, Occupation and Nationality	Age (years)	Designation
1.	**Samir Uttamlal Mehta** **Address:** Akalpya, Near Karnavati Club, S.G. Road, Ahmedabad – 380 058, Gujarat, India **DIN:** 00061903 **Date of Birth:** September 18, 1963 **Current term**: For a period of five years with effect from April 1, 2023, liable to retire by rotation **Occupation:** Business **Nationality:** Indian	61	Chairman
2.	**Jinal Sudhirbhai Mehta** **Address:** Akalpya, S.G. Road, Near Karnavati Club, Ahmedabad – 380 058, Gujarat, India **DIN:** 02685284 **Date of Birth:** March 11, 1983 **Current term:** For a period of five years with effect from April 1, 2023, liable to retire by rotation **Occupation:** Business **Nationality:** Indian	41	Vice-Chairman and Managing Director
3.	**Varun Sudhir Mehta** **Address:** Akalpya, Near Karanavati Club, Opposite Jain Temple, S.G. Highway, Bopal Daskroi, Ahmedabad – 380 058, Gujarat, India **DIN:** 07862034 **Date of Birth:** September 14, 1987 **Current term:** Liable to retire by rotation **Occupation:** Business **Nationality:** Indian	37	Non-Executive Non-Independent Director
4.	**Jigish Bhogilal Mehta**	51	Director (Generation) in the category of Whole-time

Sr. No.	Name, Address, Term, DIN, Occupation and Nationality	Age (years)	Designation
	Address: 6-C, Jaldarshan Apartment, Opposite Old Civil Court, Nanpura, Surat City, Surat – 395 003, Gujarat, India **DIN:** 09054778 **Date of Birth:** August 13, 1973 **Current term:** For a period of five years with effect from June 1, 2024, liable to retire by rotation **Occupation:** Service **Nationality:** Indian		Director
5.	**Usha Sangwan** **Address:** House No. 1572 First Floor, Sector 33 D Chandigarh - 160020 **DIN:** 02609263 **Date of Birth:** October 1, 1958 **Current term**: For a period of five years with effect from May 21, 2021 to May 20, 2026, not liable to retire by rotation **Occupation:** Professional **Nationality:** Indian	66	Non-Executive Independent Director
6.	**Radhika Vijay Haribhakti** **Address:** 51, Maker Tower B, Cuffe Parade, Mumbai – 400 005, Maharashtra, India **DIN:** 02409519 **Date of Birth:** December 20, 1957 **Current term:** For a period of five years with effect from August 7, 2021 till August 6, 2026, not liable to retire by rotation **Occupation:** Professional **Nationality:** Indian	66	Non-Executive Independent Director
7.	**Ketan Arvind Dalal** **Address:** 9A Residences, 9th Floor, Bomanji Petit Road, Mumbai – 400 026, Maharashtra, India **DIN:** 00003236 **Date of Birth:** September 18, 1957 **Current term:** For a period of five years with effect from May 11, 2022 till May 10, 2027, not liable to retire by rotation **Occupation:** Consultant **Nationality:** Indian	67	Non-Executive Independent Director
8.	**Sunil Dass Mathur** **Address:** B-1/29-30, Prithvi Apartments, Altamount Road, Off	61	Non-Executive Independent Director

Sr. No.	Name, Address, Term, DIN, Occupation and Nationality	Age (years)	Designation
	Anstey Road, Mumbai – 400 026, Maharashtra, India **DIN:** 02261944 **Date of Birth:** January 6, 1963 **Current term:** For a period of five years with effect from May 23, 2024 till May 22, 2029, not liable to retire by rotation **Occupation:** Service **Nationality:** Indian		
9.	**Apurva Shishir Diwanji** **Address:** Wyoming, 5th Floor, Little Gibbs Road, Malabar Hill S.O, Mumbai – 400 006, Maharashtra, India **DIN:** 00032072 **Date of Birth:** January 17, 1969 **Current term:** For a period of five years with effect from February 9, 2024 till February 8, 2029, not liable to retire by rotation **Occupation:** Advocate **Nationality:** Indian	55	Non-Executive Independent Director

Biography of Directors

Samir Uttamlal Mehta is the Chairman on the Board of our Company.

Jinal Sudhirbhai Mehta is the Vice-Chairman and Managing Director on the Board of our Company.

Varun Sudhir Mehta is a Non-Executive Non-Independent Director on the Board of our Company.

Jigish Bhogilal Mehta is a Director (Generation) in the category of Whole-time Director on the Board of our Company.

Usha Sangwan is a Non-Executive Independent Director on the Board of our Company.

Radhika Vijay Haribhakti is a Non-Executive Independent Director on the Board of our Company.

Ketan Arvind Dalal is a Non-Executive Independent Director on the Board of our Company.

Sunil Dass Mathur is a Non-Executive Independent Director on the Board of our Company.

Apurva Shishir Diwanji is a Non-Executive Independent Director on the Board of our Company.

For details regarding the remuneration of our Directors, refer to "*Remuneration of our Directors*" on page 204.

Relationship with other Directors

Except for Jinal Sudhirbhai Mehta and Varun Sudhir Mehta, who are brothers, and Samir Uttamlal Mehta, who is the uncle of Jinal Sudhirbhai Mehta and Varun Sudhir Mehta, none of the Directors of our Company are related to each other.

Borrowing powers of our Board

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of our Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board. The shareholders resolution of our Company passed on August 10, 2023 in accordance with the provisions of Section 180(1)(c) of the Companies Act authorised the Board to borrow monies together with monies already borrowed if any (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), in excess of the aggregate of the paid up capital of our Company and its free reserves including securities premium, not exceeding ₹ 25,000 crores at any time.

Interest of our Directors

All our Directors may be deemed to be interested to the extent of their shareholding, remuneration, fees and compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

Except Samir Uttamlal Mehta and Jinal Sudhirbhai Mehta, none of our Directors have any interest in the promotion of our Company as on the date of this Preliminary Placement Document.

All of our Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, their relatives or the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

Except as provided in "*Related Party Transactions*" on page 46, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions, with our Directors during the last three Fiscals, see "*Related Party Transactions*" on page 46.

Our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of our Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage of shareholding (in %)
Samir Uttamlal Mehta	6,125	Negligible
Jinal Sudhirbhai Mehta	8,000	Negligible

Terms of Appointment

(i) Samir Uttamlal Mehta

Samir Uttamlal Mehta was re-appointed as Chairman of our Board and his terms of appointment were approved by the resolutions passed by the Board on May 10, 2022 and the shareholders on August 8, 2022, pursuant to which, he is shall be paid commission at a rate not exceeding the percentage limit of net profits of the Company as specified in the Companies Act, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Schedule V of the Companies Act. The actual amount of annual commission to be paid to him and periodicity of payment shall be decided by the Board from time to time, which shall include any Committee specifically authorised for this purpose from time to time. Further, he shall not be entitled to any other perquisites and shall not be paid sitting fees for attending meetings of the Board or any Committee thereof. In the event of loss or inadequacy of profit in any Financial Year, the Company shall pay him, in respect of such Financial Year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in Section II of Part II Schedule V to the Companies Act, for the time being in force.

(ii) Jinal Sudhirbhai Mehta

Jinal Sudhirbhai Mehta's reappointment as the Managing Director was approved by the resolution passed by the Board on May 10, 2022 and the shareholders on August 8, 2022. Further, his appointment as the Vice-Chairman was approved by the resolution passed by the Board on May 22, 2024 and the shareholders on July 30, 2024.The details of the remuneration that he is presently entitled to, and the terms of his employment, as revised by Board on July 30, 2024, are enumerated below:

Basic Salary	₹ 10,917,230 per month for the Financial Year 2025. Further, he is entitled to an increase in basic salary up to 15.00% p.a. every year.
Commission	At a rate such that the total remuneration does not exceed percentage limit of net profits of the Company as specified in the Companies 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 Jinal Sudhirbhai Mehta for the financial year and periodicity of payment shall be decided by the Board from time to time.
Perquisites	Perquisites that will be allowed are as under: (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 20.00% 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. (v) The Company shall provide a car with driver for official and personal use. (vi) The Company shall provide telephones at his residence, the cost of which shall be borne by the Company. (vii) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company. (viii) Company's contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company, and (ix) Gratuity shall be payable as per applicable laws and rules of the Company.
Other Terms	(i) His entitlement for leave, its accumulation and encashment shall be as per the prevailing rules of the Company. Such appointment shall not be considered as a break in his service. (ii) He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a committee thereof.

(iii) Jigish Bhogilal Mehta

Jigish Bhogilal Mehta was appointed as a Director (Generation) in the category of Whole-time Director by the resolutions passed by the Board on May 22, 2024 and the shareholders on July 30, 2024. The details of the remuneration that he is presently entitled to, and the terms of his employment are enumerated below:

Salary	₹ 3,036,450 per month with effect from June 1, 2024. He is entitled to an increase in his salary within the range of ₹ 3,036,450 per month to ₹ 6,117,000 per month, during the period of appointment.
Performance Pay	The Company shall pay, in addition to salary, performance pay at a rate not exceeding 40.00% of the salary, payable annually at the end of the year.
Commission	In any situation of extraordinary nature and/or a significant development having a positive long term impact on the business and operations of the Company, he may be paid commission, subject to the provisions of the Companies Act.
Perquisites	The appointee will be also allowed the perquisites as under: (i) The Company shall pay House Rent Allowance @ 20% of the salary. (ii) The Company shall reimburse annual fees for two clubs. (iii) The Company shall pay the premium on personal accident insurance policy as per Company rules. (iv) The Company shall pay the premium on medical insurance for self and family as per the Company rules. (v) The Company shall provide a car with driver for official and personal use. (vi) The Company shall bear/ reimburse his mobile charges. (vii) Company's contribution to the provident fund will be as per applicable laws and rules of the Company. (viii) Company's contribution to Pension / Superannuation fund will be as per applicable laws and

	rules of the Company, and (ix) Gratuity shall be payable as per applicable laws and rules of the Company.
Other Terms	His entitlement for leave and its accumulation and encashment shall be as per prevailing Company rules.

Remuneration of our Directors

Executive Directors

The following tables sets forth the remuneration paid by our Company to our Executive Directors for Fiscals 2024, 2023 and 2022 and the period beginning from April 1, 2024 till September 30, 2024:

Name of our Directors	**Salary and perquisites# (in ₹ crores)**			
	April 1, 2024 till September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Samir Uttamlal Mehta	-	-	-	-
Jinal Sudhirbhai Mehta	8.97	15.60	13.57	12.06
Jigish Bhogilal Mehta*	3.12	5.00	4.25	3.60

#The salary and perquisites figures represent the cost to company (CTC) which includes remuneration, performance pay and is excluding commission

** Appointed as Director (Generation) in the category of Whole-time director w.e.f June 1, 2024, and remuneration paid to him before these dates was in the capacity of Senior Management.*

Name of our Directors	**Commission (in ₹ crores)**			
	April 1, 2024 till September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Samir Uttamlal Mehta	-	13.00	15.00	10.00
Jinal Sudhirbhai Mehta	-	4.00	5.00	2.50

Non-Executive Non-Independent Director

The following tables set forth the remuneration (including commission and sitting fees, if any) paid by our Company to our Non-Executive Non-Independent Director for Fiscals 2024, 2023 and 2022 and the period from April 1, 2024 till September 30, 2024:

Name of our Director	**Salary and perquisites$ (in ₹ crores)**			
	April 1, 2024 till September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Varun Sudhir Mehta*	1.00	5.00	4.00	2.40

**Varun Sudhir Mehta stepped down from the position of Whole-Time Director and was appointed as Non-Executive Director w.e.f. June 01, 2024. For Fiscal 2024 and Fiscal 2023, he received remuneration in the capacity as a Whole-Time Director. For Fiscal 2023, he received remuneration in the capacity of Senior Management Personnel for period April 01, 2022 till August 07, 2022 and in the capacity of whole-time director w.e.f August 08, 2022. For Fiscal 2022, he has drawn remuneration in the capacity of Senior Management Personnel of the Company.*

$ The salary and perquisites figures represent the cost to company (CTC) which includes remuneration, performance pay and bonus and is excluding commission

Name of our Directors	**Commission (in ₹ crores)**			
	April 1, 2024 till September 30, 2024	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Varun Sudhir Mehta	-	-	1.00	-

Sitting Fees

Our Non-Executive Director is not paid any remuneration except for sitting fees for attending Board and committee meetings. Pursuant to resolution dated February 8, 2024, the Board of Directors approved payment of sitting fees to all Non-Executive Directors of the Company, excluding promoter category Non-Executive Directors, for each Board or committee meeting attended by them at the rate of ₹ 100,000 per meeting and reimbursement of out-of-pocket expenses incurred by them for attending the meeting.

Independent Directors

The following tables sets forth the remuneration paid by our Company to the Independent Directors of our Company, by way of sitting fees for Fiscals 2024, 2023 and 2022 and the period beginning from April 1, 2024 till

September 30, 2024:

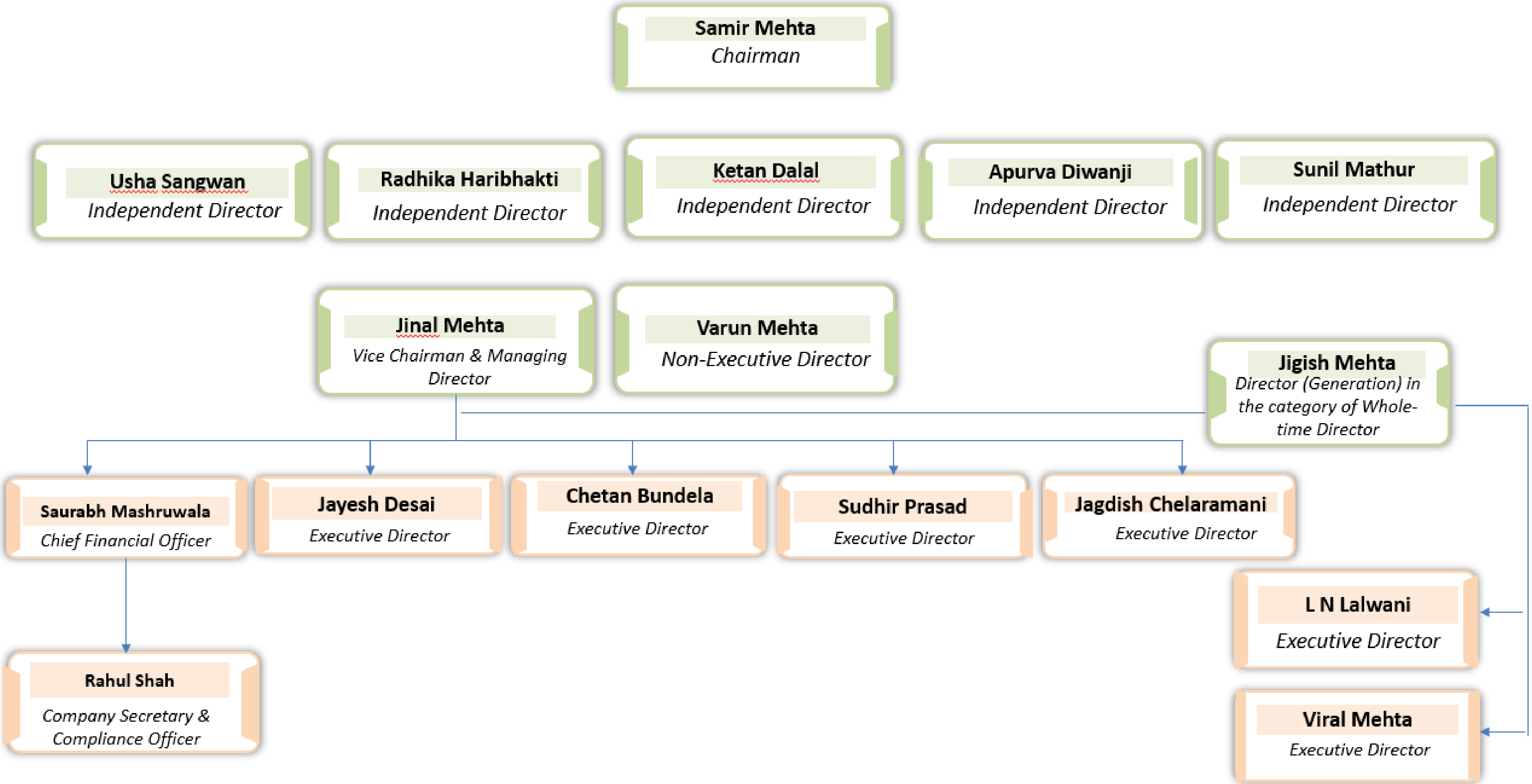
Name of our Directors	Sitting Fees (in ₹ crores)			
	April 1, 2024 till September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Usha Sangwan	0.07	0.18	0.14	0.09
Radhika Vijay Haribhakti	0.08	0.20	0.14	0.06
Ketan Arvind Dalal	0.08	0.19	0.10	-
Sunil Dass Mathur*	0.01	-	-	-
Apurva Shishir Diwanji**	0.06	-	-	-

Name of our Directors	Commission (in ₹ crores)			
	April 1, 2024 till September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Usha Sangwan	-	0.58	0.48	0.21
Radhika Vijay Haribhakti	-	0.64	0.48	0.14
Ketan Arvind Dalal	-	0.62	0.35	-
Sunil Dass Mathur*	-	-	-	-
Apurva Shishir Diwanji**	-	-	-	-

**Appointed w.e.f. May 23, 2024, hence no remuneration paid for Fiscal 2024, Fiscal 2023 and Fiscal 2022.*
***Appointed w.e.f. February 9, 2024, hence no remuneration paid for Fiscal 2024, Fiscals 2023 and 2022.*

Organisational Structure of our Company

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and members of the Senior Management:



Key Managerial Personnel

In addition to the Chairman, Vice-Chairman and Managing Director and Whole-time Director of our Company, the details of our Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Rahul Chaitanyabhai Shah is the Company Secretary and Compliance Officer of our Company. His remuneration for the six month period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 0.53 crore, ₹ 0.94 crore, ₹ 0.84 crore and ₹ 0.75 crore, respectively.

Saurabh Rameshchandra Mashruwala, is the Chief Financial Officer of our Company. His remuneration#^ for the six month period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 1.33 crore, ₹ 3.50 crore, ₹ 1.63 crore, and ₹ 1.44 crore, respectively. He was designated as Key Managerial Personnel effective April 14, 2023 and remuneration paid to him prior to this was in his capacity other than Key Managerial Personnel.

 # represents the cost to company (CTC) which includes remuneration, performance pay and excluding commission.
^ including bonus

Senior Management

In addition to the Key Managerial Personnel, the details of the members of our Senior Management as on the date of this Preliminary Placement Document are set forth below:

Jayesh Desai is the executive director – (human resources, corporate communications and AMGEN) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 2.76 crore, ₹ 4.85 crore, ₹ 4.25 crore and ₹ 3.50 crore, respectively.

L N Lalwani is the executive director – renewable (technical) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 2.50 crore, ₹ 5.00 crore, ₹ 8.32 crore and ₹ 7.56 crore, respectively.

Sudhir Prasad is the executive director - distribution (licensee business) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 2.26 crore, ₹ 4.05 crore, ₹ 3.62 crore and ₹ 3.20 crore, respectively.

Jagdish Chelaramani is the executive director - distribution (franchisee business) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 1.19 crore, ₹ 2.10 crore, ₹ 1.75 crore and ₹ 1.30 crore, respectively. Jagdish Chelaramani was designated as Senior Management effective from April 1, 2022 and remuneration paid to him prior to this was in his capacity as other than Senior Management.

Viral Mehta is the executive director (generation business) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 1.13 crore, ₹ 2.00 crore, ₹ 1.64 crore and ₹ 1.45 crore, respectively. Viral Mehta was designated as Senior Management effective from April 1, 2023 and remuneration paid to him prior to this was in his capacity as other than Senior Management.

Chetan Bundela is the executive director (corporate relations) of our Company. His remuneration# for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 1.00 crore, ₹ 1.60 crore, ₹ 1.23 crore and ₹ 1.10 crore, respectively. Chetan Bundela was designated as Senior Management effective from April 1, 2023 and remuneration paid to him prior to this was in his capacity as other than Senior Management

#The salary & perquisites figures represent the cost to company (CTC) which includes remuneration, performance pay and excluding commission.

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed below and as provided in "*Board of Directors and Senior Management – Shareholding of our Directors*" on page 202, none of our Key Managerial Personnel or members of the Senior Management hold Equity Shares in our Company as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage of shareholding (in %)
Saurabh Rameshchandra Mashruwala	50	Negligible
Jayesh Desai	100	Negligible
Chetan Bundela	5	Negligible

Relationship Key Managerial Personnel, Directors and members of Senior Management

Except as disclosed in *"- Relationship with other Directors"*, none of our Key Managerial Personnel or members of Senior Management are related to each other, or to our Directors.

Interest of our Key Managerial Personnel and members of the Senior Management

The Key Managerial Personnel and members of the Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

All the Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Except as provided in "*Related Party Transactions*" beginning on page 46, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Key Managerial Personnel or members of the Senior Management are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions, with our Key Managerial Personnel and members of Senior Management during the last three Fiscals, see "*Related Party Transactions*" beginning on page 46.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management were selected as member of senior management.

Corporate governance

The Board of Directors presently consists of nine Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of five Independent Directors including two women directors. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board and committees have been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility and Sustainability Committee; and (v) Risk Management Committee.

The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Name of members and designation
Audit Committee	(i) Ketan Arvind Dalal, chairperson

Committee	Name of members and designation
	(ii) Usha Sangwan, member (iii) Radhika Vijay Haribhakti, member (iv) Apurva Shishir Diwanji, member
Nomination and Remuneration Committee	(i) Apurva Shishir Diwanji, chairperson (ii) Radhika Vijay Haribhakti, member (iii) Ketan Arvind Dalal, member
Stakeholders' Relationship Committee	(i) Radhika Vijay Haribhakti, chairperson (ii) Ketan Arvind Dalal, member (iii) Apurva Shishir Diwanji, member
Corporate Social Responsibility and Sustainability Committee	(i) Usha Sangwan, chairperson (ii) Radhika Vijay Haribhakti, member (iii) Ketan Arvind Dalal, member
Risk Management Committee	(i) Ketan Arvind Dalal, chairperson (ii) Usha Sangwan, member (iii) Radhika Vijay Haribhakti, member (iv) Saurabh Rameshchandra Mashruwala, member

Other confirmations

None of the Directors, Promoters, Key Managerial Personnel or members of the Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor any of our Directors or Promoters have ever been declared as 'fraudulent borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016, and SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI. Further, none of the Promoters and Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoters, Key Managerial Personnel or members of the Senior Management of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on Disclosures and Internal Procedure for prevention of Insider Trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations. Rahul Chaitanyabhai Shah acts as the Company Secretary and Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 and six months period ended September 30, 2024, see "*Related Party Transactions*" on page 46.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was originally incorporated as "Torrent Power Trading Private Limited", under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC on April 29, 2004. Subsequently, the name of our Company was changed to "Torrent Power Private Limited" and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 25, 2006. Thereafter, our Company's name changed to its present name viz "Torrent Power Limited" pursuant to a fresh certificate of incorporation consequent on change of name dated February 8, 2006 issued by the RoC.

Our Company's corporate identification number is L31200GJ2004PLC044068.

Registered and Corporate Office

Our Registered and Corporate Office is situated at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India. On December 1, 2016, the registered office of our Company was changed from Torrent House, off Ashram Road, Ahmedabad – 380 009 Gujarat, India to 'Tapovan', 600, Tapovan, Ambawadi, Ahmedabad – 380 051, Gujarat, India. Further, on March 16, 2017, the registered office of our Company was renamed from 'Tapovan', 600, Tapovan, Ambawadi, Ahmedabad – 380 051, Gujarat, India to "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 051, Gujarat, India.

Our Equity Shares have been listed on BSE and NSE since November 27, 2006 and November 28, 2006, respectively.

Subsidiaries

As of the date of this Preliminary Placement Document, we have the following Subsidiaries:

1. Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
2. Jodhpur Wind Farms Private Limited
3. Latur Renewable Private Limited
4. MSKVY Ninth Solar SPV Limited
5. Solapur Transmission Limited
6. Sunshakti Solar Power Projects Private Limited
7. Surya Vidyut Limited
8. Torrent Green Energy Private Limited
9. Torrent Green Hydrogen Private Limited
10. Torrent Pipavav Generation Limited
11. Torrent Power Grid Limited
12. Torrent PSH 1 Private Limited
13. Torrent PSH 2 Private Limited
14. Torrent PSH 3 Private Limited
15. Torrent PSH 4 Private Limited
16. Torrent Saurya Urja 2 Private Limited
17. Torrent Saurya Urja 3 Private Limited
18. Torrent Saurya Urja 4 Private Limited
19. Torrent Saurya Urja 5 Private Limited
20. Torrent Saurya Urja 6 Private Limited *(formerly known as LREHL Renewables India SPV Private Limited)*
21. Torrent Solar Power Private Limited
22. Torrent Solargen Limited
23. Torrent Urja 10 Private Limited
24. Torrent Urja 11 Private Limited
25. Torrent Urja 12 Private Limited
26. Torrent Urja 13 Private Limited
27. Torrent Urja 14 Private Limited
28. Torrent Urja 15 Private Limited

29. Torrent Urja 16 Private Limited
30. Torrent Urja 17 Private Limited
31. Torrent Urja 18 Private Limited
32. Torrent Urja 19 Private Limited
33. Torrent Urja 20 Private Limited
34. Torrent Urja 21 Private Limited
35. Torrent Urja 22 Private Limited
36. Torrent Urja 23 Private Limited
37. Torrent Urja 24 Private Limited
38. Torrent Urja 25 Private Limited
39. Torrent Urja 26 Private Limited
40. Torrent Urja 27 Private Limited
41. Torrent Urja 7 Private Limited *(formerly known as Wind Two Renergy Private Limited)*
42. Torrent Urja 8 Private Limited
43. Torrent Urja 9 Private Limited
44. Visual Percept Solar Projects Private Limited

Step-down Subsidiary

As on the date of this Preliminary Placement Document, our Company has one step-down Subsidiary, namely, Airpower Windfarms Private Limited which is a subsidiary of Torrent Green Energy Private Limited.

Holding Company

As on the date of this Preliminary Placement Document, Torrent Investments Private Limited is our Company's holding company.

Joint Venture

As on the date of this Preliminary Placement Document, we have one joint venture namely, UNM Foundation.

Associate

As on the date of this Preliminary Placement Document, we have one associate namely, Tidong Hydro Power Limited.

Organisation Structure

As of the date of this Preliminary Placement Document, we have 44 Subsidiaries, 1 Step-down Subsidiary, 1 Associate and 1 Joint Venture. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 21 and 277, respectively.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on September 30, 2024 is set forth below:

Table I – Summary Statement holding of Specified securities:

Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Sub Category I	Sub Category II	Sub Category III
(A) Promoter & Promoter Group	4	257,443,318	257,443,318	53.57	257,443,318	53.57	257,443,318	-	-	-
(B) Public	153,439	223,173,466	223,173,466	46.43	223,173,466	46.43	213,319,169	-	-	-
(C) Non-Promoter-Non- Public	-	-	-	-	-	0.00	-	-	-	-
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	-	-	-
(C2) Shares held by Employee Trusts	-	-	-	0.00	-	0.00	-	-	-	-
Grand Total (A+B+C)	153,443	480,616,784	480,616,784	100.00	480,616,784	100.00	470,762,487	-	-	-

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category of Shareholders	Entity type	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of equity shares held in dematerialized form
						Class e.g.: X	Total	
A1) Indian								
Individuals/Hindu undivided Family		3	21,007	21,007	0.00	21,007	0.00	21,007
Jinal Sudhir Mehta	Promoter	1	8,000	8,000	0.00	8,000	0.00	8,000
Sudhir Uttamlal Mehta	Promoter	1	6,882	6,882	Negligible	6,882	Negligible	6,882
Samir Uttamlal Mehta	Promoter	1	6,125	6,125	0.00	6,125	0.00	6,125
Any Other (specify)		1	257,422,311	257,422,311	53.56	257,422,311	53.56	257,422,311
Torrent Investments Private Limited	Promoter	1	257,422,311	257,422,311	53.56	257,422,311	53.56	257,422,311
Mehta Family Trust 1	Promoter	-	-	-	0.00	-	-	-
Mehta Family Trust 2	Promoter	-	-	-	0.00	-	-	-
Mehta Family Trust 3	Promoter	-	-	-	0.00	-	-	-
Mehta Family Trust 4	Promoter	-	-	-	0.00	-	-	-
Sub Total A1		4	257,443,318	257.,443,318	53.57	257,443,318	53.57	257,443,318
A2) Foreign					0.00		0.00	
A=A1+A2		4	257,443,318	257,443,318	53.57	257,443,318	53.57	257,443,318

Table III - Statement showing shareholding pattern of the public shareholder:

Category & Name of the Shareholder	No of Shareholder	No of fully paid-up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under SubCategory _I	SubCategory _II	SubCategory _III
B1) Institutions										
B2) Institutions (Domestic)										
Mutual Funds/	26	67,159,038	67,159,038	13.97	67,159,038	13.97	67,159,038	-	-	-
SBI Mutual Funds	1	27,931,804	27,931,804	5.81	27,931,804	5.81	27,931,804	-	-	-
Axis Mutual Funds	1	2,55,37,900	2,55,37,900	5.31	25,537,900	5.31	25,537,900	-	-	-
Alternate Investment Funds	6	74,215	74,215	0.02	74,215	0.02	74,215	-	-	-
Banks	25	430,301	430,301	0.09	430,301	0.09	366,886	-	-	-
Insurance Companies	16	23,771,250	23,771,250	4.95	23,771,250	4.95	23,771,250	-	-	-
Life Insurance Corporation Of India	1	15,431,720	15,431,720	3.21	15,431,720	3.21	15,431,720	-	-	-
NBFCs registered with RBI	4	3,872	3,872	0.00	3,872	0.00	3,872	-	-	-
Sub Total B1	**77**	**91,438,676**	**91,438,676**	**19.03**	**91,438,676**	**19.03**	**91,375,261**	**-**	**-**	**-**
B3) Institutions (Foreign)	0	0		0.00		0.00		-	-	-
Foreign Portfolio Investors Category I	385	40,918,941	40,918,941	8.51	40,918,941	8.51	40,918,941	-	-	-
Foreign Portfolio Investors Category II	21	1,802,058	1,802,058	0.37	1,802,058	0.37	1,802,058	-	-	-
Sub Total B2	**406**	**42,720,999**	**42,720,999**	**8.89**	**42,720,999**	**8.89**	**42,720,999**	**-**	**-**	**-**
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		-	-	-
Central Government / President of India	1	550	550	0.00	550	0.00	550	-	-	-
State Government / Governor	4	42,057,951	42,057,951	8.75	42,057,951	8.75	35,000,901	-	-	-
The Governor of Gujarat	1	7,057,050	7,057,050	1.47	7,057,050	1.47	-	-	-	-

Category & Name of the Shareholder	No of Shareholder	No of fully paid-up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								SubCategory_I	SubCategory_II	SubCategory_III
Gujarat Urja Vikas Nigam Limited	1	35,000,000	35,000,000	7.28	35,000,000	7.28	35,000,000	-	-	-
Sub Total B3	**5**	**42,058,501**	**42,058,501**	**8.75**	**42,058,501**	**8.75**	**35,001,451**	**-**	**-**	**-**
B5) Non-Institutions										
Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	2	282,905	282,905	0.06	282,905	0.06	282,898	-	-	-
Investor Education and Protection Fund (IEPF)	1	2,531,175	2,531,175	0.53	2,531,175	0.53	2,531,175	-	-	-
Resident Individuals holding nominal share capital up to ₹ 0.2 crores	147,636	21,823,358	21,823,358	4.54	21,823,358	4.54	19,481,125	-	-	-
Resident Individuals holding nominal share capital in excess of ₹ 0.2 crores	136	6,458,447	6,458,447	1.34	6,458,447	1.34	6,132,831	-	-	-
Non-Resident Indians (NRIs)	2,681	945,576	945,576	0.20	945,576	0.20	881,373	-	-	-
Foreign Nationals	1	50	50	0.00	50	0.00	50	-	-	-
Bodies Corporate	540	13,952,589	13,952,589	2.90	13,952,589	2.90	13,951,709	-	-	-
Gujarat State Financial Services Ltd	1	11,871,621	11,871,621	2.47	11,871,621	2.47	11,871,621	-	-	-
Any Other (specify)	1,954	961,190	961,190	0.20	961,190	0.20	960,297			
Clearing Members	12	809	809	0.00	809	0.00	809			
HUF	1,859	775,194	775,194	0.16	775,194	0.16	774,301			
LLP	51	30,707	30,707	0.01	30,707	0.01	30,707			
Unclaimed or Suspense or Escrow Account	1	2,589	2,589	0.00	2,589	0.00	2,589			

Category & Name of the Shareholder	No of Shareholder	No of fully paid-up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								SubCategory _I	SubCategory _II	SubCategory _III
Trusts	31	151,891	151,891	0.03	151,891	0.03	151,891			
Sub Total B4	152,951	46,955,290	46,955,290	9.77	46,955,290	9.77	44,221,458			
B=B1+B2+B3+B4	**153,439**	**223,173,466**	**223,173,466**	**46.43**	**223,173,466**	**46.43**	**213,319,169**			

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also, see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 232 *and* 238*, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have passed a special resolution dated July 30, 2024 approving the Issue. Such special resolution *inter alia* must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date;

- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of issue, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., this Preliminary Placement Document and an Application Form) serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable lawds; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement must be made only to such Eligible QIBs whose names are recorded by the Issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- our Promoters and Directors have not been declared as Wilful Defaulters and Fraudulent Borrowers; and

- our Promoters and Directors are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or a duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders passed in their annual general meeting held on July 30, 2024, the Board may offer a discount of not more than 5% on the Floor Price in accordance with Regulation 176(1) of the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder's resolution approving the Issue, being July 30, 2024 and within 60 days from the date of receipt of the Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see "*– Refunds*" on page 228.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under the applicable laws including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crores; and

- five, where the issue size is greater than ₹250 crores.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*– Bid Process - Application Form*" on page 223.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in rule 144A under the U.S. Securities Act) pursuant to section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 232 **and** 238**, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".**

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE each dated December 2, 2024.

We shall also make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, and/or any other documents specified in the Application Form, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

- A representation that it is either (i) outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, or (ii) a U.S. QIB and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 4 and "*Transfer Restrictions and Purchaser Representations*" on page 238 and certain other representations as set forth in the Application Form;

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

- details of the depository account to which the Equity Shares should be credited; and

- Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024"* with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Application Amounts received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 228.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when

dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment**.**

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

15. As per applicable laws, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the approvals from the Stock Exchanges or our Company.

16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who can participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;

- Mutual Funds;
- pension funds with minimum corpus of ₹25 crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crores;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES RESPECTIVELY, IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF THE FEMA RULES, SUBJECT TO OTHER CONDITIONS MENTIONED IN THE FEMA RULES.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue Equity Share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route as we are engaged in the power sector). Further, if any FPI holds 10% or more of the Equity Share capital of our Company, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Eligible FPIs are permitted to participate in the Issue subject to compliance with the conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or

- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company, and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the Book Running Lead Managers and any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 232and 238, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act 2013, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

13. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations;

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges;

15. The Eligible QIB acknowledges, represents and agrees that its total voting rights in our Company does not exceed 10% of the total issued share capital of our Company; and

16. The Eligible QIB confirms that:

    (a) If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

(b) If it is outside the United States, it is subscribing to the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

(c) It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 1, 4, 232 and 238, respectively.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following address:

Name of BRLMs	Address	Contact person	Website and E-mail ID	Contact number
Kotak Mahindra Capital Company Limited	1st Floor, 27 BKC, Plot No. C – 27 'G' Block, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra, India	Ganesh Rane	**Website**: https://investmentbank.kotak.com **Email ID**: Torrentpower.qip@kotak.com	+91 22 4336 0000
Jefferies India Private Limited	Level 16, Express Towers, Nariman Point, Mumbai 400 021, Maharashtra, India	Suhani Bhareja	**Website**: www.jefferies.com **Email ID**: Torrent.Power.QIP@jefferies.com	+91 22 4356 6000
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Prachee Dhuri	**Website**: www.jmfl.com **Email ID**: torrentpower.qip@jmfl.com	+91 22 6630 3030

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "*TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024*" with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments are to be made only through electronic fund transfer. Payments through cheques or demand draft or cash shall be rejected. If the payment is not made favouring the "*TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024*" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "**–** *Refunds*" on page 228.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a resolution dated July 30, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at its sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Managers. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in the Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC within the prescribed timelines under the Companies Act.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post Issue shareholding in the Company.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see " - *Refunds*" on page 228.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "*TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024*" account to our Company until receipt of notice from the Book Running Lead Managers, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated December 2, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to the Issue on reasonable efforts basis, in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs (or their affiliates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 10.

From time to time, the BRLMs, and their affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the Shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their affiliates.

Lock-up

Under the Placement Agreement, our Company agrees, subject to the exceptions set out below, not to: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing; (b) enter into any swap or other agreement or transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or such other securities, in cash or otherwise); (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction described in (a) to (c) above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 90 days after the Closing Date without the prior written consent of the BRLMs, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; and (ii) any transaction required by Applicable Law or an order of a court of law or a statutory authority. Promoter's lock-up

Under the Placement Agreement, the Promoters of our Company, holding 257,443,318 Equity Shares aggregating 53.57% of the Equity Share capital of our Company as of the date of this undertaking (the "**Lock-up Shares**" which definition shall include all Equity Shares that the undersigned may acquire during the Lock-up Period, agree that, without the prior written consent of the BRLM, they shall not, publicly announce any intention to, enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 90 days after the Closing Date (both dates inclusive) ("**Lock-up Period"**) directly or indirectly:

(a) offer, issue, pledge, sell, encumber, contract to sell, lend, purchase any option, grant or sell any option, right, contract or warrant to purchase, make any short sale or otherwise transfer or dispose of any Lock-up Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares, whether now owned or hereinafter acquired or file any registration statement under the Securities Act with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise); or

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Lock-up Shares or any securities that are convertible into, exercisable or exchangeable for the Lock-up Shares, whether now owned or hereinafter acquired (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise); or

(c) deposit any of the Lock-up Shares, or any securities convertible into, exercisable or exchangeable for the Lock-up Shares or which carry the rights to subscribe for or purchase the Lock-up Shares, with any depository in connection with a depository receipt facility; or

(d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility.

Provided, however, that none of the foregoing or below restrictions shall apply to:

a) any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of the BRLMs to the extent such sale, transfer or disposition is required by Applicable Law; and

b) any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Lock-up Shares to any third party pursuant to the invocation of any pledge in relation to the Lock-up Shares.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.
The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*".

Australia. This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Issuer and the Managers that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or the Managers) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain. The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

Canada. The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Dubai International Financial Centre. *The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:*

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area. In relation to each Member State of the European Economic Area, no offer of Equity Shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Underwriters; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Underwriters and the Company that it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong. The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan. The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait. This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius. The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand. This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or

(iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Qatar (excluding the Qatar Financial Centre). This Preliminary Placement Document and the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this Preliminary Placement Document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this Preliminary Placement Document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary

Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre. This Preliminary Placement Document do not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Republic of Korea. We are not making any representation with respect to the eligibility of any recipients of this Preliminary Placement Document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Saudi Arabia. This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore. Each Manager has acknowledged that this Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Equity Shares, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are ''prescribed capital markets products'' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman. This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Equity Shares described in this Preliminary Placement Document will not take place inside Oman. This Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Switzerland. The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

UAE (excluding Dubai International Financial Centre). This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "**UAE**") or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom. The communication of this Preliminary Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Preliminary Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Preliminary Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Preliminary Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Preliminary Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the Underwriters; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require the Company or any Underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by our Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE or the NSE. Allotments made to Eligible FPIs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Outside the United States

Each subscriber of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the subscriber and the person, if any, for whose account or benefit the subscriber is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not subscribed to the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the subscriber is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

4. the subscriber is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Preliminary Placement Document;

5. the subscriber is subscribing for the Equity Shares in compliance with laws of jurisdictions applicable to it;

6. the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the Securities Act; and

7. the subscriber acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Within the United States

Each subscriber of the Equity Shares within the United States subscribing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

3. the subscriber is a U.S. QIB and is aware that the sale to it is being made in a transaction not subject to the registration requirements of the Securities Act and is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer;

4. the subscriber is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

5. if in the future, the subscriber decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only to a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in accordance with Regulation S under the Securities Act or in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

7. the subscriber will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

8. our Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions;

9. the subscriber acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

10. the Equity Shares may not be acquired by or transferred to (i) any person that is, or that is acting on behalf of or investing assets of, (A) an "employee benefit plan" (as defined in section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (B) a "plan" (as defined in Section 4975(e)(1) of the Internal Revenue Code) that is subject to Section 4975 of the Internal Revenue Code or (C) an entity whose underlying assets are deemed to include assets of an employee benefit plan or a plan described in (A) or (B) by reason of such employee benefit plan's or plan's investment in the entity (collectively, a "**Benefit Plan Investor**") or (ii) any person that is, or that is acting on behalf of or investing the assets of a governmental, church or non-U.S. plan that is subject to Similar Law, unless in each case such person's acquisition, holding and disposition of the Equity Shares will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or a non-exempt violation of any Similar Law, in the case of a plan subject to Similar Law.

11. each subscriber or transferee of Equity Shares or any interest therein that is using assets of a benefit plan investor subject to ERISA or to Section 4975 of the Code (a "benefit plan"), including any fiduciary purchasing Equity Shares on behalf of a benefit plan ("**Plan Fiduciary**"), will be deemed to have represented by its acquisition of the Equity Shares that:

    a) none of the Company, the BRLMs, agents, dealers and similar parties, or any of their respective affiliated entities (the "**Transaction Parties**"), has provided or will provide advice with respect to the acquisition of Equity Shares by the benefit plan, other than to the Plan Fiduciary which is independent of the Transaction Parties, and the Plan Fiduciary either: (a) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "**Advisers Act**"), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; (b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a benefit plan; (c) is an investment adviser registered under the Advisers Act, or, if not registered an as investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; (d) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or (e) has, and at all times that the benefit plan is invested in Equity Shares will have, total assets of at least U.S. $50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the benefit plan investing in Equity Shares in such capacity);

b) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the benefit plan of Equity Shares;

c) the Plan Fiduciary is a "fiduciary" with respect to the benefit plan within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the benefit plan's acquisition of Equity Shares;

d) none of the Transaction Parties has exercised any authority to cause the benefit plan to invest in Equity Shares or to negotiate the terms of the benefit plan's investment in Equity Shares; and

e) the Plan Fiduciary has been informed by the Transaction Parties: (a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity, and that no such entity has given investment advice or otherwise made a recommendation, in connection with the benefit plan's acquisition of Equity Shares; and (b) of the existence and nature of the Transaction Parties financial interests in the benefit plan's acquisition of Equity Shares.

The above representations are intended to comply with the DOL's Reg. Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997). If these regulations are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Equity Shares by any benefit plan.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the Listing Agreements. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

Insider Trading Regulations have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media. An "insider" means any person who is (i) a connected person; or (ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday. Additionally, SEBI has introduced beta version of T+0 rolling settlement cycle on optional basis in addition to existing T+1 settlement cycle for a limited set of 25 scrips and with a limited number of brokers.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

The Takeover Regulations were amended on May 17, 2024 to exclude the effect on the price of the listed equity shares (i) of the target company and (ii) which are offered as consideration, due to material price movement and confirmation of reported event or information, as per the framework specified under the Regulation 30(11) of the Listing Regulations for determination of the price of such equity shares under the Takeover Regulations.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹43,700,000,000 comprising of 4,370,000,000 Equity Shares of face value of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 4,806,167,840 comprising of 480,616,784 Equity Shares of face value of ₹ 10 each. The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified as in their judgement the position of the Company justifies.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act, 2013 permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to *inter alia* distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company in a general meeting may, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve account, or in the hands of Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend ad in the same proportions and on the footing that they become entitled thereto as capital and on that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a share premium account and a capital redemption reserve account may, for the purposes of the article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company. Any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the shareholders. Shorter notice is permitted if consent is received from 95% of the shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Companies Act, 2013. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act, 2013 and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act, 2013 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Our Articles of Association provide that the Company shall maintain a 'Register of Transfers' and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, if the Company shall be wound up, the liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction shall think fit.

TAXATION

CERTIFICATE ON STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,
The Board of Directors
Torrent Power Limited
"Samanvay", 600 Tapovan, Ambawadi,
Ahmedabad 380 015
Gujarat, India

Dear Madam(s) / Sir(s),

Sub: Statement of possible special tax benefits available to Torrent Power Limited, its Subsidiaries and its shareholders

We, **G. K. Choksi & Co., Chartered Accountants (Firm Registration No. 101895W)** are independent chartered accountants firm, appointed by Torrent Power Limited (hereinafter referred to as 'the **Company'**) and have received a request from the Company to provide certain confirmations on the statement of possible special tax benefits available to the Company, its Subsidiaries and its shareholders. This certificate is issued in accordance with our engagement letter dated October 15, 2024 with the Company in relation to the proposed offering of equity shares of face value ₹10 each by the Company in a qualified institutions placement in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations (the "**Issue**").

We hereby confirm that the statement enclosed as Annexures I and II, which are prepared by the Company and initialed by us and the Company for identification purpose ("**Statement**") for the proposed Issue, provides details of possible special tax benefits available to the Company, its Subsidiaries and its shareholders under the under the Income-tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, as amended (the "**IT Act**"), applicable for the financial year ended March 31, 2025 and relevant to the assessment 2025-2026, presently force in India and under indirect taxation laws presently in force in India (the "**Tax Laws**")

Several of these benefits are dependent on the Company or its Subsidiaries or its shareholders, fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its Subsidiaries and//or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its Subsidiaries or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's Management. Management is also responsible for identifying and ensuring that the Company and its Subsidiaries complies with the laws and regulations applicable to its activities and for claiming/utilization of these available tax benefits. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither are we suggesting nor advising the investors to invest money based on the Annexures.

We do not express any opinion or provide any assurance as to whether:

i. The Company, its Subsidiaries or its shareholders will continue to be eligible to obtain these benefits in the future;
ii. The conditions prescribed for availing of the benefits, where applicable have been / would be complied with;
iii. The revenue authorities / courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the "**ICAI**"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

The enclosed Annexures is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.

This is not a statement / confirmation of the tax treatment of any transaction of investing in the company or a treatise on tax rates and tax provisions. It only elaborates any possible special tax benefits that are available to the Company or to its shareholders over and above those that are generally available to operating companies and to the shareholders.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This certificate may be relied upon by the addressees of this certificate and the legal counsels appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the preliminary placement document and placement document to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue, in accordance with applicable law.

FOR G. K. CHOKSI & CO.
Chartered Accountants
[Firm Registration No. 101895W]
[Peer Review Certificate No. 014988]

ROHIT K. CHOKSI
Partner
Mem. No. 31103
UDIN : 24031103BKDQUY9208

Place : Ahmedabad
Date : 2nd December, 2024

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TORRENT POWER LIMITED (THE "COMPANY"), ITS SUBSIDIARIES AND ITS SHAREHOLDERS UNDER INCOME-TAX ACT, 1961

The possible special tax benefits available to the Company, its Subsidiaries and its shareholders under the Income-tax Act, 1961 read with Income-tax Rules, 1962, Circulars, and Notifications thereunder, as amended by the Finance (No. 2) Act, 2024 (hereinafter referred to as '**IT Act'**) and presently in force in India are as under.

A. Special Tax Benefits available to the Company and its Subsidiaries:

1. Deduction u/s. 80-IA of the IT Act being deduction in respect of profit and gains from industrial undertaking or enterprise engaged in infrastructure development etc.

An amount equal to 100% of the profits and gains, derived from the eligible business, is allowable as deduction for 10 consecutive assessment years (out of 15 assessment years beginning with the assessment year in which eligible assessee develops / begins its operations) in case of an undertaking engaged in business of generation or generation and distribution of power. Following are the relevant conditions that is required to be fulfilled to be eligible to avail the deduction under section 80-IA of the IT Act:

a) An undertaking is set up in any part of India for the generation or generation and distribution of power, if it begins to generate power at any time during the period beginning on the 1st day of April, 1993 and ending on the 31st day of March, 2017;

b) An undertaking which starts transmission or distribution by laying a network of new transmission or distribution lines at any time during the period beginning on the 1st day of April, 1999 and ending on the 31st day of March, 2017. The deduction u/s. 80-IA of the IT Act shall be allowed to an undertaking engaged in the activity of transmission of power, only in relation to the profits derived from laying of such network of new lines for transmission or distribution;

c) An undertakes which undertakes substantial renovation and modernization of the existing network of transmission or distribution lines (as defined in explanation to sub-section (4) of section 80-IA of the IT Act) at any time during the period beginning on the 1st day of April, 2004 and ending on the 31st day of March, 2017.

d) Undertaking is not formed by splitting up, or the reconstruction, of a business already in existence and it is not formed by the transfer to a new business of machinery or plant previously used for any purpose (except in respect of machinery or plant previously used by a State Electricity Board referred to in clause (7) of section 2 of the Electricity Act, 2003 (36 of 2003)).

e) The accounts of the eligible undertaking, for the previous year relevant to the assessment year for which the deduction is claimed, are required to be audited by a Chartered Accountant before the due date for such audit specified under the IT Act.

f) Further, following power generation / transmission / distribution units of the Company and its Subsidiaries are eligible for deduction u/s. 80-IA of the IT Act and the amount of deduction available for A.Y. 2025-26 will be determined on the basis of the profit of the respective units:

Name of eligible unit	Eligibility period till F.Y.
Agra Distribution	2025-26
UNO SUGEN Mega Power Project	2027-28
Dahej Generation	2028-29
DGEN Transmission	2028-29
Lalpur Windmill Devision	2025-26
Suzlon Windmill Unit	2029-30
Mahidad Windmill Unit	2029-30
Charnaka Solar Unit	2028-29
GENSU Solar Unit	2029-30
Visual Percept Solar Projects Private Limited	2025-26
Torrent Power Grid Limited	2025-26

2. Deduction u/s. 80-M of the IT Act in respect of inter corporate dividends:

Up to 31st March 2020, the dividend paid by any company to its shareholders was subject to payment of tax on it called Dividend Distribution Tax ("**DDT**") by such company and the recipient shareholder was exempt from payment of tax on such dividend income. As per the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("**TDS**") at applicable rate specified under the IT Act read with applicable double taxation avoidance agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the IT Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year i.e. financial year relevant to the assessment year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the IT Act.

3. Deduction u/s. 80G of the IT Act in respect of Donations to Charitable Trusts/Institutions:

Deduction u/s. 80G of the IT Act is allowable in respect of donations made to various funds, charitable organizations etc. No deduction under this section is allowable in case the amount of donation exceeding Rs. 2000/- is paid in cash. Payment of these Donation are eligible for deduction as 100% of the amount of donation paid or 50% of the amount of donation paid and subject to qualifying limit in respect of certain donations depending upon the entity / organization to which the donation is paid.

4. Deduction u/s. 80GGB or 80GGC of the IT Act in respect of contribution to political parties:

As per the provisions of section 80GGB or 80GGC of the IT Act, deduction is allowance to a company in respect of the amount of contribution made by it to a political party registered under section 29A of the Representation of the People Act, 1951 (43 of 1951) or an electoral trust. No deduction is allowable in respect of any sum contributed by way of cash.

5. Deduction under clause (iia) of sub-section (1) of Section 32 of the IT Act being Additional depreciation on new Plant & Machinery acquired and put to use during the relevant year:

Additional depreciation at the rate of 20% of actual cost of the machinery / plant is allowable u/s. 32(1)(iia) of the IT Act on plant and machinery located at the factory / godown that fulfills the following conditions as laid down under the said section.

i. The assessee is engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power; and
ii. New machinery or plant (other than ships and aircraft) has been acquired and installed after the 31st day of March, 2005; and
iii. Machinery or plant, before its installation by assessee, was not used by any other person either within or outside India; and
iv. The machinery and plant should not be any office appliances or road transport vehicles.
v. Machinery or Plant is not installed in any office premises or any residential accommodation including guest-house;
vi. The actual cost of machinery or plant should not have been allowed as deduction in any other previous year;
vii. If the new machinery or plant acquired during the year has been put to use for a period less than 180 days, then additional depreciation is allowable at the rate of 10% of actual cost of machinery and plant acquired in the year of acquisition and remaining 10% is allowable in immediately succeeding assessment year.

6. Deduction u/s. 80JJAA of the IT Act in respect of employment of new employees:

Deduction u/s. 80JJAA of the IT Act is allowed in case of assessee which are liable to get their accounts audited as per section 44AB of the IT Act. Such deduction is calculated @30% of additional employee cost incurred in respect of new eligible employees employed during the course of business in the previous year. The said deduction is allowed for three assessment years, including the assessment year relevant to the previous year in which such employment is provided. For claiming deduction under this section, an assessee is required to furnish the report of the chartered accountant in Form 10DA before the specified date referred to in section 44AB of the IT Act.

7. Option to be taxed at the rate of 15% as per section 115BAB of the IT Act:

A domestic company which is not engaged in any business other than the business of manufacture or production of any article or thing and research in relation to, or distribution of, such article or thing manufactured or produced by it (includes business of generation of electricity) and which has been set-up and registered on or after 01.10.2019 and has commenced manufacturing or production of an article or thing on or before the 31.03.2024 can opt to be taxed at the rate of 15% in respect of its income derived from is incidental to manufacturing or production of an article or thing. Other income shall be taxed at the rate specified under the IT Act or 22% or 30% as provided in section 115BAB of the IT Act

If the Company or any of its Subsidiaries opts for concessional income tax rate as prescribed under Section 115BAB of the IT Act, it will not be allowed to claim any of the following deductions:

- Deduction under the provisions of Section 10AA of the IT Act (deduction for units in Special Economic Zone);
- Deduction under clause (iia) of sub-section (1) of Section 32 of the IT Act (Additional depreciation);
- Deduction under Section 32AD or Section 33AB or Section 33ABA of the IT Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 of the IT Act (Expenditure on scientific research);
- Deduction under Section 35AD or Section 35CCC of the IT Act (Deduction for specified business, agricultural extension project);
- Deduction under Section 35CCD of the IT Act (Expenditure on skill development);
- Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA or Section 80M of the IT Act;
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the IT Act, if such loss or depreciation is attributable to any of the deductions referred above

- If the Company opts for concessional income tax rate under Section 115BAA of the IT Act, surcharge shall be levied at the rate of 10%.
- Further, if the company opts for concessional income tax rate under Section 115BAA of the IT Act, the provisions of Section 115JB of the IT Act regarding Minimum Alternate Tax (MAT) are not applicable and such company will not be entitled to claim benefit of MAT credit.

B. Special Tax benefits available to the shareholders:

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the IT Act would be available on fulfilling the conditions (as discussed hereinabove).

2. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15% of tax on dividend.

3. As per section 112A of the IT Act, long term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 12.50% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the IT Act, as well as per Notification No. 60/2018/F. No.370142/9/2017 TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 125,000.

4. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15% of tax on long-term capital gain u/s. 112A of the IT Act, irrespective of the amount of long-term capital gain.

5. Further, deduction under Chapter VI-A and the rebate under section 87A of the IT Act shall be allowed from the gross total income as reduced by such capital gains.

6. As per section 111A of the IT Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfilment of prescribed conditions under the IT Act. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15% of tax on short term capital gain u/s. 111, irrespective of the amount of short term capital gain.

C. Notes:

i) The benefits discussed in para (A) and (B) above are as per the provisions of IT Act and current tax law as amended by the Finance (No. 2) Act, 2024.

ii) This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them.

iii) Applicable surcharge in case of domestic companies is 7% where the total taxable income is between Rs. 1 crore to Rs. 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.

iv) Health and education cess @ 4% on the tax and surcharge is payable by all category of tax payers.

v) If the Company opts for concessional income tax rate as prescribed under Section 115BAA of the IT Act, it will not be allowed to claim any of the following deductions:

- Deduction under the provisions of Section 10AA of the IT Act (deduction for units in Special Economic Zone);
- Deduction under clause (iia) of sub-section (1) of Section 32 of the IT Act (Additional depreciation);
- Deduction under Section 32AD or Section 33AB or Section 33ABA of the IT Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- Deduction under sub-clause (ii) or sub-clause (via) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 of the IT Act (Expenditure on scientific research);
- Deduction under Section 35AD or Section 35CCC of the IT Act (Deduction for specified business, agricultural extension project);
- Deduction under Section 35CCD of the IT Act (Expenditure on skill development);
- Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA or Section 80M of the IT Act;
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A of the IT Act, if such loss or depreciation is attributable to any of the deductions referred above
- If the Company opts for concessional income tax rate under Section 115BAA of the IT Act, surcharge shall be levied at the rate of 10%.
- Further, if the company opts for concessional income tax rate under Section 115BAA of the IT Act, the provisions of Section 115JB of the IT Act regarding Minimum Alternate Tax (MAT) are not applicable and such company will not be entitled to claim benefit of MAT credit.

The above statement of special direct tax benefits, sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TORRENT POWER LIMITED (THE "COMPANY") ITS SUBSIDIARIES AND ITS SHAREHOLDERS UNDER INDIRECT TAX LAWS IN INDIA

The possible special tax benefits available to the Company and its shareholders under the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017/ relevant State Goods and Services Tax Act (SGST) ("**GST Law**"), the Customs Act, 1962 ("**Customs Act**"), Customs Tariff Act, 1975 ("**Tariff Act**") read with rules, circulars, and notifications each as amended (herein collectively referred as "**Indirect Tax Laws**"), as amended by the Finance Act 2023, and presently in force in India.

A. STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SUBSIDIARIES

1. Notification No. 2/2017-Central Tax (Rate) (Applicable for the units/subsidiaries which are in generation of electricity.)

As per the aforementioned notification, the Company is exempted from intra-State supplies of goods i.e. electrical energy.

2. Notification No. 46/2011-Customs

As per the aforementioned notification, the Company is exempted from payment of custom duty in case when goods are imported into the Republic of India from a country listed in APPENDIX I of the said notification. This is applicable for coal used in manufacturing of electricity. **(AMGEN plant)**

3. **Indirect tax benefits / concessions in respect of specific units of the Company**

Applicable to Unit	**Indirect Tax law**	**Notification Ref.**	**Description of benefit / concession**	**Normal rate without concession**	**Concessional Rate**
SUGEN, UNOSUGEN, DGEN	Customs duty	52/2017-Customs dated 30.06.2017 Sr. No. 9	Exemption from basic customs duty on LNG / natural gas when imported for generation of electrical energy by a generating company	2.50%	Nil
SUGEN, UNOSUGEN, DGEN	Customs duty	51/2017-Customs dated 30.06.2017 Sr. No. 1	Exemption from additional duty of customs	ACD of 4% ad valorem	Nil
SUGEN, UNOSUGEN, DGEN	Customs duty	11/2017-C.E.	Exemption from additional duty of customs on import of natural gas	ACD of 14% ad valorem	Nil
DGEN	Customs duty	50/2017-Customs dated 30.06.2017 Sr. No. 164	Exemption from customs duty on electrical energy supplied to Domestic Tariff Area by power plants of 1000 MW or above in SEZ	*****89 Paisa per kWh using RLNG as Fuel and 59 Paisa per kWh using mix of domestic gas/RLNG (Regasified Liquefied Natural Gas) as fuel *However, online BoE shows customs duty of Rs. **2**/kWh which is as per CEA letter to SEZ authorities.	Nil

B. STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

i) The above statement of special tax benefits sets out the provisions of indirect tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences.

ii) The above statement covers only the special indirect tax benefits under the relevant legislations, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

iii) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Preliminary Placement Document. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, please refer to "Statement of Tax Benefits" of the attached Red Herring Prospectus.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) of the purchase, ownership and disposition of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a real estate investment trust or regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;

- a partnership or other pass-through entity for U.S. federal income tax purposes;

- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or

- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("**PFIC**") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("**IRS**") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

You are a "**U.S. holder**" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;

- an estate whose income is subject to U.S. federal income tax regardless of its source; or

- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under "PFIC Considerations", if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are very complex and involve the application of rules that depend on a U.S. holder's particular circumstances. For example, certain Treasury Regulations promulgated in December 2021 imposed requirements regarding the eligibility of creditable taxes for U.S. holders and recent notices from the IRS provided temporary relief from such Treasury Regulations, provided certain requirements are satisfied. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares, including the effects of any applicable income tax treaties and any Treasury Regulations or IRS guidance.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below under "PFIC Considerations", if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. The rules with respect to foreign tax credits are very complex and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances, including the effects of any applicable income tax treaties and the recent Treasury Regulations and IRS guidance discussed above. Your ability to deduct capital losses is subject to limitations.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. Cash is generally a passive asset. However, under recently proposed U.S. Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. Goodwill is active to the extent attributable to activities that produce or are intended to produce active income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the current and projected composition of our income and assets, and the valuation of our assets, including goodwill, we do not expect to become a PFIC in the current taxable year or the foreseeable future. However, no assurance can be given that our Company will not be considered a PFIC in the current or any future taxable year. Our Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our Company's control, including the amount and nature of our Company's income, as well as on the market valuation of our Company's assets, including goodwill, and Equity Shares, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that our Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. In estimating the value of our goodwill, we have taken into account our current and anticipated market capitalization. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. If our Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

A U.S. holder that holds stock in a non-U.S. corporation during any taxable year in which the corporation is treated as a PFIC is subject to special tax rules with respect to (a) any gain realized on the sale, exchange or other disposition of the stock and (b) any "excess distribution" by the corporation to the holder, unless the holder elects to treat the PFIC as a "qualified electing fund" ("**QEF**") or makes a "mark-to-market" election, each as discussed below. An "excess distribution" is that portion of a distribution with respect to PFIC stock that exceeds 125% of the average of such distributions over the preceding three-year period or, if shorter, the U.S. holder's holding period for its shares. Excess distributions and gains on the sale, exchange or other disposition of stock of a corporation which was a PFIC at any time during the U.S. holder's holding period are allocated ratably to each day of the U.S. holder's holding period. Amounts allocated to the taxable year in which the disposition occurs and amounts allocated to any period in the shareholder's holding period before the first day of the first taxable year that the corporation was a PFIC will be taxed as ordinary income (rather than capital gain) earned in the taxable year of the disposition. Amounts allocated to each of the other taxable years in the U.S. holder's holding period are not included in gross income for the year of the disposition, but are subject to a special tax (equal to the highest ordinary income tax rates in effect for those years, and increased by an interest charge at the rate applicable to income tax deficiencies) that is added to the tax otherwise due for the taxable year in which the disposition occurs. The tax liability for amounts allocated to years before the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if a U.S. holder held such Equity Shares as capital assets. The preferential U.S. federal income tax rates for dividends and long-term capital gain of individual U.S. holders (as well as certain trusts and estates) would not apply, and special rates would apply for calculating the amount of the foreign tax credit with respect to excess distributions.

If a corporation is a PFIC for any taxable year during which a U.S. holder holds shares in the corporation, then the corporation generally will continue to be treated as a PFIC with respect to the holder's shares, even if the corporation no longer satisfies either the passive income or passive asset tests described above, unless the U.S. holder terminates this deemed PFIC status by electing to recognise gain, which will be taxed under the excess distribution rules as if such shares had been sold on the last day of the last taxable year for which the corporation was a PFIC.

The excess distribution rules may be avoided if a U.S. holder makes a QEF election effective beginning with the first taxable year in the holder's holding period in which the corporation is a PFIC. A U.S. holder that makes a QEF election is required to include in income its pro rata share of the PFIC's ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. A U.S. holder whose QEF election is effective after the first taxable year during the holder's holding period in which the corporation is a PFIC will continue to be subject to the excess distribution rules for years beginning with such first taxable year for which the QEF election is effective.

In general, a U.S. holder makes a QEF election by attaching a completed IRS Form 8621 to a timely filed (taking into account any extensions) U.S. federal income tax return for the year beginning with which the QEF election is to be effective. In certain circumstances, a U.S. holder may be able to make a retroactive QEF election. A QEF election can be revoked only with the consent of the IRS. In order for a U.S. holder to make a valid QEF election, the corporation must annually provide or make available to the holder certain information. Our Company does not intend to provide to U.S. holders the information required to make a valid QEF election and our Company currently makes no undertaking to provide such information. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

As an alternative to making a QEF election, a U.S. holder may make a "mark-to-market" election with respect to its PFIC shares if the shares meet certain minimum trading requirements. If a U.S. holder makes a valid mark-to-market election for the first tax year in which such holder holds (or is deemed to hold) stock in a corporation and for which such corporation is determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above in respect of its stock. Instead, a U.S. holder that makes a mark-to-market election will be required to include in income each year an amount equal to the excess, if any, of the fair market value of the shares that the holder owns as of the close of the taxable year over the holder's adjusted tax basis in the shares. The U.S. holder will be entitled to a deduction for the excess, if any, of the holder's adjusted tax basis in the shares over the fair market value of the shares as of the close of the taxable year; provided, however, that the deduction will be limited to the extent of any net mark-to-market gains with respect to the shares included by the U.S. holder under the election for prior taxable years. The U.S. holder's basis in the shares will be adjusted to reflect the amounts included or deducted pursuant to the election. Amounts included in income pursuant to a mark-to-market election, as well as gain on the sale, exchange or other taxable disposition of the shares, will be treated as ordinary income. The deductible portion of any mark-to-market loss, as well as loss on a sale, exchange or other disposition of shares to the extent that the amount of such loss does not exceed net mark-to-market gains previously included in income, will be treated as ordinary loss.

The mark-to-market election applies to the taxable year for which the election is made and all subsequent taxable years, unless the shares cease to meet applicable trading requirements (described below) or the IRS consents to its revocation. The excess distribution rules generally do not apply to a U.S. holder for tax years for which a mark-to-market election is in effect. However, if a U.S. holder makes a mark-to-market election for PFIC stock after the beginning of the holder's holding period for the stock, a coordination rule applies to ensure that the holder does not avoid the tax and interest charge with respect to amounts attributable to periods before the election.

A mark-to-market election is available only if the shares are considered "marketable" for these purposes. Shares will be marketable if they are regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission or on a non-U.S. exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. For these purposes, shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Each U.S. holder should ask its own tax advisor whether a mark-to-market election is available or desirable.

A U.S. holder of PFIC stock must generally file an IRS Form 8621 annually. A U.S. holder must also provide such other information as may be required by the U.S. Treasury Department if the U.S. holder (i) receives certain direct or indirect distributions from a PFIC, (ii) recognises gain on a direct or indirect disposition of PFIC stock, or (iii) makes certain elections (including a QEF election or a mark-to-market election) reportable on IRS Form 8621.

U.S. holders are urged to consult their tax advisors as to our Company's status as a PFIC, and, if our Company is treated as a PFIC, as to the effect on them of, and the reporting requirements with respect to, the PFIC rules and the desirability of making, and the availability of, either a QEF election or a mark-to-market election with respect to our Equity Shares. Our Company provides no advice on taxation matters.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other “specified foreign financial assets” exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder’s U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder’s U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Placement, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of civil proceedings and tax disputes, which are pending before various adjudicating forums.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with the "Policy on criteria for determining materiality for disclosure of events or information" adopted by our Board on October 28, 2015, and last revised on August 10, 2023, as amended.

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company and our Subsidiaries in accordance with the materiality policy approved by our Fund Raising Committee in their meeting held on December 2, 2024:

- *all outstanding criminal proceedings filed by and against our Company or our employees and our Subsidiaries (including matters at FIR stage where no/some cognizance has been taken by the court or judicial authority);*

- *any outstanding actions (including show-cause notices and penalties) initiated by any regulatory and/or statutory authorities such as Securities and Exchange Board of India, Reserve Bank of India or such similar authorities or stock exchanges, involving the Company and its Subsidiaries;*

- *all outstanding civil proceedings involving our Company and our Subsidiaries, wherein the amount involved in such proceeding is equal to or exceeds materiality threshold computed as per the criteria set out in Regulation 30(4)(i)(c) of SEBI Listing Regulations, wherein the amount involved in proceedings is equal to or exceeds the lower of the following: (i) 2% of the turnover, as per the last audited consolidated financial statements of the Company; or (ii) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company, in this case being, five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company being ₹ 75.22 crores;*

- *all outstanding claims related to direct and indirect tax matters (including show cause notices) involving our Company and our Subsidiaries (disclosed in a consolidated manner); and*

- *any other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis and other outstanding litigation involving the Promoters and Directors of the Company wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of the Company, on a consolidated basis.*

- *any other outstanding litigation involving our Company, Subsidiaries, Directors or Promoters which may be considered material by our Company for the purposes of disclosure in this Preliminary Placement Document.*

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or any previous companies law, in the last three years immediately preceding the year of issue of the Issue Documents against our Company and Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of the Issue Documents for our Company and Subsidiaries;*

- *material frauds committed against our Company in the last three years;*

- *significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations;*

- *defaults by our Company and our Subsidiaries (on a consolidated basis) in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*

- *defaults in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder;*
- *litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Preliminary Placement Document; and*
- *reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks*

It is clarified that for the purposes of the above, pre-litigation notices received by any of the parties specified above from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the parties, are impleaded as defendant or respondent in litigation proceedings before any judicial or quasi-judicial forum including court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in that particular litigation only.

Litigation involving our Company

Criminal proceedings involving our Company

By our Company

1. As on the date of this Preliminary Placement Document, there are 483 criminal complaints by our Company aggregating to ₹ 4.14 crores before various forums in relation to dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. The matters are at different stages of adjudication and are currently pending.

2. As on the date of this Preliminary Placement Document, there are 126 criminal complaints by our Company before various forums in relation to assault and battery under Sections 351 and 352 of the Indian Penal Code, 1860. The matters are at different stages of adjudication and are currently pending.

3. As on the date of this Preliminary Placement Document, there are 1,953 criminal complaints by our Company before various forums in relation to theft of electricity and electric lines and materials under Sections 135 and 136 of the Electricity Act, 2003. The matters are at different stages of adjudication and are currently pending.

Against our Company

1. As on the date of this Preliminary Placement Document, there are 30 criminal complaints against certain employees of our Company before various forums in relation to assault and battery under Sections 351 and 352 of the Indian Penal Code, 1860. The matters are at different stages of adjudication and are currently pending.

2. As on the date of this Preliminary Placement Document, there are 35 criminal complaints against certain employees of our Company before various forums in relation to theft of electricity and electric lines & materials under Sections 135 and 136 of the Electricity Act, 2003. The matters are at different stages of adjudication and are currently pending.

3. As on the date of this Preliminary Placement Document, 1 matter involving death due to electrocution and 1 negligence related matter, filed under the Indian Penal Code, 1860 before various forums involving the consumers of our Company for supply of electricity. The matters are at different stages of adjudication and are currently pending.

4. As on the date of this Preliminary Placement Document, there is 1 matter against an employee of our Company before the criminal court in relation to *inter alia* cheating, criminal breach of trust, extortion, voluntarily causing harm and criminal intimidation under Sections 406, 420, 384, 323, 504, and 506 under the Indian Penal Code, 1860. The matter is currently pending.

Material civil litigation involving our Company

By our Company

1. Our Company filed a petition before the Central Regulatory Electricity Commission ("**CERC**") seeking resolution of a dispute arising from the termination of the power purchase agreements dated May 23, 2018 (the "**Agreements**") executed between our Company and Solar Energy Corporation of India Limited (the "**Respondent**"). An order was passed by the CERC dated March 28, 2024 (the "**Impugned Order**") which was then challenged by our Company before the Appellate Tribunal for Electricity at New Delhi on April 1, 2024. Our Company challenged the Impugned Order for rejecting its claim that delays in delivery of revenue land to our Company for the establishment of its wind power projects in Gujarat as per the Agreements should be considered a force majeure event and grounds that these delays should relieve it from any liability for damages or compensation to the Respondent due to the termination of the Agreements and that the Respondents should not be required to return the performance bank guarantees of ₹ 99.96 crores submitted by the Appellant under the power Agreements, as indicated in the Impugned Order. The matter is currently pending.

2. Our Company filed a petition under section 9 of the Arbitration and Conciliation Act, 1996, seeking a stay on the recovery of demand notices issued by Dakshinanchal Vidyut Vitaran Nigam Limited ("**DVVNL**") currently amounting to ₹ 207.03 crores. The petition was filed at the Commercial Court at Prayagraj, Uttar Pradesh ("**Court**").The dispute concerns the methodology of calculating and paying a regulatory surcharge, electricity duty and tariff indexation ratio on the excess energy drawn by our Company as governed by the Distribution Franchisee Agreement dated May 18, 2009 and its Supplementary Agreement dated March 17, 2010 (together the "**DFA**") entered into between our Company with DVVNL. Subsequently, the Court passed an interim order dated September 27, 2023 granting protection to our Company against any recovery actions by DVVNL. Our Company alleges that DVVNL issuing supplementary invoices undermined the efficacy of the alternative dispute resolution mechanism, which includes the permanent dispute resolution body and arbitration mechanisms that were already initiated. The matter is currently pending.

Against our Company

1. Life in Light ("**Petitioner**"), a non-governmental organisation, filed a public interest litigation against the State of Maharashtra ("**State Government**"), Chief Minister of Maharashtra ("**Chief Minister**"), Urban Development Department of the Government of Maharashtra ("**Urban Development Department**"), Commissioner of Bhiwandi Nizampur Mahanagar Palika ("**Mahanagar Palika**" and together with the State, Chief Minister and Urban Development Department, "**Respondent 1**") and our Company ("**Respondent 2**" and together with Respondent 1, the "**Respondents**"). The case was filed in the High Court of Judicature at Bombay. Our Company operates as a distribution franchisee for an electricity unit within the jurisdiction of the Mahanagar Palika. On March 15, 2018, the Mahanagar Palika issued a notice to our Company demanding payment of past dues and penalty interest amounting to ₹ 285.00 crores, in relation to land rent and property taxes. Pursuant to which on August 30, 2018, the Mahanagar Palika passed an order to attach properties of our Company for recovery purposes. Our Company by virtue of the State Governments notification dated December 6, 1996 ("**Government Notification dated December 6, 1996**"), which stated that the Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") was exempted from the obligation to pay any taxes or rent to Respondent 1 for the utilization of land for distribution purposes and since our Company is working only as a distribution franchisee for MSEDCL, the Government Notification dated December 6, 1996 would also be applicable to our Company. Therefore, our Company raised an objection regarding the wrong levy of the said amount with the Urban Development Department. Subsequently, the Urban Development Department issued an order dated May 27, 2019 ("**Impugned Order**"), waiving these dues. The Company had contended that while taking into consideration the earlier Government Notification dated December 6, 1996, the financial burden of property tax and rent which would be borne by the common citizens, would render the Mahanagar Palika's demands contrary to public interest, and (ii) on June 24, 2019, the State Government got approval for amendments to Section 128A and 139A of the Mumbai Municipal Corporation Act, on July 23, 2019 ("**Amendments**"), which state that no property tax shall be levied on buildings or lands utilized solely for electricity distribution infrastructure, including electrical transformers, equipment, and associated overhead and underground cables maintained by MSEDCL and its franchisees. The Impugned Order annulled bills and attachment notices issued by the Mahanagar Palika. The Impugned Order was enacted after taking into consideration the interests of the people. The Petitioner sought to quash the Impugned Order issued by the Urban Development Department and for

Respondent 1 to take action upon our Company regarding the illegal waiver of dues. The matter is currently pending.

2. Surat Municipal Corporation (“**SMC**”) filed a petition in the High Court of Gujarat at Ahmedabad dated August 23, 2018 challenging an order dated August 10, 2018 passed by the Gujarat Electricity Regulatory Commission (“**GERC**”) (“**Impugned Order**”) claiming it to be ultra vires. The Impugned Order was passed in response to the petition filed by SMC which sought to address the alleged non-compliance by our Company with the GERC directives regarding power purchase agreements entered into with SMC. Concurrently, our Company had filed an appeal with the Appellate Tribunal for Electricity (“**APTEL**”) challenging GERC’s May 29, 2015 order regarding these power purchase agreements. APTEL’s order dated May 3, 2018 significantly influenced GERC in shaping the Impugned Order. SMC has prayed for the revocation of the Impugned Order passed by GERC. The matter is currently pending.

Actions taken by regulatory and statutory authorities involving our Company

1. Gujarat Electricity Regulatory Commission (“**GERC**”) initiated a suo moto petition for monitoring compliance with the renewable purchase obligations (“**RPO**”) under Gujarat Renewable Energy (Procurement of Energy from Renewable Sources) Regulations, 2010, for the fiscal year 2014 – 2015, for the state of Gujarat, wherein our Company was one of the respondents to the petition. Subsequently, GERC passed an order dated December 31, 2016 (the “**Impugned Order**”) against which Indian Wind Power Association (“**IWPA**”) filed an appeal before the Appellate Tribunal for Electricity dated February 15, 2017 seeking to set aside the Impugned Order. Our Company along with GERC and others are respondents to the appeal filed by IWPA. In the Impugned Order, GERC ascertained that there were constraints in the availability of renewable energy. As a result, GERC revised the RPO targets for various categories of renewable energy, reducing the required percentage for compliance. However, IWPA challenged the Impugned Order inter alia on the grounds that GERC failed to take into account the availability of renewable energy certificates (“**RECs**”), which could have allowed the entities to meet their RPOs without direct energy procurement. IWPA contended that the decision to revise the RPO targets undermined the REC mechanism, which is recognized under the Electricity Act, 2003, as a valid means to fulfil RPOs. The matter is currently pending.

2. Our Company filed a petition on July 29, 2024 (“**Petition**”), before the Gujarat Electricity Regulatory Commission (“**GERC**”) seeking clarification and rectification of the Gujarat Energy Transmission Corporation Limited (“**GETCO**”) tariff order dated June 1, 2024 (“**Impugned Order**”), issued by the GERC which addressed the truing up for financial year 2022-23 and the determination of the annual revenue requirement and tariff for financial year 2024-25 for GETCO under the GERC Multi-Year Tariff Regulations. Our Company requested GERC to direct GETCO to provide necessary details required for the determination of transmission charges and losses for distribution licensees sourcing power at 220 kV and above voltage levels for financial year 2024-25. Further, our Company had relied on a tariff order of the GERC dated March 26, 2020 (“**Order**”) where GERC had explicitly stated that the determination of voltage-specific transmission charges would be considered in the next control period starting from April 1, 2021. However, in the Impugned Order a contrary view was taken by the GERC. The matter is currently pending.

3. Our Company filed a petition on January 21, 2022 (“**Petition**”), before the Gujarat Electricity Regulatory Commission (“**GERC**”) seeking an adjustment of tariff payments in accordance with Article 9.2.1. and 9.2.4. of the power purchase agreements executed by and between our Company and Adani Renewable Energy Eight Limited and our Company and Torrent Saurya Urja 2 Private Limited, a subsidiary of our Company, both dated May 12, 2021 (“**PPAs**”). Article 9 of the PPAs sets out the events outlining that shall be construed as a ‘change in law’ that results in any change with respect to any tax or surcharge or cess levied or similar charges by the competent government on the generation of electricity (leviable on the final output in the form of energy) or sale of electricity. The Goods and Services Tax rates were revised pursuant to the notification dated September 30, 2021 (“**GST Notification**”). Additionally, there are revisions in the Basic Custom Duty (“**BCD**”) applicable w.e.f. April 1, 2022. These events *inter alia* thereby triggered a change in law event as outlined in the PPAs. In the Petition, our Company contested that upon a combined reading of Article 9 of the PPAs and the power of the GERC under Section 86 of the Electricity Act 2003 (“**Act**”) and Section 63 of the Act, the GERC is authorised and empowered to regulate and adjust tariffs in response to the change pursuant to the BCD and GST Notification. The matter is currently pending.

4. Our Company has filed an appeal dated September 26, 2016 ("**Appeal**") before the civil appellate jurisdiction of the Supreme Court of India ("**Supreme Court**") under Section 125 of the Electricity Act, 2003 seeking review of the order dated July, 28, 2016 ("**Impugned Order 1**") passed by the Appellate Tribunal of Electricity, Delhi bench ("**APTEL**") in Torrent Power Limited v. Uttar Pradesh Electricity Regulatory Commission & Ors., wherein APTEL had erroneously dismissed our Company's appeal to quash and set aside the order dated July 16, 2015 ("**Impugned Order 2**") . Our Company was appointed as a franchisee for the distribution of electricity in the area of Agra by the U.P. Power Corporation Limited ("**UPPCL**") and Dakshin Vidyut Vitran Nigam Limited ("**DVVNL**") in the State of Uttar Pradesh. Our Company entered into a distribution franchisee agreement with DVVNL dated May 18, 2009 ("**Distribution Franchisee Agreement**") and a supplementary agreement dated March 17, 2010 ("**Supplementary Agreement**") to act as a distribution franchisee. Impugned Order 1 emanates from the Impugned Order 2., in the petition no. 816 of 2012 filed by Mr. Rama Shankar Awasthi before the U.P. Electricity Regulatory Commission ("**State Commission**") impugning the Distribution Franchisee Agreement and the Supplementary Agreement. Our Company had originally contested the lack of jurisdiction of the State Commission under the Electricity Act, 2003 to entertain issues in the public interest as well as contractual matters concerning the appointment of distribution franchisees namely our Company in the Impugned Order 2. The matter is currently pending.

5. The State Load Despatch Centre, Vadodara ("**SLDC**"), Gujarat filed a petition on February 22, 2022 before the Gujarat Electricity Regulatory Commission at Gandhinagar ("**GERC**") against Torrent Power Limited - Distribution, Ahmedabad ("**TPL Ahmedabad**") and Torrent Power Limited- Distribution, Surat ("**TPL Surat")** for violation of the SLDC directives/notices dated August 21, 2021, September 6, 2021, October 5, 2021, November 14, 2021, and December 13, 2021 ("**SLDC Directives**"), issued under Section 33 of the Electricity Act, 2003 ("**Act**") as well as Regulation 6.4 of the Central Electricity Regulatory Commission Grid Code Regulation, 2010 and Indian Electricity Grid Code ("**IEGC**") and Clause 7 of the Deviation Settlement Mechanism Regulation, 2014 ("**DSM Regulations**"). SLDC has sought the GERC to impose penalty on TPL, Ahmedabad and TPL, Surat under Section 33(5) of the Act for non-compliance of SLDC Directives, and unwarranted overdrawal and direct adherence to the IEGC and DSM Regulations and Guidelines for "Procurement of Power by Distribution Licensees" issued by the GERC *vide* Notification 2 of 2013; further to comply with the drawal schedule rolled out by the SLDC from time to time and install an automatic demand management scheme ("**ADMS Scheme**") in all the distribution companies of TPL. The matter is currently pending.

6. Surat Municipal Corporation ("**SMC**") filed an appeal dated May 7, 2018 ("**Appeal**") before the Appellate Tribunal for Electricity at New Delhi, 2003 ("**APTEL**") against the order dated March 31, 2018 ("**Impugned Order**") of the Gujarat Electricity Regulatory Commission ("**Respondent 1**") and our Company ("**Respondent 2**") in the petition dated December 30, 2017 ("**Petition**") passed under Sections 62 and 64 of the Electricity Act, 2003 for truing up for financial year 2016-17, approval of ARR for financial year 2018-19 and determination of tariff for financial year 2018-19 under the GERC (Multi-Year Tariff) Regulations, 2016 ("**GERC MYT Regulations**") and Tariff Policy, 2016 ("**Tariff Policy**"). The present Appeal, seeking to set aside the Impugned Order and direct our Company to give relief of ₹ 142.79 crores with interest to consumers in its licensed area of Surat, has been filed on the grounds *inter alia* that Respondent 1 has erred in determining the tariff as per its approved ARR in the Impugned Order as mandated under Section 64(3)(a) of the Electricity Act, 2003 ("**Act**"). Further, SMC has claimed that Respondent 1 (GERC) has violated provisions of the GERC (Conduct of Business) Regulations, 2004, GERC MYT Regulations and the Tariff Policy read with the Act, by allowing Respondent 2 (TPL) to recover previous years' revenue gaps from the second control period in the third control period, resulting in double recovery and contravening the Tariff Policy. The matter is currently pending.

7. Our Company received three tariff orders, each dated March 31, 2020 ("**Tariff Orders**") issued by the Gujarat Electricity Regulatory Commission, Gandhinagar ("**GERC**") in Tariff Petitions filed by our Company's distribution facilities in Dahej, Surat and Ahmedabad. Under these Tariff Orders, the GERC for the purpose of computation of revenue from sale of power had considered provisional revenue instead of actual revenue, artificially reducing the trued-up gap /(surplus) for financial year 2018-19, whereas the Company has considered actual revenue as per the accounting standards. Furthermore, the GERC has considered the actual cost of generation for purchase of power by our Ahmedabad and Surat distribution facilities from Company's generation facility in Ahmedabad, as ₹ 1,182.53 crores instead of cost of scheduled generation as ₹ 1,202.76 crores, as claimed by our Company. Subsequently, our Company filed review petitions before the GERC on May 15, 2020 for the three facilities individually, seeking rectification cum review of the Tariff Orders and determination of tariff for financial year 2020-21, challenging the erroneous consideration of provisional revenue towards recovery of Gap/(Surplus) and inadvertent error in the impugned order in respect of power

purchase cost of the Company's generation facility. Our Company also opposed the non-consideration of losses incurred for Lower Tension power wheeling, GERC's error in not considering the cross-subsidy surcharge for High Tension Maximum Demand – Metro, and the ceiling limit of ₹ 2.11/kWh imposed on the fuel and power purchase price adjustment for financial year 2020-21 (for the Ahmedabad facility). The matters are currently pending.

8. Our Company received three tariff orders, each dated June 1, 2024 ("**Tariff Orders**") issued by the Gujarat Electricity Regulatory Commission, Gandhinagar ("**GERC**") against our Company's distribution facilities based in Dahej, Surat and Ahmedabad by not considering the approach adopted by the Company for determining the revenue for financial year 2022-23. As per the Tariff Orders, the GERC also restricted the power purchase cost for Ahmedabad and Surat distribution facilities for purchase of power from the UNOSUGEN facility (one of our gas-based plants) to ₹ 5.479 and has curtailed the annual fixed charge/ capacity charge of UNOSUGEN by linking it with schedule/ plant load factor and not plant availability factor, for computing the power purchase cost for the Ahmedabad and Surat distribution facilities for trued-up financial year 2022-23 and financial year 2024-25. Furthermore, the GERC has considered the revenue of our distribution facilities in Dahej, Surat and Ahmedabad on an accrual basis for financial year 2022-23, whereas the accounting practice followed by our Company, which is aligned to the regulatory framework considers revenue on the basis of approved tariff including approved fuel and power purchase price adjustment ("**FPPPA**") billed to customers. Accordingly, our Company filed three review petitions, each dated June 12, 2024 before the GERC, seeking review of the Tariff Orders. Our Company in its review petition has *inter alia* argued against the method adopted by GERC for determining the power purchase cost from UNOSUGEN facility for financial year 2022-23 and financial year 2024-25 for the facilities at Ahmedabad and Surat, and the consideration of revenue for financial year 2022-23 on an accrual basis, rather than billing basis. Our Company has also challenged GERC's consideration of actual loss of distribution losses for financial year 2022-23 as targets for financial year 2024-25 for the facilities at Ahmedabad and Surat. The matters are currently pending.

9. Our Company ("**Appellant**") received a tariff order ("**Tariff Order**") dated April 4, 2018, from the Gujarat Electricity Regulatory Commission, Gandhinagar ("**Respondent**") for truing-up for financial year 2016-17 and determination of tariff for financial year 2018-19 for our Company's distribution facility at Dahej. As per the Tariff Order, the Respondent has considered the operation and maintenance ("**O&M**") expenses to be ₹ 7.69 crores and the gains on account distribution losses as controllable instead of uncontrollable, as the load was yet to be stabilised for the special economic zone of Dahej, for truing up of financial year 2016-17. The Appellant, aggrieved by this stance of the Respondent, has filed an appeal before the Appellate Tribunal of Electricity at New Delhi, wherein it has challenged the approach adopted by the Respondent for computation of distribution loss and the O&M expenses, stating that Respondent's methodology is not in consonance with the provisions of the Electricity Act, 2003 and related the regulations, as it did not factor-in variations while calculating the expenses. The matter is currently pending.

10. Our Company ("**Appellant**") received a tariff order ("**Tariff Order**") dated March 31, 2018, from the Gujarat Electricity Regulatory Commission, Gandhinagar ("**Respondent**") for truing-up for financial year 2016-17 and determination of tariff for financial year 2018-19 for Company's distribution facility at Surat. Under the Tariff Order, the Respondent disallowed the carrying costs of ₹ 20.73 crores to the Appellant on the grounds the Appellant had incorrectly calculated carrying costs using compound interest. Subsequently, the Appellant filed an appeal before the Appellate Tribunal of Electricity at New Delhi, *inter alia* challenging the stance of the Respondent for disallowing of carrying cost and not considering the statement of accounts (audited) as documentary evidence. The matter is currently pending.

11. Our Company ("**Appellant**") received a tariff order ("**Tariff Order**") dated March 31, 2018, from the Gujarat Electricity Regulatory Commission, Gandhinagar ("**Respondent**") for truing-up for financial year 2016-17 and determination of tariff for financial year 2018-19 for Company's distribution facility at Ahmedabad. Under the Tariff Order, the Respondent disallowed carrying cost of ₹ 90.34 crores and has also denied prompt payment discount (billed post March 2016) amounting to ₹ 2.78 crores to the Appellant. Subsequently, the Appellant filed an appeal before the Appellate Tribunal of Electricity at New Delhi, *inter alia* challenging the Respondent for disallowance of carrying cost, failure to consider the statement of accounts (audited) as documentary evidence in its entirety and the denial of deduction of prompt payment discount billed post March 2016. The matter is currently pending.

12. Our Company ("**Appellant**") received a tariff order ("**Tariff Order**") dated March 31, 2018, from the Gujarat Electricity Regulatory Commission, Gandhinagar ("**Respondent**") for truing-up for financial year 2016-17

and determination of tariff for financial year 2018-19 for Company's distribution facility at Ahmedabad. Under the Tariff Order, the Respondent denied the Appellant's approach for deduction of insurance claim receipt worth ₹ 8.97 crores from operations and maintenance ("**O&M**") costs. Accordingly, the Respondent reversed the deduction of insurance claim stating that insurance claim receipt, being a part of non-tariff income should not be deducted from O&M costs, and therefore increased the O&M expenses to the extent of ₹ 8.97 crores. Subsequently, the Appellant filed an appeal before the Appellate Tribunal of Electricity at New Delhi, challenging the approach adopted by the Respondent for non-deduction of insurance claim from the O&M costs by treating such insurance claim receipt as 'gain from insurance claim'. The matter is currently pending.

13. Our Company ("**Petitioner**") received three tariff order ("**Tariff Orders**") each dated March 31, 2022, issued by Gujarat Electricity Regulatory Commission, Gandhinagar ("**Respondent**") for truing up of financial year 2020-21 and determination of tariff for financial year 2022-23 for the Petitioner's distribution facilities at Surat, Ahmedabad and Dahej. Under the Tariff Orders, the Respondent held that the Petitioner has erroneously increased its cumulative carrying cost at the end of financial year 2020-21 by carrying forward its carrying cost of the cumulative gap/surplus of the relevant financial to the next financial year. Accordingly, the Respondent disallowed carrying cost worth ₹ 27.65 crores (for Surat facility), ₹ 124.98 crores (for Ahmedabad facility) and ₹ 4.13 crores (for Dahej facility) to the Petitioner, against the ₹ 24.87 crore, ₹ 136.16 crores and ₹ 4.82 crores claimed, respectively. The Petitioner, aggrieved by the Tariff Orders filed three review petitions before the Respondent, seeking rectification of the Tariff Orders and challenging the approach adopted by the Respondent in calculating the carrying cost, stating that the Petitioner has computed the carrying cost following the methodology adopted by the Appellate Tribunal for Electricity, without any deviation. The matters are currently pending.

14. Our Company ("**Petitioner**") received three Tariff Orders ("**Tariff Orders**") each dated March 31, 2023, issued by the Gujarat Electricity Regulatory Commission ("**Respondent**") for truing up of financial year 2021-22 and determination of tariff for financial year 2023-24 for the Petitioner's distribution facilities at Dahej, Surat and Ahmedabad. Under the Tariff Order, the Respondent disallowed carrying cost of ₹ 0.12 crores (for Dahej facility), ₹ 15.42 crores (for Surat facility) and ₹ 20.02 crores (for Ahmedabad facility) by inadvertently considering carrying cost on Gap/(Surplus) basis and not when the amount became due. Subsequently, the Petitioner filed three review petitions against the Tariff Orders before the Respondent, seeking rectification of the Tariff Orders for not being uniform and stating that the methodology adopted by the Petitioner for computation of carrying cost is in accordance with the settled financial principles and the order of the higher courts. The Petitioner further submitted that it is now a settled position of law that the entire object of awarding carrying cost is based on restitutionary principles. The matters are currently pending.

15. Our Company ("**Petitioner**") filed a petition dated May 28, 2021, before the Gujarat Electricity Regulatory Commission ("**GERC**") against Gujarat Energy Transmission Corporation Limited ("**Respondent**"), seeking clarification/ rectification of the tariff order dated March 30, 2021 ("**Tariff Order**") issued by GERC for truing-up of financial year 2019-20 and determination of aggregate revenue requirement and tariff for financial year 2021-22 for the Respondent. The Respondent works for creating necessary transmission infrastructure for transmitting power in the state of Gujarat, by transmitting power to the inter-connection points of the distribution licensees. The Petitioner, being the distribution licensee is connected to the Respondent and is required to pay transmission charges and losses to the Respondent for availing open access to the Respondent's network. The GERC, under the Tariff Order allowed the Respondent's approach and held that the cost of transmission infrastructure for transmitting power is socialised and should be recovered at the same rate from all the distribution licensees, and hence, the Respondent's transmission charges could be recovered uniformly and shall not be calculated based on voltage level, as per the postage stamp method. Subsequently, the Petitioner filed the petition before GERC, challenging the Tariff Order and stating that GERC, while analysing the Tariff Order did not consider the earlier Tariff Order dated March 26, 2020, issued by the GERC. The Petitioner argued that the Tariff Order is repugnant to Section 61(g) of the Electricity Act, 2003 and GERC should determine the charges voltage-wise to rectify the discrimination in charging transmission charges and losses between state DISCOMS and distribution licensees. The matter is currently pending.

16. Our Company ("**Petitioner**") filed a petition dated May 28, 2022, before the Gujarat Electricity Regulatory Commission ("**GERC**") against Gujarat Energy Transmission Corporation Limited ("**Respondent**"), seeking clarification/ rectification of the Tariff Order dated March 30, 2022 ("**Tariff Order**") issued by GERC for truing-up of financial year 2020-21 and determination of aggregate revenue requirement and tariff for financial year 2022-23 for the Respondent. The Respondent works for creating necessary transmission

infrastructure for transmitting power in the state of Gujarat, by transmitting power to the inter-connection points of the distribution licensees. The Petitioner, being the distribution licensee is connected to the Respondent and is required to pay transmission charges and losses to the Respondent for availing open access to the Respondent's network. The GERC, under the Tariff Order allowed the Respondent's approach and held that the cost of transmission infrastructure for transmitting power is socialised and should be recovered at the same rate from all the distribution licensees, and hence, the Respondent's transmission charges could be recovered uniformly and shall not be calculated based on voltage consumption, as per the postage stamp method. Subsequently, the Petitioner filed the petition before GERC, challenging the Tariff Order and stating that GERC, while analysing the Tariff Order did not consider the earlier Tariff Order dated March 26, 2020, issued by the GERC. The Petitioner argued that the Tariff Order is repugnant to Section 61(g) of the Electricity Act, 2003 and GERC should determine the charges voltage-wise to rectify the discrimination in charging transmission charges and losses between state DISCOMS and distribution licensees. The matter is currently pending.

17. Our Company filed a review petition dated February 22, 2022 ("**Review Petition**") before the Central Electricity Regulatory Commission ("**CERC**") seeking review of the order by CERC dated March 6, 2020 whereby CERC revised the calculation of transmission rates applicable for Short Term Open Access ("**STOA**") for Q4 of financial year 2019-20. Our Company has prayed for, *inter alia*, a refund of excess STOA charges paid at incorrect rate as National Load Dispatch Center ("**NLDC**") had considered DGEN-Navsari line cost in calculation of DGEN STOA. However, CERC *vide* its order dated August 14, 2022, dismissed the Review Petition stating that the STOA rates cannot be revised retrospectively and doing so would lead to re-opening of series of inter-connected transactions and settled payments which will lead to anomalous situation. Aggrieved by the order, our Company has filed an appeal before Appellate Tribunal for Electricity at New Delhi ("**APTEL**") on September 30, 2022. CERC has filed its reply to the appeal on January 17, 2023. The matter is currently pending.

18. Upon inspection of our Company, an inquiry was initiated under Section 7-A of the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 ("**Act**") by Regional Provident Fund Commissioner-I ("**RPFC**") *vide* summons dated September 24, 2015 on the basis of the squad report dated August 10, 2015 ("**Squad Report**") for determination of dues payable to employees under the Act. The Squad Report stated that the Company had not produced the records in respect of certain contractual workers engaged by the Company. Our Company was issued summons again on January 8, 2018 for submission of records by the RPFC. Pursuant to the inquiry, the RPFC directed the Company to pay dues on account of Provident Fund, Pension Fund and Insurance Fund contributions and administrative charges towards the same for the period from October, 2011 to August, 2015 ("**RPFC Order**"). Aggrieved by the RPFC Order, our Company filed an appeal before the the Employees Provident Fund Appellate Tribunal, Ahmedabad ("**EPFAT**") on November 30, 2022 and RPFC filed a reply to the appeal on April 24, 2023. During the course of the proceedings, our Company, on January 16, 2023, filed for, *inter alia*, stay of the operation of the RPFC Order till final disposal of appeal. Accordingly, on August 23, 2023, the EPFAT directed the Company to deposit 35% of the impugned amount and further directed RPFC not to resort any coercive measures for recovery of remaining impugned amount during the pendency of the appeal. The matter is currently pending.

19. Power Grid Corporation of India Limited ("**PGCIL**") filed a petition dated August 17, 2018 ("**First Petition**") before the Central Electricity Regulatory Commission ("**CERC**") against several distribution companies, electricity departments and transmission licensees, including our Company for determination of certain transmission tariff, relinquishment charges and encashment of bank guarantee by Company in respect of transmission projects associated with DGEN (1200 MW). Our Company filed its reply on July 17, 2020 and brought on record additional facts *vide* affidavit January 4, 2022. PGCIL filed its reply *vide* affidavit dated January 27, 2022 stating, *inter alia*, that transmission charges from the date of commercial operation till actual utilisation are to be borne by our Company. Our Company replied to the same *vide* sur-rejoinder and affidavit dated March 21, 2022 and filed its written submission in the matter on July 25, 2022 reiterating that PGCIL is not entitled to recover any transmission charges from the Company when the transmission assets were neither put to regular service nor were they ready for the same and that no liability of transmission charges can be imposed on the Company since the Company had already paid the relinquishment charges. PGCIL filed its written submissions on August 3, 2022 basis the record of proceedings on September 30, 2021, January 6, 2022 and July 7, 2022 noting the exploration of alternate utilisation of the transmission assets and suggested formulation of a proposal for proceeds of bank guarantee encashed by the Company, is to be partly used for compensation of PGCIL's losses. Further, on directions of the CERC in its order dated February 16, 2023, the petition was disposed-off and PGCIL was directed to file fresh petitions where the above matters would be deliberated.

Accordingly, a fresh petition was filed on September 22, 2023 ("**Second Petition**") by PGCIL before the CERC. On August 20, 2024, CERC in its record of proceedings reserved its order without the submission of a reply by our Company. Accordingly, our Company filed an interim application on September 28, 2024 seeking permission to file the reply in the matter and the same allowed by CERC on September 30, 2024. Subsequently, our Company filed its reply on October 29, 2024 reiterating the stance in the First Petition, noting that no claim has been raised in the prayer against the Company in the Second Petition and further denying the liability of our Company to pay the transmission charges. PGCIL filed its reply dated November 6, 2024 contesting the submissions made by our Company. The matter is currently pending.

20. Our Company has filed a petition dated September 16, 2024 under Section 79(1)(f) of the Electricity Act, 2003 ("**Act**") for adjudication of dispute arising out of long transmission agreements dated August 24, 2018 before the Central Electricity Regulatory Commission ("**CERC**") challenging the bills of relinquishment charges ("**Impugned Bills**") aggregating to ₹ 30.73 crores raised by the Central Transmission Utility of India Limited ("**CTUIL**"), pursuant to relinquishment of the Long-term Open Access ("**LTA**") by our Company. Meanwhile, our Company file interim applications for urgent listing and interim relief on September 16, 2024 requesting direction to CTUIL to not take any coercive action, including encashment of bank guarantee of till the pendency of the case. CERC *vide* issuance of record of proceedings on September 19, 2024 ("**ROP**"), granted the relief subject to the condition of Company depositing 25% of the amount claimed in the Impugned Bills within two weeks from the date of issuance of the ROP. The matter is currently pending.

21. Our Company received letters dated May 24, 2023, July 12, 2023 and August 10, 2023 from the Competition Commission of India ("**CCI**") with respect to Company's acquisition of DNH Power Distribution Corporation Ltd ("**DNHPDCL**") and directed our Company to furnish audited value of the relevant assets and turnover attributable to the electricity department in Daman and Diu ("**Electricity Department**"), and DNHPDCL. Accordingly, our Company replied *vide* letters dated June 23, 2023, August 1, 2023 and September 22, 2023 and furnished financial statements of DNHPDCL and the Electricity Department for the relevant periods to the extent available.

    Pursuant to CCI's order dated January 9, 2024 a show cause notice *vide* CCI's letter dated January 25, 2024 was issued to our Company to show cause as to why it should not be held liable under Section 43A of the Competition Act, 2002 ("**Act**") for failure to file a notice in terms of Section 6(2) of the Act by consummating the acquisition before the expiry of the period specified under Section 6(2A) of the Act. On February 6, 2024, Company advanced an application seeking an extension of time to respond to CCI's order dated January 9, 2024. Subsequently, our Company submitted its detailed response *vide* its letter dated March 1, 2024 and requested for grant of oral hearing. The request for oral hearing was granted by CCI *vide* its order dated October 15, 2024 and our Company was informed *vide* letter dated October 22, 2024 that the oral hearing was scheduled for November 12, 2024. On November 4, 2024, our Company requested for adjournment of the hearing to November 19, 2024. Accordingly, CCI *vide* its letter dated November 18, 2024, re-scheduled the oral hearing to November 19, 2024, on which date the oral hearing was completed. The matter is currently pending.

22. Gujarat Urja Vikas Nigam Limited ("**GUVNL**") and Uttar Gujarat Vij Company Limited ("**UGVCL**") filed objections with the Gujarat Electricity Regulatory Commission ("**GERC**") to an application submitted by our Company that involves the grant of a distribution licence for the Mandal Becharaji Special Investment Region ("**MBSIR**"). In the matter of license application, GERC decided that our Company fulfils the criteria for grant of a distribution license and has proposed to issue the distribution license to our Company for MBSIR. Subsequently, our Company issued a notice in newspapers to which our Company received objections from GUVNL and UGVCL. An order was passed by the GERC on December 14, 2021 (the "**Impugned Order**") in favour of our Company. GUVNL filed an appeal before the Appellate Tribunal for Electricity, New Delhi, on January 14, 2022, against the Impugned Order. GUVNL has *inter alia* contended that GERC erroneously granted the licence to our Company by not adhering to the provisions of the Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness, and Code of Conduct) Rules, 2005 (the "**Electricity License Rules**") wherein the MBSIR area did not satisfy the requirements of a municipal council, municipal corporation, or a revenue district. GUVNL challenged the validity of GERC's interpretation, decision and prayed for the revocation of the licence granted to our Company. The matter is currently pending.

23. Surat Citizens Council Trust ("**SCCT**") and Utility Users Welfare Association ("**UUWA**" together with SCCT, "**Petitioners**") filed two separate public interest litigations against Gujarat Electricity Regulatory

Commission ("**GERC**") and our Company dated May 3, 2016 and May 4, 2016 in the High Court of Gujarat ("**Gujarat High Court**"), that were clubbed together as per an order passed by the Gujarat High Court dated January 23, 2023, challenging the electricity tariff orders issued by GERC dated March 31, 2016 for financial year 2016-2017 ("**GERC Tariff Order**") which increased electricity tariffs for our Company's service areas including Surat, Ahmedabad and Gandhinagar. The Petitioners contended in both cases that these tariff orders caused a significant financial burden on consumers by imposing the electricity hikes. The petitions particularly objected to the inclusion of a regulatory charge, which allowed our Company to recover past revenue gaps that had allegedly already been settled in earlier orders. The Petitioners argued that this amounted to double recovery and prayed for the quashing of the GERC Tariff Order. The matter is currently pending.

Litigation involving our Subsidiaries

Criminal proceedings involving our Subsidiaries

- **Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited**

  A chargesheet dated June 27, 2023, was filed by an individual against an executive engineer of our subsidiary due to an electrocution incident involving a streetlight. The chargesheet was filed under Section 304-A of the Indian Penal Code before the Chief Judicial Magistrate's court of the Union Territory of Dadra and Nagar Haveli and Daman and Diu. The matter is currently pending.

Material civil litigation involving our Subsidiaries

Nil

Actions taken by regulatory and statutory authorities involving our Subsidiaries

Nil

Litigation involving our Directors

Criminal proceedings involving our Directors

Nil

Material civil litigation involving our Directors

Nil

Actions taken by regulatory and statutory authorities involving our Directors

Nil

Litigation involving our Promoters

Criminal proceedings involving our Promoters

Nil

Material civil litigation involving our Promoters

Nil

Actions taken by regulatory and statutory authorities involving our Promoters

Nil

Any other outstanding litigation involving our Company and Subsidiaries wherein the amount determined cannot be determined or is below the Materiality Threshold, but an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Any other outstanding litigation involving our Directors and Promoters wherein an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act or any previous companies law, in the last three years immediately preceding the year of issue of the Preliminary Placement Document against our Company and our Subsidiaries; and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of this Preliminary Placement Document, involving our Company and our Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, and our Subsidiaries (on a consolidated basis) including the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon, as on the date of this Preliminary Placement Document

Nil

Default in annual filings of our Company under the Companies Act or the rules made thereunder

Nil

All litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any

Nil

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as disclosed in "Risk Factors – Internal Risks - *Our independent auditor's report on our consolidated financial statements for the Financial Year 2024 contains an observation relating to the audit log feature of the accounting software used for maintaining our books of accounts. Further, our Statutory Auditors, in their audit/ review report in connection with our financial statements for Fiscals 2020 and 2021 and the periods ended September 30, 2023 and September 30, 2024, have included certain emphasis of matter. We cannot assure you that our audit reports for any future periods will not contain qualifications, emphasis of matters or other* *observations which affect our results of operations in such future periods"* on page 59, there have not been any reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Issue.

Any other outstanding litigation involving our Company, Subsidiaries, Directors or Promoters which may be considered material by our Company

Nil

Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

(₹ in crores)

Nature of case	Number of cases	Amount of tax in dispute*
Company		
Direct Tax	32	28.18*^
Indirect Tax	41	217.69**
Total	**73**	**245.87**
Subsidiaries		
Direct Tax	3	0.02*
Indirect Tax	1	0.11*
Total	**4**	**0.13***

* *To the extent ascertainable*

***To the extent ascertainable. Further in case of one case the amount of dispute is not ascertainable.*

Notes: In arriving at the amount of tax implications as above:

a. *In arriving at the amount of disputed tax as above, in cases where the Company is liable to pay tax on book profit u/s. 115JB of the Act, tax implications in respect of additions / disallowances made to the total income under normal provisions of the Act and impact thereof on carried forward credit of tax paid on book profit u/s. 115JB of the Act are not considered.*

b. *Pending appeals as above, also includes appeals filed by the Company on account of non-granting or short granting of interest on refund due to be received by it. The same is not considered as inflow due to the Company, in arriving at tax implications mentioned above.*

c. *In case of pending appeals which are filed by the Company, whereby it has raised certain additional claims, which can result into reduction of tax liability for relevant year or increase in carried forwarded business losses available for set-off in subsequent years, the tax implications on account of additional inflow in form of refund that may become due to company are not considered in above.*

d. *The number of pending cases as mentioned above includes appeals filed by the department before High Court for 7 assessment years. However, in absence of any communication from High Court of Gujarat and non-availability of details as regards the issues admitted by High Court, tax implications thereon are not ascertainable and therefore, no amount has been included under the heading of "Amount of tax in dispute".*

Material tax proceedings

Our Company filed a miscellaneous application before the Income Tax Appellate Tribunal, Ahmedabad ("**Tribunal**") bench under Section 254(2) of the Income Tax Act, 1961 for non-adjudication of additional claims relating to premium paid on leasehold land rights of ₹ 105.56 crores as revenue expenditure following the decision of the High Court of Gujarat in DCIT v. Sun Pharmaceutical Industries Limited, passed by the Tribunal for the AY 2015-16 bearing ITA No. 128/AHD/2020 dated September 21, 2023. The matter is currently pending before the Tribunal.

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, M/s Price Waterhouse Chartered Accountants LLP, were re-appointed as our Statutory Auditors pursuant to a resolution adopted by our Shareholders' at the AGM held on August 8, 2022 for a second period of five consecutive years from Financial Year ended March 31, 2023 to March 31, 2027. The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

Our Statutory Auditors have audited the Audited Consolidated Financial Statements which are included in this Preliminary Placement Document in "*Financial Information*" on page 277.

Our Statutory Auditors have performed a review of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements for the six months period ended September 30, 2024, Unaudited Consolidated Financial Results for the six months period ended September 30, 2024 and September 30, 2023, which are included in this Preliminary Placement Document in "*Financial Information*" on page 277.

FINANCIAL INFORMATION

Price Waterhouse Chartered Accountants LLP

Review Report

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

1. We have reviewed the consolidated unaudited financial results of Torrent Power Limited (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries) hereinafter referred to as the "Group") (refer paragraph 4 below) for the quarter ended September 30, 2024 and the year to date results for the period April 1, 2024 to September 30, 2024 which are included in the accompanying Statement of Consolidated Financial Results for the quarter and six months ended September 30, 2024, the Consolidated Statement of Assets and Liabilities as on September 30, 2024 and the Consolidated Statement of Cash Flows for the six months ended on September 30, 2024 (the "Statement"). The Statement is being submitted by the Holding Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities listed in Annexure A.

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

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

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 24109553BKGRBI2450

Place: Ahmedabad
Date: November 13, 2024

Price Waterhouse Chartered Accountants LLP

Annexure A

List of entities:

Sr. No	Name of Company
Subsidiaries Direct	
1	Torrent Power Grid Limited
2	Torrent Pipavav Generation Limited
3	Torrent Solargen Limited
4	Jodhpur Wind Farms Private Limited
5	Latur Renewable Private Limited
6	Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited/TCL Cables Private Limited)
7	Torrent Solar Power Private Limited
8	Torrent Saurya Urja 2 Private Limited
9	Torrent Saurya Urja 3 Private Limited
10	Torrent Saurya Urja 4 Private Limited
11	Torrent Saurya Urja 5 Private Limited
12	Visual Percept Solar Projects Private Limited
13	Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)
14	Surya Vidyut Limited
15	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
16	Sunshakti Solar Power Projects Private Limited
17	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)
18	Torrent Urja 8 Private Limited
19	Torrent Urja 9 Private Limited
20	Torrent Urja 10 Private Limited
21	Torrent Urja 11 Private Limited
22	Torrent Urja 12 Private Limited
23	Torrent Urja 13 Private Limited
24	Torrent Urja 14 Private Limited
25	Torrent Urja 15 Private Limited
26	Torrent Urja 16 Private Limited
27	Torrent Urja 17 Private Limited
28	Torrent Green Energy Private Limited
29	Torrent Green Hydrogen Private Limited
30	Torrent PSH 3 Private Limited
31	Torrent PSH 4 Private Limited
32	Torrent PSH 1 Private Limited
33	Torrent PSH 2 Private Limited
34	Solapur Transmission Limited
35	MSKVY Ninth Solar SPV Limited (w.e.f. April 18, 2024)
36	Torrent Urja 18 Private Limited (w.e.f. July 27, 2024)
37	Torrent Urja 19 Private Limited (w.e.f. August 6, 2024)
38	Torrent Urja 20 Private Limited (w.e.f. August 6, 2024)
39	Torrent Urja 21 Private Limited (w.e.f. August 5, 2024)
40	Torrent Urja 22 Private Limited (w.e.f. August 5, 2024)
41	Torrent Urja 23 Private Limited (w.e.f. August 2, 2024)
42	Torrent Urja 24 Private Limited (w.e.f. August 2, 2024)
43	Torrent Urja 25 Private Limited (w.e.f. August 2, 2024)
44	Torrent Urja 26 Private Limited (w.e.f. August 2, 2024)
45	Torrent Urja 27 Private Limited (w.e.f. August 6, 2024)
Subsidiary Indirect	
46	Airpower Windfarms Private Limited (Subsidiary of Torrent Green Energy Private Limited)

TORRENT POWER LIMITED

Registered Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015, Ph.: 079-26628000

CIN: L31200GJ2004PLC044068; Website: www.torrentpower.com; E-mail: cs@torrentpower.com

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2024

(₹ in Crore except per share data)

Particulars	For the quarter ended			For the six months ended		For the year ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Income						
Revenue from operations	7,175.81	9,033.73	6,960.92	16,209.54	14,288.54	27,183.21
Other income	124.70	76.29	108.19	200.99	193.89	344.32
Total income	**7,300.51**	**9,110.02**	**7,069.11**	**16,410.53**	**14,482.43**	**27,527.53**
Expenses						
Electrical energy purchased	3,756.10	3,818.84	3,497.48	7,574.94	7,266.96	13,743.27
Fuel cost	1,356.52	2,431.27	1,474.03	3,787.79	3,159.11	5,647.95
Cost of materials consumed	114.07	99.39	106.02	213.46	214.41	406.50
Purchase of stock-in-trade	147.31	181.84	134.68	329.15	195.24	690.53
Changes in inventories of finished goods and work-in-progress	(6.69)	6.80	5.78	0.11	13.59	20.45
Employee benefits expense	190.31	172.88	161.66	363.19	307.89	611.19
Finance costs	272.34	260.09	247.19	532.43	474.44	943.40
Depreciation and amortisation expense	370.99	359.48	341.74	730.47	673.70	1,377.50
Other expenses	410.88	464.78	359.86	875.66	725.15	1,504.14
Total expenses	**6,611.83**	**7,795.37**	**6,328.44**	**14,407.20**	**13,030.49**	**24,944.93**
Profit before tax	**688.68**	**1,314.65**	**740.67**	**2,003.33**	**1,451.94**	**2,582.60**
Tax expense						
- Current tax	27.73	237.85	127.54	265.58	250.96	445.07
- Deferred tax	165.23	80.46	70.58	245.69	126.15	241.53
Total tax expense	**192.96**	**318.31**	**198.12**	**511.27**	**377.11**	**686.60**
Profit for the period	**495.72**	**996.34**	**542.55**	**1,492.06**	**1,074.83**	**1,896.00**
Other comprehensive income :						
Items that will not be reclassified to profit or loss	(5.97)	(5.52)	(17.40)	(11.49)	(14.61)	(20.81)
Tax relating to other comprehensive income	(2.06)	(1.74)	(5.69)	(3.80)	(4.74)	(6.76)
Other comprehensive income (net of tax)	**(3.91)**	**(3.78)**	**(11.71)**	**(7.69)**	**(9.87)**	**(14.05)**
Total comprehensive income	**491.81**	**992.56**	**530.84**	**1,484.37**	**1,064.96**	**1,881.95**
Profit for the period attributable to :						
Owners of the company	481.03	972.24	525.89	1,453.27	1,043.16	1,833.23
Non-controlling interests	14.69	24.10	16.66	38.79	31.67	62.77
Other comprehensive income attributable to :						
Owners of the company	(3.52)	(3.36)	(10.77)	(6.88)	(8.93)	(12.53)
Non-controlling interests	(0.39)	(0.42)	(0.94)	(0.81)	(0.94)	(1.52)
Total comprehensive income attributable to :						
Owners of the company	477.51	968.88	515.12	1,446.39	1,034.23	1,820.70
Non-controlling interests	14.30	23.68	15.72	37.98	30.73	61.25
Paid up equity share capital (F.V. ₹ 10/- per share)	480.62	480.62	480.62	480.62	480.62	480.62
Reserves excluding revaluation reserves as per balance sheet of previous accounting year						11,581.09
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	10.01	20.23	10.94	30.24	21.70	38.14
(b) Diluted (₹)	10.01	20.23	10.94	30.24	21.70	38.14

TORRENT POWER LIMITED AHMEDABAD

Consolidated Statement of Assets and Liabilities

(₹ in Crore)

Particulars	As at September 30, 2024	As at March 31, 2024
	Un-audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment (Refer note 1)	21,571.06	20,653.68
Right-of-use assets (Refer note 1)	282.19	259.07
Capital work-in-progress	2,143.61	2,472.36
Goodwill	171.07	171.07
Other intangible assets	700.17	718.46
Financial assets		
Investments	22.15	17.02
Other financial assets	85.73	94.68
Deferred tax assets (net)	61.58	66.38
Non-current tax assets (net)	19.52	12.64
Other non-current assets	581.32	420.76
Sub total - Non-current assets	**25,638.40**	**24,886.12**
Current assets		
Inventories	701.90	800.45
Financial assets		
Investments	927.57	937.37
Trade receivables	2,890.87	2,190.86
Cash and cash equivalents	344.43	350.83
Bank balances other than cash and cash equivalents	101.35	67.91
Other financial assets	4,413.84	3,989.23
Other current assets	187.95	169.71
	9,567.91	**8,506.36**
Assets classified as held for sale (Refer note 3)	367.22	-
Sub total - Current assets	**9,935.13**	**8,506.36**
Total - Assets	**35,573.53**	**33,392.48**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	480.62	480.62
Other equity	12,835.23	11,581.09
Sub total - Equity attributable to equity holders of the Company	**13,315.85**	**12,061.71**
Non-controlling interests	569.79	535.79
Sub total - equity	**13,885.64**	**12,597.50**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	10,445.45	9,916.40
Lease liabilities	49.97	39.50
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	481.05	345.71
Other financial liabilities	5.73	0.95
Deferred tax liabilities (net)	1,632.10	1,233.65
Other non-current liabilities	1,462.15	1,445.68
Sub total - Non-current liabilities	**14,076.45**	**12,981.89**
Current liabilities		
Financial liabilities		
Borrowings	1,063.36	1,668.63
Lease liabilities	8.66	7.27
Trade payables		
Total outstanding dues of micro and small enterprises	46.48	64.12
Total outstanding dues other than micro and small enterprises	2,149.92	1,747.80
Other financial liabilities	2,938.89	3,264.67
Other current liabilities	708.92	735.06
Provisions	194.03	201.74
Current tax liabilities (net)	358.21	123.80
	7,468.47	**7,813.09**
Liabilities directly associated with assets classified as held for sale (Refer note 3)	142.97	-
Sub total - Current liabilities	**7,611.44**	**7,813.09**
Total - Equity and liabilities	**35,573.53**	**33,392.48**

Consolidated Segment Information:

Sr. No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1	**Segment revenue**						
(a)	Generation	1,833.55	3,677.65	1,963.73	5,511.20	4,193.01	7,978.69
(b)	Transmission and Distribution	6,596.61	6,934.35	6,352.43	13,530.96	12,973.06	24,391.25
(c)	Renewables	291.15	307.41	366.65	598.56	657.91	1,149.92
	Total segment revenue	**8,721.31**	**10,919.41**	**8,682.81**	**19,640.72**	**17,823.98**	**33,519.86**
	Less: Inter segment revenue	(1,545.50)	(1,885.68)	(1,721.89)	(3,431.18)	(3,535.44)	(6,336.65)
	Total revenue from operations	**7,175.81**	**9,033.73**	**6,960.92**	**16,209.54**	**14,288.54**	**27,183.21**
2	**Segment results (Profit before tax, depreciation and finance costs)**						
(a)	Generation	151.42	877.68	236.88	1,029.10	594.98	1,147.50
(b)	Transmission and Distribution	896.94	858.86	772.70	1,755.80	1,463.88	2,871.57
(c)	Renewables	255.32	254.96	333.38	510.28	587.19	1,001.65
	Total segment results	**1,303.68**	**1,991.50**	**1,342.96**	**3,295.18**	**2,646.05**	**5,020.72**
	Add: Unallocated	28.33	(57.28)	(13.36)	(28.95)	(45.97)	(117.22)
	Less: Finance costs	(272.34)	(260.09)	(247.19)	(532.43)	(474.44)	(943.40)
	Less: Depreciation and amortisation expense	(370.99)	(359.48)	(341.74)	(730.47)	(673.70)	(1,377.50)
	Profit before tax	**688.68**	**1,314.65**	**740.67**	**2,003.33**	**1,451.94**	**2,582.60**
3	**Segment assets**						
(a)	Generation	5,251.38	5,775.21	5,138.30	5,251.38	5,138.30	4,806.00
(b)	Transmission and Distribution	21,555.93	21,451.28	19,739.23	21,555.93	19,739.23	20,169.02
(c)	Renewables	8,908.62	8,501.01	6,848.23	8,908.62	6,848.23	8,073.37
(d)	Unallocated / Inter segment	(142.40)	(577.06)	268.27	(142.40)	268.27	344.09
	Total assets	**35,573.53**	**35,150.44**	**31,994.03**	**35,573.53**	**31,994.03**	**33,392.48**
4	**Segment liabilities**						
(a)	Generation	3,265.92	3,576.84	3,415.36	3,265.92	3,415.36	3,275.74
(b)	Transmission and Distribution	15,297.16	15,348.17	13,524.45	15,297.16	13,524.45	14,473.64
(c)	Renewables	6,125.24	5,910.40	4,233.98	6,125.24	4,233.98	5,527.81
(d)	Unallocated / Inter Segment	(3,000.43)	(3,271.04)	(1,537.01)	(3,000.43)	(1,537.01)	(2,482.21)
	Total liabilities	**21,687.89**	**21,564.37**	**19,636.78**	**21,687.89**	**19,636.78**	**20,794.98**

Above segment assets and liabilities includes"Assets classified as held for sale " and "Liabilities directly associated with assets classified as held for sale".

Generation: Comprises of generation of power from thermal sources (gas and coal) and trading of Regassified Liquified Natural Gas.

Transmission and Distribution: Comprises of transmission and distribution business (licensed and franchisee) and related ancillary services. It also comprises Power Cable business.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar.

Consolidated Statement of Cash Flows

(₹ in Crore)

Particulars	For the six months ended		For the year ended
	September 30, 2024	September 30, 2023	March 31, 2024
	Un-audited	Un-audited	Audited
Cash flow from operating activities			
Profit before tax	2,003.33	1,451.94	2,582.60
Adjustments for :			
Depreciation and amortisation expense	730.47	673.70	1,377.50
Amortisation of deferred revenue	(55.02)	(51.92)	(106.18)
Provision of earlier years written back	(1.06)	(0.01)	(1.09)
Loss on Sale / redemption of investments	0.13	-	-
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	4.49	11.15	37.19
Gain on disposal of property, plant and equipment / investment property	(7.23)	(19.31)	(40.01)
Bad debts written off (net of recovery)	(13.78)	(9.01)	12.41
Reversal of provision for onerous contracts	-	-	(109.40)
Allowance for doubtful advances (net)	-	(6.06)	(6.06)
Allowance for doubtful debts (net)	29.94	38.84	(10.11)
Finance costs	532.43	474.44	943.40
Interest income from financial assets measured at amortised cost	(25.68)	(26.62)	(56.80)
Gain on sale of current investments in mutual funds	(25.32)	(26.78)	(57.94)
Gain on sale of non-current investments	(0.04)	(0.05)	(0.05)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	1.37	(3.83)	(1.93)
Net gain arising on financial assets / liabilities measured at amortised cost	(25.33)	(17.40)	(50.02)
Net unrealised loss / (gain) on foreign currency transactions	17.14	(4.89)	3.98
Operating profit before working capital changes	**3,165.84**	**2,484.19**	**4,517.49**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories	(173.18)	(156.46)	198.84
Trade receivables	(872.78)	(468.61)	59.23
Other financial assets	(420.48)	(431.54)	(775.59)
Other assets	(28.69)	(80.05)	13.79
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	573.99	892.39	470.34
Other financial liabilities	23.16	(33.37)	188.29
Provisions	(12.84)	8.13	26.27
Other liabilities	(21.98)	17.65	57.32
Cash generated from operations	**2,233.04**	**2,232.33**	**4,755.98**
Taxes paid (net)	102.15	(207.85)	(497.63)
Net cash flow generated from operating activities	**2,335.19**	**2,024.48**	**4,258.35**
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & right-of-use assets	(1,861.25)	(1,247.28)	(3,656.48)
Proceeds from sale of property, plant and equipment, intangible assets & investment property	81.20	27.43	57.42
Acquisition of subsidiaries net of cash and cash equivalents	-	(19.02)	(18.74)
Purchase of non-current investments	(5.14)	(4.03)	(4.03)
Proceeds from sale of non-current investments	2.86	1.98	1.98
Investments in bank deposits (original maturity more than three months)	(62.97)	(338.22)	(1,118.90)
Redemption in bank deposits (original maturity more than three months)	34.11	406.35	1,225.43
Interest received	25.79	27.20	57.62
(Purchase of) / proceeds from current investments (net)	30.80	(254.17)	(88.73)
Net cash used in investing activities	**(1,754.60)**	**(1,399.76)**	**(3,544.43)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in Crore)

Particulars	For the six months ended		For the year ended
	September 30, 2024	September 30, 2023	March 31, 2024
	Un-audited	Un-audited	Audited
Cash flow from financing activities			
Tranactions with non-controlling interest	-	0.74	-
Proceeds from long-term borrowings	964.26	962.18	3,300.13
Proceeds from short-term borrowings	527.00	475.00	1,365.00
Repayment of long-term borrowings	(361.62)	(694.09)	(1,263.68)
Prepayment of long-term borrowings	(311.15)	(353.92)	(1,241.54)
Repayment of short-term borrowings	(817.02)	(250.00)	(1,074.98)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(1.53)	(1.75)	(3.82)
Receipt of contribution from consumers	75.46	77.29	179.35
Dividend paid	(196.23)	(194.36)	(771.10)
Principal element of lease payments	(5.52)	(17.35)	(44.02)
Finance costs paid	(452.02)	(446.41)	(996.66)
Net cash used in financing activities	**(578.37)**	**(442.67)**	**(551.32)**
Net (decrease) / increase in cash and cash equivalents	**2.22**	**182.05**	**162.60**
Cash and cash equivalents as at beginning of the period	350.83	188.23	188.23
Cash and cash equivalents considered as assets classified as held for sale	(8.62)	-	-
Cash and cash equivalents as at end of the period	344.43	370.28	350.83

Notes:

1 Net carrying value of Property, plant & equipment ("PPE") and Right-of-use assets ("ROU") as at September 30, 2024 includes ₹1,206.66 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat including its Transmission Line ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter had operated only intermittently / partially including the current six months due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, the Company had carried out an impairment assessment of DGEN as at March 31, 2024 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets' and concluded that no further impairment loss is required as at March 31, 2024. The Company has reviewed the key assumptions underlying the above assessment as on September 30, 2024 and concluded that no further impairment provision is considered necessary as at September 30, 2024.

During the earlier years, the Company had provided for impairment loss of ₹ 2,300.00 Crore.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

2 Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved.Further, as per the said letter, the cost of land would be reimbursed after the disposal of land.

As per the Letter dated January 23, 2024 from Revenue Department, Government of Gujarat, the said land is to be handed over to the Collector, Amreli and had determined the amount to be paid to GPCL towards the cost incurred for acquisition of aforesaid land. The Collector, Amreli took a possession of the said land and on March 31, 2024 released partial amount to GPCL towards the cost incurred for acquisition of aforesaid land to GPCL. TPGL is pursuing with GPCL for reimbursement of its share from the amount received from the Collector, Amreli. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for quarter and six months ended September 30, 2024have been prepared on a non - going concern basis.

The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the compensation recoverable from GPCL

3 The Board of Directors of the Company at its meeting dated July 30, 2024 has approved sale of 8,40,00,000 Equity Shares i.e. 100% of its shareholding / investment in Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited) to Torrent Investments Private Limited (TIPL), the Holding Company, at a consideration of ₹ 85.00 Crore. On October 17, 2024, Share Purchase Agreement (SPA) has been executed amongst the Company, TIPL and TEL . Pursuant to the SPA, and considering the requirements of Ind AS 105 – 'Non-current Assets Held for Sale and Discontinued Operations', assets and liabilities pertaining to TEL's business have been classified and presented as 'Assets classified as Held for Sale' and 'Liabilities directly associated with assets classified as held for sale' respectively as at September 30, 2024.

4 The immovable and movable assets of the Company, both present and future, are mortgaged and hypothecated by way of first pari passu charge in favour of holders of secured Non-Convertible Debentures (NCD) along with lenders of term loans, fund-based working capital facilities and non-fund based credit facilities, availed by the Company except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deed, Working Capital Facility agreements), are carved out of security provided to lenders / debenture holders.

5 Subsequent to the quarter, the Ministry of Power has notified Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 ('the Rules') in pursuance of Section 176(1) and 176(2)(z) of the Electricity Act, 2003 read with second proviso to Section 129 (1) of the Companies Act, 2013, which are applicable to Distribution Licensees. The Group is in the process of evaluating the implication of the Rules. The Group has obtained a legal opinion that the Rules are required to be applied prospectively from the date of notification in the Official Gazette i.e. October 24, 2024 and accordingly there is no impact of the same on the financial results for the quarter and six months ended September 30, 2024.

6 The above consolidated financial results of Torrent Power Limited (the "Company") and its subsidiaries (the "Group") have been reviewed by Audit Committee and the same have been subsequently approved by the Board of Directors in their respective meetings held on November 13, 2024.

7 Refer Annexure I for disclosure required pursuant to Regulation 52(4) & 63(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

8 Summary of key standalone financial results of the Company is as follows:

(₹ in crore)

Particulars	For the quarter ended			For the six months ended		For the year ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Revenue from operations	5,293.19	7,193.04	5,106.43	12,486.23	10,489.60	19,956.96
Profit before tax	669.32	1,273.06	664.49	1,942.38	1,303.81	2,446.27
Profit after tax	491.85	973.43	491.89	1,465.28	970.77	1,798.03
Total comprehensive income	488.60	970.73	482.48	1,459.33	963.13	1,787.82

Note : The standalone financial results of the Company for the above mentioned periods are available in the investors section in www.torrentpower.com and also with the stock exchanges where it is listed. The information above has been extracted from the published standalone financial results.

For, TORRENT POWER LIMITED

Jinal Mehta
Vice Chairman & Managing Director

Place : Ahmedabad
Date : November 13, 2024

ANNEXURE I:
Disclosures pursuant to Regulation 52(4) & 63(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 (as amended) (Consolidated) :-

Regulation No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
52(4)(c)	Debt equity ratio	0.79	0.82	0.83	0.79	0.83	0.88
52(4)(f)	Debt service coverage ratio	3.39	2.12	1.83	2.53	1.53	1.72
52(4)(g)	Interest service coverage ratio	5.21	7.05	5.28	6.12	5.29	5.05
52(4)(h)	Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
52(4)(i)	~~Capital redemption reserve~~ / Debenture redemption reserve (₹ in Crore)	40.00	40.00	61.21	40.00	61.21	44.51
52(4)(j)	Net worth (₹ in Crore)	13,885.64	13,586.07	12,357.25	13,885.64	12,357.25	12,597.50
52(4)(k)	Net Profit after tax (other than other comprehensive income) (₹ in Crore)	495.72	996.34	542.55	1,492.06	1,074.83	1,896.00
52(4)(l)	Earnings per share (₹) (not annualised)	10.01	20.23	10.94	30.24	21.70	38.14
52(4)(m)	Current ratio	1.91	1.76	1.76	1.91	1.76	1.54
52(4)(n)	Long term debt to working capital	1.99	2.17	2.17	1.99	2.17	2.59
52(4)(o)	Bad debts to account receivable (not annualised)	0.35%	0.14%	0.50%	0.59%	1.11%	-0.16%
52(4)(p)	Current liability ratio	0.24	0.26	0.26	0.24	0.26	0.27
52(4)(q)	Total debts to total assets	0.32	0.33	0.33	0.32	0.33	0.35
52(4)(r)	Debtors turnover (not annualised)	2.28	3.24	2.49	6.38	5.79	12.25
52(4)(s)	Inventory turnover (not annualised)	9.44	11.16	8.15	21.58	15.90	33.54
52(4)(t)	Operating margin (%)	16.82%	20.57%	17.55%	18.91%	16.84%	16.77%
52(4)(u)	Net profit margin (%)	6.91%	11.03%	7.79%	9.20%	7.52%	6.97%

Above ratio for the period quarter and six months ended September 30, 2024 is calculated considering "Assets classified as held for sale " and "Liabilities directly associated with assets classified as held for sale".

Formulae for the computation of the Ratios :

1 **Debt equity ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt) / (Equity share capital + Preference share capital + All reserves (excluding revaluation reserve) + Deferred tax liabilities – Deferred tax assets – Goodwill -Intangible assets - Intangible assets under development)

2 **Debt service coverage ratio =** (Total comprehensive income + Deferred tax + Depreciation and amortisation + Interest on debt) / (Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment)

3 **Interest service coverage ratio =** (Total comprehensive income + Deferred tax + Depreciation and amortisation + Interest on debt) / (Interest on debt)

4 **Current ratio =** Current assets / (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue)

5 **Long term debt to working capital ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given) / (Current assets- (Current Liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue -Current maturity of long term debt))

6 **Bad debts to account receivable ratio =** (Bad debts written off (net of recovery) + Allowance for doubtful debts (net))/ (Average gross trade receivables)

7 **Current liability ratio =** (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue) / (Total liabilities)

8 **Total debts to Total assets ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given + Short term debt) / (Total assets)

9 **Debtors turnover ratio** = (Revenue from operations) / (Average trade receivables)

10 **Inventory turnover ratio** = (Revenue from operations) / (Average inventories)

11 **Operating margin** = (Profit before tax + Finance costs + Depreciation and amortisation - Other income) / (Revenue from operations)

12 **Net profit margin** = (Profit after tax) / (Revenue from operations)

Price Waterhouse Chartered Accountants LLP

Review Report

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

1. We have reviewed the consolidated unaudited financial results of Torrent Power Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), (refer paragraph 4 below) for the quarter ended September 30, 2023 and the year to date results for the period April 1, 2023 to September 30, 2023 which are included in the accompanying Statement of Consolidated Financial Results for the quarter and six months ended September 30, 2023, the Consolidated Statement of Assets and Liabilities as on September 30, 2023 and the Consolidated Statement of Cash Flows for the six months ended on September 30, 2023 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities listed in Annexure A.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Ahmedabad

Price Waterhouse Chartered Accountants LLP, 1701, 17th Floor, Shapath V, Opp. Karnavati Club, S G Highway
Ahmedabad - 380 051, Gujarat, India
T: +91 (79) 6924 7000, F: +91 (79) 6924 7082

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 23109553BGWNTH6438

Place: Ahmedabad
Date: November 09, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A

List of entities:

Sr. No	Name of Company
Subsidiaries Direct	
1	Torrent Power Grid Limited
2	Torrent Pipavav Generation Limited
3	Torrent Solargen Limited
4	Jodhpur Wind Farms Private Limited
5	Latur Renewable Private Limited
6	TCL Cables Private Limited
7	Torrent Solar Power Private Limited
8	Torrent Saurya Urja 2 Private Limited
9	Torrent Saurya Urja 3 Private Limited
10	Torrent Saurya Urja 4 Private Limited
11	Torrent Saurya Urja 5 Private Limited
12	Visual Percept Solar Projects Private Limited
13	Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)
14	Surya Vidyut Limited
15	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
16	Sunshakti Solar Power Projects Private Limited
17	Wind Two Renergy Private Limited
18	Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)
19	Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)
20	Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)
21	Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)
22	Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)
23	Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)
24	Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)
25	Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)
26	Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)
27	Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)
28	Torrent Green Energy Private Limited (w.e.f. August 2, 2023)
Subsidiary Indirect	
29	Airpower Windfarms Private Limited (Acquired by Torrent Green Energy Private Limited on w.e.f. September 1, 2023)

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Ahmedabad

TORRENT POWER LIMITED

Registered Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015, Ph.: 079-26628000

CIN: L31200GJ2004PLC044068; Website: www.torrentpower.com; E-mail: cs@torrentpower.com

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

(₹ in Crore except per share data)

Particulars	For the quarter ended			For the six months ended		For the year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Income						
Revenue from operations (Refer note 3)	6,960.92	7,327.62	6,703.15	14,288.54	13,213.46	25,694.12
Other income	108.19	85.70	94.06	193.89	202.37	381.85
Total income	**7,069.11**	**7,413.32**	**6,797.21**	**14,482.43**	**13,415.83**	**26,075.97**
Expenses						
Electrical energy purchased	3,497.48	3,769.48	3,858.93	7,266.96	7,683.58	14,440.53
Fuel cost	1,474.03	1,685.08	598.31	3,159.11	1,498.08	2,508.23
Cost of materials consumed	106.02	108.39	81.13	214.41	200.53	334.81
Purchase of stock-in-trade	134.68	60.56	563.44	195.24	752.73	1,879.26
Changes in inventories of finished goods and work-in-progress	5.78	7.81	(2.30)	13.59	(11.41)	(29.19)
Employee benefits expense	161.66	146.23	146.28	307.89	288.12	578.25
Finance costs	247.19	227.25	215.02	474.44	401.00	818.20
Depreciation and amortisation expense	341.74	331.96	318.57	673.70	630.26	1,280.96
Other expenses	359.86	365.29	293.20	725.15	577.25	1,223.56
Total expenses	**6,328.44**	**6,702.05**	**6,072.58**	**13,030.49**	**12,020.14**	**23,034.61**
Profit before tax	**740.67**	**711.27**	**724.63**	**1,451.94**	**1,395.69**	**3,041.36**
Tax expense						
- Current tax	127.54	123.42	175.66	250.96	292.97	672.82
- Deferred tax	70.58	55.57	64.78	126.15	116.52	203.87
Total tax expense	**198.12**	**178.99**	**240.44**	**377.11**	**409.49**	**876.69**
Profit for the period	**542.55**	**532.28**	**484.19**	**1,074.83**	**986.20**	**2,164.67**
Other comprehensive income :						
Items that will not be reclassified to profit or loss	(17.40)	2.79	0.72	(14.61)	2.52	9.54
Tax relating to other comprehensive income	(5.69)	0.95	0.06	(4.74)	0.70	3.50
Other comprehensive income (net of tax)	**(11.71)**	**1.84**	**0.66**	**(9.87)**	**1.82**	**6.04**
Total comprehensive income	**530.84**	**534.12**	**484.85**	**1,064.96**	**988.02**	**2,170.71**
Profit for the period attributable to :						
Owners of the company	525.89	517.27	481.65	1,043.16	983.76	2,117.43
Non-controlling interests	16.66	15.01	2.54	31.67	2.44	47.24
Other comprehensive income attributable to :						
Owners of the company	(10.77)	1.84	0.66	(8.93)	1.82	6.75
Non-controlling interests	(0.94)	-	-	(0.94)	-	(0.71)
Total comprehensive income attributable to :						
Owners of the company	515.12	519.11	482.31	1,034.23	985.58	2,124.18
Non-controlling interests	15.72	15.01	2.54	30.73	2.44	46.53
Paid up equity share capital (F.V. ₹ 10/- per share)	480.62	480.62	480.62	480.62	480.62	480.62
Reserves excluding revaluation reserves as per balance sheet of previous accounting year						10,529.38
Earnings per share (of ₹ 10/- each) (not annualised)						
(a) Basic (₹)	10.94	10.76	10.02	21.70	20.47	44.06
(b) Diluted (₹)	10.94	10.76	10.02	21.70	20.47	44.06

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TORRENT POWER LIMITED
AHMEDABAD

Consolidated Statement of Assets and Liabilities

(₹ in Crore)

Particulars	As at September 30, 2023	As at March 31, 2023
	Un-audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment (Refer note 1)	19,176.19	18,115.94
Right-of-use assets (Refer note 1)	244.98	216.46
Capital work-in-progress	1,977.47	2,624.69
Investment property	6.22	9.39
Goodwill	171.07	171.07
Other intangible assets	737.20	756.33
Financial assets		
Investments	17.02	15.94
Other financial assets	123.64	135.38
Deferred tax assets (net)	41.97	38.65
Non-current tax assets (net)	32.53	12.50
Other non-current assets	462.87	361.04
Sub total - Non-current assets	**22,991.16**	**22,457.39**
Current assets		
Inventories	976.74	820.28
Financial assets		
Investments	1,073.55	787.75
Trade receivables	2,685.11	2,246.33
Cash and cash equivalents	370.28	188.23
Bank balances other than cash and cash equivalents	88.63	155.29
Other financial assets	3,560.39	3,111.40
Other current assets	248.17	143.51
Sub total - Current assets	**9,002.87**	**7,452.79**
Total - Assets	**31,994.03**	**29,910.18**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	480.62	480.62
Other equity	11,371.36	10,529.38
Sub total - Equity attributable to equity holders of the Company	**11,851.98**	**11,010.00**
Non-controlling interests	505.27	476.65
Sub total - Total equity	**12,357.25**	**11,486.65**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	9,486.94	8,902.32
Lease liabilities	40.32	39.32
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	286.86	210.61
Other financial liabilities	0.74	-
Deferred tax liabilities (net)	1,093.51	968.79
Other non-current liabilities	1,396.85	1,372.46
Sub total - Non-current liabilities	**12,305.22**	**11,493.50**
Current liabilities		
Financial liabilities		
Borrowings	1,151.16	1,593.75
Lease liabilities	6.46	6.02
Trade payables		
Total outstanding dues of micro and small enterprises	47.34	68.99
Total outstanding dues other than micro and small enterprises	2,269.24	1,453.68
Other financial liabilities	2,632.98	2,687.72
Other current liabilities	695.86	677.24
Provisions	286.80	264.06
Current tax liabilities (net)	241.72	178.57
Sub total - Current liabilities	**7,331.56**	**6,930.03**
Total - Equity and liabilities	**31,994.03**	**29,910.18**

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TORRENT POWER LIMITED
AHMEDABAD

Consolidated Segment Information:

(₹ in Crore)

Sr. No.	Particulars	For the quarter ended			For the six months ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1	**Segment revenue**						
(a)	Generation	1,963.73	2,229.28	1,633.59	4,193.01	3,102.59	6,430.61
(b)	Transmission and Distribution	6,352.43	6,620.63	5,799.13	12,973.06	11,874.58	22,337.51
(c)	Renewables	366.65	291.26	279.52	657.91	565.04	990.21
	Total segment revenue	**8,682.81**	**9,141.17**	**7,712.24**	**17,823.98**	**15,542.21**	**29,758.33**
	Less: Inter segment revenue	(1,721.89)	(1,813.55)	(1,009.09)	(3,535.44)	(2,328.75)	(4,064.21)
	Total revenue from operations	**6,960.92**	**7,327.62**	**6,703.15**	**14,288.54**	**13,213.46**	**25,694.12**
2	**Segment results (Profit before tax, depreciation and finance costs)**						
(a)	Generation	236.88	358.10	402.43	594.98	689.13	1,653.58
(b)	Transmission and Distribution	772.70	691.18	643.98	1,463.88	1,278.80	2,665.29
(c)	Renewables	333.38	253.81	250.20	587.19	498.08	859.70
	Total segment results	**1,342.96**	**1,303.09**	**1,296.61**	**2,646.05**	**2,466.01**	**5,178.57**
	Add: Unallocated	(13.36)	(32.61)	(38.39)	(45.97)	(39.06)	(38.05)
	Less: Finance costs	(247.19)	(227.25)	(215.02)	(474.44)	(401.00)	(818.20)
	Less: Depreciation and amortisation expense	(341.74)	(331.96)	(318.57)	(673.70)	(630.26)	(1,280.96)
	Profit before tax	**740.67**	**711.27**	**724.63**	**1,451.94**	**1,395.69**	**3,041.36**
3	**Segment assets**						
(a)	Generation	5,138.30	5,241.10	5,072.32	5,138.30	5,072.32	4,745.48
(b)	Transmission and Distribution	19,739.23	19,456.13	17,357.84	19,739.23	17,357.84	18,076.49
(c)	Renewables	6,848.23	6,662.52	6,429.70	6,848.23	6,429.70	6,472.04
(d)	Unallocated / Inter segment	268.27	111.37	687.83	268.27	687.83	616.17
	Total assets	**31,994.03**	**31,471.12**	**29,547.69**	**31,994.03**	**29,547.69**	**29,910.18**
4	**Segment liabilities**						
(a)	Generation	3,415.36	3,079.84	3,346.38	3,415.36	3,346.38	3,251.81
(b)	Transmission and Distribution	13,524.45	13,760.56	10,862.94	13,524.45	10,862.94	12,690.98
(c)	Renewables	4,233.98	4,051.14	3,950.95	4,233.98	3,950.95	3,966.72
(d)	Unallocated / Inter Segment	(1,537.01)	(1,441.19)	44.52	(1,537.01)	44.52	(1,485.98)
	Total liabilities	**19,636.78**	**19,450.35**	**18,204.79**	**19,636.78**	**18,204.79**	**18,423.53**

Generation: Comprises of generation of power from thermal sources (gas and coal) and trading of Regassified Liquified Natural Gas.

Transmission and Distribution: Comprises of transmission and distribution business (licensed and franchisee) and related ancillary services. It also comprises Power Cable business.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar.

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Torrent Power Limited Ahmedabad

Consolidated Statement of Cash Flows

(₹ in Crore)

Particulars	For the six months ended		For the year ended
	September 30, 2023	September 30, 2022	March 31, 2023
	Un-audited	Un-audited	Audited
Cash flow from operating activities			
Profit before tax	1,451.94	1,395.69	3,041.36
Adjustments for :			
Depreciation and amortisation expense	673.70	630.26	1,280.96
Amortisation of deferred revenue	(51.92)	(48.51)	(100.10)
Provision of earlier years written back	(0.01)	(0.11)	(0.80)
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	11.15	5.83	29.91
Gain on disposal of property, plant and equipment	(19.31)	(22.56)	(44.84)
Bad debts written off (net of recovery)	(9.01)	(18.44)	4.02
Reversal of provision for onerous contracts	-	-	(10.82)
Provision for onerous contracts	-	9.68	9.44
Allowance for doubtful advances (net)	(6.06)	-	-
Allowance for doubtful debts (net)	38.84	16.37	(13.21)
Finance costs	474.44	401.00	818.20
Interest income from financial assets measured at amortised cost	(26.62)	(29.97)	(68.84)
Gain on sale of current investments in mutual funds	(26.78)	(18.85)	(55.64)
Gain on sale of non-current investments	(0.05)	-	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	(3.83)	(1.02)	(7.23)
Net gain arising on financial assets / liabilities measured at amortised cost	(17.40)	(8.75)	(23.67)
Net unrealised loss / (gain) on foreign currency transactions	(4.89)	(10.48)	10.76
Operating profit before working capital changes	**2,484.19**	**2,300.14**	**4,869.50**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories	(156.46)	(306.92)	(265.58)
Trade receivables	(468.61)	(802.49)	(148.96)
Other financial assets	(431.54)	(915.57)	(929.80)
Other assets	(80.05)	(0.11)	(22.13)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	892.39	364.01	125.37
Other financial liabilities	(33.37)	296.88	260.20
Provisions	8.13	(2.45)	0.43
Other liabilities	17.65	40.44	56.84
Cash generated from operations	**2,232.33**	**973.93**	**3,945.87**
Taxes paid (net)	(207.85)	(212.31)	(490.09)
Net cash flow generated from operating activities	**2,024.48**	**761.62**	**3,455.78**
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & investment property	(1,247.28)	(1,480.52)	(2,815.55)
Proceeds from sale of property, plant and equipment & intangible assets	27.43	30.48	65.74
Acquisition of subsidiaries net of cash and cash equivalents	(19.02)	28.05	28.05
Advance against equity investment	-	-	(3.00)
Purchase of non-current investments	(4.03)	(1.94)	(1.94)
Proceeds from sale of non-current investments	1.98	-	-
Loans to related parties	-	(277.02)	(277.02)
Repayment of loans from related parties	-	11.25	11.25
(Investments) / redemption in bank deposits (net) (maturity more than three months)	68.13	(18.08)	(115.43)
(Investments) / redemption in inter corporate deposits	-	166.84	266.84
Interest received	27.20	36.57	74.35
(Purchase of) / proceeds from current investments (net)	(254.17)	(242.09)	(449.25)
Net cash used in investing activities	**(1,399.76)**	**(1,746.46)**	**(3,215.96)**

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TORRENT POWER LIMITED
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Consolidated Statement of Cash Flows (Contd.)

(₹ in Crore)

Particulars	For the six months		For the year
	September 30, 2023	September 30, 2022	March 31, 2023
	Un-audited	Un-audited	Audited
Cash flow from financing activities			
Proceeds from issuance of shares to non-controlling interest	0.74	-	-
Proceeds from long-term borrowings	962.18	2,914.10	3,812.34
Proceeds from short-term borrowings	475.00	400.00	400.00
Repayment of long-term borrowings	(694.09)	(569.28)	(1,359.28)
Prepayment of long-term borrowings	(353.92)	(341.86)	(341.86)
Repayment of short-term borrowings	(250.00)	(1,102.74)	(1,113.74)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(1.75)	(1.53)	(3.82)
Receipt of contribution from consumers	77.29	93.13	217.04
Dividend paid	(194.36)	(2.11)	(1,061.81)
Principal element of lease payments	(17.35)	(4.79)	(22.34)
Finance costs paid	(446.41)	(378.18)	(867.53)
Net cash generated from / (used in) financing activities	**(442.67)**	**1,006.74**	**(341.00)**
Net (decrease) / increase in cash and cash equivalents	**182.05**	**21.90**	**(101.18)**
Cash and cash equivalents as at beginning of the period	188.23	289.41	289.41
Cash and cash equivalents as at end of the period	**370.28**	**311.31**	**188.23**

Notes:

1 Net carrying value of Property, plant & equipment ("PPE") and Right-of-use assets ("ROU") as at September 30, 2023 includes ₹ 1,282.55 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, the Company had carried out an impairment assessment of DGEN as at March 31, 2023 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets' and concluded that no further impairment provision was necessary as at March 31, 2023. The Company has reviewed the key assumptions underlying the above assessment as on September 30, 2023 and concluded that no further impairment provision is considered necessary as at September 30, 2023.

During the earlier years, the Company had provided for impairment loss of ₹ 2,300.00 Crore.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

2 Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for the quarter and six months ended September 30, 2023 have been prepared on a non - going concern basis.The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the compensation for acquisition of such land.

3 Revenue from operations for the quarter and six months ended September 30, 2023, quarter and six months ended September 30, 2022 and year ended March 31, 2023 includes sale of RLNG aggregating ₹ 148.91 Crore, ₹ 220.99 Crore, ₹ 936.06 Crore, ₹ 1,213.95 Crore and ₹ 3,068.65 Crore respectively.

4 The immovable and movable assets of the Company, both present and future, are mortgaged and hypothecated by way of first pari passu charge in favour of holders of secured Non Convertible Debentures (NCD) along with lenders of term loans, fund-based working capital facilities and non-fund based credit facilities, availed by the Company except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deed), are carved out of security provided to lenders / debenture holders.

6 The above consolidated financial results of Torrent Power Limited (the "Company") and its subsidiaries (the "Group") have been reviewed by Audit Committee and the same have been subsequently approved by the Board of Directors in their respective meetings held on November 09, 2023.

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TORRENT POWER LIMITED AHMEDABAD

7 Refer Annexure I for disclosure required pursuant to Regulation 52(4) & 63(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

8 Summary of key standalone financial results of the Company is as follows:

(₹ in crore)

Particulars	For the quarter ended			For the six months ended		For the year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
Revenue from operations	5,106.43	5,383.17	5,016.71	10,489.60	9,667.86	18,836.22
Profit before tax	664.49	639.32	714.58	1,303.81	1,354.57	2,931.29
Profit after tax	491.89	478.88	492.94	970.77	973.71	2,103.72
Total comprehensive income	482.48	480.65	492.97	963.13	974.92	2,111.01

Note : The standalone financial results of the Company for the above mentioned periods are available in the investors section in www.torrentpower.com and also with the stock exchanges where it is listed. The information above has been extracted from the published standalone financial results.

For, TORRENT POWER LIMITED

Jinal Mehta
Managing Director

Place : Ahmedabad
Date : November 09, 2023

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Ahmedabad

TORRENT POWER LIMITED
AHMEDABAD

ANNEXURE I:

Disclosures pursuant to Regulation 52(4) & 63(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 (as amended) (Consolidated) :-

Regulation No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
52(4)(c)	Debt equity ratio	0.83	0.89	0.94	0.83	0.94	0.92
52(4)(f)	Debt service coverage ratio	1.83	1.31	2.16	1.53	1.89	1.90
52(4)(g)	Interest service coverage ratio	5.28	5.31	5.43	5.29	5.75	5.67
52(4)(h)	Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
52(4)(i)	~~Capital redemption reserve~~ / Debenture redemption reserve (₹ in Crore)	61.21	61.21	139.60	61.21	139.60	61.21
52(4)(j)	Net worth (₹ in Crore)	12,357.25	12,020.77	11,342.90	12,357.25	11,342.90	11,486.65
52(4)(k)	Net Profit after tax (other than other comprehensive income) (₹ in Crore)	542.55	532.28	484.19	1,074.83	986.20	2,164.67
52(4)(l)	Earnings per share (₹) (not annualised)	10.94	10.76	10.02	21.70	20.47	44.06
52(4)(m)	Current ratio	1.76	1.73	1.83	1.76	1.83	1.52
52(4)(n)	Long term debt to working capital	2.17	2.22	2.32	2.17	2.32	2.53
52(4)(o)	Bad debts to account receivable (not annualised)	0.50%	0.52%	0.06%	1.11%	-0.08%	-0.43%
52(4)(p)	Current liability ratio	0.26	0.26	0.24	0.26	0.24	0.27
52(4)(q)	Total debts to total assets	0.33	0.34	0.35	0.33	0.35	0.35
52(4)(r)	Debtors turnover (not annualised)	2.49	2.85	2.39	5.79	5.88	13.35
52(4)(s)	Inventory turnover (not annualised)	8.15	9.44	6.93	15.90	18.89	37.85
52(4)(t)	Operating margin (%)	17.55%	16.17%	17.37%	16.84%	16.84%	18.52%
52(4)(u)	Net profit margin (%)	7.79%	7.26%	7.22%	7.52%	7.46%	8.42%

Formulae for the computation of the Ratios :

1. **Debt equity ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt) / (Equity share capital + Preference share capital + all reserves (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – Intangible assets - Intangible assets under development)
2. **Debt service coverage ratio** = (Total comprehensive income + Deferred tax + Depreciation and amortisation + Interest on debt) / (Principal repayment of debt (excluding voluntary prepayments if any) + Interest on debt + Lease payment)
3. **Interest service coverage ratio =** (Total comprehensive income + Deferred tax + Depreciation and amortisation + Interest on debt) / (Interest on debt)
4. **Current ratio =** Current assets / (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue)
5. **Long term debt to working capital ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given) / (Current assets- (Current Liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue -Current maturity of long term debt))
6. **Bad debts to account receivable ratio =** (Bad debts written off (net of recovery) + Allowance for doubtful debts (net))/ (Average gross trade receivables)
7. **Current liability ratio =** (Current liabilities- Security deposits from consumers - Service line deposits from consumers- Deferred revenue) / (Total liabilities)
8. **Total debts to Total assets ratio =** (All long term debt outstanding (including unamortised expense)+ contingent liability pertaining to corporate / financial guarantee given + Short term debt) / (Total assets)
9. **Debtors turnover ratio** = (Revenue from operations) / (Average trade receivables)
10. **Inventory turnover ratio** = (Revenue from operations) / (Average inventories)
11. **Operating margin** = (Profit before tax + Finance costs + Depreciation and amortisation - Other income) / (Revenue from operations)
12. **Net profit margin** = (Profit after tax) / (Revenue from operations)

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TORRENT POWER LIMITED
AHMEDABAD

TORRENT POWER LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

SEPTEMBER 30, 2024

REVIEW REPORT

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

1. This report is issued in accordance with the terms of our agreement dated November 16, 2024.

2. We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Torrent Power Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries hereinafter referred to as the "Group"), comprising its Condensed Consolidated Balance Sheet as at September 30, 2024, and the Condensed Consolidated Statement of Profit and Loss, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity for the six months period ended on that date and a summary of material accounting policies and other explanatory information to these Special Purpose Interim Condensed Consolidated Financial Statements (hereinafter referred to as the "Special Purpose Interim Condensed Consolidated Financial Statements") have been prepared by the Management of the Company in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, to be included in the Preliminary Placement Document ('PPD') and Placement Document ('PD') (hereinafter collectively referred to as the 'Offer Documents'), to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), as applicable in connection with proposed Qualified institutions Placement of the equity shares of the Company (the "Offering")in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and other relevant provisions of the Companies Act, 2013 (the 'Companies Act, 2013'). We have signed the Special Purpose Interim Condensed Consolidated Financial Statements for identification purpose only.

Management's Responsibility for the Special Purpose Interim Condensed Consolidated Financial Statements

3. The Company's Management is responsible for the preparation of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that is free from material misstatement, whether due to fraud or error and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Statement includes the unaudited interim financial information of the entities listed in Annexure A

Auditor's Responsibility

5. Our responsibility is to express a conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Interim Financial Information performed by the independent auditor of the Entity', issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Ahmedabad

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

6. A review consists of making inquiries, primarily of the Holding Company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to the financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim Condensed Consolidated Financial Statements has not been prepared, in all material respects, in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, or that it contains any material misstatement.

Emphasis of matter – Basis of preparation

8. We draw attention to Note 2.1 to the Special Purpose Interim Condensed Consolidated Financial Statements, which describes the basis of preparation. The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared. As a result, the Special Purpose Interim Condensed Consolidated Financial Statements may not be suitable for any other purpose. Our conclusion is not modified in respect of this matter.

Restriction on use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditor of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we have or may have had in our capacity as auditor of the Company.

10. The report has been issued at the request of the Board of Directors of the Company to whom it is addressed, for inclusion in offer documents to be filed with the Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), solely in connection with the preparation of with the proposed Qualified institutions Placement of the equity shares of the Company and should not be used by any other person other than the Company or published, distributed, referred to for any other purpose in any manner, whatsoever. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 24109553BKGRBP7402

Place: Mumbai
Date: December 2, 2024

Price Waterhouse Chartered Accountants LLP

Annexure A

List of entities:

Sr. No	Name of Company
Subsidiaries Direct	
1	Torrent Power Grid Limited
2	Torrent Pipavav Generation Limited
3	Torrent Solargen Limited
4	Jodhpur Wind Farms Private Limited
5	Latur Renewable Private Limited
6	Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited/TCL Cables Private Limited)
7	Torrent Solar Power Private Limited
8	Torrent Saurya Urja 2 Private Limited
9	Torrent Saurya Urja 3 Private Limited
10	Torrent Saurya Urja 4 Private Limited
11	Torrent Saurya Urja 5 Private Limited
12	Visual Percept Solar Projects Private Limited
13	Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)
14	Surya Vidyut Limited
15	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
16	Sunshakti Solar Power Projects Private Limited
17	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)
18	Torrent Urja 8 Private Limited
19	Torrent Urja 9 Private Limited
20	Torrent Urja 10 Private Limited
21	Torrent Urja 11 Private Limited
22	Torrent Urja 12 Private Limited
23	Torrent Urja 13 Private Limited
24	Torrent Urja 14 Private Limited
25	Torrent Urja 15 Private Limited
26	Torrent Urja 16 Private Limited
27	Torrent Urja 17 Private Limited
28	Torrent Green Energy Private Limited
29	Torrent Green Hydrogen Private Limited
30	Torrent PSH 3 Private Limited
31	Torrent PSH 4 Private Limited
32	Torrent PSH 1 Private Limited
33	Torrent PSH 2 Private Limited
34	Solapur Transmission Limited
35	MSKVY Ninth Solar SPV Limited (w.e.f. April 18, 2024)
36	Torrent Urja 18 Private Limited (w.e.f. July 27, 2024)
37	Torrent Urja 19 Private Limited (w.e.f. August 6, 2024)
38	Torrent Urja 20 Private Limited (w.e.f. August 6, 2024)
39	Torrent Urja 21 Private Limited (w.e.f. August 5, 2024)
40	Torrent Urja 22 Private Limited (w.e.f. August 5, 2024)
41	Torrent Urja 23 Private Limited (w.e.f. August 2, 2024)
42	Torrent Urja 24 Private Limited (w.e.f. August 2, 2024)
43	Torrent Urja 25 Private Limited (w.e.f. August 2, 2024)
44	Torrent Urja 26 Private Limited (w.e.f. August 2, 2024)
45	Torrent Urja 27 Private Limited (w.e.f. August 6, 2024)
Subsidiary Indirect	
46	Airpower Windfarms Private Limited (Subsidiary of Torrent Green Energy Private Limited)

Price Waterhouse Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Ahmedabad

TORRENT POWER LIMITED

Condensed Consolidated Balance Sheet

as at September 30, 2024

	Notes	As at September 30, 2024	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	4	**21,571.06**	20,653.68
Right-of-use assets	5	**282.19**	259.07
Capital work-in-progress	6	**2,143.61**	2,472.36
Investment property	7	-	-
Goodwill	8	**171.07**	171.07
Other intangible assets	9	**700.17**	718.46
Financial assets			
Investments	10	**22.15**	17.02
Other financial assets	11	**85.73**	94.68
Deferred tax assets (net)		**61.58**	66.38
Non-current tax assets (net)	12	**19.52**	12.64
Other non-current assets	13	**581.32**	420.76
Sub total - Non-current assets		**25,638.40**	24,886.12
Current assets			
Inventories	14	**701.90**	800.45
Financial assets			
Investments	15	**927.57**	937.37
Trade receivables	16	**2,890.87**	2,190.86
Cash and cash equivalents	17	**344.43**	350.83
Bank balances other than cash and cash equivalents above	18	**101.35**	67.91
Other financial assets	19	**4,413.84**	3,989.23
Other current assets	20	**187.95**	169.71
		9,567.91	8,506.36
Assets classified as held for sale	43	**367.22**	-
Sub total - Current assets		**9,935.13**	8,506.36
Total - Assets		**35,573.53**	33,392.48
Equity and liabilities			
Equity			
Equity share capital	21	**480.62**	480.62
Other equity	22	**12,835.23**	11,581.09
Sub total - Equity attributable to equity holders of the Company		**13,315.85**	12,061.71
Non-controlling interests		**569.79**	535.79
Sub total - Equity		**13,885.64**	12,597.50
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	**10,445.45**	9,916.40
Lease liabilities		**49.97**	39.50
Trade payables	24		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		**481.05**	345.71
Other financial liabilities	25	**5.73**	0.95
Deferred tax liabilities (net)		**1,632.10**	1,233.65
Other non-current liabilities	26	**1,462.15**	1,445.68
Sub total - Non-current liabilities		**14,076.45**	12,981.89
Current liabilities			
Financial liabilities			
Borrowings	27	**1,063.36**	1,668.63
Lease liabilities		**8.66**	7.27
Trade payables	28		
Total outstanding dues of micro and small enterprises		**46.48**	64.12
Total outstanding dues other than micro and small enterprises		**2,149.92**	1,747.80
Other financial liabilities	29	**2,938.89**	3,264.67
Other current liabilities	30	**708.92**	735.06
Provisions	31	**194.03**	201.74
Current tax liabilities (net)	32	**358.21**	123.80
		7,468.47	7,813.09
Liabilities directly associated with assets classified as held for sale	43	**142.97**	-
Sub total - Current liabilities		**7,611.44**	7,813.09
Total - Equity and liabilities		**35,573.53**	33,392.48

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Priyanshu Gundana
Partner
Membership No.: 109553

Rahul Shah
Company Secretary

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Profit and Loss

for the six months eneded September 30, 2024

(₹ in Crore)

	Notes	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Income			
Revenue from operations	33	**16,209.54**	14,288.54
Other income	34	**200.99**	193.89
Total income		**16,410.53**	14,482.43
Expenses			
Electrical energy purchased		**7,574.94**	7,266.96
Fuel cost		**3,787.79**	3,159.11
Cost of materials consumed	35	**213.46**	214.41
Purchase of stock-in-trade		**329.15**	195.24
Changes in inventories of finished goods and work-in-progress	36	**0.11**	13.59
Employee benefits expense	37	**363.19**	307.89
Finance costs	38	**532.43**	474.44
Depreciation and amortisation expense	39	**730.47**	673.70
Other expenses	40	**875.66**	725.15
Total expenses		**14,407.20**	13,030.49
Profit before tax		**2,003.33**	1,451.94
Tax expense			
Current tax		**265.58**	250.96
Deferred tax		**245.69**	126.15
Total tax expense		**511.27**	377.11
Profit for the period		**1,492.06**	1,074.83
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		**(11.49)**	(14.61)
Tax relating to remeasurement of the defined benefit plans		**(3.80)**	(4.74)
Other comprehensive income for the period, net of tax		**(7.69)**	(9.87)
Total comprehensive income for the period		**1,484.37**	1,064.96
Profit for the period attributable to:			
Owners of the Company		**1,453.27**	1,043.16
Non-controlling interests		**38.79**	31.67
		1,492.06	1,074.83
Other comprehensive income for the period attributable to:			
Owners of the Company		**(6.88)**	(8.93)
Non-controlling interests		**(0.81)**	(0.94)
		(7.69)	(9.87)
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,446.39**	1,034.23
Non-controlling interests		**37.98**	30.73
		1,484.37	1,064.96
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	46	**30.24**	21.70

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

Samir Mehta
Chairperson
DIN:00061903

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

Saurabh Mashruwala
Chief Financial Officer

Rahul C. Shah

Rahul Shah
Company Secretary

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Cash Flows

for the six months eneded September 30, 2024

	Notes	Six months eneded September 30, 2024	(₹ in Crore) Six months eneded September 30, 2023
Cash flow from operating activities			
Profit before tax		**2,003.33**	1,451.94
Adjustments for :			
Depreciation and amortisation expense	39	**730.47**	673.70
Amortisation of deferred revenue	33	**(55.02)**	(51.92)
Provision of earlier years written back	33	**(1.06)**	(0.01)
Loss on sale of non-current investments	40	**0.13**	-
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	40	**4.49**	11.15
Gain on disposal of property, plant and equipment / investment property	34	**(7.23)**	(19.31)
Bad debts written off (net of recovery)	40	**(13.78)**	(9.01)
Allowance for doubtful advances (net)	40	**-**	(6.06)
Allowance for doubtful debts (net)	40	**29.94**	38.84
Finance costs	38	**532.43**	474.44
Interest income from financial assets measured at amortised cost	34	**(25.68)**	(26.62)
Gain on sale of current investments in mutual funds	34	**(25.32)**	(26.78)
Gain on sale of non-current investments	34	**(0.04)**	(0.05)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	**1.37**	(3.83)
Net gain arising on financial assets / liabilities measured at amortised cost	34	**(25.33)**	(17.40)
Net unrealised loss / (gain) on foreign currency transactions	34	**17.14**	(4.89)
Operating profit before working capital changes		**3,165.84**	2,484.19
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		**(173.18)**	(156.46)
Trade receivables		**(872.78)**	(468.61)
Other financial assets		**(420.48)**	(431.54)
Other assets		**(28.69)**	(80.05)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		**573.99**	892.39
Other financial liabilities		**23.16**	(33.37)
Provisions		**(12.84)**	8.13
Other liabilities		**(21.98)**	17.65
Cash generated from operations		**2,233.04**	2,232.33
Taxes paid (net)		**102.15**	(207.85)
Net cash flow generated from operating activities		**2,335.19**	2,024.48
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & right-of-use assets		**(1,861.25)**	(1,247.28)
Proceeds from sale of property, plant and equipment, intangible assets & investment property		**81.20**	27.43
Acquisition of subsidiaries net of cash and cash equivalents		**-**	(19.02)
Purchase of non-current investments		**(5.14)**	(4.03)
Proceeds from sale of non-current investments		**2.86**	1.98
Investments in bank deposits (original maturity more than three months)		**(62.97)**	(338.22)
Redemption in bank deposits (original maturity more than three months)		**34.11**	406.35
Interest received		**25.79**	27.20
(Purchase of) / proceeds from current investments (net)		**30.80**	(254.17)
Net cash used in investing activities		**(1,754.60)**	(1,399.76)
Cash flow from financing activities			
Transactions with non-controlling interests		**-**	0.74
Proceeds from long-term borrowings		**964.26**	962.18
Proceeds from short-term borrowings		**527.00**	475.00
Repayment of long-term borrowings		**(361.62)**	(694.09)
Prepayment of long-term borrowings		**(311.15)**	(353.92)
Repayment of short-term borrowings		**(817.02)**	(250.00)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan		**(1.53)**	(1.75)
Receipt of contribution from consumers		**75.46**	77.29
Dividend paid		**(196.23)**	(194.36)
Principal elements of lease payments		**(5.52)**	(17.35)
Finance costs paid		**(452.02)**	(446.41)
Net cash used in financing activities		**(578.37)**	(442.67)
Net (decrease) / increase in cash and cash equivalents		**2.22**	182.05
Cash and cash equivalents as at beginning of the period		**350.83**	188.23
Cash and cash equivalents considered as assets classified as held for sale		**(8.62)**	-
Cash and cash equivalents as at end of the period		**344.43**	370.28

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Ahmedabad

TORRENT POWER LIMITED
AHMEDABAD

TORRENT POWER LIMITED

Condensed Consolidated Statement of Cash Flows

for the six months eneded September 30, 2024

Footnotes:

		As at September 30, 2024	(₹ in Crore) As at September 30, 2023
1	Cash and cash equivalents as at end of the period:		
	Balances with banks		
	Balance in current accounts	**343.85**	269.63
	Balance in fixed deposit accounts (original maturity for less than three months)	**-**	100.05
	Cheques on hand	**0.23**	0.25
	Cash on hand	**0.35**	0.35
		344.43	370.28
2	Non-cash investing and financing activities		
	Acquisition of Right-of-use assets	**15.08**	8.07
		15.08	8.07

3 Cash flow from operating activities includes ₹ 20.29 Crore (six months ended September 30, 2023 : ₹ 19.46 Crore) being expense towards corporate social responsibility initiatives.

4 The condensed consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

Rahul Shah
Company Secretary

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Changes in Equity for the six months eneded September 30, 2024

A. Equity share capital [Refer note 21]

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Balance at the beginning of the period / year	**480.62**	480.62
Changes in equity share capital during the period / year	-	-
Balance at the end of the period / year	480.62	480.62

B. Other equity [Refer note 22]

(₹ in Crore)

	Reserves and surplus: Securities premium	Reserves and surplus: Debenture redemption reserve	Reserves and surplus: Contingency reserve	Reserves and surplus: Special reserve	Reserves and surplus: General reserve	Reserves and surplus: Retained earnings	Other equity attributable to equity holders of the Company	Non-controlling interests	Total
Balance as at April 01, 2024	**0.03**	**44.51**	**19.22**	**78.07**	3,687.68	**7,751.58**	11,581.09	**535.79**	**12,116.88**
Profit for the period	-	-	-	-	-	1,453.27	1,453.27	38.79	1,492.06
Other comprehensive income for the period, net of tax	-	-	-	-	-	(6.88)	(6.88)	(0.81)	(7.69)
Total comprehensive income for the period	-	-	-	-	-	1,446.39	1,446.39	37.98	1,484.37
Transfer to debenture redemption reserve	-	(4.51)	-	-	4.51	-	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(192.25)	(192.25)	(3.98)	(196.23)
Balance as at September 30, 2024	0.03	40.00	19.22	78.07	3,692.19	9,005.72	12,835.23	569.79	13,405.02
Balance as at April 01, 2023	**0.03**	**61.21**	**17.29**	**78.07**	3,670.61	**6,702.17**	10,529.38	**476.65**	**11,006.03**
Profit for the period	-	-	-	-	-	1,043.16	1,043.16	31.67	1,074.83
Other comprehensive income for the period, net of tax	-	-	-	-	-	(8.93)	(8.93)	(0.94)	(9.87)
Total comprehensive income for the period	-	-	-	-	-	1,034.23	1,034.23	30.73	1,064.96
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(192.25)	(192.25)	(2.11)	(194.36)
Balance as at September 30, 2023	0.03	61.21	17.29	78.07	3,670.61	7,544.15	11,371.36	505.27	11,876.63

Footnote:
Retained earning includes ₹ (44.89) Crore (September 30, 2023 : ₹ (33.02) Crore) related to re-measurement of defined benefit plans.

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

For and on behalf of Fund Raising Committee of Torrent Power Limited

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul C Shah

Rahul Shah
Company Secretary

Ahmedabad, December 2, 2024

Notes forming part of the Un-audited Special Purpose Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2024

'Note 1(a): General information

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements comprise of financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") as of and for the six months ended September 30, 2024.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, renewables, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

Note 1(b): New standards or interpretations adopted by the Group

The Ministry of Corporate Affairs vide notification dated August 12, 2024 and September 09, 2024 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 01, 2024:

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

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

Note 2(a): Material accounting policies

2.1 **Basis of preparation:**

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements comprising the Condensed Consolidated Balance Sheet as at September 30, 2024 and the Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Cash Flows and Condensed Consolidated Statement of Changes in Equity for the six months period ended on that date and a summary of material accounting policies and other explanatory information to these Un-audited Special Purpose Interim Condensed Consolidated Financial Statements (together hereinafter referred as the ' Un-audited Special Purpose Interim Condensed Consolidated Financial Statements ' or 'Financial Statements') have been prepared by the Management in accordance with the principles of Indian Accounting Standard ('Ind AS') 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and rules thereunder and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Un-audited Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared.

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements have been prepared by the Group for preparation of consolidated financial information of the Group to be included in the Preliminary Placement Document ("PDD") and Placement Document ("PD"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in Ahmedabad, as applicable, in connection with proposed Qualified institutions Placement of the equity shares by the Company in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and other relevant provisions of the Companies Act, 2013 (the 'Companies Act, 2013').

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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Historical cost convention

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on historical cost basis except for following which have been measured at fair value;

- Defined benefit plan assets
- Certain financial assets and liabilities (including derivative instruments) is measured at fair value

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 Principles of consolidation:

Subsidiaries

The financial statements are of Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the period are included in the condensed consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., period ended on September 30.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the condensed consolidated balance sheet, condensed consolidated statement of profit and loss and condensed consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the condensed consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 **Business combinations and Goodwill:**

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

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- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in condensed consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

2.4 **Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Condensed consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Directly attributable costs are capitalized until the asset is ready to use in accordance with the Group's accounting policy of capitalization.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the period is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business $	Franchisee business @	Other business
Buildings	1.26% to 6.73%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	6.86% to 23.08%	-
Plant and machinery	0.92% to 19.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	0.64% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	0.91% to 15.00%	6.33%	6.33% to 9.91%
Vehicles	9.50% to 18.00%	9.50%	9.50% to 11.88%
Office equipment	0.91% to 31.67%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of Uttar Pradesh Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

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

2.5 **Intangible assets:**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 22 years
- Distribution License – 25 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.6 **Impairment of assets:**

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 **Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the condensed consolidated statement of profit and loss in the period of their accrual.

2.8 **Cash and cash equivalents:**

For the purpose of presentation in the condensed consolidated statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the condensed consolidated balance sheet.

2.9 **Inventories:**

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 **Revenue recognition:**

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved Fuel and Power Purchase Price Adjustment (FPPPA) which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Gross proceeds from sale of Certified Emission Reduction Certificates (CERs) are recognized when all the control of CERs have been passed to buyer, usually on delivery of the CERs.

(iv) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(v) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

(vi) Service concession arrangements (SCA) :
With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services and are accounted for separately.

Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA. When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the Group recognizes the consideration for construction services at its fair value and is disclosed as a "Service concession arrangements" under financial assets.

(a) Infrastructure is under project phase, the treatment of income is as follows:

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(b) Infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed transmission charges is recognized using effective interest method. Variable transmission charges revenue is recognized in the period when the service is provided.

2.11 **Foreign currency translation:**

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the condensed consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

2.12 **Employee benefits:**

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the condensed consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the condensed consolidated statement of profit and loss.

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Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the condensed consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the condensed consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the condensed consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.13 **Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the condensed consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.14 **Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.15 **Provisions, contingent liabilities and contingent assets:**

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.16 **Financial instruments:**

Financial assets

i) **Classification of financial assets (including debt instruments)**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) **Initial measurement**

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

iii) **Subsequent measurement**

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the condensed consolidated statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses. The Group currently does not have any debt instruments which are measured at FVOCI.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the condensed consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

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iv) **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The policy of the Group is to provide for credit loss takes into consideration of factors such as type of Consumers i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer.

v) **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's condensed consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) **Income recognition**

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the condensed consolidated statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted when there is a certainty of recovery.

vi) **Derivative**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Financial liabilities

i) **Classification**

All the Group's financial liabilities are measured at amortized cost.

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ii) **Initial measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 **Contributed equity:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.18 **Redemption liability**

Liability for put option issued to non-controlling shareholders in subsidiaries, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference arising between the amount received from the customer towards share capital, and the present value of redemption liability on initial recognition, would be recognised as a contract liability for electricity to be supplied in future. The liability shall be subsequently measured at amortised cost as per the principles of Ind AS 109.

2.19 **Leases:**

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

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The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.20 **Repurchase Arrangements**

A repurchase agreement is a contract in which an Company sells an asset and also promises or has the option (either in the same contract or in another contract) to repurchase the asset. The repurchased asset may be the asset that was originally sold to the customer, an asset that is substantially the same as that asset, or another asset of which the asset that was originally sold is a component.

2.21 **Assets held for sale:**

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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The Company treats sale of the asset or disposal group to be highly probable when:
• the appropriate level of management is committed to a plan to sell the asset (or disposal group),
• an active programme to locate a buyer and complete the plan has been initiated (if applicable),
• the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
• the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
• actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.22 **Amount presented and rounding off:**

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by '*'.

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Note 2(b): Other accounting policies

2.23 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the condensed consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.24 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Note 3: Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognized those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33]

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Group has ability to pledge the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable except in case of 1 Subsidiary Company namely Solapur Transmission Limited which is into the business of transmission of electricity on Build, Own, Operate and Transfer (BOOT) basis.

(ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 44(1)]

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(iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 42]

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits.

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 45(a)].

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.6 Ind AS 116 - Leases

In determining whether the revenue contract (power purchase agreement) with customers especially when entire contractual capacity of the one project (solar) is committed to one customer, management has exercised judgement in concluding whether contract contains lease. Management takes into consideration of the responsible parties for design of the project and who has right to direct the use of solar power plant.

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As per the revenue contract, power producer will design procure, install & commission the solar power plant & all other equipment required to generate solar electricity. Power Purchaser neither operates the plant nor involved in the design of the solar power plant, therefore the Power Purchaser does not have right to direct the use of solar power plant and accordingly arrangement does not contain lease as per Ind AS 116.

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 4 : Property, plant and equipment

As at September 30, 2024

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2024	Additions during the six months	Deductions during the six months	Adjustments during the six months	Assets classified as held for sale [Refer note 43]	As at September 30, 2024	As at April 01, 2024	For the six months	Deductions during the six months	Assets classified as held for sale [Refer note 43]	As at September 30, 2024	As at September 30, 2024
Freehold land	1,008.06	92.46	-	6.06	-	1,106.58	-	-	-	-	-	1,106.58
Buildings	2,349.52	80.26	-	1.45	(19.31)	2,411.92	504.91	42.45	-	(4.09)	543.27	1,868.65
Leasehold improvement	4.59	0.08	-	-	-	4.67	2.08	0.38	-	-	2.46	2.21
Railway siding	1.86	-	-	-	-	1.86	0.45	0.03	-	-	0.48	1.38
Plant and machinery	29,644.95	1,473.88	34.48	26.54	(98.80)	31,012.09	12,136.24	645.75	23.80	(50.56)	12,707.63	18,304.46
Electrical fittings and apparatus	86.90	2.07	0.37	-	(1.09)	87.51	28.50	2.32	0.30	(0.67)	29.85	57.66
Furniture and fixtures	91.02	0.88	0.25	-	(0.73)	90.92	29.00	2.79	0.13	(0.44)	31.22	59.70
Vehicles	41.95	6.05	0.67	-	(1.01)	46.32	16.67	1.98	0.56	(0.26)	17.83	28.49
Office equipment	242.76	10.00	1.77	0.08	(2.74)	248.33	100.08	9.58	1.31	(1.95)	106.40	141.93
Total	**33,471.61**	**1,665.68**	**37.54**	**34.13**	**(123.68)**	**35,010.20**	**12,817.93**	**705.28**	**26.10**	**(57.97)**	**13,439.14**	**21,571.06**

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

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

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at March 31, 2024
Freehold land	724.20	263.74	-	20.12	1,008.06	-	-	-	-	-	1,008.06
Buildings	2,073.27	278.64	4.67	2.28	2,349.52	428.33	77.65	0.96	(0.11)	504.91	1,844.61
Leasehold improvement	4.57	0.02	-	-	4.59	1.35	0.73	-	-	2.08	2.51
Railway siding	1.86	-	-	-	1.86	0.40	0.05	-	-	0.45	1.41
Plant and machinery	26,452.81	3,155.59	71.75	108.30	29,644.95	10,958.22	1,212.63	34.72	0.11	12,136.24	17,508.71
Electrical fittings and apparatus	68.41	18.68	0.31	0.12	86.90	24.54	4.11	0.15	-	28.50	58.40
Furniture and fixtures	78.94	13.75	2.23	0.56	91.02	25.07	5.31	1.38	-	29.00	62.02
Vehicles	35.30	8.12	1.47	-	41.95	13.72	3.62	0.67	-	16.67	25.28
Office equipment	214.78	35.89	7.91	-	242.76	86.57	18.76	5.25	-	100.08	142.68
Total	**29,654.14**	**3,774.43**	**88.34**	**131.38**	**33,471.61**	**11,538.20**	**1,322.86**	**43.13**	**-**	**12,817.93**	**20,653.68**

Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

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

Footnotes:

1 The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital commitment:
Refer note 45 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the period include capitalisation of borrowing costs of ₹ 34.13 Crore (Previous year - ₹ 131.38 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

4 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 8.25% to 8.80% p.a. (Previous year 8.25% p.a. to 9.00% p.a.).

5 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.

6 Refer note 44(1) for impairment loss in respect of DGEN power plant.

7 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2024 - ₹ 2,314.07 Crore).

8 The Group have not revalued its property, plant and equipment during the current period or previous year.

9 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at September 30, 2024	As at March 31, 2024
Freehold land	50%	23.58	23.58
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 5 : Right-of-use assets

As at September 30, 2024

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2024	Additions during the six months	Deductions during the six months	As at September 30, 2024	As at April 01, 2024	For the six months	Deductions during the six months	As at September 30, 2024	As at September 30, 2024
Land	273.25	31.84	-	305.09	39.93	6.24	-	46.17	258.92
Buildings	42.14	0.20	-	42.34	18.39	2.50	-	20.89	21.45
Plant and machinery	2.33	-	-	2.33	0.33	0.18	-	0.51	1.82
Total	**317.72**	**32.04**	**-**	**349.76**	**58.65**	**8.92**	**-**	**67.57**	**282.19**

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 5 : Right-of-use assets (Contd.)

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at March 31, 2024
Land	223.09	0.03	37.97	7.06	19.22	273.25	29.96	12.78	3.13	0.32	39.93	233.32
Buildings	36.67	-	5.47	-	-	42.14	13.52	4.87	-	-	18.39	23.75
Plant and machinery	0.38	-	1.95	-	-	2.33	0.20	0.13	-	-	0.33	2.00
Office equipment	0.14	-	-	0.14	-	-	0.14	-	0.14	-	-	-
Total	260.28	0.03	45.39	7.20	19.22	317.72	43.82	17.78	3.27	0.32	58.65	259.07

Footnotes:
1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].
2 Adjustment during the previous year is due to transfer of capital work-in-progress to right-of-use assets of ₹ 18.90 Crore.
3 The Group have not revalued its right-of-use assets during the current period or previous year.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 6 : Capital work-in-progress

As at September 30, 2024

(₹ in Crore)

Particulars	As at April 01, 2024	Additions during the six months	Capitalised during the six months	Adjustment during the six months	Assets classified as held for sale [Refer note 43]	As at September 30, 2024
Capital work-in-progress	2,472.36	1,410.25	1,589.74	(145.69)	(3.57)	2,143.61
Total	**2,472.36**	**1,410.25**	**1,589.74**	**(145.69)**	**(3.57)**	**2,143.61**

As at March 31, 2024

(₹ in Crore)

Particulars	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Capitalised during the year	Adjustment during the year	As at March 31, 2024
Capital work-in-progress	2,624.69	24.98	3,421.20	3,579.61	(18.90)	2,472.36
Total	**2,624.69**	**24.98**	**3,421.20**	**3,579.61**	**(18.90)**	**2,472.36**

Footnotes:

1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital work-in-progress include borrowing costs of ₹ 39.44 Crore (March 31, 2024 - ₹ 32.85 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

3 Adjustment during the period includes sale of Solarcells of ₹ 145.69 Crore.

4 Adjustment during the previous year is due to transfer of capital work-in-progress to right-of-use assets of ₹ 18.90 Crore.

5 Capital work-in-progress mainly comprises Plant and machinery, Buildings and Freehold land.

6 Additions to Capital work-in-progress includes capitalisation of directly attributable costs incurred by the Group under various headings.

7 Torrent Urja 8 Private Limited has imported Solarcells amounting to ₹ Nil (previous year ₹ 146.32 Crore (including Custom duty and Cess)), out of which Solarcells amounting to ₹ 69.80 Crore (previous year ₹ 79.52 Crore) (including Custom duty and Cess) have been sold to EPC contractor in connection with its development of Solar power project under repurchase arrangement. However as at September 30, 2024, repurchase arrangement pertaining to Solarcells sold to EPC contractor is no longer exists, hence there is no repurchase obligation as at September 30, 2024. Corresponding obligation to repurchase Solarcells from EPC contractor of ₹ 79.52 Crore as at March 31, 2024 is included in "Payables for purchase of property, plant and equipment" under "Other current financial liabilities".

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note - 7 : Investment property

As at September 30, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2024	Additions during the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2024	As at April 01, 2024	For the six months	Deductions during the six months	As at September 30, 2024	As at September 30, 2024
Freehold land	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Freehold land	9.39	-	9.39	-	-	-	-	-	-	-
Total	**9.39**	**-**	**9.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 8 : Goodwill

		(₹ in Crore)
	As at September 30, 2024	As at March 31, 2024
Balance at the beginning of the period / year	**171.07**	171.07
Balance at the end of the period / year	**171.07**	171.07

Footnote:

1 Refer note 44 (3) for impairment assessment of goodwill.

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 9 : Other intangible assets

As at September 30, 2024

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2024	Additions during the six months	Deductions during the six months	As at September 30, 2024	As at April 01, 2024	For the six months	Deductions during the six months	As at September 30, 2024	As at September 30, 2024
Computer software	67.60	1.03	-	68.63	59.96	2.57	-	62.53	6.10
Customer contract	143.94	-	-	143.94	16.40	4.07	-	20.47	123.47
Distribution licence	634.00	-	-	634.00	50.72	12.68	-	63.40	570.60
Total	**845.54**	**1.03**	**-**	**846.57**	**127.08**	**19.32**	**-**	**146.40**	**700.17**

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Computer software	68.20	2.02	2.62	67.60	56.20	6.38	2.62	59.96	7.64
Customer contract	143.94	-	-	143.94	8.25	8.15	-	16.40	127.54
Distribution licence	634.00	-	-	634.00	25.36	25.36	-	50.72	583.28
Total	**846.14**	**2.02**	**2.62**	**845.54**	**89.81**	**39.89**	**2.62**	**127.08**	**718.46**

Footnotes:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].
2 The Group have not revalued its intangible assets during the current period or previous year.
3 Remaining amortisation period of "Distribution licence" is 22.50 years as at September 30, 2024 (March 31, 2024 - 23 years).

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 10 : Non-current investments

	As at September 30, 2024 No. of shares	As at March 31, 2024 No. of shares	Face value (In ₹)	As at September 30, 2024 (₹ in Crore)	As at March 31, 2024 (₹ in Crore)
Investment in equity instruments (unquoted) (at fair value through profit or loss)					
AEC Cements & Constructions Limited (As at September 30, 2024 & March 31, 2024 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr)	**9,61,500**	9,61,500	10	-	-
Tidong Hydro Power Limited (As at September 30, 2024 & March 31, 2024 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr)	**24,500**	24,500	10	-	-
UNM Foundation @	**50,000**	50,000	10	**0.05**	0.05
				0.05	0.05
Contingency reserve investments - statutory (quoted) (at amortised cost) $				**22.10**	16.97
				22.10	16.97
				22.15	17.02
Aggregate amount of quoted investments				**22.10**	16.97
Aggregate amount of unquoted investments				**0.05**	0.05
				22.15	17.02
Aggregate amount of provision for impairment in value of investments				0.63	0.63
Aggregate amount of market value of quoted investments				22.45	17.01

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e. UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 11 : Other non-current financial assets

	As at September 30, 2024	(₹ in Crore) As at March 31, 2024
Security deposits	**63.86**	64.04
Bank fixed deposits #	**7.26**	7.18
Receivable under service concession arrangements	**6.46**	-
Other advances / receivables	**8.15**	23.46
	85.73	94.68

include ₹ 0.11 Crore (March 31, 2024 - ₹ Nil) on which a lien has been created in favour of lenders.

Note 12 : Non-current tax assets

	As at September 30, 2024	(₹ in Crore) As at March 31, 2024
Advance income tax (net)	**19.52**	12.64
	19.52	12.64

Note 13 : Other non-current assets

	As at September 30, 2024	(₹ in Crore) As at March 31, 2024
Capital advances	**415.24**	253.37
Advances for goods and services	**78.53**	86.16
Balances with government authorities	**76.43**	68.62
Prepaid expenses	**11.12**	12.61
	581.32	420.76

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 14 : Inventories
(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Stores and spares	**326.18**	307.30
Fuel	**372.03**	214.84
Raw materials	-	37.00
Work-in-progress	-	17.48
Finished goods	-	37.99
Packing materials	-	2.77
Loose tools	**3.69**	4.06
Right to receive inventory [Refer footnote 3]	-	179.01
	701.90	800.45

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹ 1.04 Crore (Previous year - ₹ 4.03 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Group. [Refer note 23]

3 The Group has sold a certain quantity of Liquified Natural Gas ('LNG') to a third-party during FY 2023-24 and has also agreed to repurchase the same quantity of LNG at a pre-determined price. Accordingly, the Group has recognized a right to re-purchase inventory of LNG of ₹ 179.01 Crore as at March 31, 2024 and corresponding obligation of ₹ 179.01 Crore as at March 31, 2024 is included in "Sundry payables" under "Other current financial liabilities".

4 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Fuel	-	5.61
Raw materials	-	3.59
Finished goods	-	17.22
	-	26.42

Note 15 : Current investments

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Investment in mutual funds (unquoted) (at fair value through profit or loss)	**927.57**	934.42
Contingency reserve investments - statutory (quoted) (at amortised cost) $	-	2.95
	927.57	937.37
Aggregate amount of quoted investments	-	2.95
Aggregate amount of unquoted investments	**927.57**	934.42
	927.57	937.37
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	2.87

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 16 : Trade Receivables

(₹ in Crore)

			As at September 30, 2024	As at March 31, 2024
Trade receivables				
	Secured	- Considered good #	**1,390.15**	1,134.88
	Unsecured	- Considered good	**1,500.72**	1,055.98
		- Credit impaired	**224.33**	194.39
			3,115.20	2,385.25
Less: Allowance for bad and doubtful debts			**224.33**	194.39
			2,890.87	2,190.86

Group holds security deposits in respect of electricity receivables.

Footnotes:
1 Refer note 23 for charge on current assets including trade receivables.
2 Refer note 49 for credit risk related disclosures.

Note 17 : Cash and cash equivalents

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Balances with banks		
Balance in current accounts	**343.85**	268.41
Balance in fixed deposit accounts (original maturity of less than three months)	-	80.32
	343.85	348.73
Cheques on hand	**0.23**	1.40
Cash on hand	**0.35**	0.70
	344.43	350.83

Note 18 : Bank balances other than cash and cash equivalents

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Unpaid dividend accounts	**17.04**	13.15
Unpaid fractional coupon accounts	*	*
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	**81.33**	54.76
Unspent corporate social responsibility account	**2.98**	-
	101.35	67.91

include ₹ 80.43 Crore (March 31, 2024 - ₹ 51.5 Crore) on which a lien has been created in favour of lenders.

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 19 : Other current financial assets

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Security deposits	**68.45**	66.01
Interest accrued on non-current investments	**0.23**	0.23
Interest accrued on deposits	**2.00**	2.12
Unbilled revenue (including revenue gap / surplus)	**4,066.19**	3,672.43
Forward contract receivables	**-**	1.63
	4,136.87	3,742.42
Other advances / receivables		
Considered good ^	**276.97**	246.81
	276.97	246.81
	4,413.84	3,989.23

^ including ₹ 78.69 (March 31, 2024 : ₹ 79.52 Crore) receivable from EPC contractor [Refer footnote 3 and 7 of note 6].

Note 20 : Other current assets

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Advances for goods and services	**111.89**	99.52
Balances with government authorities	**0.82**	1.76
Prepaid expenses	**75.24**	68.43
	187.95	169.71

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 21 : Equity share capital

		(₹ in Crore)
	As at September 30, 2024	As at March 31, 2024
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2024) equity shares of ₹10 each	**4,370.00**	4,370.00
	4,370.00	4,370.00
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2024) equity shares of ₹10 each	**480.62**	480.62
	480.62	480.62

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period / year :

	No. of shares As at September 30, 2024	No. of shares As at March 31, 2024
At the beginning of the period / year	**48,06,16,784**	48,06,16,784
Issued during the period / year	-	-
Outstanding at the end of the period / year	**48,06,16,784**	48,06,16,784

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2024) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	**As at September 30, 2024**		As at March 31, 2024	
	No. of shares	**% holding**	No. of shares	% holding
Torrent Investments Private Limited	**25,74,22,311**	**53.56%**	25,74,22,311	53.56%
Gujarat State Financial Services Limited	**1,18,71,621**	**@**	4,68,71,621	9.75%
Axis Mutual Funds	**2,55,37,900**	**5.31%**	3,45,06,287	7.18%
SBI Mutual Funds	**2,79,31,804**	**5.81%**	2,98,56,078	6.21%
Gujarat Urja Vikas Nigam Limited	**3,50,00,000**	**7.28%**	-	0.00%

@ less than 5%

5 Details of shareholding of Promoters in the Company :

Promoter name	**As at September 30, 2024**			As at March 31, 2024		
	No. of shares	**% of total shares**	**% changes during the period**	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited	**25,74,22,311**	**53.56%**	-	25,74,22,311	53.56%	-
Sudhir Mehta	**6,882**	**0.00%**	-	6,882	0.00%	-
Samir Mehta	**6,125**	**0.00%**	-	6,125	0.00%	-
Jinal Mehta	**8,000**	**0.00%**	-	8,000	0.00%	-

6 Distributions made:

Interim dividend for FY 2023-24 of ₹ 12.00 per equity share aggregating to ₹ 576.74 Crore was paid in the month of March 2024.

Final dividend for FY 2023-24 of ₹ 4.00 per equity share aggregating to ₹ 192.25 Crore was paid in the month of August 2024.

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 22 : Other equity

	As at September 30, 2024	(₹ in Crore) As at March 31, 2024
Reserves and surplus		
Securities premium	**0.03**	0.03
Debenture redemption reserve	**40.00**	44.51
Contingency reserve	**19.22**	19.22
Special reserve	**78.07**	78.07
General reserve	**3,692.19**	3,687.68
Retained earnings	**9,005.72**	7,751.58
	12,835.23	11,581.09

Refer "Condensed Consolidated Statement of Changes in Equity" for movement in each reserve.

Footnotes:

1 Securities premium:

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Group was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the period and DRR created by the Group till previous years will be transferred to general reserve on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 23 : Non-Current Borrowings

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
6.50%,6.90%,7.25% Series 7A, 7B & 7C	164.69	164.53
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	300.00	300.00
7.45%, 8.05% Series 9A & 9B	599.46	599.43
8.30%,8.35%,8.55%,8.65% Series 10A,10B,10C & 10D	200.00	200.00
8.50% Series 11A,11B,11C,11D,11E & 11F	601.28	601.36
8.40% Series 12A,12B,12C & 12D	750.45	750.51
8.32% Series 13A,13B,13C & 13D	699.87	699.82
8.20% Series 1 (In respect of Torrent Solargen Limited)	469.23	481.00
	3,784.98	3,796.65
Term loans @		
From banks	6,460.52	5,918.46
	6,460.52	5,918.46
	10,245.50	9,715.11
Unsecured loans - at amortised cost		
Non convertible debentures #		
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	99.98	99.88
7.00% Series 1 (In respect of Latur Renewable Private Limited)	99.97	99.88
	199.95	199.76
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	-	1.53
	-	1.53
	199.95	201.29
	10,445.45	9,916.40

@ After considering unamortised expense of ₹ 16.36 Crore as at September 30, 2024 and ₹ 15.21 Crore as at March 31, 2024.
& After considering unamortised expense (net of premium) of ₹ 0.01 Crore as at September 30, 2024 and ₹ 0.15 Crore as at March 31, 2024.
# After considering unamortised expense of ₹ 0.05 Crore as at September 30, 2024 and ₹ 0.24 Crore as at March 31, 2024.

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures ^		
6.50%,6.90%,7.25% Series 7A,7B & 7C	84.60	84.51
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	150.00	150.00
8.20% Series 1 (In respect of Torrent Solargen Limited)	23.00	22.45
	257.60	256.96
Term loans $		
From banks	598.87	824.96
	598.87	824.96
Unsecured loans - at amortised cost		
Non convertible debentures *		
10.25% Series 4A,4B & 4C	-	89.99
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	99.79	99.69
7.00% Series 1 (In respect of Latur Renewable Private Limited)	99.78	99.69
	199.57	289.37
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	3.82
	1,059.86	1,375.11
Amount disclosed under the head 'Current borrowings' [Refer note 27]	(1,059.86)	(1,375.11)
	-	-

$ After considering unamortised expense of ₹ 4.29 Crore as at September 30, 2024 and ₹ 3.8 Crore as at March 31, 2024.
^ After considering unamortised expense of ₹ 0.5 Crore as at September 30, 2024 and ₹ 0.58 Crore as at March 31, 2024.
* After considering unamortised expense of ₹ 0.43 Crore as at September 30, 2024 and ₹ 0.63 Crore as at March 31, 2024.

TORRENT POWER LIMITED AHMEDABAD

Note 23 : Non-Current Borrowings (Contd.)

Footnotes:

As at September 30, 2024

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,592.55 Crore and non convertible debentures of ₹ 3,550.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds, working capital facility agreements), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:
Non-convertible debentures of ₹ 493.09 Crore outstanding as at Septemner 30, 2024, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:
Term loans ₹ 330.91 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

(iv) Torrent Saurya Urja 2 Private Limited (TSU2):

300 MW TPLD Solar Project:
Credit Facility (including Capex LC, Service LC and Term Loan) (issued ₹ 1,336.00 Crore and outstanding term loans of ₹ 846.23 Crore) are secured by (i) Capital goods purchased / RM for capex imported under LC and (ii) a first pari-passu charge by way of hypothecation of movable assets and current assets of the Project, both present and future.

Project means (i) 150 MW(AC) of solar plant at Surel Village (Surendranagar District); and (ii) 150 MW(AC) solar plant at Babra Village (Amreli District) in Gujarat setting up by TSU2, subsidiary of the Company.

300 MW SECI XII Wind Project:
Credit Facility (including Capex LC, Service LC and Term Loan) (issued ₹ 2050.00 Crore and outstanding term loans of ₹ NIL) are secured by (i) Capital goods purchased / RM for capex imported under LC and (ii) a first pari-passu charge by way of hypothecation of movable assets and current assets of the Project, both present and future.

Project means Green field wind power project of 300 MW along with auxiliary components at Bagalkot district, Karnataka, wherein the company would be setting up total capacity of 300 MW as approved under the bidding norms with Solar Energy Corporation of India Limited (SECI) as the off-taker for a 25 years PPA.

(v) Airpower Windfarms Private Limited (Airpower):
Credit Facility (including Capex LC, Service LC and Term Loan) (issued ₹ 1,120.00 Crore and outstanding term loans of ₹ 161.85 Crore) are secured by (i) Capital goods purchased / RM for capex imported under LC and (ii) a first pari-passu charge by way of hypothecation of movable assets and current assets of the Project, both present and future.

Project means "Green field Hybrid project of 175 MW comprising of Wind power project of 125 MW & 50 MW of Solar power project along with auxiliary components at Jam-Khambaliya district, Gujarat.

(vi) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL):
Term loans ₹ 148.50 Crore are secured by way of (i) exclusive first charge on all present and future movable assets of the DNHDDPDCL including the current assets (other than receivables of the DNHDDPDCL), stores, spares and other current assets); (ii) exclusive first charge on all accounts opened / to be opened and maintained by the DNHDDPDCL; (iii) exclusive first charge on all present and future immovable assets of the DNHDDPDCL; and (iv) second charge on the receivables of the DNHDDPDCL.

2 The rate of interest for term loans from banks are ranges from 8.25% p.a. to 8.85% p.a. as at September 30, 2024.

3 Undrawn term loans from banks, based on approved facilities, were ₹ 1,064.00 Crore as at September 30, 2024.

4 During the period, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

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Note 23 : Non-Current Borrowings (Contd.)

As at March 31, 2024

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,786.07 Crore and non convertible debentures of ₹ 3,550.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds, working capital facility agreements), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:
Non-convertible debentures of ₹ 504.35 Crore outstanding as at March 31, 2024, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:
Term loans ₹ 343.40 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

(iv) Torrent Saurya Urja 2 Private Limited (TSU2):
Credit Facility (including Capex LC, Service LC and Term Loan) (issued ₹ 1,336.00 Crore and outstanding term loans of ₹ 632.95 Crore) are secured by (i) Capital goods purchased / RM for capex imported under LC and (ii) a first pari-passu charge by way of hypothecation of movable assets and current assets of the Project, both present and future.

Project means (i) 150 MW(AC) of solar plant at Surel Village (Surendranagar District); and (ii) 150 MW(AC) solar plant at Babra Village (Amreli District) in Gujarat setting up by TSU2, subsidiary of the Company.

(v) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL):
Term loans ₹ Nil (sanctioned amount ₹ 350.00 Crore) are secured by way of (i) exclusive first charge on all present and future movable assets of the DNHDDPDCL including the current assets (other than receivables of the DNHDDPDCL), stores, spares and other current assets); (ii) exclusive first charge on all accounts opened / to be opened and maintained by the DNHDDPDCL; (iii) exclusive first charge on all present and future immovable assets of the DNHDDPDCL; and (iv) second charge on the receivables of the DNHDDPDCL.

2 The rate of interest for term loans from banks are ranges from 8.25% p.a. to 8.95% p.a. as at March 31, 2024.

3 Undrawn term loans from banks, based on approved facilities, were ₹ 1,643.00 Crore as at March 31, 2024.

4 During the previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 24 : Non-current trade payables

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	**481.05**	345.71
	481.05	345.71

Note 25 : Other non-current financial liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Redemption liability [Refer footnote 1]	**5.73**	0.95
	5.73	0.95

Footnote:

1 There are other stakeholders in certain subsidiaries owning in the range of 26% to 33% stake. A redemption liability of ₹ 5.73 Crore (March 31, 2024 - ₹ 0.95 Crore) has been accounted for non-controlling interest portion.

Note 26 : Other non-current liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Deferred revenue		
Contribution received from consumers	**1,387.65**	1,371.37
Capital grant from government	**11.29**	11.76
Sundry payables	**63.21**	62.55
	1,462.15	1,445.68

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 27 : Current borrowings

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Secured loans		
Working capital loan from banks	-	290.00
Overdraft from banks	-	0.02
	-	290.02
Unsecured loans		
Other loans [Refer footnote 6]	**3.50**	3.50
	3.50	3.50
Current maturities of long-term debt [Refer note 23]	**1,059.86**	1,375.11
	1,063.36	1,668.63

Footnotes:

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

2 Working capital facility of ₹ 50.00 Crore is secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

3 Non-fund based facility of ₹ 400.00 Crore secured by way of (i) exclusive first charge on all present and future movable assets of the Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL) (including the current assets (other than receivables of the DNHDDPDCL), stores, spares and other current assets); (ii) exclusive first charge on all Accounts opened / to be opened and maintained by the DNHDDPDCL; and (iii) second charge on the receivables of the DNHDDPDCL.

4 Undrawn cash credit from banks, based on approved facilities, were ₹ 1,500.00 Crore (March 31, 2024 - ₹ 1,310.00 Crore).

5 During the current period and previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

6 Loan is interest free and repayable on demand.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 27 : Current borrowings (Contd.)

Net debt reconciliation :

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Cash and cash equivalents	**344.43**	350.83
Current investments	**927.57**	937.37
Current borrowings (excluding current maturities of long-term debt and interest accrued but not due) #	**(3.50)**	(293.63)
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due) #	**(11,786.35)**	(11,451.58)
Lease Liabilities	**(58.63)**	(46.77)
	(10,576.48)	(10,503.78)

Transactions cost reduced from the borrowing is excluded.

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2024	**350.83**	**937.37**	**(293.63)**	**(11,451.58)**	**(46.77)**	**(10,503.78)**
Cash flows (net)	2.22	(33.66)	290.02	(289.96)	5.52	(25.86)
New lease	-	-	-	-	(15.08)	(15.08)
Transfer from non-current investments	-	-	-	-	-	-
Deletion relating to lease liability	-	-	-	-	-	-
Interest expense	-	-	(1.69)	(478.19)	(2.30)	(482.18)
Interest paid	-	-	1.80	358.25	-	360.05
Gain on sale of current investments	-	25.23	-	-	-	25.23
Fair value adjustment	-	(1.37)	-	-	-	(1.37)
Considered as assets held for sale	(8.62)	-	-	75.13	-	66.51
Net balance as at September 30, 2024	**344.43**	**927.57**	**(3.50)**	**(11,786.35)**	**(58.63)**	**(10,576.48)**
Net balance as at April 01, 2023	188.23	787.75	(3.50)	(10,642.80)	(45.34)	(9,715.66)
Cash flows (net)	162.60	88.73	(290.02)	(791.09)	44.02	(785.76)
New lease	-	-	-	-	(45.39)	(45.39)
Transfer from non-current investments	-	1.02	-	-	-	1.02
Deletion relating to lease liability	-	-	-	-	3.93	3.93
Interest expense	-	-	(2.87)	(860.84)	(3.99)	(867.70)
Interest paid	-	-	2.76	843.15	-	845.91
Gain on sale of current investments	-	57.94	-	-	-	57.94
Fair value adjustment	-	1.93	-	-	-	1.93
Net balance as at March 31, 2024	**350.83**	**937.37**	**(293.63)**	**(11,451.58)**	**(46.77)**	**(10,503.78)**

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Notes forming part of the un-audited special purpose interim condesed consolidated financial statements for the six months eneded September 30, 2024

Note 28 : Current trade payables

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	**46.48**	64.12
Total outstanding dues other than micro and small enterprises	**2,149.92**	1,747.80
	2,196.40	1,811.92

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

Note 29 : Other current financial liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Interest accrued but not due on loans and security deposits	**259.40**	139.57
Investor education and protection fund #		
Unpaid / Unclaimed dividend	**17.04**	13.15
Unclaimed fractional coupons	*	*
Security deposits from consumers @	**2,064.66**	1,949.07
Other deposits	**7.64**	7.72
Payables for purchase of property, plant and equipment $	**357.26**	643.46
Sundry payables (including for employees related payables) $$	**232.89**	511.70
	2,938.89	3,264.67

There is no amount due and outstanding to be credited to investor education and protection fund as at September 30, 2024 and as at March 31, 2024.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

$ including ₹ Nil (March 31, 2024 : ₹ 79.52 Crore) for right to repurchase solarcells from EPC contractor [Refer footnote 7 of note 6].

$$ including ₹ Nil (March 31, 2024 : ₹ 179.01 Crore) for right to receive inventory [Refer footnote 3 of note 14].

Note 30 : Other current liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Credit balances of consumers	**75.78**	120.66
Service line deposits from consumers	**237.04**	237.00
Deferred revenue		
Contribution received from consumers	**111.58**	106.92
Capital grant from government	**0.93**	0.96
Statutory dues	**279.72**	254.74
Liability towards corporate social resposibility ^	**2.98**	12.87
Sundry payables	**0.89**	1.91
	708.92	735.06

^ It represents unspent amount of corporate social responsibility. The Group has tranferred of ₹ 9.29 Crore, ₹ 2.05 Crore and ₹ 1.53 Crore to a special bank account on April 16, 2024, April 23, 2024 and April 29, 2024 respectively for balance as at March 31, 2024.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 31 : Current provisions

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity	**17.03**	30.45
Provision for compensated absences $	**132.17**	129.49
Provision for pension	**1.39**	2.55
	150.59	162.49
Other provisions		
Provision for indirect taxes	**-**	0.25
Provision for onerous contracts	**24.98**	24.98
Provision for contingencies	**18.46**	14.02
	43.44	39.25
	194.03	201.74

$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

(₹ in Crore)

Movement in Provision	**Provision for indirect taxes**	**Provision for onerous contracts**	**Provision for contingencies**
Balance as at April 01, 2024	**0.25**	**24.98**	**14.02**
Additional provision recognised	-	-	4.44
Amount classified as assets held for sale	(0.25)	-	-
Balance as at September 30, 2024	**-**	**24.98**	**18.46**
Balance as at April 01, 2023	**0.25**	**134.38**	**0.26**
Additional provision recognised	-	-	14.02
Utilisation of provision	-	(109.40)	(0.26)
Balance as at March 31, 2024	**0.25**	**24.98**	**14.02**

Note 32 : Current tax liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Provision for taxation (net of tax paid)	**358.21**	123.80
	358.21	123.80

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 33 : Revenue from operations

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	**15,497.70**	13,702.14
Revenue from sale of cable products		
Manufactured goods	**254.26**	253.91
Revenue from service concession arrangement	**0.18**	-
Revenue from trading of RLNG	**359.18**	220.99
	16,111.32	14,177.04
Less: Discount for prompt payment of bills	**23.65**	18.74
	16,087.67	14,158.30
Other operating income		
Amortisation of deferred revenue		
Contribution received from consumers #	**54.52**	51.27
Capital grant from government	**0.50**	0.65
Income from Generation Based Incentive	**18.12**	22.00
Hire of meters	-	0.97
Insurance claim receipt	**1.61**	1.67
Provisions of earlier years written back	**1.06**	0.01
Miscellaneous income	**46.06**	53.67
	121.87	130.24
	16,209.54	14,288.54

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

Footnotes:

1 Disaggregation of revenue from contracts with customers:

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Generation	**2,324.58**	923.37
Transmission and Distribution	**13,438.62**	12,884.13
Renewables	**324.47**	350.80
	16,087.67	14,158.30

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply and service concession arrangements are recognised over a period of time and others at a point in time.

Note 34 : Other income

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Interest income from financial assets measured at amortised cost		
Deposits	**3.81**	3.91
Consumers	**21.09**	22.06
Contingency reserve investments	**0.74**	0.62
Others	**0.04**	0.03
	25.68	26.62
Interest income on income-tax refund	**66.90**	-
Gain on disposal of property, plant and equipment / investment property	**7.23**	19.31
Gain on sale of current investments in mutual funds	**25.32**	26.78
Gain on sale of non-current investments	**0.04**	0.05
Net gain arising on financial assets / liabilities measured at amortised cost	**25.33**	17.40
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	**(1.37)**	3.83
Net gain on foreign currency transactions and translations	**0.23**	4.91
Gain on change in fair value of derivatives (net)	**0.77**	-
Discount on prompt payment of power purchase	**37.43**	53.35
Miscellaneous income	**13.43**	41.64
	200.99	193.89

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 35 : Cost of materials consumed

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Cost of materials consumed	**292.37**	281.44
Less: Allocated to capital works	**78.91**	67.03
	213.46	214.41

Note 36 : Changes in inventories of finished goods and work-in-progress

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Inventory of finished goods		
Opening stock	**37.99**	56.43
Less: Closing stock	**40.58**	43.55
	(2.59)	12.88
Inventory of work-in-progress		
Opening stock	**17.48**	23.20
Less: Closing stock	**18.63**	18.80
	(1.15)	4.40
Less: Allocated to capital works	**(3.85)**	3.69
	0.11	13.59

Note 37 : Employee benefits expense

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Salaries, wages and bonus	**405.29**	364.30
Contribution to provident and other funds	**28.57**	26.31
Employees welfare expenses	**16.94**	15.18
Compensated absences	**14.80**	14.12
Gratuity	**11.60**	9.38
	477.20	429.29
Less: Allocated to capital works, repairs and other relevant revenue accounts	**114.01**	121.40
	363.19	307.89

Note 38 : Finance costs

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Interest expense for financial liabilities measured at amortised cost		
Term loans #	**304.77**	277.73
Non convertible debentures ^	**178.09**	131.25
Working capital loans	**1.69**	1.31
Security deposits from consumers	**65.83**	57.94
Lease liabilities	**2.30**	2.08
Others (including for supplier's credit)	**3.80**	26.19
	556.48	496.50
Other interest expense	**0.08**	0.71
Other borrowing costs	**16.56**	13.21
Finance cost on redemption liability	**0.03**	-
	573.15	510.42
Less: Allocated to capital works	**40.72**	35.98
	532.43	474.44

includes amortisation of borrowing cost of ₹ 4.34 Crore (six months ended september 30, 2023 : ₹ 2.31 Crore)
^ includes amortisation of borrowing cost of ₹ 0.33 Crore (six months ended september 30, 2023 : ₹ 0.9 Crore)

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months eneded September 30, 2024

Note 39 : Depreciation and amortisation expense

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Depreciation expense on property, plant and equipment	**705.28**	647.12
Depreciation expense on right-of-use assets	**8.92**	7.21
Amortisation expense on intangible assets	**19.32**	20.43
	733.52	674.76
Less: Allocated to capital works	**3.05**	1.06
	730.47	673.70

Note 40 : Other expenses

(₹ in Crore)

	Six months eneded September 30, 2024	Six months eneded September 30, 2023
Consumption of stores and spares	**219.83**	148.18
Rent and hire charges	**20.27**	8.67
Repairs to		
Buildings	**6.25**	7.73
Plant and machinery	**285.39**	254.12
Others	**17.08**	17.35
	308.72	279.20
Insurance	**24.00**	24.25
Rates and taxes	**12.91**	8.64
Vehicle running expenses	**26.70**	24.28
Electricity expenses	**23.40**	20.83
Security expenses	**36.79**	31.71
Water charges	**24.43**	16.60
Construction cost - service conecession arrangements	**0.16**	-
Power transmission and scheduling charges	**10.59**	10.78
Corporate social responsibility expenses	**10.40**	19.46
Loss on sale of non-current investments	**0.13**	-
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	**4.49**	11.15
Commission to non-executive directors [Refer note 48(b)]	**1.71**	1.92
Directors sitting fees	**0.42**	0.55
Auditors remuneration	**1.92**	1.74
Legal, professional and consultancy fees	**60.45**	68.93
Donations	**35.88**	9.42
Net loss on foreign currency transactions	**17.37**	0.02
Bad debts written off (net of recovery)	**(13.78)**	(9.01)
Allowance for doubtful advances	**-**	(6.06)
Allowance for doubtful debts (net)	**29.94**	38.84
Miscellaneous expenses	**86.89**	72.71
	943.62	782.81
Less: Allocated to capital works, repairs and other relevant revenue accounts	**67.96**	57.66
	875.66	725.15

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 41: Composition of the group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at September 30, 2024	As at March 31, 2024
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
Torrent Electricals Limited (Formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited	Power Generation	India	74%	74%
Torrent Saurya Urja 4 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 5 Private Limited	Power Generation	India	74%	74%
Visual Percept Solar Projects Private Limited	Power Generation	India	100%	100%
Surya Vidyut Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 6 Private Limited (Formerly known as LREHL Renewables India SPV 1 Private Limited)	Power Generation	India	100%	100%
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	Power Distribution	India	51%	51%
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	Power Generation	India	100%	100%
Sun Shakti Solar Power Projects Private Limited	Power Generation	India	100%	100%
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	Power Generation	India	100%	100%
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	100%
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	Power Generation	India	67%	67%
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	Power Generation	India	100%	100%
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	Power Generation	India	100%	100%
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	100%
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	74%	100%
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	100%
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	74%	100%
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	100%

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TORRENT POWER LIMITED
Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024
Note 41: Composition of the group (Contd.)

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			As at September 30, 2024	As at March 31, 2024
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	Power Generation	India	100%	100%
Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023)	Power Generation	India	100%	100%
Torrent PSH 1 Private Limited (w.e.f January 03, 2024)	Power Generation	India	100%	100%
Torrent PSH 2 Private Limited (w.e.f January 03, 2024)	Power Generation	India	100%	100%
Torrent PSH 3 Private Limited (w.e.f December 29, 2023)	Power Generation	India	100%	100%
Torrent PSH 4 Private Limited (w.e.f. December 30, 2023)	Power Generation	India	100%	100%
Solapur Transmission Limited (w.e.f. March 20, 2024)	Transmission of Power	India	100%	100%
MSKVY Ninth Solar SPV Limited (w.e.f. April 18, 2024)	Power Generation	India	100%	-
Torrent Urja 18 Private Limited (w.e.f. July 27, 2024)	Power Generation	India	100%	-
Torrent Urja 19 Private Limited (w.e.f. August 06, 2024)	Power Generation	India	100%	-
Torrent Urja 20 Private Limited (w.e.f. August 06, 2024)	Power Generation	India	100%	-
Torrent Urja 21 Private Limited (w.e.f. August 05, 2024)	Power Generation	India	100%	-
Torrent Urja 22 Private Limited (w.e.f. August 05, 2024)	Power Generation	India	100%	-
Torrent Urja 23 Private Limited (w.e.f. August 02, 2024)	Power Generation	India	100%	-
Torrent Urja 24 Private Limited (w.e.f. August 02, 2024)	Power Generation	India	100%	-
Torrent Urja 25 Private Limited (w.e.f. August 02, 2024)	Power Generation	India	100%	-
Torrent Urja 26 Private Limited (w.e.f. August 02, 2024)	Power Generation	India	100%	-
Torrent Urja 27 Private Limited (w.e.f. August 06, 2024)	Power Generation	India	100%	-
Step down Subsidiary Airpower Windfarms Private Limited (w.e.f September 01, 2023)	Power Generation	India	100%	100%

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TORRENT POWER LIMITED
Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024
Note 41: Composition of the group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company its Subsidiaries and its step down subsidiaries as per Schedule III of Companies Act, 2013 as at and for the six months ended September 30, 2024:

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.82%	13,305.59	98.20%	1,465.27	77.37%	(5.95)	98.31%	1,459.32
Torrent Solargen Limited	1.36%	189.04	(0.48%)	(7.18)	-	-	(0.48%)	(7.18)
Torrent Pipavav Generation Limited	0.20%	28.11	(0.02%)	(0.32)	-	-	(0.02%)	(0.32)
Torrent Power Grid Limited	0.74%	102.52	0.44%	6.59	1.43%	(0.11)	0.44%	6.48
Latur Renewable Private Limited	1.19%	165.71	1.10%	16.39	-	-	1.10%	16.39
Jodhpur Wind Farms Private Limited	1.11%	153.74	0.78%	11.66	-	-	0.79%	11.66
Torrent Electricals Limited (Formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)	0.04%	5.28	(0.67%)	(10.02)	0.13%	(0.01)	(0.68%)	(10.03)
Torrent Solar Power Private Limited	(0.26%)	(35.55)	(0.33%)	(4.98)	-	-	(0.34%)	(4.98)
Torrent Saurya Urja 2 Private Limited	(0.33%)	(45.62)	(2.01%)	(30.00)	-	-	(2.02%)	(30.00)
Torrent Saurya Urja 3 Private Limited	(0.01%)	(1.36)	(0.06%)	(0.83)	-	-	(0.06%)	(0.83)
Torrent Saurya Urja 4 Private Limited	0.05%	7.15	(0.03%)	(0.43)	-	-	(0.03%)	(0.43)
Torrent Saurya Urja 5 Private Limited	0.09%	12.10	0.07%	1.01	-	-	0.07%	1.01
Visual Percept Solar Projects Private Limited	1.22%	168.86	0.29%	4.28	0.13%	(0.01)	0.29%	4.27
Surya Vidyut Limited	2.64%	366.67	1.56%	23.37	-	-	1.57%	23.37
Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)	0.74%	102.29	0.32%	4.73	-	-	0.32%	4.73
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	2.44%	338.38	2.87%	42.77	10.27%	(0.79)	2.83%	41.98
Sun Shakti Solar Power Projects Private Limited	1.14%	157.92	0.74%	10.99	-	-	0.74%	10.99
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	0.48%	67.00	(0.47%)	(7.03)	-	-	(0.47%)	(7.03)
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	(0.01%)	(1.86)	(0.07%)	(1.07)	-	-	(0.07%)	(1.07)
Airpower Windfarms Private Limited (w.e.f September 01, 2023)	0.15%	20.98	(0.01%)	(0.12)	-	-	(0.01%)	(0.12)
Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023)	0.00%	(0.12)	(0.01%)	(0.12)	-	-	(0.01%)	(0.12)
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	(0.06%)	(8.88)	(0.45%)	(6.74)	-	-	(0.45%)	(6.74)

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TORRENT POWER LIMITED
Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024
Note 41: Composition of the group (Contd.)

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.06)	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	0.02%	3.08	0.01%	0.08	-	-	0.01%	0.08
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	0.03%	4.17	0.00%	0.01	-	-	0.00%	0.01
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	0.06%	8.63	0.00%	0.04	-	-	0.00%	0.04
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.03)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent PSH 1 Private Limited (w.e.f January 03, 2024)	0.00%	(0.01)	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent PSH 2 Private Limited (w.e.f January 03, 2024)	0.00%	(0.01)	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent PSH 3 Private Limited (w.e.f December 29, 2023)	0.00%	(0.02)	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent PSH 4 Private Limited (w.e.f. December 30, 2023)	0.00%	(0.02)	0.00%	(0.02)	-	-	0.00%	(0.02)
Solapur Transmission Limited (w.e.f. March 20, 2024)	0.00%	(0.38)	(0.02%)	(0.37)	-	-	(0.02%)	(0.37)
MSKVY Ninth Solar SPV Limited (w.e.f. April 18, 2024)	0.00%	(0.19)	(0.01%)	(0.20)	-	-	(0.01%)	(0.20)
Torrent Urja 18 Private Limited (w.e.f. July 27, 2024)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 19 Private Limited (w.e.f. August 06, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 20 Private Limited (w.e.f. August 06, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 21 Private Limited (w.e.f. August 05, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 22 Private Limited (w.e.f. August 05, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 23 Private Limited (w.e.f. August 02, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 24 Private Limited (w.e.f. August 02, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 25 Private Limited (w.e.f. August 02, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 26 Private Limited (w.e.f. August 02, 2024)	-	-	-	-	-	-	-	-
Torrent Urja 27 Private Limited (w.e.f. August 06, 2024)	-	-	-	-	-	-	-	-
Non-controlling interests	4.10%	569.79	2.60%	38.79	10.67%	(0.82)	2.56%	37.97
Consolidation adjustments	(12.95%)	(1,797.14)	(4.34%)	(64.36)	-	-	(4.36%)	(64.36)
Total	**100.00%**	**13,885.64**	**100.00%**	**1,492.06**	**100.00%**	**(7.69)**	**100.00%**	**1,484.37**

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 41: Composition of the group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company its Subsidiaries and its step down subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2024:

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.56%	12,038.51	94.83%	1,798.03	72.64%	(10.21)	95.00%	1,787.82
Torrent Solargen Limited	(0.02%)	(2.91)	(0.85%)	(16.07)	-	-	(0.85%)	(16.07)
Torrent Pipavav Generation Limited	0.23%	28.43	(0.04%)	(0.71)	-	-	(0.04%)	(0.71)
Torrent Power Grid Limited	0.85%	107.35	0.66%	12.57	0.14%	(0.02)	0.67%	12.55
Latur Renewable Private Limited	1.19%	149.32	0.89%	16.92	-	-	0.90%	16.92
Jodhpur Wind Farms Private Limited	1.13%	142.08	0.73%	13.86	-	-	0.74%	13.86
Torrent Electricals Limited (Formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)	0.12%	15.30	(1.48%)	(27.99)	4.91%	(0.69)	(1.52%)	(28.68)
Torrent Solar Power Private Limited	(0.24%)	(30.56)	(0.81%)	(15.40)	-	-	(0.82%)	(15.40)
Torrent Saurya Urja 2 Private Limited	(0.12%)	(15.62)	(0.54%)	(10.24)	-	-	(0.54%)	(10.24)
Torrent Saurya Urja 3 Private Limited	0.00%	(0.53)	(0.06%)	(1.11)	-	-	(0.06%)	(1.11)
Torrent Saurya Urja 4 Private Limited	(0.02%)	(2.14)	(0.11%)	(2.06)	-	-	(0.11%)	(2.06)
Torrent Saurya Urja 5 Private Limited	0.08%	9.79	(0.10%)	(1.86)	-	-	(0.10%)	(1.86)
Visual Percept Solar Projects Private Limited	1.35%	169.64	1.15%	21.86	0.14%	(0.02)	1.16%	21.84
Surya Vidyut Limited	2.73%	343.30	1.38%	26.44	0.07%	(0.01)	1.40%	26.43
Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)	0.77%	97.56	0.98%	18.67	-	-	0.99%	18.67
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	2.35%	296.41	3.71%	70.36	11.17%	(1.57)	3.66%	68.79
Sun Shakti Solar Power Projects Private Limited	1.17%	146.93	0.99%	18.72	-	-	0.99%	18.72
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	0.33%	41.79	(0.21%)	(4.03)	-	-	(0.21%)	(4.03)
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	(0.01%)	(0.79)	(0.04%)	(0.84)	-	-	(0.04%)	(0.84)
Airpower Windfarms Private Limited (w.e.f September 01, 2023)	0.17%	21.10	(0.03%)	(0.64)	-	-	(0.03%)	(0.64)
Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	(0.02%)	(2.14)	(0.03%)	(0.64)	-	-	(0.03%)	(0.64)

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TORRENT POWER LIMITED AHMEDABAD

TORRENT POWER LIMITED
Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 41: Composition of the group (Contd.)

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.04)	0.00%	(0.05)	-	-	0.00%	(0.05)
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	0.02%	2.68	(0.01%)	(0.21)	-	-	(0.01%)	(0.21)
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent PSH 1 Private Limited (w.e.f January 03, 2024)	0.00%	0.01	-	-	-	-	-	-
Torrent PSH 2 Private Limited (w.e.f January 03, 2024)	0.00%	0.01	-	-	-	-	-	-
Torrent PSH 3 Private Limited (w.e.f December 29, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent PSH 4 Private Limited (w.e.f. December 30, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Solapur Transmission Limited (w.e.f. March 20, 2024)	-	-	0.00%	(0.01)	-	-	-	(0.01)
Non-controlling interests	4.25%	535.79	3.31%	62.77	0.11	(1.53)	3.25%	61.24
Consolidation adjustments	(11.87%)	(1,493.63)	(4.32%)	(82.10)	-	-	(4.40%)	(82.10)
Total	**100.00%**	**12,597.50**	**100.00%**	**1,896.00**	**100.00%**	**(14.05)**	**100.00%**	**1,881.95**

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Note 41: Composition of the group (Contd.)

(b) Summarised Financial Information of Material Non Controlling Interests

Financial Information of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited that have material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest by non controlling interest	
		As at September 30, 2024	As at March 31, 2024
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	India	49%	49%

(i) Summarised Balance Sheet:

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Non-current Assets	683.24	606.66
Current Assets	1,379.39	1034.64
Non-current Liabilities	(177.43)	(28.83)
Current Liabilities	(1,221.71)	(1,031.27)
	663.49	**581.20**
Accumulated share of Profit:		
Owners of the company	338.38	296.41
Non-controlling interest	325.11	284.79

(ii) Summarised Statement of Profit and Loss:

(₹ in Crore)

	Six months ended September 30, 2024	Six months ended September 30, 2023
Income		
Revenue from operations	3,122.39	3,167.51
Other income	28.81	34.55
Total Income	**3,151.20**	**3,202.06**
Expenses		
Electrical energy purchased	(2,947.37)	(3,034.27)
Employee benefits expense	(22.49)	(19.86)
Finance costs	(25.43)	(12.04)
Depreciation and amortisation expense	(11.42)	(8.70)
Other expenses	(31.09)	(32.68)
Total expenses	**(3,037.80)**	**(3,107.55)**
Profit before tax	**113.40**	**94.51**
Tax expense	(29.53)	(24.88)
Profit for the Period	**83.87**	**69.63**
Other Comprehensive Income for the year	(1.58)	(1.92)
Total Comprehensive Income for the year	**82.29**	**67.71**
Attributable to:		
Owners of the company	41.97	34.53
Non-controlling interest	40.32	33.18

(iii) Summarised Cash Flow information:

(₹ in Crore)

	Six months ended September 30, 2024	Six months ended September 30, 2023
Operating Activities	(137.10)	193.74
Investing Activities	(116.01)	(67.82)
Financing Activities	267.81	(5.45)
Net (Decrease) / Increase in Cash and Cash Equivalents	**14.70**	**120.47**

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Note 42: Business Acquisition / Asset acquisitions

A Acquistions during the six months ended September 30, 2024

Details of asset acquisitions
(i) MSKVY Ninth Solar SPV Limited
On April 18, 2024, the Company has signed a Share Purchase Agreement (SPA) with MSEB Agro Solar Power Limited (the Seller) through competitive bidding process for the acquisition of 100% share capital of MSKVY Ninth Solar SPV Limited (MSKVY), which will develop Solar energy based power plant of 306 MW in Maharashtra. Pursuant to the SPA, MSKVY has become wholly owned subsidiary of the Company w.e.f. April 18, 2024.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

Consideration Transferred

(₹ in Crore)

Particulars	**MSKVY Ninth Solar SPV Limited**
Consideration paid in cash for purchase of Equity shares	0.50
	0.50

Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	**MSKVY Ninth Solar SPV Limited**
Assets	
Other current assets	0.01
Total Assets Acquired	**0.01**
Liabilities	
Other current liabilities	*
Total Liabilities Assumed	*
Net Assets Acquired	**0.01**

The Group has charged Rs. 0.49 Crores related to incorporation expenses paid to MSEB Agro Solar Power Limited to Miscellaneous expenses during the period.

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Note 42: Business Acquisition / Asset acquisitions(Contd.)

B Acquistions during the previous year (FY 2023-24)

Details of asset acquisitions

(i) Airpower Windfarms Private Limited

On September 01, 2023, the Company through its subsidiary, Torrent Green Energy Private Limited (TGEPL) has signed a Share Purchase Agreement (SPA) with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited (AWPL), which holds leasehold revenue land situated in the state of Gujarat for the purpose of development of wind power project. AWPL has become wholly owned subsidiary of the TGEPL w.e.f. September 01, 2023.

(ii) Solapur Transmission Limited

On March 20, 2024, the Company has signed a Share Purchase Agreement (SPA) with PFC Consulting Limited (the Seller) through competitive bidding process for the acquisition of 100% share capital of Solapur Transmission Limited (STL), which will set up the transmission project on build, own, operate and transfer (BOOT) basis and will provide Transmission Service of power from the RE projects in Solapur SEZ in Maharashtra. Pursuant to the SPA, STL has become wholly owned subsidiary of the Company w.e.f. March 20, 2024.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factor that the purchase consideration pertain to the fair value of leasehold land for development of renewable power assets.

Consideration Transferred

(₹ in Crore)

Particulars	**Airpower Windfarms Private Limited**	**Solapur Transmission Limited**
Consideration paid in cash for purchase of Equity shares	21.52	0.01
	21.52	**0.01**

Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	**Airpower Windfarms Private Limited**	**Solapur Transmission Limited**
Assets		
Property, plant and equipment (including Capital Work in Progress)	18.69	6.29
Right-of-use assets	0.03	-
Other current assets	2.86	0.01
Total Assets Acquired	**21.58**	**6.30**
Liabilities		
Current Borrowings	-	5.61
Trade payables	0.05	-
Other financial liabilities	-	0.12
Other current liabilities	0.01	0.56
Total Liabilities Assumed	**0.06**	**6.29**
Net Assets Acquired	**21.52**	**0.01**

TORRENT POWER LIMITED AHMEDABAD

Note 43: Assets Held For Sale

The Board of Directors of the Company at its meeting dated July 30, 2024 has approved sale of 8,40,00,000 Equity Shares i.e. 100% of its shareholding / investment in Torrent Electricals Limited (TEL) (formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited) to Torrent Investments Private Limited (TIPL), the Holding Company, at a consideration of ₹ 85.00 Crore. On October 17, 2024, Share Purchase Agreement (SPA) has been executed amongst the Company, TIPL and TEL . Pursuant to the SPA, and considering the requirements of Ind AS 105 – 'Non-current Assets Held for Sale and Discontinued Operations', assets and liabilities pertaining to TEL's business have been classified and presented as 'Assets classified as Held for Sale' and 'Liabilities directly associated with assets classified as held for sale' respectively as at September 30, 2024.

Particulars	(₹ in Crore) **As at September 30, 2024**
Assets classified as held for sale	
Non-current assets	
Property, plant and equipment	65.71
Capital work-in-progress	3.57
Financial assets	1.51
Deferred tax assets (net)	20.14
Non-current tax assets (net)	1.04
Other non-current assets	4.56
	96.53
Current assets	
Inventories	92.72
Financial assets	
Trade receivables	156.61
Cash and cash equivalents	8.62
Bank balances other than cash and cash equivalents above	2.21
Other financial assets	2.44
Other current assets	8.09
	270.69
	367.22
Liabilities directly associated with assets classified as held for sale	
Current liabilities	
Financial liabilities	
Borrowings	75.13
Trade payables	45.98
Other financial liabilities	4.38
Other current liabilities	11.12
Provisions	6.36
	142.97
Net Assets classified as held for sale*	**224.25**

* Excluding ₹ 218.97 Crore on account of net inter-company payables.

Working capital facility of ₹ 50.00 Crore is secured by a first exclusive charge by way of hypothecation in respect of entire movable assets and current assets of of subsidiary company, Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited) (TEL), both present and future of TEL.

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Note 44: Impairment assessment

(1) DGEN Power Plant

Net carrying value of Property, plant & equipment ("PPE") and Right-of-use assets ("ROU") as at September 30, 2024 includes ₹ 1,206.66 Crore (March 31, 2024 ₹ 1,237.82 Crore) pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat including its Transmission Line ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter had operated only intermittently / partially including the current six months due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, the Company had carried out an impairment assessment of DGEN as at March 31, 2024 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets' and concluded that no further impairment loss is required as at March 31, 2024. The Company has reviewed the key assumptions underlying the above assessment as on September 30, 2024 and concluded that no further impairment provision is considered necessary as at September 30, 2024.

During the earlier years, the Company had provided for impairment loss of ₹ 2,300.00 Crore (March 31, 2024: ₹ 2,300.00 Crore).

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land.

As per the Letter dated January 23, 2024 from Revenue Department, Government of Gujarat, the said land is now to be handed over to the Collector, Amreli and had determined the amount to be paid to GPCL towards the cost incurred for acquisition of aforesaid land. The Collector, Amreli has taken a possession of the said land and on March 31, 2024 has released partial amount to GPCL for payment to be made towards the cost incurred for acquisition of aforesaid land to GPCL. TPGL is pursuing with GPCL for reimbursement of its share from the amount received from the Collector, Amreli. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for six months ended September 30, 2024 have been prepared on a non - going concern basis.

The management has made an impairment assessment of the amount recoverable from GPCL and concluded that there is no impairment required in the carrying amount.

(3) Impairment testing of Goodwill

Net carrying value of Goodwill of ₹ 171.07 crore as at September 30, 2024 and March 31, 2024 pertaining to acquisition of 'Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL)', considered as Cash generating unit ('CGU') for the purpose of impairment assessment of goodwill in accordance with Ind AS 36. The Group tests goodwill for impairment at each reporting date or based on any identified impairment indicator. The Group provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on "value in use" calculations which is calculated as the net present value of forecasted cash flows of CGU to which the goodwill is related.

The key assumptions for impairment assessment of Goodwill are as follows:
a) Projected cash flows for five years based on financial budgets / forecasts. The perpetuity value is taken based on the long term growth rate of 3%.
b) Discount rate applied to projected cash flow is 10.10%.

The Management believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU. Accordingly Goodwill is not required to be impaired as at September 30, 2024.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 45: Contingent liabilities, contingent assets and capital commitments

(a) Contingent liabilities

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Disputed income tax matters	**20.37**	20.65
Disputed sales tax matters	**5.25**	5.25
Disputed service tax matters	**0.49**	0.49
Disputed custom duty matters	**18.50**	18.50
Disputed excise duty matters	**0.43**	2.88
Disputed stamp duty matters	**36.37**	36.37
Disputed value added tax matters	**3.36**	3.36
Disputed central sales tax matters	**4.09**	4.09
Disputed Goods and Service Tax matters	**16.20**	4.65
Claims against the Group not acknowledged as debt [Refer footnote 3]	**182.12**	165.27

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made as at September 30, 2024.

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in then un-audited interim special purpose condesed consolidated financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Group not acknowledged as debt:

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Claim of regulatory surcharge including interest in franchise distribution business	**98.84**	94.52
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	**28.43**	26.04
Compensation payable for short lifting for material	**8.46**	8.46
Others	**46.39**	36.25
	182.12	165.27

(b) Contingent assets

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Claim for coal grade slippage	**25.49**	9.65
Claim of compensation for short lifting of material	**8.46**	8.46
	33.95	18.11

Note 45: Contingent liabilities, contingent assets and capital commitments (Contd.)

(c) Capital and other commitments

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
i) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	**5,786.71**	3,431.10

(d) For Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (the 'DNHDDPDCL') a subsidiary of the Company during the previous year,Ratnagiri Gas & Power Pvt Ltd (RGPPL) has raised the invoices pertaining to power purchase including late payment surcharge outstanding till March 31, 2024 aggregating to Rs 243.52 crores, subsequent to the order of Hon'ble Supreme Court in the case of Maharashtra State Electricity Distribution Corporation Limited ('MSEDCL') vs RGPPL. The erstwhile DNH Power Distribution Corporation Limited ('DNH PDCL') had terminated power Purchase Agreement ('PPA') on August 25, 2016 and had not paid invoices raised by RGPPL.

As per Transfer scheme, (i) RGPPL PPA with DNH PDCL was not transferred to the Company and hence it is not liable to make the payment of the invoices. (ii) RGPPL PPA with Electricity Department of Union Territory of Dadra and Nagar Haveli and Daman and Diu ('ED-DD') was transferred to the Company, however the invoices for outstanding amount were prior to transfer of electricity distribution business of ED-DD to the Company, and hence it is not liable to make the payment of the invoices.

DNHDDPDCL has requested erstwhile DNH PDCL and ED-DD to discuss the aforesaid matter with RGPPL. DNHDDPDCL has also sought legal opinion and is confident that it bears no liability, thus no provision has been made in the consolidated financial statements for the year ended March 31, 2024. During six months ended Septmeber 30, 2024, DNHDDPDCL has recevied revised invoices for the period only pertaining after takeover (April 01, 2022) and the same have been recognised and paid. Accordingly there is no Contingent liability as at September 30, 2024.

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Note 46: Earnings per share

	Six months ended September 30, 2024	Six months ended September 30, 2023
Basic earnings per share (₹)	**30.24**	21.70
Diluted earnings per share (₹)	**30.24**	21.70

Basic and diluted earnings per share
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Six months ended September 30, 2024	Six months ended September 30, 2023
Profit for the year attributable to the owners of the Company (₹ in Crore)	**1,453.27**	1,043.16
Weighted average number of equity shares (No.)	**48,06,16,784**	48,06,16,784
Nominal value of shares (₹)	**10**	10

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

Note 47: Operating segment

During the current period, for reporting financial information to the entity's chief operating decision maker (CODM), the Group has presented its segment information in the un-audited interim special purpose condesed consolidated financial statements as per Ind AS 108 – 'Operating Segments'. The CODM evaluates the Group's performance and applies the resources to whole of the Group's business viz. "Generation, Renewables, Transmission and Distribution of Power". In accordance with Ind AS - 108 "Operating Segments", the Group's reportable segments are as follows :-

Generation: Comprises of generation of power from thermal sources (gas and coal) and trading of Regassified Liquified Natural Gas.

Transmission and Distribution: Comprises of transmission and distribution business (licensed and franchisee) and related ancillary services. It also comprises Power Cable business.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable

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Note 47: Operating segment (Contd.)

(₹ in Crore)

		Six months ended September 30, 2024	Six months ended September 30, 2023
1	**Segment revenue**		
(a)	Generation	**5,511.20**	4,193.01
(b)	Transmission and Distribution	**13,530.96**	12,973.06
(c)	Renewables	**598.56**	657.91
	Total segment revenue	**19,640.72**	**17,823.98**
	Less: Inter segment revenue	**(3,431.18)**	(3,535.44)
	Total revenue from operations	**16,209.54**	**14,288.54**

		Six months ended September 30, 2024	Six months ended September 30, 2023
2	**Segment results (Profit before tax, depreciation and finance costs)**		
(a)	Generation	**1,029.10**	594.98
(b)	Transmission and Distribution	**1,755.80**	1,463.88
(c)	Renewables	**510.28**	587.19
	Total segment results	**3,295.18**	**2,646.05**
	Add: Unallocated	**(28.95)**	(45.97)
	Less: Finance costs	**(532.43)**	(474.44)
	Less: Depreciation and amortisation expense	**(730.47)**	(673.70)
	Profit before tax	**2,003.33**	**1,451.94**

		As at September 30, 2024	As at March 31, 2024
3	**Segment assets**		
(a)	Generation	**5,251.38**	4,806.00
(b)	Transmission and Distribution*	**21,555.93**	20,169.02
(c)	Renewables	**8,908.62**	8,073.37
(d)	Unallocated / Inter segment	**(142.40)**	344.09
	Total assets	**35,573.53**	**33,392.48**

		As at September 30, 2024	As at March 31, 2024
4	**Segment liabilities**		
(a)	Generation	**3,265.92**	3,275.74
(b)	Transmission and Distribution*	**15,297.16**	14,473.64
(c)	Renewables	**6,125.24**	5,527.81
(d)	Unallocated / Inter Segment	**(3,000.43)**	(2,482.21)
	Total liabilities	**21,687.89**	**20,794.98**

		Six months ended September 30, 2024	Six months ended September 30, 2023
5	**Depreciation and Amortisation**		
(a)	Generation	**141.04**	140.85
(b)	Transmission and Distribution	**383.55**	335.33
(c)	Renewables	**203.09**	194.45
(d)	Unallocated	**2.79**	3.07
	Total Depreciation and Amortisation	**730.47**	**673.70**

		Six months ended September 30, 2024	Six months ended September 30, 2023
6	**Addition to Capital Expenditure**		
(a)	Generation	**21.91**	4.92
(b)	Transmission and Distribution	**554.47**	811.05
(c)	Renewables	**796.10**	341.67
(d)	Unallocated	**0.25**	5.69
	Total Addition to Capital Expenditure	**1,372.73**	**1,163.33**

* Includes "Assets held for sale" and "Liabilities associated with asset held for sale" respectively.

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

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Note 48: Related party disclosures

(a) Names of related parties and description of relationship:

1	**Entities having joint control over Parent Company**	Mehta Family Trust 1, Mehta Family Trust 2, Mehta Family Trust 3, Mehta Family Trust 4
2	**Parent Company**	Torrent Investments Private Limited
3	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, DNHDD PDCL Employees' Group Gratuity Trust, DNHDD PDCL Employees Super annuation Trust, ED-DD & DNHDD PDCL Employees Group Gratuity Trust, ED-DD & DNHDD PDCL Leave Enchashment Trust, ED-DD & DNHDD PDCL Super Annuation Pension Trust.
4	**Key management personnel**	Samir Mehta, Chairperson Jinal Mehta, Managing Director Jigish Mehta (w.e.f. June 01, 2024), Director (Generation) in the category of Whole-time Director Varun Mehta (Up to May 30, 2024), Wholetime Director
		Sudhir Mehta (Up to March 31, 2024), Chairman Emeritus Varun Mehta, Non Executive Director (w.e.f. June 01.2024) Pankaj Patel (Upto March 31, 2024), Independent Director Sunil Mathur (w.e.f. May 23, 2024), Independent Director Keki Mistry (Upto March 31, 2024), Independent Director Usha Sangwan, Independent Director Radhika Haribhakti, Independent Director Mamta Verma, Independent Director (Upto July 31, 2024) Ketan Dalal, Independent Director Apurva Diwanji (w.e.f. February 08, 2024), Independent Director
5	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence***	UNM Foundation, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited^, Torrent Gas Limited (Formerly known as Torrent Gas Private Limited), Torrent Gas Chennai Private Limited,Torrent Gas Moradabad Limited^, Torrent Gas Jaipur Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited,Torrent Hospitals Private Limited, Torrent Diagnostics Private Limited,School of Ultimate Leadership Foundation

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

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

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 48: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Employee Benefits plans		Key management personnel		Parent Company /Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023
Nature of transactions								
Dividend paid	-	-	-	-	**102.97**	**102.97**	**102.97**	**102.97**
Torrent Investments Private Limited	-	-	-	-	102.97	102.97	102.97	102.97
Services provided (rent income including tax)	-	-	-	-	**0.72**	**0.66**	**0.72**	**0.66**
UNM Foundation	-	-	-	-	*	*	*	*
Torrent Investments Private Limited	-	-	-	-	*	*	*	*
Torrent Power Services Private Limited	-	-	-	-	*	*	*	*
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	0.68	0.44	0.68	0.44
Torrent Fincorp Private Limited	-	-	-	-	*	*	*	*
Torrent Sports Ventures PrivateLimited	-	-	-	-	*	*	*	*
Torrent Gas Chennai Private Limited	-	-	-	-	0.02	0.11	0.02	0.11
Torrent Gas Jaipur Private Limited	-	-	-	-	0.02	0.11	0.02	0.11
Torrent Hospitals Private Limited	-	-	-	-	*	*	*	*
School of Ultimate Leadership Foundation	-	-	-	-	-	*	-	*
Torrent Diagnositcs PrivateLimited	-	-	-	-	-	*	-	*
Sale of cables	-	-	-	**0.17**	**0.79**	-	**0.79**	**0.17**
Samir Mehta	-	-	-	0.17	-	-	-	0.17
Torrent Pharmaceuticals Limited	-	-	-	-	0.56	-	0.56	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	0.23	-	0.23	-
Purchase of material	-	-	-	-	**203.82**	**96.60**	**203.82**	**96.60**
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	203.82	96.60	203.82	96.60
Assignment of gas contract	-	-	-	-	-	**19.47**	-	**19.47**
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	19.47	-	19.47
Expenses incurred on behalf of	-	-	-	-	**1.11**	**1.23**	**1.11**	**1.23**
UNM Foundation	-	-	-	-	1.11	1.23	1.11	1.23
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	*	-	*	-
Torrent Gas Jaipur Private Limited	-	-	-	-	*	-	*	-

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 48: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Employee Benefits plans		Key management personnel		Parent Company /Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023
Transfer of gratuity/leave liability to / (from)	-	-	-	-	**0.24**	-	0.24	-
UNM Foundation	-	-	-	-	0.08	-	0.08	-
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	0.16	-	0.16	-
Managerial remuneration@	-	-	**13.65**	**10.26**	-	-	**13.65**	**10.26**
Varun Mehta	-	-	1.77	2.73	-	-	1.77	2.73
Jigish Mehta	-	-	3.23	-	-	-	3.23	-
Jinal Mehta	-	-	8.65	7.53	-	-	8.65	7.53
Sitting fees to non-executive directors@@	-	-	**0.31**	**0.42**	-	-	**0.31**	**0.42**
Sunil Dass Mathur	-	-	0.01	-	-	-	0.01	-
Keki Mistry	-	-	-	0.06	-	-	-	0.06
Pankaj Patel	-	-	-	0.06	-	-	-	0.06
Usha Sangwan	-	-	0.07	0.08	-	-	0.07	0.08
Radhika Haribhakti	-	-	0.08	0.11	-	-	0.08	0.11
Mamta Verma#	-	-	0.01	0.01	-	-	0.01	0.01
Apurva Shishir Diwanji	-	-	0.06	-	-	-	0.06	-
Ketan Dalal	-	-	0.08	0.10	-	-	0.08	0.10
Donation	-	-	-	-	**2.62**	**3.31**	**2.62**	**3.31**
UNM Foundation	-	-	-	-	2.62	3.31	2.62	3.31
Contribution towards CSR	-	-	-	-	**20.26**	**19.44**	**20.26**	**19.44**
UNM Foundation	-	-	-	-	20.26	19.44	20.26	19.44
Contribution to employee benefit plans (net)	**41.63**	**15.05**	-	-	-	-	**41.63**	**15.05**
TPL (Ahmedabad) Gratuity Trust	22.70	0.01	-	-	-	-	22.70	0.01
TPL (Ahmedabad) Superannuation Fund	8.42	7.72	-	-	-	-	8.42	7.72
TPL (Surat) Gratuity Trust	0.76	-	-	-	-	-	0.76	-
TPL (Surat) Superannuation Fund	0.01	-	-	-	-	-	0.01	-
TPL (SUGEN) Gratuity Trust	1.68	1.21	-	-	-	-	1.68	1.21
TPL (SUGEN) Superannuation Fund	0.62	0.57	-	-	-	-	0.62	0.57
TPL (DGEN) Gratuity Trust	0.08	0.05	-	-	-	-	0.08	0.05
TPL (DGEN) Superannuation Fund	0.26	0.25	-	-	-	-	0.26	0.25
TPG Gratutity Trust	*	-	-	-	-	-	*	-
TPG Superannuation Fund	-	0.02	-	-	-	-	-	0.02

Note 48: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Employee Benefits plans		Key management personnel		Parent Company /Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023
DNHDD PDCL Employees' Group Gratuity Trust	0.79	0.82	-	-	-	-	0.79	0.82
DNHDD PDCL Employees' Superannuation Trust	0.51	0.41	-	-	-	-	0.51	0.41
ED-DD and DNHPDCL Superannuation Pension Trust.	2.55	0.40	-	-	-	-	2.55	0.40
ED-DD and DNHPDCL Gratuity Trust.	2.62	1.63	-	-	-	-	2.62	1.63
ED-DD and DNHPDCL Leave Encashment Trust	0.63	1.96	-	-	-	-	0.63	1.96

@@ excluding Goods and Services Tax.

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

(c) Key management personnel compensation

(₹ in Crore)

	Six months ended September 30, 2024	Six months ended September 30, 2023
Short-term employee benefits	**13.65**	10.26
	13.65	10.26

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 48: Related party disclosures (Contd.)

(d) Related party balances

(₹ in Crore)

	Employee Benefits plans		Key management personnel		Parent Company /Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	As at September 30, 2024	As at March 31, 2024	As at September 30, 2024	As at March 31, 2024	As at September 30, 2024	As at March 31, 2024	As at September 30, 2024	As at March 31, 2024
Balances at the end of the year								
Current liabilities	-	-	-	**19.61**	**19.51**	**22.24**	**19.51**	**41.85**
UNM Foundation	-	-	-	-	0.08	-	0.08	-
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	19.43	22.24	19.43	22.24
Samir Mehta	-	-	-	13.00	-	-	-	13.00
Jinal Mehta	-	-	-	4.00	-	-	-	4.00
Keki Mistry	-	-	-	0.45	-	-	-	0.45
Pankaj Patel	-	-	-	0.37	-	-	-	0.37
Ketan Dalal	-	-	-	0.56	-	-	-	0.56
Usha Sangwan	-	-	-	0.52	-	-	-	0.52
Radhika Haribhakti	-	-	-	0.57	-	-	-	0.57
Mamta Verma#	-	-	-	0.14	-	-	-	0.14
Investment in equity	-	-	-	-	**0.05**	**0.05**	**0.05**	**0.05**
UNM Foundation	-	-	-	-	0.05	0.05	0.05	0.05
Trade and other receivables	-	-	-	-	**1.30**	**2.87**	**1.30**	**2.87**
Torrent Pharmaceuticals Limited	-	-	-	-	0.56	-	0.56	-
UNM Foundation	-	-	-	-	0.44	2.12	0.44	2.12
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	0.30	0.73	0.30	0.73
Torrent Gas Jaipur Private Limited	-	-	-	-	-	0.01	-	0.01
Torrent Gas Chennai Private Limited	-	-	-	-	-	0.01	-	0.01

Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

(e)Terms and conditions of related party transactions and outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding Balances as at period ended are unsecured.

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TORRENT POWER LIMITED AHMEDABAD

TORRENT POWER LIMITED

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 49: Financial instruments and risk management

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.No changes were made in the objectives, policies or process for managing its capital during the period ended September 30, 2024 and year ended March 31, 2024. The Group reviews its dividend policy from time to time.

Gearing ratio

The gearing ratio at end of the reporting year is as follows.

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Debt	**11,526.95**	11,312.12
Total equity	**14,584.92**	12,875.24
Debt to equity ratio	**0.79**	0.88

Footnotes:

1 Debt is defined as all long term debt outstanding [including unamortised expense (net of premium)] + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development

Loan Covenants

The Company has complied with financial covenants specified as per the terms of borrowing facilities.

(b) Categories of financial instruments

(₹ in Crore)

	As at September 30, 2024		As at March 31, 2024	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	**344.43**	**344.43**	350.83	350.83
Bank balance other than cash and cash equivalents	**101.35**	**101.35**	67.91	67.91
Investment in bonds and debentures	**22.10**	**22.10**	19.92	19.92
Trade receivables	**2,890.87**	**2,890.87**	2,190.86	2,190.86
Other financial assets	**4,499.57**	**4,499.57**	4,083.60	4,083.60
Assets classified as held for sale (Refer note 43)	**171.39**	**171.39**	-	-
	8,029.71	**8,029.71**	6,713.12	6,713.12
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	**927.57**	**927.57**	934.42	934.42
Investment in equity instruments	**0.05**	**0.05**	0.05	0.05
Other Current Financial Assets - Derivative	**-**	**-**	0.31	0.31
	927.62	**927.62**	934.78	934.78
Financial liabilities				
Measured at amortised cost				
Borrowings	**11,508.81**	**11,548.14**	11,585.03	11,607.75
Trade payables	**2,677.45**	**2,677.45**	2,157.63	2,157.63
Other financial liabilities	**2,944.62**	**2,944.62**	3,265.62	3,265.62
Liabilities directly associated with assets classified held for sale (Refer note 43)	**125.49**	**125.49**	-	-
	17,256.37	**17,295.70**	17,008.28	17,031.00

Footnotes:

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

2 Non current loan carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

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Note 49: Financial instruments and risk management (Contd.)

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 :	Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes investments in mutual funds that have quoted price.
Level 2 :	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.
Level 3 :	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, security deposits, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at September 30, 2024	As at March 31, 2024		
Investment in mutual fund units	**927.57**	934.42	Level 1	Quoted bid prices in an active market

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at September 30, 2024	As at March 31, 2024		
Other Current Financial Assets - Derivative contracts	-	0.31	Level 2	Inputs other than quoted prices that are observable based on mark to mark changes provided by ICICI Bank.
Fixed rate borrowings (Non-convertible debentures)	**3,989.33**	4,062.72	Level 2	Inputs other than quoted prices that are observable based on yields provided by' The Fixed Income Money Market and Derivatives Association of India' (FIMMDA)

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, employee payables, security deposit from customer, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

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Note 49: Financial instruments and risk management (Contd.)

The Group's exposure with regards to foreign exchange risk which are not hedged are given below.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at September 30, 2024	As at March 31, 2024
Financial liabilities			
Trade payable	USD	**1.53**	4.04
Trade payable	EURO	403.53	289.74
Capital payable	EURO	**0.06**	0.06

Foreign currency sensitivity analysis
The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant.

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Impact on Profit before Tax - Rupee depreciate by ₹ 1 against EURO	**(4.31)**	**(3.22)**
Impact on Profit before Tax - Rupee appreciate by ₹ 1 against EURO	4.31	3.22

The Group's exposure with regard to foreign currency risk which are hedged at the end of the reporting period is as follows:

Hedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at September 30, 2024	As at March 31, 2024
Financial liabilities			
Capital payable	USD	-	76.60
Derivative contract			
Foreign exchange forward contract	USD	**91.91**	76.60

Commodity price risk
The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

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Note 49: Financial instruments and risk management (Contd.)

Derivatives

The Company uses derivative financial instruments such as forwards to hedge its risks associated with foreign exchange fluctuation and price risk movements. Risks associated with fluctuation in the price of the raw materials (natural gas, copper and aluminium) are minimized by undertaking appropriate derivative instruments. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

(a) The Asset position of various outstanding derivative financial instruments is given below: (₹ in Crore)

Particulars	Nature of risk being hedged	As at September 30, 2024		As at March 31, 2024	
		Asset	Net fair value	Asset	Net fair value
Current					
Non-designated hedges					
Forward commodity contracts	Price Risk Component	2.05	2.05	1.24	1.24
Foreign currency contracts	Exchange rate movement risk	(0.03)	(0.03)	0.07	0.07
Total		**2.03**	**2.03**	**1.31**	**1.31**

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

Particulars	Currency Pair	As at September 30, 2024			As at March 31, 2024		
		Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)	Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)
Non-designated							
Buy	USD_INR	84.09	3.00	(0.03)	83.38	0.01	0.07
Total				**(0.03)**			**0.07**

(c) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at September 30, 2024

Particulars		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD) (in millions)	Fair value gain / (loss) (₹ in Crore)
Non Designated hedges							
Aluminium	Buy	USD	2410.00	1,245.00	Tonne	3.00	2.05
Total							**2.05**

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2024

Particulars		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD) (in millions)	Fair value gain / (loss) (₹ in Crore)
Non Designated hedges							
ICE Brent Crude Oil	Buy	USD	77.80	1,000.00	Barrel	0.01	0.05
Aluminium	Buy	USD	2241.00	1,250.00	Tonne	2.80	0.82
Copper	Buy	USD	8425.00	110.00	Tonne	0.93	0.37
Total							**1.24**

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Note 49: Financial instruments and risk management (Contd.)

Interest rate risk
Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Fixed rate borrowings^	**3,981.18**	4,362.21
Floating rate borrowings^	**7,549.27**	7,243.43
	11,530.45	11,605.64

^ Transactions cost reduced from the borrowing is excluded.

Interest rate risk sensitivity:
The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Six months ended September 30, 2024	Six months ended September 30, 2023
Impact on profit before tax - increase in 50 basis points	**(18.87)**	(18.11)
Impact on profit before tax - decrease in 50 basis points	**18.87**	18.11

Credit risk

Trade receivables:

(1) Exposures to credit risk
The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management
Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for six months ended September 30, 2024 and year ended March 31, 2024. The Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements
The Group collects the security deposits in the form of Cash or Bank guarantee, considering the relevant electricity regulations under the relevant geographical area to cover its credit risks associated with its trade receivables.

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Note 49: Financial instruments and risk management (Contd.)

(4) Age of receivables and expected credit loss

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

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

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

As at September 30, 2024

(₹ in Crore)

	Gross trade receivables	**Allowance for doubtful debt**
Less than or equal to 6 months	**2,814.98**	**41.55**
More than 6 months but less than or equal to 1 year	**55.07**	**19.71**
More than one year	**245.15**	**163.07**
	3,115.20	**224.33**

As at March 31, 2024

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	2,097.28	30.43
More than 6 months but less than or equal to 1 year	52.67	19.38
More than one year	235.30	144.58
	2,385.25	**194.39**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	As at September 30, 2024	As at March 31, 2024
Opening balance	**194.39**	204.50
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	**29.94**	(10.11)
Closing balance [Refer note 16]	224.33	194.39

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets/ instruments:

The Group is having balances in cash and cash equivalents, term deposits with banks, deposits, Loans to related parties, investments in government securities and investment in mutual funds. The Group is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. The credit loss from Loans receivable from related parties and financial guarantees is considered immaterial. The recoverable amount of unbilled revenue (including revenue gap/ surplus) perceives low credit risk of default considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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TORRENT POWER LIMITED AHMEDABAD

TORRENT POWER LIMITED

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2024

Note 50: Events occurring after the balance sheet date

Subsequent to six months ended September 30, 2024, the Ministry of Power has notified Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024 ('the Rules') in pursuance of Section 176(1) and 176(2)(z) of the Electricity Act, 2003 read with second proviso to Section 129 (1) of the Companies Act, 2013, which are applicable to Distribution Licensees. The Group is in the process of evaluating the implication of the Rules with respect to the recognition of revenue, provisioning of trade receivables and certain additional disclosures to be included in the financial statements. The Group has obtained a legal opinion that the Rules are required to be applied prospectively from the date of notification in the Official Gazette i.e. October 24, 2024 and accordingly there is no impact of the same on the financial statements for six months ended September 30, 2024.

Note 51: Approval of un-audited special purpose interim condensed consolidated financial statements

The un-audited special purpose interim condensed consolidated financial statements were approved for issue by Fund Raising Committee of the Company on December 2, 2024

Signature to Note 1 to 51

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN: 00061903

Saurabh Mashruwala
Chief Financial Officer

Priyanshu Gundana
Partner
Membership No.: 109553

Rahul Shah
Company Secretary

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

SEPTEMBER 30, 2023

REVIEW REPORT

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

1. This report is issued in accordance with the terms of our agreement dated November 16, 2024.

2. We have reviewed the accompanying Special Purpose Interim Condensed Consolidated Financial Statements of Torrent Power Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries hereinafter referred to as the "Group"), comprising its Condensed Consolidated Balance Sheet as at September 30, 2023, and the Condensed Consolidated Statement of Profit and Loss, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity for the six months period ended on that date and a summary of material accounting policies and other explanatory information to these Special Purpose Interim Condensed Consolidated Financial Statements (hereinafter referred to as the "Special Purpose Interim Condensed Consolidated Financial Statements") have been prepared by the Management of the Company in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, to be included in the Preliminary Placement Document ('PPD') and Placement Document ('PD') (hereinafter collectively referred to as the 'Offer Documents'), to be filed by the Company with the Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), as applicable in connection with proposed Qualified institutions Placement of the equity shares of the Company (the "Offering")in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and other relevant provisions of the Companies Act, 2013 (the 'Companies Act, 2013'). We have signed the Special Purpose Interim Condensed Consolidated Financial Statements for identification purpose only.

Management's Responsibility for the Special Purpose Interim Condensed Consolidated Financial Statements

3. The Company's Management is responsible for the preparation of the Special Purpose Interim Condensed Consolidated Financial Statements in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements that is free from material misstatement, whether due to fraud or error and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Statement includes the unaudited interim financial information of the entities listed in Annexure A.

Auditor's Responsibility

5. Our responsibility is to express a conclusion on the Special Purpose Interim Condensed Consolidated Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Interim Financial Information performed by the independent auditor of the Entity', issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time.

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

6. A review consists of making inquiries, primarily of the Holding Company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to the financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim Condensed Consolidated Financial Statements has not been prepared, in all material respects, in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, or that it contains any material misstatement.

Emphasis of matter – Basis of preparation

8. We draw attention to Note 2.1 to the Special Purpose Interim Condensed Consolidated Financial Statements, which describes the basis of preparation. The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared. As a result, the Special Purpose Interim Condensed Consolidated Financial Statements may not be suitable for any other purpose. Our conclusion is not modified in respect of this matter.

Restriction on use

9. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have or may have had as auditor of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we have or may have had in our capacity as auditor of the Company.

10. The report has been issued at the request of the Board of Directors of the Company to whom it is addressed, for inclusion in offer documents to be filed with the Securities and Exchange Board of India ('SEBI'), BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), solely in connection with the preparation of with the proposed Qualified institutions Placement of the equity shares of the Company and should not be used by any other person other than the Company or published, distributed, referred to for any other purpose in any manner, whatsoever. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 24109553BKGRBO3770

Place: Mumbai
Date: December 2, 2024

Annexure A

List of entities:

Sl. No	Name of Company
Subsidiaries Direct	
1	Torrent Power Grid Limited
2	Torrent Pipavav Generation Limited
3	Torrent Solargen Limited
4	Jodhpur Wind Farms Private Limited
5	Latur Renewable Private Limited
6	Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited/TCL Cables Private Limited)
7	Torrent Solar Power Private Limited
8	Torrent Saurya Urja 2 Private Limited
9	Torrent Saurya Urja 3 Private Limited
10	Torrent Saurya Urja 4 Private Limited
11	Torrent Saurya Urja 5 Private Limited
12	Visual Percept Solar Projects Private Limited
13	Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)
14	Surya Vidyut Limited
15	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited
16	Sunshakti Solar Power Projects Private Limited
17	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)
18	Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)
19	Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)
20	Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)
21	Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)
22	Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)
23	Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)
24	Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)
25	Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)
26	Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)
27	Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)
28	Torrent Green Energy Private Limited (w.e.f. August 2, 2023)
Subsidiary Indirect	
29	Airpower Windfarms Private Limited (Acquired by Torrent Green Energy Private Limited on w.e.f. September 1, 2023)

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TORRENT POWER LIMITED

Condensed Consolidated Balance Sheet

as at September 30, 2023

(₹ in Crore)

	Notes	As at September 30, 2023	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	**19,176.19**	18,115.94
Right-of-use assets	5	**244.98**	216.46
Capital work-in-progress	6	**1,977.47**	2,624.69
Investment property	7	**6.22**	9.39
Goodwill	8	**171.07**	171.07
Other intangible assets	9	**737.20**	756.33
Financial assets			
Investments	10	**17.02**	15.94
Other financial assets	11	**123.64**	135.38
Deferred tax assets (net)		**41.97**	38.65
Non-current tax assets (net)	12	**32.53**	12.50
Other non-current assets	13	**462.87**	361.04
Sub total - Non-current assets		**22,991.16**	22,457.39
Current assets			
Inventories	14	**976.74**	820.28
Financial assets			
Investments	15	**1,073.55**	787.75
Trade receivables	16	**2,685.11**	2,246.33
Cash and cash equivalents	17	**370.28**	188.23
Bank balances other than cash and cash equivalents above	18	**88.63**	155.29
Other financial assets	19	**3,560.39**	3,111.40
Other current assets	20	**248.17**	143.51
Sub total - Current assets		**9,002.87**	7,452.79
Total - Assets		**31,994.03**	29,910.18
Equity and liabilities			
Equity			
Equity share capital	21	**480.62**	480.62
Other equity	22	**11,371.36**	10,529.38
Sub total - Equity attributable to equity holders of the Company		**11,851.98**	11,010.00
Non-controlling interests		**505.27**	476.65
Sub total - Equity		**12,357.25**	11,486.65
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	**9,486.94**	8,902.32
Lease liabilities		**40.32**	39.32
Trade payables	24		
Total outstanding dues of micro and small enterprises		**-**	-
Total outstanding dues other than micro and small enterprises		**286.86**	210.61
Other financial liabilities	25	**0.74**	-
Deferred tax liabilities (net)		**1,093.51**	968.79
Other non-current liabilities	26	**1,396.85**	1,372.46
Sub total - Non-current liabilities		**12,305.22**	11,493.50
Current liabilities			
Financial liabilities			
Borrowings	27	**1,151.16**	1,593.75
Lease liabilities		**6.46**	6.02
Trade payables	28		
Total outstanding dues of micro and small enterprises		**47.34**	68.99
Total outstanding dues other than micro and small enterprises		**2,269.24**	1,453.68
Other financial liabilities	29	**2,632.98**	2,687.72
Other current liabilities	30	**695.86**	677.24
Provisions	31	**286.80**	264.06
Current tax liabilities (net)	32	**241.72**	178.57
Sub total - Current liabilities		**7,331.56**	6,930.03
Total - Equity and liabilities		**31,994.03**	29,910.18

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

Samir Mehta
Chairperson
DIN:00061903

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

Saurabh Mashruwala
Chief Financial Officer

Rahul C. Shah

Rahul Shah
Company Secretary

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Profit and Loss

for the six months ended September 30, 2023

(₹ in Crore)

	Notes	Six months ended September 30, 2023	Six months ended September 30, 2022
Income			
Revenue from operations	33	**14,288.54**	13,213.46
Other income	34	**193.89**	202.37
Total income		**14,482.43**	13,415.83
Expenses			
Electrical energy purchased		**7,266.96**	7,683.58
Fuel cost		**3,159.11**	1,498.08
Cost of materials consumed	35	**214.41**	200.53
Purchase of stock-in-trade		**195.24**	752.73
Changes in inventories of finished goods and work-in-progress	36	**13.59**	(11.41)
Employee benefits expense	37	**307.89**	288.12
Finance costs	38	**474.44**	401.00
Depreciation and amortisation expense	39	**673.70**	630.26
Other expenses	40	**725.15**	577.25
Total expenses		**13,030.49**	12,020.14
Profit before tax		**1,451.94**	1,395.69
Tax expense			
Current tax		**250.96**	292.97
Deferred tax		**126.15**	116.52
		377.11	409.49
Profit for the period		**1,074.83**	986.20
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		**(14.61)**	2.52
Tax relating to remeasurement of the defined benefit plans		**(4.74)**	0.70
Other comprehensive income for the period, net of tax		**(9.87)**	1.82
Total comprehensive income for the period		**1,064.96**	988.02
Profit for the period attributable to:			
Owners of the Company		**1,043.16**	983.76
Non-controlling interests		**31.67**	2.44
		1,074.83	986.20
Other comprehensive income for the period attributable to:			
Owners of the Company		**(8.93)**	1.82
Non-controlling interests		**(0.94)**	-
		(9.87)	1.82
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,034.23**	985.58
Non-controlling interests		**30.73**	2.44
		1,064.96	988.02
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	45	**21.70**	20.47

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Priyanshu Gundana
Partner
Membership No.: 109553

Rahul Shah
Company Secretary

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Cash Flows

for the six months ended September 30, 2023

(₹ in Crore)

	Notes	Six months ended September 30, 2023	Six months ended September 30, 2022
Cash flow from operating activities			
Profit before tax		1,451.94	1,395.69
Adjustments for :			
Depreciation and amortisation expense	39	673.70	630.26
Amortisation of deferred revenue	33	(51.92)	(48.51)
Provision of earlier years written back	33	(0.01)	(0.11)
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	40	11.15	5.83
Gain on disposal of property, plant and equipment / investment property	34	(19.31)	(22.56)
Bad debts written off (net of recovery)	40	(9.01)	(18.44)
Provision for onerous contracts	40	-	9.68
Allowance for doubtful advances (net)	40	(6.06)	-
Allowance for doubtful debts (net)	40	38.84	16.37
Finance costs	38	474.44	401.00
Interest income from financial assets measured at amortised cost	34	(26.62)	(29.97)
Gain on sale of current investments in mutual funds	34	(26.78)	(18.85)
Gain on sale of non-current investments	34	(0.05)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	(3.83)	(1.02)
Net gain arising on financial assets / liabilities measured at amortised cost	34	(17.40)	(8.75)
Net unrealised loss / (gain) on foreign currency transactions	34	(4.89)	(10.48)
Operating profit before working capital changes		2,484.19	2,300.14
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(156.46)	(306.92)
Trade receivables		(468.61)	(802.49)
Other financial assets		(431.54)	(915.57)
Other assets		(80.05)	(0.11)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		892.39	364.01
Other financial liabilities		(33.37)	296.88
Provisions		8.13	(2.45)
Other liabilities		17.65	40.44
Cash generated from operations		2,232.33	973.93
Taxes paid (net)		(207.85)	(212.31)
Net cash flow generated from operating activities		2,024.48	761.62
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & investment property		(1,247.28)	(1,480.52)
Proceeds from sale of property, plant and equipment & intangible assets		27.43	30.48
Acquisition of subsidiaries net of cash and cash equivalents [Refer note 42]		(19.02)	28.05
Purchase of non-current investments		(4.03)	(1.94)
Proceeds from sale of non-current investments		1.98	-
Loans to related parties		-	(277.02)
Repayment of loans from related parties		-	11.25
Investments in bank deposits (original maturity more than three months)		(338.22)	(48.47)
Redemption in bank deposits (original maturity more than three months)		406.35	30.39
(Investments) / redemption in inter corporate deposits		-	166.84
Interest received		27.20	36.57
(Purchase of) / proceeds from current investments (net)		(254.17)	(242.09)
Net cash used in investing activities		(1,399.76)	(1,746.46)
Cash flow from financing activities			
Proceeds from issuance of shares to non-controlling interest		0.74	-
Proceeds from long-term borrowings		962.18	2,914.10
Proceeds from short-term borrowings		475.00	400.00
Repayment of long-term borrowings		(694.09)	(569.28)
Prepayment of long-term borrowings		(353.92)	(341.86)
Repayment of short-term borrowings		(250.00)	(1,102.74)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan		(1.75)	(1.53)
Receipt of contribution from consumers		77.29	93.13
Dividend paid		(194.36)	(2.11)
Principal elements of lease payments		(17.35)	(4.79)
Finance costs paid		(446.41)	(378.18)
Net cash generated from / (used) in financing activities		(442.67)	1,006.74
Net increase in cash and cash equivalents		182.05	21.90
Cash and cash equivalents as at beginning of the period		188.23	289.41
Cash and cash equivalents as at end of the period		370.28	311.31

TORRENT POWER LIMITED

Condensed Consolidated Statement of Cash Flows

for the six months ended September 30, 2023

Footnotes:

		As at September 30, 2023	(₹ in Crore) As at September 30, 2022
1	Cash and cash equivalents as at end of the period:		
	Balances with banks		
	Balance in current accounts	**269.63**	258.45
	Balance in fixed deposit accounts (original maturity for less than three months)	**100.05**	51.81
	Cheques on hand	**0.25**	0.65
	Cash on hand	**0.35**	0.40
		370.28	311.31
2	Non-cash investing activities:		
	Acquisition of Right-of-use assets	**8.07**	2.10

3 Cash flow from operating activities includes ₹ 19.46 Crore (six months ended September 30, 2022 : ₹ 4.11 Crore) being expense towards corporate social responsibility initiatives.

4 The condensed consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

For and on behalf of Fund Raising Committee of Torrent Power Limited

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, December 2, 2024

TORRENT POWER LIMITED

Condensed Consolidated Statement of Changes in Equity for the six months ended September 30, 2023

A. Equity share capital [Refer note 21]

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Balance at the beginning of the period / year	480.62	480.62
Changes in equity share capital during the period / year	-	-
Balance at the end of the period / year	480.62	480.62

B. Other equity [Refer note 22]

(₹ in Crore)

	Reserves and surplus								
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company	Non-controlling interests	Total
Balance as at April 01, 2023	0.03	61.21	17.29	78.07	3,670.61	6,702.17	10,529.38	476.65	11,006.03
Profit for the period	-	-	-	-	-	1,043.16	1,043.16	31.67	1,074.83
Other comprehensive income for the period, net of tax	-	-	-	-	-	(8.93)	(8.93)	(0.94)	(9.87)
Total comprehensive income for the period	-	-	-	-	-	1,034.23	1,034.23	30.73	1,064.96
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(192.25)	(192.25)	(2.11)	(194.36)
Balance as at September 30, 2023	0.03	61.21	17.29	78.07	3,670.61	7,544.15	11,371.36	505.27	11,876.63
Balance as at April 01, 2022	0.03	139.60	15.37	78.07	3,583.89	5,645.60	9,462.56	35.93	9,498.49
Profit for the period	-	-	-	-	-	983.76	983.76	2.44	986.20
Other comprehensive income for the period, net of tax	-	-	-	-	-	1.82	1.82	-	1.82
Total comprehensive income for the period	-	-	-	-	-	985.58	985.58	2.44	988.02
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	-	-	(2.11)	(2.11)
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	377.88	377.88
Balance as at September 30, 2022	0.03	139.60	15.37	78.07	3,583.89	6,631.18	10,448.14	414.14	10,862.28

Footnote:
Retained earning includes ₹ (33.02) Crore (September 30, 2022 ₹ (27.37) Crore) related to re-measurement of defined benefit plans.

See accompanying notes forming part of the un-audited special purpose interim condensed consolidated financial statements

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

Notes forming part of the Un-audited Special Purpose Interim Condensed Consolidated Financial Statements for the six months ended September 30, 2023

Note 1(a): General information

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements comprise of financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") as of and for the six months ended September 30, 2023.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, renewables, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

Note 1(b): New standards or interpretations adopted by the Group

The Ministry of Corporate Affairs vide notification dated March 31, 2023notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 01, 2023:

i) Ind AS 1 – Disclosure of accounting policies
ii) Ind AS 8 – Definition of Accounting estimates
iii) Ind AS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 2(a): Material accounting policies

2.1 **Basis of preparation:**

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements comprising the Condensed Consolidated Balance Sheet as at September 30, 2023 and the Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Cash Flows and Condensed Consolidated Statement of Changes in Equity for the six months period ended on that date and a summary of material accounting policies and other explanatory information to these Un-audited Special Purpose Interim Condensed Consolidated Financial Statements (together hereinafter referred as the ' Un-audited Special Purpose Interim Condensed Consolidated Financial Statements ' or 'Financial Statements') have been prepared by the Management in accordance with the principles of Indian Accounting Standard ('Ind AS') 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and rules thereunder and are presented, and disclose the information required thereunder to the extent considered relevant by the Management and the intended users of the Un-audited Special Purpose Interim Condensed Consolidated Financial Statements for the purposes for which those have been prepared.

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements have been prepared by the Group for preparation of consolidated financial information of the Group to be included in the Preliminary Placement Document ("PDD") and Placement Document ("PD"), to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in Ahmedabad, as applicable, in connection with proposed Qualified institutions Placement of the equity shares by the Company in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and other relevant provisions of the Companies Act, 2013 (the 'Companies Act, 2013').

TORRENT POWER LIMITED AHMEDABAD

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost convention

These Un-audited Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on historical cost basis except for following which have been measured at fair value;

- Defined benefit plan assets
- Certain financial assets and liabilities (including derivative instruments) is measured at fair value

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 **Principles of consolidation:**

Subsidiaries

The financial statements are of Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the period are included in the condensed consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., period ended on September 30.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the condensed consolidated balance sheet, condensed consolidated statement of profit and loss and condensed consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Ahmedabad

TORRENT POWER LIMITED
AHMEDABAD

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the condensed consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 **Business combinations and Goodwill:**

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

TORRENT POWER LIMITED AHMEDABAD

- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in condensed consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

2.4 **Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the condensed consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Directly attributable costs are capitalized until the asset is ready to use in accordance with the Group's accounting policy of capitalization.

TORRENT POWER LIMITED AHMEDABAD

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the period is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business $	Franchisee business @	Other business
Buildings	1.26% to 6.73%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	6.86% to 23.08%	-
Plant and machinery	0.92% to 19.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	0.64% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	0.91% to 15.00%	6.33%	6.33% to 9.91%
Vehicles	9.50% to 18.00%	9.50%	9.50% to 11.88%
Office equipment	0.91% to 31.67%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of Uttar Pradesh Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

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

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2.5 **Intangible assets:**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 22 years
- Distribution License – 25 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.6 **Impairment of assets:**

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 **Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the condensed consolidated statement of profit and loss in the period of their accrual.

2.8 **Cash and cash equivalents:**

For the purpose of presentation in the condensed consolidated statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the condensed consolidated balance sheet.

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2.9 **Inventories:**

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 **Revenue recognition:**

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved Fuel and Power Purchase Price Adjustment (FPPPA) which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Gross proceeds from sale of Certified Emission Reduction Certificates (CERs) are recognized when all the control of CERs have been passed to buyer, usually on delivery of the CERs.

(iv) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(v) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.11 **Foreign currency translation:**

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

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Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the condensed consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

2.12 Employee benefits:

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the condensed consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the condensed consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the condensed consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the condensed consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

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Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the condensed consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.13 **Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the condensed consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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2.14 **Earnings per share:**

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.15 **Provisions, contingent liabilities and contingent assets:**

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.16 **Financial instruments:**

Financial assets

i) **Classification of financial assets (including debt instruments)**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) **Initial measurement**

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

iii) **Subsequent measurement**

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the condensed consolidated statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses. The Group currently does not have any debt instruments which are measured at FVOCI.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the condensed consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The policy of the Group is to provide for credit loss takes into consideration of factors such as type of Consumers i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer.

v) **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's condensed consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) **Income recognition**

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the condensed consolidated statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted when there is a certainty of recovery.

vi) **Derivative**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Financial liabilities

i) **Classification**

All the Group's financial liabilities are measured at amortized cost.

ii) **Initial measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

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iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 **Contributed equity:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.18 **Redemption liability**

Liability for put option issued to non-controlling shareholders in subsidiaries, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference arising between the amount received from the customer towards share capital, and the present value of redemption liability on initial recognition, would be recognised as a contract liability for electricity to be supplied in future. The liability shall be subsequently measured at amortised cost as per the principles of Ind AS 109.

2.19 **Leases:**

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

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The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.20 **Amount presented and rounding off:**

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by '*'.

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Note 2(b): Other accounting policies

2.21 **Government grants:**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the condensed consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.22 **Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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Note 3: Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognized those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33]

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Group has ability to pledge the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable except in case of 1 Subsidiary Company namely Solapur Transmission Limited which is into the business of transmission of electricity on Build, Own, Operate and Transfer (BOOT) basis.

(ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 44(1)]

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(iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 42]

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits.

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 45(a)]

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.6 Ind AS 116 - Leases

In determining whether the revenue contract (power purchase agreement) with customers especially when entire contractual capacity of the one project (solar) is committed to one customer, management has exercised judgement in concluding whether contract contains lease. Management takes into consideration of the responsible parties for design of the project and who has right to direct the use of solar power plant.

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As per the revenue contract, power producer will design procure, install & commission the solar power plant & all other equipment required to generate solar electricity. Power Purchaser neither operates the plant nor involved in the design of the solar power plant, therefore the Power Purchaser does not have right to direct the use of solar power plant and accordingly arrangement does not contain lease as per Ind AS 116.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 4 : Property, plant and equipment

As at September 30, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2023	Additions during the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2023	As at April 01, 2023	For the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2023	As at September 30, 2023
Freehold land	724.20	121.77	-	10.36	856.33	-	-	-	-	-	856.33
Buildings	2,073.27	63.17	2.24	(4.44)	2,129.76	428.33	37.46	0.48	2.71	468.02	1,661.74
Leasehold improvement	4.57	-	-	-	4.57	1.35	0.37	-	-	1.72	2.85
Railway siding	1.86	-	-	-	1.86	0.40	0.02	-	-	0.42	1.44
Plant and machinery	26,452.81	1,451.28	29.49	53.03	27,927.63	10,958.22	593.88	17.56	(2.71)	11,531.83	16,395.80
Electrical fittings and apparatus	68.41	3.86	0.07	-	72.20	24.54	1.91	0.04	-	26.41	45.79
Furniture and fixtures	78.94	6.33	0.24	-	85.03	25.07	2.52	0.16	-	27.43	57.60
Vehicles	35.30	4.48	0.92	-	38.86	13.72	1.76	0.31	-	15.17	23.69
Office equipment	214.78	13.63	4.51	-	223.90	86.57	9.20	2.82	-	92.95	130.95
Total	**29,654.14**	**1,664.52**	**37.47**	**58.95**	**31,340.14**	**11,538.20**	**647.12**	**21.37**	**-**	**12,163.95**	**19,176.19**

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

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

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	514.18	84.66	131.02	-	(5.66)	724.20	-	-	-	-	-	724.20
Buildings	1,807.77	5.16	246.43	1.12	15.03	2,073.27	357.85	67.87	0.21	2.82	428.33	1,644.94
Leasehold improvement	4.05	-	0.52	-	-	4.57	0.67	0.68	-	-	1.35	3.22
Railway siding	1.86	-	-	-	-	1.86	0.35	0.05	-	-	0.40	1.46
Plant and machinery	24,434.44	858.49	1,211.12	56.24	5.00	26,452.81	9,859.13	1,131.93	30.02	(2.82)	10,958.22	15,494.59
Electrical fittings and apparatus	55.52	-	12.99	0.15	0.05	68.41	21.32	3.31	0.09	-	24.54	43.87
Furniture and fixtures	64.46	-	14.64	0.16	-	78.94	20.89	4.29	0.11	-	25.07	53.87
Vehicles	30.86	0.49	6.06	2.11	-	35.30	11.51	3.44	1.23	-	13.72	21.58
Office equipment	190.69	0.04	28.24	4.48	0.29	214.78	72.72	17.03	3.18	-	86.57	128.21
Total	**27,103.83**	**948.84**	**1,651.02**	**64.26**	**14.71**	**29,654.14**	**10,344.44**	**1,228.60**	**34.84**	**-**	**11,538.20**	**18,115.94**

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

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

Footnotes:

1 The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital commitment:
Refer note 44 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the period include capitalisation of borrowing costs of ₹ 58.95 Crore (Previous year - ₹ 27.61 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs" and in Previous year - ₹ 0.61 Crore pertaining to reversal of security deposit.

4 Adjustments during the previous year include change in nature of freehold land to Investment property of ₹ 12.90 Crore.

5 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is 8.45% p.a. (Previous year 7.62% p.a. to 7.67% p.a.).

6 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.

7 Refer note 43 (1) for impairment loss in respect of DGEN power plant

8 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2023 - ₹ 2,314.07 Crore).

9 The Group have not revalued its property, plant and equipment during the current period or previous year.

10 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at September 30, 2023	As at March 31, 2023
Freehold land	50%	23.58	23.58
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 5 : Right-of-use assets

As at September 30, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2023	As at April 01, 2023	For the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2023	As at September 30, 2023
Land	223.09	19.00	14.05	7.03	-	249.11	29.96	4.76	3.12	-	31.60	217.51
Buildings	36.67	-	4.64	-	-	41.31	13.52	2.39	-	-	15.91	25.40
Plant and machinery	0.38	-	1.95	-	-	2.33	0.20	0.06	-	-	0.26	2.07
Office equipment	0.14	-	-	-	-	0.14	0.14	-	-	-	0.14	-
Total	260.28	19.00	20.64	7.03	-	292.89	43.82	7.21	3.12	-	47.91	244.98

Note 5 : Right-of-use assets (Contd.)

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Land	210.13	0.48	17.52	0.39	(4.65)	223.09	21.46	9.04	-	(0.54)	29.96	193.13
Buildings	36.04	-	3.67	3.04	-	36.67	10.36	4.34	1.18	-	13.52	23.15
Plant and machinery	0.38	-	-	-	-	0.38	0.15	0.05	-	-	0.20	0.18
Office equipment	0.14	-	-	-	-	0.14	0.12	0.02	-	-	0.14	-
Total	246.69	0.48	21.19	3.43	(4.65)	260.28	32.09	13.45	1.18	(0.54)	43.82	216.46

Footnotes:
1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].
2 Adjustments during the preious year include change in nature of land from Right-of-use assets to Investment property of ₹ 4.11 Crore (net).
3 The Group have not revalued its right-of-use assets during the current period or previous year.

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 6 : Capital work-in-progress

As at September 30, 2023

(₹ in Crore)

Particulars	As at April 01, 2023	Additions during the six months	Capitalised during the six months	Adjustment during the six months	As at September 30, 2023
Capital work-in-progress	2,624.69	905.83	1,553.05	-	1,977.47
Total	**2,624.69**	**905.83**	**1,553.05**	**-**	**1,977.47**

As at March 31, 2023

(₹ in Crore)

Particulars	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Capitalised during the year	Adjustment during the year	As at March 31, 2023
Capital work-in-progress	1,297.27	0.07	2,840.23	1,501.31	(11.57)	2,624.69
Total	1,297.27	0.07	2,840.23	1,501.31	(11.57)	2,624.69

Footnotes:

1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital work-in-progress include borrowing costs of ₹ 60.03 Crore (March 31, 2023 - ₹ 83.00 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

3 Adjustment during the period includes ₹ Nil (Previous year - ₹ 11.57 Crore (including ₹ 1.49 Crore related to borrowing cost)) write off.

4 Capital work-in-progress mainly comprises Plant and machinery, Buildings and Freehold land.

5 Additions to Capital work-in-progress includes capitalisation of directly attributable costs incurred by the Group under various headings.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note - 7 : Investment property

As at September 30, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions during the six months	Deductions during the six months	Adjustments during the six months	As at September 30, 2023	As at April 01, 2023	For the six months	Deductions during the six months	As at September 30, 2023	As at September 30, 2023
Freehold land	9.39	-	3.17	-	6.22	-	-	-	-	6.22
Total	**9.39**	**-**	**3.17**	**-**	**6.22**	**-**	**-**	**-**	**-**	**6.22**

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2022	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	-	2.17	9.79	17.01	9.39	-	-	-	-	9.39
Total	**-**	**2.17**	**9.79**	**17.01**	**9.39**	**-**	**-**	**-**	**-**	**9.39**

Footnotes:

1 The above investment property have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Adjustments during the previous year is due to change in nature of leasehold from Right-of-use assets / freehold land from Property plant and equipment of ₹ 17.01 Crore to Investment property.

3 Details of the Group's investment property and information about the fair value hierarchy are as follows:

Particulars	As at September 30, 2023	As at March 31, 2023
Fair value of investment property (₹ in Crore)	23.36	40.26
Fair value hierarchy	Level 2 [Refer note 48]	Level 2 [Refer note 48]

The fair value of the Group's investment property has been arrived based on a valuation report by external independent valuer, who is a registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules 2017. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

4 The Group has no restrictions on the realisability or the remittance of income and proceeds of disposal of its investment properties. There are no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.

5 The Group has not revalued its investment property during the current period or previous year.

6 The title deeds of investment property are held in the name of the Group as at September 30, 2023 and March 31, 2023.

7 Amount recognised in statement of profit and loss for investment property:

(₹ in Crore)

Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022
Rental income derived from investment property	-	-
Direct operating expenses arising from investment property that generated rental income	-	-
Direct operating expenses arising from investment property that did not generate rental income	-	-

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 8 : Goodwill

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Balance at the beginning of the period / year	**171.07**	-
Addition on account of acquisition of subsidiary [Refer note 42]	**-**	171.07
Balance at the end of the period / year	**171.07**	171.07

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 9 : Other intangible assets

As at September 30, 2023 (₹ in Crore)

Particulars	Gross carrying amount				Accumulated amortisation				Net carrying amount
	As at April 01, 2023	Additions during the six months	Deductions during the six months	As at September 30, 2023	As at April 01, 2023	For the six months	Deductions during the six months	As at September 30, 2023	As at September 30, 2023
Computer software	68.20	1.30	0.02	69.48	56.20	3.67	0.02	59.85	9.63
Customer contract	143.94	-	-	143.94	8.25	4.08	-	12.33	131.61
Distribution licence	634.00	-	-	634.00	25.36	12.68	-	38.04	595.96
Total	**846.14**	**1.30**	**0.02**	**847.42**	**89.81**	**20.43**	**0.02**	**110.22**	**737.20**

As at March 31, 2023 (₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortisation				Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Computer software	66.22	-	2.32	0.34	68.20	47.20	9.31	0.31	56.20	12.00
Customer contract	104.85	39.09	-	-	143.94	0.58	7.67	-	8.25	135.69
Distribution licence	-	634.00	-	-	634.00	-	25.36	-	25.36	608.64
Total	**171.07**	**673.09**	**2.32**	**0.34**	**846.14**	**47.78**	**42.34**	**0.31**	**89.81**	**756.33**

Footnotes:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 The Group have not revalued its intangible assets during the current period or previous year.

3 Remaining amortisation period of "Distribution licence" is 23.50 years as at September 30, 2023 (March 31, 2023 - 24 years).

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 10 : Non-current investments

(₹ in Crore)

	No. of shares			
	As at September 30, 2023	As at March 31, 2023	**As at September 30, 2023**	As at March 31, 2023
Investment in equity instruments (unquoted) (at fair value through profit or loss)				
AEC Cements & Constructions Limited Equity shares of ₹ 10 each fully paid up (As at September 30, 2023 & March 31, 2023 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr)	**9,61,500**	9,61,500	-	-
Tidong Hydro Power Limited Equity shares of ₹ 10 each fully paid up (As at September 3, 2023 & March 31, 2023 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr)	**24,500**	24,500	-	-
UNM Foundation @ Equity shares of ₹ 10 each fully paid up	**50,000**	50,000	**0.05**	0.05
			0.05	0.05
Contingency reserve investments - statutory (quoted) (at amortised cost) $			**16.97**	15.89
			16.97	15.89
			17.02	15.94
Aggregate amount of quoted investments			**16.97**	15.89
Aggregate amount of unquoted investments			**0.05**	0.05
			17.02	15.94
Aggregate amount of provision for impairment in value of investments			**0.63**	0.63
Aggregate amount of market value of quoted investments			**16.82**	15.70

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e. UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 11 : Other non-current financial assets

(₹ in Crore)

	As at **September 30, 2023**	As at March 31, 2023
Security deposits	**60.88**	58.59
Bank fixed deposits #	**24.57**	24.40
Other advances / receivables [Refer footnote 1]	**38.19**	52.39
	123.64	135.38

include ₹ 23.38 Crore on which a lien has been created in favour of lenders.

Footnote:

1 Ministry of Power vide Gazette Notification dated June 03, 2022, notified The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (the "LPS Rules"). The LPS Rules provide a mechanism for settlement of outstanding dues as on June 03, 2022 into interest free Equated Monthly Instalments (EMI) which ranges from 12 to 48. In view of above, substantial modification and considering the principles of Ind AS 109 - Financial Instruments, the Group has derecognised the original trade receivables of ₹ 177.47 Crore as on June 03, 2022.

On derecognition of original trade receivable, the new receivable from customer under Late payment surcharge Scheme (based on modified terms) at its fair value is disclosed under the head Other non-current financial asset ₹ 52.28 Crore as at March 31, 2023 and other current financial asset ₹ 52.06 Crore as at March 31, 2023 [Refer note 19].

Note 12 : Non-current tax assets

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Advance income tax (net)	**32.53**	12.50
	32.53	12.50

Note 13 : Other non-current assets

(₹ in Crore)

	As at **September 30, 2023**	As at March 31, 2023
Capital advances	**280.10**	153.66
Advances for goods and services	**99.41**	118.32
Balances with government authorities	**68.88**	68.69
Prepaid expenses	**14.48**	17.37
Advance against equity investment [Refer footnote 1 and note 42]	-	3.00
	462.87	361.04

Footnote:

1 On February 08, 2023, the Company has entered into a Binding term sheet with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited (AWPL), which holds leasehold land situated in the state of Gujarat for the purpose of development of wind power project.

Accordingly, advance amount of ₹ 3.00 Crore given to the sellers as per binding term sheet is shown as "Advance against equity investment" as at March 31, 2023 in condensed consolidated financial statement.

On September 01, 2023, the Company through its subsidiary, Torrent Green Energy Private Limited (TGEPL) has signed a Share Purchase Agreement (SPA) with the Sellers for the acquisition of 100% share capital of AWPL. The advance amount of ₹ 3.00 Crore has been recovered by Company from TGEPL.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 14 : Inventories
(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Stores and spares	**369.48**	351.49
Fuel	**499.99**	340.38
Raw materials	**37.83**	42.53
Work-in-progress	**18.80**	23.20
Finished goods	**43.55**	56.43
Packing materials	**3.09**	2.49
Loose tools	**4.00**	3.76
	976.74	820.28

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹ 1.32 Crore (Previous year - ₹ 4.44 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Group. [Refer note 23]

3 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Fuel	**2.51**	9.35
Raw materials	**0.14**	3.93
Finished goods	**11.88**	9.46
	14.53	22.74

Note 15 : Current investments

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Investment in mutual funds (unquoted) (at fair value through profit or loss)	**1,070.60**	785.82
Contingency reserve investments - statutory (quoted) (at amortised cost) $	**2.95**	1.93
	1,073.55	787.75
Aggregate amount of quoted investments	**2.95**	1.93
Aggregate amount of unquoted investments	**1,070.60**	785.82
	1,073.55	787.75
Aggregate amount of impairment in value of investments	**-**	-
Aggregate amount of market value of quoted investments	**2.87**	1.98

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 16 : Trade Receivables

(₹ in Crore)

			As at September 30, 2023	As at March 31, 2023
Trade receivables				
	Secured	- Considered good #	1,301.97	929.30
	Unsecured	- Considered good	1,383.14	1,317.03
		- Credit impaired	243.34	204.50
			2,928.45	2,450.83
Less: Allowance for bad and doubtful debts			243.34	204.50
			2,685.11	2,246.33

Group holds security deposits in respect of electricity receivables.

Footnotes:
1 Refer note 23 for charge on current assets including trade receivables.
2 Refer note 48 for credit risk related disclosures.

Note 17 : Cash and cash equivalents

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Balances with banks		
Balance in current accounts	269.63	187.33
Balance in fixed deposit accounts (original maturity of less than three months)	100.05	-
	369.68	187.33
Cheques on hand	0.25	0.60
Cash on hand	0.35	0.30
	370.28	188.23

Note 18 : Bank balances other than cash and cash equivalents

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Unpaid dividend accounts	12.85	11.21
Unpaid fractional coupon accounts	*	*
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	75.78	144.08
	88.63	155.29

include ₹ 44.95 Crore (March 31, 2023 - ₹ 31.49 Crore) on which a lien has been created in favour of lenders.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 19 : Other current financial assets

	As at September 30, 2023	(₹ in Crore) As at March 31, 2023
Security deposits	**43.85**	41.36
Interest accrued on non-current investments	**0.23**	0.24
Interest accrued on deposits	**2.37**	2.93
Unbilled revenue (including revenue gap / surplus)	**3,362.77**	2,904.66
	3,409.22	2,949.19
Other advances / receivables [Refer footnote 1 of note 11]		
Considered good	**151.17**	162.21
Considered credit impaired	**-**	6.06
	151.17	168.27
Less : Allowance for doubtful advances	**-**	6.06
	151.17	162.21
	3,560.39	3,111.40

Note 20 : Other current assets

	As at September 30, 2023	(₹ in Crore) As at March 31, 2023
Advances for goods and services	**186.46**	83.79
Balances with government authorities	**3.88**	6.03
Prepaid expenses	**57.83**	53.69
	248.17	143.51

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 21 : Equity share capital

	As at September 30, 2023	(₹ in Crore) As at March 31, 2023
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2023) equity shares of ₹10 each	**4,370.00**	4,370.00
	4,370.00	4,370.00
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2023) equity shares of ₹10 each	**480.62**	480.62
	480.62	480.62

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period / year :

	No. of shares As at September 30, 2023	No. of shares As at March 31, 2023
At the beginning of the period / year	**48,06,16,784**	48,06,16,784
Issued during the period / year	-	-
Outstanding at the end of the period / year	**48,06,16,784**	48,06,16,784

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2023) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	**As at September 30, 2023**		As at March 31, 2023	
	No. of shares	**% holding**	No. of shares	% holding
Torrent Investments Private Limited	**25,74,22,311**	**53.56%**	25,74,22,311	53.56%
Gujarat State Financial Services Limited	**4,68,71,621**	**9.75%**	4,68,71,621	9.75%
Axis Mutual Funds	**3,86,68,217**	**8.05%**	4,16,57,977	8.67%
SBI Mutual Funds	**2,62,88,054**	**5.47%**	2,52,86,083	5.26%

5 Details of shareholding of Promoters in the Company :

Promoter name	**As at September 30, 2023**			As at March 31, 2023		
	No. of shares	**% of total shares**	**% changes during the period**	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited	**25,74,22,311**	**53.56%**	-	25,74,22,311	53.56%	-
Sudhir Mehta	**6,882**	**0.00%**	-	6,882	0.00%	-
Samir Mehta	**6,125**	**0.00%**	-	6,125	0.00%	-
Jinal Mehta	**8,000**	**0.00%**	-	8,000	0.00%	-

6 Distributions made:

Interim dividend for FY 2022-23 of ₹ 22.00 per equity share aggregating to ₹ 1,057.36 Crore was paid in the month of March 2023.

Final dividend for FY 2022-23 of ₹ 4.00 per equity share aggregating to ₹ 192.25 Crore was paid in the month of August 2023.

TORRENT POWER LIMITED AHMEDABAD

Note 22 : Other equity

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Reserves and surplus		
Securities premium	**0.03**	0.03
Debenture redemption reserve	**61.21**	61.21
Contingency reserve	**17.29**	17.29
Special reserve	**78.07**	78.07
General reserve	**3,670.61**	3,670.61
Retained earnings	**7,544.15**	6,702.17
	11,371.36	10,529.38

Refer "Condensed Consolidated Statement of Changes in Equity" for movement in each reserve.

Footnotes:

1 Securities premium :

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Group was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the period and DRR created till previous years will be transferred to general reserve on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 23 : Non-Current Borrowings

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
6.50%,6.90%,7.25% Series 7A, 7B & 7C	**248.79**	248.54
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	**450.00**	450.00
7.45%, 8.05% Series 9A & 9B	**599.39**	599.36
8.30%,8.35%,8.55%,8.65% Series 10A,10B,10C & 10D	**200.00**	200.00
8.50% Series 11A,11B,11C,11D,11E & 11F	**601.35**	-
8.20% Series 1 (In respect of Torrent Solargen Limited)	**492.05**	503.26
	2,591.58	2,001.16
Term loans @		
From banks	**5,816.90**	5,793.74
	5,816.90	5,793.74
Supplier's credit	**675.12**	612.94
	9,083.60	8,407.84
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	-	89.99
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	**199.76**	199.57
7.00% Series 1 (In respect of Latur Renewable Private Limited)	**199.76**	199.57
	399.52	489.13
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	**3.82**	5.35
	3.82	5.35
	403.34	494.48
	9,486.94	8,902.32

@ After considering unamortised expense of ₹ 16.61 Crore as at September 30, 2023 and ₹ 18.72 Crore as at March 31, 2023.
& After considering unamortised expense of ₹ 1.49 Crore as at September 30, 2023 and ₹ 3.19 Crore as at March 31, 2023.
# After considering unamortised expense of ₹ 0.48 Crore as at September 30, 2023 and ₹ 0.87 Crore as at March 31, 2023.

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures ^		
8.95% Series 3A, 3B & 3C	-	80.00
7.30% Series 6	-	300.00
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	**150.00**	150.00
8.20% Series 1 (In respect of Torrent Solargen Limited)	**21.88**	21.32
	171.88	551.32
Term loans $		
From banks	**458.02**	746.17
	458.02	746.17
Unsecured loans - at amortised cost		
Non convertible debentures *		
10.25% Series 4A, 4B & 4C	**89.97**	89.94
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	**99.60**	99.50
7.00% Series 1 (In respect of Latur Renewable Private Limited)	**99.59**	99.50
	289.16	288.94
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	**3.60**	3.82
	3.60	3.82
	922.66	1,590.25
Amount disclosed under the head 'Current borrowings' [Refer note 27]	**(922.66)**	(1,590.25)
	-	-

$ After considering unamortised expense of ₹ 4.3 Crore as at September 30, 2023 and ₹ 4.49 Crore as at March 31, 2023.
^ After considering unamortised expense of ₹ 0.12 Crore as at September 30, 2023 and ₹ 0.13 Crore as at March 31, 2023.
* After considering unamortised expense of ₹ 0.85 Crore as at September 30, 2023 and ₹ 1.06 Crore as at March 31, 2023.

TORRENT POWER LIMITED AHMEDABAD

Note 23 : Non-Current Borrowings (Contd.)

Footnotes:

As at September 30, 2023

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,939.95 Crore and non convertible debentures of ₹ 2,250.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds, working capital facility agreements), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:
Capex LC facility (LC issued of ₹ 693.27 Crore and LC discounted of ₹ 675.12 Crore as at September 30, 2023) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.

Non-convertible debentures of ₹ 515.07 Crore outstanding as at September 30, 2023, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:
Term loans ₹ 355.88 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

2 The rate of interest for term loans from banks are ranges from 8.45% p.a. to 8.95% p.a. as at September 30, 2023.

3 Undrawn term loans from banks, based on approved facilities, were ₹ 1,700.00 Crore as at September 30, 2023.

4 During the period, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

As at March 31, 2023

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 6,194.75 Crore and non convertible debentures of ₹ 2,030.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:
Capex LC facility (LC issued of ₹ 693.27 Crore and LC discounted of ₹ 612.94 Crore as at March 31, 2023) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.

Non-convertible debentures of ₹ 525.80 Crore outstanding as at March 31, 2023, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:
Term loans ₹ 368.37 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

2 The rate of interest for term loans from banks are ranges from 8.35% p.a. to 9.19% p.a. as at March 31, 2023.

3 Undrawn term loans from banks, based on approved facilities, were ₹ 306.73 Crore as at March 31, 2023.

4 During the previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 24 : Non-current trade payables

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	286.86	210.61
	286.86	210.61

Note 25 : Other non-current financial liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Redemption liability [Refer footnote 1]	0.74	-
	0.74	-

Footnote:

1 There are other stakeholders in certain subsidiaries owning in the range of 26% to 33% stake. A redemption liability of ₹ 0.74 Crore (March 31, 2023 - ₹ Nil) has been accounted for non-controlling interest portion.

Note 26 : Other non-current liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Deferred revenue		
Contribution received from consumers	1,326.84	1,303.00
Capital grant from government	12.22	11.66
Sundry payables	57.79	57.80
	1,396.85	1,372.46

TORRENT POWER LIMITED AHMEDABAD

Note 27 : Current borrowings

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Secured loans		
Working capital loan from banks	**225.00**	-
	225.00	-
Unsecured loans		
Other loans [Refer footnote 6]	**3.50**	3.50
	3.50	3.50
Current maturities of long-term debt [Refer note 23]	**922.66**	1,590.25
	1,151.16	1,593.75

Footnotes:

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

2 Working capital facility of ₹ 50.00 Crore is secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

3 Working capital facility of ₹ 50.00 Crore is secured by a first exclusive charge by way of hypothecation in respect of entire movable assets and current assets of of subsidiary company, Torrent Electricals Limited (formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited) (TEL), both present and future of TEL.

4 Undrawn cash credit from banks, based on approved facilities, were ₹ 925.00 Crore (March 31, 2023 - ₹ 1,200.00 Crore).

5 During the current period and previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

6 Loan is interest free and repayable on demand.

TORRENT POWER LIMITED AHMEDABAD

Note 27 : Current borrowings (Contd.)

Net debt reconciliation :

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Cash and cash equivalents	**370.28**	188.23
Current investments	**1,073.55**	787.75
Current borrowings (excluding current maturities of long-term debt) #	**(228.50)**	(3.50)
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due) #	**(10,612.54)**	(10,642.80)
Lease Liabilities	**(46.78)**	(45.34)
	(9,443.99)	(9,715.66)

Transactions cost reduced from the borrowing is excluded.

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2023	**188.23**	**787.75**	**(3.50)**	**(10,642.80)**	**(45.34)**	**(9,715.66)**
Cash flows (net)	182.05	254.17	(225.00)	87.58	17.35	316.15
New lease	-	-	-	-	(20.64)	(20.64)
Transfer from non-current investments	-	1.02	-	-	-	1.02
Deletion relating to lease liability	-	-	-	-	3.93	3.93
Interest expense	-	-	(1.31)	(431.73)	(2.08)	(435.12)
Interest paid	-	-	1.31	374.41	-	375.72
Gain on sale of current investments	-	26.78	-	-	-	26.78
Fair value adjustment	-	3.83	-	-	-	3.83
Net balance as at September 30, 2023	**370.28**	**1,073.55**	**(228.50)**	**(10,612.54)**	**(46.78)**	**(9,443.99)**
Net balance as at April 01, 2022	**289.41**	**273.70**	**(717.24)**	**(8,531.52)**	**(44.21)**	**(8,729.86)**
Cash flows (net)	(101.18)	449.25	713.74	(2,107.38)	22.34	(1,023.23)
New lease	-	-	-	-	(21.19)	(21.19)
Transfer from non-current investments	-	1.93	-	-	-	1.93
Deletion relating to lease liability	-	-	-	-	2.25	2.25
Interest expense	-	-	(13.97)	(769.73)	(3.95)	(787.65)
Interest paid	-	-	13.97	765.83	-	779.80
Gain on sale of current investments	-	55.64	-	-	-	55.64
Fair value adjustment	-	7.23	-	-	-	7.23
On account of acquisition of subsidiaries	-	-	-	-	(0.58)	(0.58)
Net balance as at March 31, 2023	**188.23**	**787.75**	**(3.50)**	**(10,642.80)**	**(45.34)**	**(9,715.66)**

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 28 : Current trade payables

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	**47.34**	68.99
Total outstanding dues other than micro and small enterprises	**2,269.24**	1,453.68
	2,316.58	1,522.67

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

Note 29 : Other current financial liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Interest accrued but not due on loans and security deposits	**179.09**	121.77
Investor education and protection fund #		
Unpaid / Unclaimed dividend	**12.85**	11.21
Unclaimed fractional coupons	*	*
Book overdraft	**0.03**	0.07
Derivative financial instruments	**0.04**	-
Security deposits from consumers @	**1,851.11**	1,702.55
Other deposits	**8.77**	6.86
Payables for purchase of property, plant and equipment	**371.31**	451.62
Sundry payables (including for employees related payables)	**209.78**	393.64
	2,632.98	2,687.72

There is no amount due and outstanding to be credited to investor education and protection fund as at September 30, 2023 and as at March 31, 2023.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

Note 30 : Other current liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Credit balances of consumers	**84.81**	106.28
Service line deposits from consumers	**258.84**	236.41
Deferred revenue		
Contribution received from consumers	**102.98**	100.80
Capital grant from government	**1.15**	2.37
Statutory dues	**245.80**	223.93
Sundry payables	**2.28**	7.45
	695.86	677.24

Chartered Accountants LLPIN AAC-5001 FRN 012754N/N500016 Ahmedabad

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 31 : Current provisions

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity	**20.23**	2.54
Provision for compensated absences $	**130.29**	124.68
Provision for pension	**1.03**	1.95
	151.55	129.17
Other provisions		
Provision for indirect taxes	**0.25**	0.25
Provision for onerous contracts	**134.38**	134.38
Others	**0.62**	0.26
	135.25	134.89
	286.80	264.06

$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in Provision

(₹ in Crore)

	Provision for indirect taxes	Provision for onerous contracts	Others
Balance as at April 01, 2023	0.25	134.38	0.26
Additional provision recognised	-	-	0.36
Balance as at September 30, 2023	**0.25**	**134.38**	**0.62**
Balance as at April 01, 2022	**0.25**	**135.76**	-
Additional provision recognised	-	9.44	-
Addition on account of acquisition of subsidiary	-	-	0.26
Reversal of provision	-	(10.82)	-
Balance as at March 31, 2023	**0.25**	**134.38**	**0.26**

Note 32 : Current tax liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Provision for taxation (net of tax paid)	**241.72**	178.57
	241.72	178.57

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 33 : Revenue from operations

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	**13,702.14**	11,653.06
Revenue from sale of cable products		
Manufactured goods	**253.91**	220.18
Revenue from trading of RLNG	**220.99**	1,213.95
	14,177.04	13,087.19
Less: Discount for prompt payment of bills	**18.74**	16.46
	14,158.30	**13,070.73**
Other operating income		
Amortisation of deferred revenue		
Contribution received from consumers #	**51.27**	47.33
Capital grant from government	**0.65**	1.18
Income from Generation Based Incentive	**22.00**	22.28
Hire of meters	**0.97**	1.17
Provisions of earlier years written back	**0.01**	0.11
Insurance claim receipt	**1.67**	0.08
Miscellaneous income	**53.67**	70.58
	130.24	142.73
	14,288.54	13,213.46

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

Footnotes:

1 Disaggregation of revenue from contracts with customers:

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Generation	**923.37**	1,040.61
Transmission and Distribution	**12,884.13**	11,774.79
Renewables	**350.80**	255.34
	14,158.30	13,070.73

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time and others at a point in time.

Note 34 : Other income

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Interest income from financial assets measured at amortised cost		
Deposits	**3.91**	5.52
Consumers	**22.06**	19.14
Contingency reserve investments	**0.62**	0.61
Loans to related parties [Refer note 47(b)]	-	3.45
Others	**0.03**	1.25
	26.62	29.97
Gain on disposal of property, plant and equipment / investment property	**19.31**	22.56
Gain on sale of current investments in mutual funds	**26.78**	18.85
Gain on sale of non-current investments	**0.05**	-
Net gain arising on financial assets / liabilities measured at amortised cost	**17.40**	8.75
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	**3.83**	1.02
Net gain on foreign currency transactions and translations	**4.91**	10.73
Discount on prompt payment of power purchase	**53.35**	58.35
Miscellaneous income	**41.64**	52.14
	193.89	202.37

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TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 35 : Cost of materials consumed

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Cost of materials consumed	**281.44**	278.64
Less: Allocated to capital works	**67.03**	78.11
	214.41	200.53

Note 36 : Changes in inventories of finished goods and work-in-progress

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Inventory of finished goods		
Opening stock	**56.43**	26.33
Less: Closing stock	**43.55**	36.08
	12.88	(9.75)
Inventory of work-in-progress		
Opening stock	**23.20**	9.96
Less: Closing stock	**18.80**	16.58
	4.40	(6.62)
Less: Allocated to capital works	**3.69**	(4.96)
	13.59	(11.41)

Note 37 : Employee benefits expense

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Salaries, wages and bonus	**364.30**	338.91
Contribution to provident and other funds	**26.31**	24.47
Employees welfare expenses	**15.18**	13.45
Compensated absences	**14.12**	13.25
Gratuity	**9.38**	9.68
	429.29	399.76
Less: Allocated to capital works, repairs and other relevant revenue accounts	**121.40**	111.64
	307.89	288.12

Note 38 : Finance costs

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Interest expense for financial liabilities measured at amortised cost		
Term loans #	**277.73**	224.15
Non convertible debentures ^	**131.25**	133.89
Working capital loans	**1.31**	13.94
Security deposits from consumers	**57.94**	31.63
Lease liabilities	**2.08**	1.95
Others (including for supplier's credit)	**26.19**	13.51
Unwinding of discount	**-**	0.97
	496.50	420.04
Other interest expense	**0.71**	0.08
Other borrowing costs	**13.21**	6.73
	510.42	426.85
Less: Allocated to capital works	**35.98**	25.85
	474.44	401.00

includes amortisation of borrowing cost of ₹ 2.31 Crore (six months ended september 30, 2022 : ₹ 5.62 Crore)
^ includes amortisation of borrowing cost of ₹ 0.95 Crore (six months ended september 30, 2022 : ₹ 0.90 Crore)

TORRENT POWER LIMITED AHMEDABAD

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 39 : Depreciation and amortisation expense

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Depreciation expense on property, plant and equipment	647.12	602.74
Depreciation expense on right-of-use assets	7.21	6.68
Amortisation expense on intangible assets	20.43	22.25
	674.76	631.67
Less: Transfer from others	-	0.10
Less: Allocated to capital works	1.06	1.31
	673.70	630.26

Note 40 : Other expenses

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Consumption of stores and spares	148.18	90.71
Rent and hire charges	8.67	11.45
Repairs to		
Buildings	7.73	5.51
Plant and machinery	254.12	223.73
Others	17.35	12.46
	279.20	241.70
Insurance	24.25	24.91
Rates and taxes	8.64	7.26
Vehicle running expenses	24.28	23.78
Electricity expenses	20.83	18.67
Security expenses	31.71	27.90
Water charges	16.60	13.95
Power transmission and scheduling charges	10.78	4.39
Corporate social responsibility expenses	19.46	4.11
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	11.15	5.83
Commission to non-executive directors [Refer note 47(b)]	1.92	1.56
Directors sitting fees	0.55	0.35
Auditors remuneration	1.74	1.36
Legal, professional and consultancy fees	68.93	57.87
Donations	9.42	9.01
Net loss on foreign currency transactions	0.02	0.24
Bad debts written off (net of recovery)	(9.01)	(18.44)
Provision for onerous contracts	-	9.68
Allowance for doubtful advances	(6.06)	-
Allowance for doubtful debts (net)	38.84	16.37
Miscellaneous expenses	72.71	82.95
	782.81	635.61
Less: Allocated to capital works, repairs and other relevant revenue accounts	57.66	58.36
	725.15	577.25

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 41: Composition of the group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at September 30, 2023	As at March 31, 2023
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
Torrent Electricals Limited (Formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited	Power Generation	India	74%	100%
Torrent Saurya Urja 4 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 5 Private Limited	Power Generation	India	74%	100%
Visual Percept Solar Projects Private Limited	Power Generation	India	100%	100%
Surya Vidyut Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 6 Private Limited (Formerly known as LREHL Renewables India SPV 1 Private Limited)	Power Generation	India	100%	100%
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (w.e.f. April 01, 2022)	Power Distribution	India	51%	51%
Torrent Urja 7 Private Limited (w.e.f. July 30, 2022) (formerly known as Wind Two Renergy Private Limited)	Power Generation	India	100%	100%
Sun Shakti Solar Power Projects Private Limited (w.e.f. June 13, 2022)	Power Generation	India	100%	100%
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	Power Generation	India	100%	-
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	-
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	Power Generation	India	100%	-
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	Power Generation	India	100%	-
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	Power Generation	India	100%	-
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	-
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	Power Generation	India	100%	-
Step down Subsidiary Airpower Windfarms Private Limited (w.e.f September 01, 2023)	Power Generation	India	100%	-

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Note 41: Composition of the group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company its Subsidiaries and its step down subsidiaries as per Schedule III of Companies Act, 2013 as at and for six months ended September 30, 2023:

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.41%	11,790.56	90.32%	970.77	77.40%	(7.64)	90.44%	963.13
Torrent Solargen Limited	0.15%	18.53	0.50%	5.37	-	-	0.50%	5.37
Torrent Pipavav Generation Limited	0.23%	28.79	(0.03%)	(0.36)	-	-	(0.03%)	(0.36)
Torrent Power Grid Limited	0.82%	100.98	0.57%	6.17	(0.10%)	0.01	0.58%	6.18
Latur Renewable Private Limited	1.22%	150.90	1.72%	18.50	-	-	1.74%	18.50
Jodhpur Wind Farms Private Limited	1.14%	140.60	1.15%	12.37	-	-	1.16%	12.37
Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)	(0.09%)	(10.53)	(1.14%)	(12.22)	2.94%	(0.29)	(1.17%)	(12.51)
Torrent Solar Power Private Limited	(0.18%)	(21.81)	(0.62%)	(6.65)	-	-	(0.62%)	(6.65)
Torrent Saurya Urja 2 Private Limited	(0.08%)	(9.29)	(0.36%)	(3.91)	-	-	(0.37%)	(3.91)
Torrent Saurya Urja 3 Private Limited	0.00%	0.28	(0.03%)	(0.35)	-	-	(0.03%)	(0.35)
Torrent Saurya Urja 4 Private Limited	(0.01%)	(0.87)	(0.07%)	(0.79)	-	-	(0.07%)	(0.79)
Torrent Saurya Urja 5 Private Limited	0.00%	0.57	(0.05%)	(0.54)	-	-	(0.05%)	(0.54)
Visual Percept Solar Projects Private Limited	1.44%	178.33	1.28%	13.80	0.20%	(0.02)	1.29%	13.78
Surya Vidyut Limited	2.75%	340.35	2.17%	23.48	-	-	2.20%	23.48
Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)	0.68%	84.05	0.48%	5.16	-	-	0.48%	5.16
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	2.12%	262.16	3.30%	35.51	9.83%	(0.97)	3.24%	34.54
Sun Shakti Solar Power Projects Private Limited	1.11%	136.90	0.81%	8.69	-	-	0.82%	8.69
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	0.14%	17.00	0.31%	3.37	-	-	0.32%	3.37
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	-	(0.05)	(0.01%)	(0.10)	-	-	(0.01%)	(0.10)
Airpower Windfarms Private Limited (w.e.f September 01, 2023)	0.18%	21.69	0.00%	(0.04)	-	-	0.00%	(0.04)
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)

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Note 41: Composition of the group (Contd.)

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	-	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Non-controlling interests	4.09%	505.27	2.95%	31.67	9.73%	(0.96)	2.88%	30.71
Consolidation adjustments	(11.12%)	(1,377.16)	(3.25%)	(34.97)	-	-	(3.30%)	(34.97)
Total	**100.00%**	**12,357.25**	**100.00%**	**1,074.83**	**100.00%**	**(9.87)**	**100.00%**	**1,064.96**

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Note 41: Composition of the group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company its Subsidiaries and its step down subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2023:

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.93%	11,019.67	97.18%	2,103.72	120.74%	7.29	97.25%	2,111.01
Torrent Solargen Limited	0.11%	13.16	(0.22%)	(4.83)	-	-	(0.22%)	(4.83)
Torrent Pipavav Generation Limited	0.25%	29.14	(0.04%)	(0.81)	-	-	(0.04%)	(0.81)
Torrent Power Grid Limited	0.88%	100.80	0.73%	15.72	1.02%	0.06	0.73%	15.78
Latur Renewable Private Limited	1.15%	132.40	0.49%	10.62	-	-	0.49%	10.62
Jodhpur Wind Farms Private Limited	1.12%	128.23	0.34%	7.31	-	-	0.34%	7.31
Torrent Electricals Limited (Formerly known as Torrent Electricals Private Limited / TCL Cables Private Limited)	0.02%	1.98	(0.22%)	(4.77)	3.23%	0.19	(0.21%)	(4.58)
Torrent Solar Power Private Limited	(0.13%)	(15.16)	(0.67%)	(14.53)	-	-	(0.67%)	(14.53)
Torrent Saurya Urja 2 Private Limited	(0.05%)	(5.38)	(0.23%)	(4.95)	-	-	(0.23%)	(4.95)
Torrent Saurya Urja 3 Private Limited	-	-	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent Saurya Urja 4 Private Limited	0.00%	(0.08)	(0.01%)	(0.12)	-	-	(0.01%)	(0.12)
Torrent Saurya Urja 5 Private Limited	0.00%	0.02	0.00%	(0.01)	-	-	0.00%	(0.01)
Visual Percept Solar Projects Private Limited	1.53%	175.55	1.26%	27.36	(0.03%)	(0.00)	1.26%	27.36
Surya Vidyut Limited	2.76%	316.87	(0.51%)	(10.94)	(0.53%)	(0.03)	(0.51%)	(10.97)
Torrent Saurya Urja 6 Private Limited (Previously known as LREHL Renewables India SPV 1 Private Limited)	0.69%	78.98	0.11%	2.43	-	-	0.11%	2.43
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	1.98%	227.63	2.45%	53.04	(12.64%)	(0.76)	2.41%	52.28
Sun Shakti Solar Power Projects Private Limited (w.e.f. June 13, 2022)	1.12%	128.21	0.92%	19.88	-	-	0.92%	19.88
Torrent Urja 7 Private Limited (w.e.f. July 30, 2022) (formerly known as Wind Two Renergy Private Limited)	0.12%	13.55	(0.72%)	(15.54)	-	-	(0.72%)	(15.54)
Non-controlling interests	4.15%	476.64	2.18%	47.24	(11.79%)	(0.71)	2.14%	46.53
Consolidation adjustments	(11.63%)	(1,335.56)	(3.04%)	(66.13)	-	-	(3.04%)	(66.13)
Total	**100.00%**	**11,486.65**	**100.00%**	**2,164.67**	**100.00%**	**6.04**	**100.00%**	**2,170.71**

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Note 41: Composition of the group (Contd.)

(b) Summarised Financial Information of Material Non Controlling Interests

Financial Information of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited that have material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest by non controlling interest	
		As at September 30, 2023	As at March 31, 2023
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	India	49%	49%

(i) Summarised Balance Sheet:

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Non-current Assets	488.91	387.11
Current Assets	1,054.08	929.77
Non-current Liabilities	(23.96)	(18.37)
Current Liabilities	(1,004.99)	(852.18)
	514.04	**446.33**
Accumulated share of Profit:		
Owners of the company	262.15	227.63
Non-controlling interest	251.89	218.70

(ii) Summarised Statement of Profit and Loss:

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Income		
Revenue from operations	3,167.51	3,042.22
Other income	34.55	39.10
Total Income	**3,202.06**	**3,081.32**
Expenses		
Electrical energy purchased	(3,034.27)	(3,002.85)
Employee benefits expense	(19.86)	(22.01)
Finance costs	(12.04)	(9.54)
Depreciation and amortisation expense	(8.70)	(7.28)
Other expenses	(32.68)	(28.33)
Total expenses	**(3,107.55)**	**(3,070.01)**
Profit before tax	**94.51**	**11.31**
Tax expense	(24.88)	(2.77)
Profit for the Period	**69.63**	**8.54**
Other Comprehensive Income for the period	(1.92)	-
Total Comprehensive Income for the period	**67.71**	**8.54**
Attributable to:		
Owners of the company	34.53	4.36
Non-controlling interest	33.18	4.18

(iii) Summarised Cash Flow information:

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Operating Activities	193.74	(179.50)
Investing Activities	(67.82)	(18.02)
Financing Activities	(5.45)	75.75
Net (Decrease) / Increase in Cash and Cash Equivalents	**120.47**	**(121.77)**

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Note 42: Business Acquisition / Asset acquisitions

A Acquistions during the six months ended September 30, 2023

(a) Details of asset acquisitions

(i) Airpower Windfarms Private Limited

On September 01, 2023, the Company through its subsidiary, Torrent Green Energy Private Limited (TGEPL) has signed a Share Purchase Agreement (SPA) with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited (AWPL), which holds leasehold revenue land situated in the state of Gujarat for the purpose of development of wind power project. AWPL has become wholly owned subsidiary of the TGEPL w.e.f. September 01, 2023.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factor that the purchase consideration pertain to the fair value of leasehold land for development of renewable power assets.

Consideration Transferred

(₹ in Crore)

Particulars	Airpower Windfarms Private Limited
Consideration paid in cash for purchase of Equity shares*	21.81
	21.81

* Subsequent to six months ended September 30, 2023, the group has adjusted the consideration by ₹ 0.29 crore pursuant to indemnity claim under clause 8.1 of the SPA.

Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	Airpower Windfarms Private Limited
Assets	
Property, plant and equipment (including Capital Work in Progress and Right-of-use-assets)	19.01
Other current assets	2.86
Total Assets Acquired	**21.87**
Liabilities	
Trade payables	0.05
Other current liabilities	0.01
Total Liabilities Assumed	**0.06**
Net Assets Acquired	**21.81**

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Note 42: Business Acquisition / Asset acquisitions (Contd.)

B Acquistions during the previous year (FY 2022-23)

(a) Details of business combination

(i) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL')

On March 15, 2022, the Company has entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with 'The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu' (the 'Holding Entity') and 'Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL') for purchase of 51% shares of the DNHDDPDCL from the Holding Entity for a consideration of ₹ 555.00 Crore plus consideration adjustment of ₹ 31.06 Crore as per terms of SPA, on account of notified balance sheet of the DNHDDPDCL as at April 01, 2022 i.e. total consideration of ₹ 586.06 crore.

Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 01, 2022 ('Acquisition date') for the purpose of implementing the transfer scheme.

DNHDDPDCL shall be the licensee to carry out the function of distribution and retail supply of electricity in the Dadra and Nagar Haveli District of the Union Territory of Dadra and Nagar Haveli and Daman and Diu for a period of 25 years effective from the acquisition date.

The Group has accounted the said acquisition in accordance with Ind AS 103 'Business Combination'. The details are as follows:

Consideration Transferred and computation of Goodwill

Particulars	(₹ in Crore)
Total consideration*	586.06
Consideration Transferred	**586.06**
Less: Fair Value of identifiable net assets acquired	(813.63)
Add: Non-Controlling Interest (49%)	398.64
Goodwill on acqusition	**171.07**

* Out of the above ₹ 31.06 crore, included in Note 29 Sundry Payables under "Other current financial liabilities" has been paid subsequent to year end on April 29, 2023. Further there are no contingent considerations.

Goodwill comprises the value of expected higher profitability on account of the acquisition. Non-controlling interest has been intially measured at proportionate share of DNHDDPDCL's Fair Value of identifiable net assets acquired. Further pursuant to the transfer scheme there are no contingent liability transferred as on the acquisition date. Acquisition related costs of ₹ 4.30 Crores have been excluded from the consideration transferred and have been recognised as an expense in Consolidated Statement of Profit and Loss in the Current year and Previous year under the head "Other expenses".

Details of assets acquired and liabilities recognised at the date of acquisition

Particulars	(₹ in Crore)
Assets	
Non-current assets	
Property, plant and equipment	397.84
Other intangible assets	634.00
Current assets	
Inventories	17.13
Financial assets	
Trade receivables	409.42
Cash and cash equivalents	140.64
Other financial assets	160.75
Total Assets Acquired	**1,759.78**
Liabilities	
Non-current liabilities	
Financial liabilities	
Other financial liabilities	181.72
Deferred tax liabilities (net)	263.96
Current liabilities	
Financial liabilities	
Trade payables	336.80
Other financial liabilities	163.67
Total Liabilities Assumed	**946.15**
Net Assets Acquired at fair value	**813.63**

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Note 42: Business Acquisition / Asset acquisitions (Contd.)

Revenue and profit of the DNHDDPDCL since the acquisition date included in the consolidated statement of profit and loss of the Group:

Particulars	(₹ in Crore)
Revenue from Operations	5,985.40
Profit for the Period	104.00

(b) **Details of asset acquisitions**

(i) Sunshakti Solar Power Projects Private Limited

On April 23, 2022, the Company has entered into a Securities Purchase Agreement (SPA) with SkyPower Southeast Asia III Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited (SSPPPL), which operates 50 MW solar power plant, situated in the state of Telangana. On completion of the conditions precedent to SPA, SSPPPL has become wholly owned subsidiary of the Company w.e.f. June 13, 2022.

(ii) Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)

On July 30, 2022, the Company has acquired 100% of paid-up capital of Torrent Urja 7 Private Limited ("TU7") (formerly known as Wind Two Renergy Private Limited (WTRPL)) from Inox Green Energy Services Limited (formerly known as Inox Wind Infrastructure Services Limited). TU7 operates 50 MW Wind power plant, situated in the state of Gujarat. On acquisition of shares, TU7 has become wholly owned subsidiary of the Company w.e.f. July 30, 2022 which was Associate of the Company till July 29, 2022.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

Consideration Transferred

Particulars	**Sunshakti Solar Power Projects Private Limited**	(₹ in Crore) **Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)**
Consideration paid in cash for purchase of Equity shares	105.93	32.51
Consideration paid in cash for purchase of Compulsory Convertible Debentures	36.69	-
	142.62	**32.51**

Net amount of Assets and Liabilities

Particulars	**Sunshakti Solar Power Projects Private Limited**	(₹ in Crore) **Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)**
Assets		
Property, plant and equipment (including CWIP) and Right-of-use assets	279.60	271.95
Intangible Asset including Customer contract	18.87	20.22
Other non-current assets	-	2.31
Other current assets	148.77	2.34
Total Assets Acquired	**447.24**	**296.82**
Liabilities		
Non current Borrowings	273.52	-
Other non-current liabilities	22.34	-
Current Borrowings	-	251.76
Other current liabilities	8.76	12.55
Total Liabilities Assumed	**304.62**	**264.31**
Net Assets Acquired	**142.62**	**32.51**

Note 43: Impairment assessment

(1) DGEN Power Plant

Net carrying value of Property, plant & equipment ("PPE") and Right-of-use assets ("ROU") as at September 30, 2023 includes ₹ 1,282.55 Crore (March 31, 2023 ₹ 1,315.05 Crore) pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat including its Transmission Line ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter had operated only intermittently / partially including the current six months due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, the Company had carried out an impairment assessment of DGEN as at March 31, 2023 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets' and concluded that no further impairment loss is required as at March 31, 2023. The Company has reviewed the key assumptions underlying the above assessment as on September 30, 2023 and concluded that no further impairment provision is considered necessary as at September 30, 2023.

During the earlier years, the Company had provided for impairment loss of ₹ 2,300.00 Crore (March 31, 2023: ₹ 2,300.00 Crore).

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land.

Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for six months ended September 30, 2023 have been continued to be prepared on a non - going concern basis. The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the compensation for acquisition of such land.

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Note 44: Contingent liabilities, contingent assets and capital commitments

(a) Contingent liabilities

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Disputed income tax matters	**20.56**	23.21
Disputed sales tax matters	**5.25**	5.25
Disputed service tax matters	**0.49**	0.49
Disputed custom duty matters	**18.50**	18.50
Disputed excise duty matters	**2.88**	2.88
Disputed stamp duty matters	**36.37**	36.37
Disputed value added tax matters	**3.36**	3.36
Disputed central sales tax matters	**4.09**	4.09
Claims against the Group not acknowledged as debt [Refer footnote 3]	**134.30**	127.93

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the Consolidated financial statements.

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Group not acknowledged as debt:

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Claim of regulatory surcharge including interest in franchise distribution business	**90.21**	85.89
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	**23.84**	21.83
Compensation payable for short lifting for material	**8.46**	8.46
Others	**11.79**	11.75
	134.30	127.93

(b) Contingent assets

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Claim for coal grade slippage	**11.67**	6.92
Claim of compensation for short lifting of material	**8.46**	8.46
	20.13	15.38

(c) Capital and other commitments

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
i) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	**4,699.70**	761.39

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Note 45: Earnings per share

	Six months ended September 30, 2023	Six months ended September 30, 2022
Basic earnings per share (₹)	**21.70**	20.47
Diluted earnings per share (₹)	**21.70**	20.47

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Six months ended September 30, 2023	Six months ended September 30, 2022
Profit for the year attributable to the owners of the Company (₹ in Crore)	**1,043.16**	983.76
Weighted average number of equity shares (No.)	**48,06,16,784**	48,06,16,784
Nominal value of shares (₹)	**10**	10

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

Note 46: Operating segment

During the current period, in line with the reassessment for reporting financial information to the entity's chief operating decision maker (CODM), the Group has presented its segment information in the un-audited special purpose interim condensed consolidated financial statements as per Ind AS 108 – 'Operating Segments'. The CODM evaluates the Group's performance and applies the resources to whole of the Group's business viz. "Generation, Renewables, Transmission and Distribution of Power". In accordance with Ind AS - 108 "Operating Segments", the Group's reportable segments are as follows :-

Generation: Comprises of generation of power from thermal sources (gas and coal) and trading of Regassified Liquified Natural Gas.

Transmission and Distribution: Comprises of transmission and distribution business (licensed and franchisee) and related ancillary services. It also comprises Power Cable business.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable

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Note 46: Operating segment (Contd.)

		Six months ended September 30, 2023	Six months ended September 30, 2022
1	**Segment revenue**		
(a)	Generation	**4,193.01**	3,102.59
(b)	Transmission and Distribution	**12,973.06**	11,874.58
(c)	Renewables	**657.91**	565.04
	Total segment revenue	**17,823.98**	**15,542.21**
	Less: Inter segment revenue	**(3,535.44)**	(2,328.75)
	Total revenue from operations	**14,288.54**	**13,213.46**

		Six months ended September 30, 2023	Six months ended September 30, 2022
2	**Segment results (Profit before tax, depreciation and finance costs)**		
(a)	Generation	**594.98**	689.13
(b)	Transmission and Distribution	**1,463.88**	1,278.80
(c)	Renewables	**587.19**	498.08
	Total segment results	**2,646.05**	**2,466.01**
	Add: Unallocated	**(45.97)**	(39.06)
	Less: Finance costs	**(474.44)**	(401.00)
	Less: Depreciation and amortisation expense	**(673.70)**	(630.26)
	Profit before tax	**1,451.94**	**1,395.69**

		As at September 30, 2023	As at March 31, 2023
3	**Segment assets**		
(a)	Generation	**5,138.30**	4,745.48
(b)	Transmission and Distribution	**19,739.23**	18,076.49
(c)	Renewables	**6,848.23**	6,472.04
(d)	Unallocated / Inter segment	**268.27**	616.17
	Total assets	**31,994.03**	**29,910.18**

		As at September 30, 2023	As at March 31, 2023
4	**Segment liabilities**		
(a)	Generation	**3,415.36**	3,251.81
(b)	Transmission and Distribution	**13,524.45**	12,690.98
(c)	Renewables	**4,233.98**	3,966.72
(d)	Unallocated / Inter Segment	**(1,537.01)**	(1,485.98)
	Total liabilities	**19,636.78**	**18,423.53**

		Six months ended September 30, 2023	Six months ended September 30, 2022
5	**Depreciation and Amortisation**		
(a)	Generation	**140.85**	139.49
(b)	Transmission and Distribution	**335.33**	312.84
(c)	Renewables	**194.45**	175.07
(d)	Unallocated	**3.07**	2.87
	Total Depreciation and Amortisation	**673.70**	**630.27**

		Six months ended September 30, 2023	Six months ended September 30, 2022
6	**Addition to Capital Expenditure**		
(a)	Generation	**4.92**	4.55
(b)	Transmission and Distribution	**811.05**	1,030.52
(c)	Renewables	**341.67**	543.86
(d)	Unallocated	**5.69**	(0.43)
	Total Addition to Capital Expenditure	**1,163.33**	**1,578.50**

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

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Note 47: Related party disclosures

(a) Names of related parties and description of relationship:

1	**Parent Company**	Torrent Investments Private Limited
2	**Associates**	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited) (upto July 29, 2022)
3	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, DNHDD PDCL Employees' Group Gratuity Trust, DNHDD PDCL Employees Super annuation Trust, ED-DD & DNHDD PDCL Employees Group Gratuity Trust, ED-DD & DNHDD PDCL Leave Enchashment Trust, ED-DD & DNHDD PDCL Super Annuation Pension Trust.
4	**Key management personnel**	Samir Mehta, Chairperson Jinal Mehta, Managing Director Varun Mehta (w.e.f. August 08, 2022), Wholetime Director
		Sudhir Mehta, Chairman Emeritus Pankaj Patel, Independent Director Samir Barua (Upto September 30, 2022), Independent Director Keki Mistry , Independent Director Usha Sangwan, Independent Director Radhika Haribhakti, Independent Director Mamta Verma, Independent Director Ketan Dalal (w.e.f. May 11, 2022), Independent Director
5	**Close member of key management personnel***	Varun Mehta (upto August 07, 2022)
6	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence***	UNM Foundation, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited^, Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)^, Torrent Gas Chennai Private Limited,Torrent Gas Moradabad Limited^, Torrent Gas Jaipur Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited,Torrent Hospitals Private Limited, Torrent Diagnostics Private Limited,School of Ultimate Leadership Foundation (w.e.f. October 15, 2022).

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

^ Torrent Gas Pune Limited and Torrent Gas Moradabad Limited has been merged with Torrent Gas Limited (Formerly known as Torrent Gas Private Limted) w.e.f. April 01, 2023 (appointed date). Hence transactions with Torrent Gas Pune Limted and Torrent Gas Moradabad Limited for period ended September 30, 2023 has been disclosed under Torrent Gas Limited.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 47: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022
Nature of transactions										
Interest income	-	**3.45**	-	-	-	-	-	-	-	**3.45**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	3.45	-	-	-	-	-	-	-	3.45
Dividend paid	-	-	-	-	-	-	**102.97**	-	**102.97**	-
Torrent Investments Private Limited	-	-	-	-	-	-	102.97	-	102.97	-
Services provided (rent income including tax)	-	-	-	-	-	-	**0.66**	**0.74**	**0.66**	**0.74**
UNM Foundation	-	-	-	-	-	-	*	*	*	*
Torrent Investments Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Power Services Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	0.44	0.25	0.44	0.25
Torrent Fincorp Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Sports Ventures PrivateLimited	-	-	-	-	-	-	*	*	*	*
Torrent Gas Chennai Private Limited	-	-	-	-	-	-	0.11	0.12	0.11	0.12
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.11	0.12	0.11	0.12
Torrent Gas Pune Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.12	-	0.12
Torrent Gas Moradabad Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.12	-	0.12
Torrent Hospitals Private Limited	-	-	-	-	-	-	*	-	*	-
School of Ultimate Leadership Foundation	-	-	-	-	-	-	*	-	*	-
Torrent Diagnositcs PrivateLimited	-	-	-	-	-	-	*	*	*	*
Services received / remuneration paid	-	-	-	-	-	-	-	**1.16**	-	**1.16**
Varun Mehta	-	-	-	-	-	-	-	1.16	-	1.16
Sale of cables	-	-	-	-	**0.17**	-	-	-	**0.17**	-
Samir Mehta	-	-	-	-	0.17	-	-	-	0.17	-
Purchase of material	-	-	-	-	-	-	**96.60**	-	**96.60**	-
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	96.60	-	96.60	-
Assignment of gas contract	-	-	-	-	-	-	**19.47**	-	**19.47**	-
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	19.47	-	19.47	-
Shared expenditure charged to	-	**0.11**	-	-	-	-	-	-	-	**0.11**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	0.11	-	-	-	-	-	-	-	0.11

Note 47: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022
Expenses incurred on behalf of	-	-	-	-	-	-	**1.23**	-	**1.23**	-
UNM Foundation	-	-	-	-	-	-	1.23	-	1.23	-
Managerial remuneration@	-	-	-	-	**10.26**	**6.99**	-	-	**10.26**	**6.99**
Varun Mehta	-	-	-	-	2.73	0.45	-	-	2.73	0.45
Jinal Mehta	-	-	-	-	7.53	6.54	-	-	7.53	6.54
Sitting fees to non-executive directors@@	-	-	-	-	**0.42**	**0.28**	-	-	**0.42**	**0.28**
Samir Barua	-	-	-	-	-	0.07	-	-	-	0.07
Keki Mistry	-	-	-	-	0.06	0.01	-	-	0.06	0.01
Pankaj Patel	-	-	-	-	0.06	0.04	-	-	0.06	0.04
Usha Sangwan	-	-	-	-	0.08	0.06	-	-	0.08	0.06
Radhika Haribhakti	-	-	-	-	0.11	0.06	-	-	0.11	0.06
Mamta Verma#	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Ketal Dalal	-	-	-	-	0.10	0.03	-	-	0.10	0.03
Donation	-	-	-	-	-	-	**3.31**	**0.46**	**3.31**	**0.46**
UNM Foundation	-	-	-	-	-	-	3.31	0.46	3.31	0.46
Contribution towards CSR	-	-	-	-	-	-	**19.44**	**4.10**	**19.44**	**4.10**
UNM Foundation	-	-	-	-	-	-	19.44	4.10	19.44	4.10

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 47: Related party disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022
Contribution to employee benefit plans (net)	-	-	**15.05**	**20.45**	-	-	-	-	**15.05**	**20.45**
TPL (Ahmedabad) Gratuity Trust	-	-	0.01	10.12	-	-	-	-	0.01	10.12
TPL (Ahmedabad) Superannuation Fund	-	-	7.72	7.58	-	-	-	-	7.72	7.58
TPL (Surat) Gratuity Trust	-	-	-	1.53	-	-	-	-	-	1.53
TPL (SUGEN) Gratuity Trust	-	-	1.21	0.40	-	-	-	-	1.21	0.40
TPL (SUGEN) Superannuation Fund	-	-	0.57	0.51	-	-	-	-	0.57	0.51
TPL (DGEN) Gratuity Trust	-	-	0.05	0.03	-	-	-	-	0.05	0.03
TPL (DGEN) Superannuation Fund	-	-	0.25	0.25	-	-	-	-	0.25	0.25
TPG Gratutity Trust	-	-	-	0.01	-	-	-	-	-	0.01
TPG Superannuation Fund	-	-	0.02	0.02	-	-	-	-	0.02	0.02
DNHDD PDCL Employees' Group Gratuity Trust	-	-	0.82	-	-	-	-	-	0.82	-
DNHDD PDCL Employees' Superannuation Trust	-	-	0.41	-	-	-	-	-	0.41	-
ED-DD and DNHPDCL Superannuation Pension Trust.	-	-	0.40	-	-	-	-	-	0.40	-
ED-DD and DNHPDCL Gratuity Trust.	-	-	1.63	-	-	-	-	-	1.63	-
ED-DD and DNHPDCL Leave Encashment Trust	-	-	1.96	-	-	-	-	-	1.96	-
Redemption of non-convertible debentures	-	**26.33**	-	-	-	-	-	-	-	**26.33**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	26.33	-	-	-	-	-	-	-	26.33
Premium on NCD	-	**2.62**	-	-	-	-	-	-	-	**2.62**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	2.62	-	-	-	-	-	-	-	2.62
Loan Given	-	**3.50**	-	-	-	-	-	-	-	**3.50**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	3.50	-	-	-	-	-	-	-	3.50
Receipt on repayment of loans	-	**11.25**	-	-	-	-	-	-	-	**11.25**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	11.25	-	-	-	-	-	-	-	11.25

@@ excluding Goods and Services Tax.

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

(c) Key management personnel compensation

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Short-term employee benefits	10.26	6.99
	10.26	6.99

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Note 47: Related party disclosures (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	As at September 30, 2023	As at March 31, 2023	As at September 30, 2023	As at March 31, 2023	As at September 30, 2023	As at March 31, 2023	As at September 30, 2023	As at March 31, 2023	As at September 30, 2023	As at March 31, 2023
Balances at the end of the year										
Current liabilities	-	-	-	-	-	22.97	18.95	0.40	18.95	23.37
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	18.95	0.38	18.95	0.38
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	-	0.02	-	0.02
Torrent Hospitals Pvt Ltd	-	-	-	-	-	-	-	*	-	*
School of Ultimate Leadership Foundation	-	-	-	-	-	-	-	*	-	*
Samir Mehta	-	-	-	-	-	15.00	-	-	-	15.00
Varun Mehta	-	-	-	-	-	1.00	-	-	-	1.00
Jinal Mehta	-	-	-	-	-	5.00	-	-	-	5.00
Samir Barua	-	-	-	-	-	0.21	-	-	-	0.21
Keki Mistry	-	-	-	-	-	0.24	-	-	-	0.24
Pankaj Patel	-	-	-	-	-	0.28	-	-	-	0.28
Ketal Dalal	-	-	-	-	-	0.31	-	-	-	0.31
Usha Sangwan	-	-	-	-	-	0.43	-	-	-	0.43
Radhika Haribhakti	-	-	-	-	-	0.43	-	-	-	0.43
Mamta Verma#	-	-	-	-	-	0.07	-	-	-	0.07
Investment in equity	-	-	-	-	-	-	0.05	0.05	0.05	0.05
UNM Foundation	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Trade and other receivables	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	0.01	-	0.01	-

Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

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

(e)Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.
Outstanding balances at the year-end are unsecured.

Note 48: Financial instruments and risk management

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.No changes were made in the objectives, policies or process for managing its capital during the period ended September 30, 2023 and year ended March 31, 2023. The Group reviews its dividend policy from time to time.

Gearing ratio

The gearing ratio at end of the reporting year is as follows.

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Debt	10,433.45	10,521.03
Total equity	12,500.52	11,489.39
Debt to equity ratio	0.83	0.92

Footnotes:

1 Debt is defined as all long term debt outstanding [including unamortised expense] + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development

Loan Covenants

The Company has complied with financial covenants specified as per the terms of borrowing facilities.

(b) Categories of financial instruments

(₹ in Crore)

	As at September 30, 2023		As at March 31, 2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	370.28	370.28	188.23	188.23
Bank balance other than cash and cash equivalents	88.63	88.63	155.29	155.29
Investment in bonds and debentures	19.92	19.92	17.82	17.82
Trade receivables	2,685.11	2,685.11	2,246.33	2,246.33
Other financial assets	3,684.03	3,684.03	3,246.78	3,246.78
	6,847.97	6,847.97	5,854.45	5,854.45
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	1,070.60	1,070.60	785.82	785.82
Investment in equity instruments	0.05	0.05	0.05	0.05
	1,070.65	1,070.65	785.87	785.87
Financial liabilities				
Measured at amortised cost				
Borrowings	10,638.10	10,635.80	10,496.07	10,459.31
Trade payables	2,603.44	2,603.44	1,733.28	1,733.28
Other financial liabilities	2,633.72	2,633.72	2,687.72	2,687.72
	15,875.26	15,872.96	14,917.07	14,880.31

Footnotes:

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

2 Non current loan carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

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Note 48: Financial instruments and risk management (Contd.)

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 :	Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes investments in mutual funds that have quoted price.
Level 2 :	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.
Level 3 :	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at September 30, 2023	As at March 31, 2023		
Investment in mutual fund units	1,070.60	785.82	Level 1	Quoted bid prices in an active market

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at September 30, 2023	As at March 31, 2023		
Fixed rate borrowings (Non-convertible debentures)	**2,937.70**	2,777.44	Level 2	Inputs other than quoted prices that are observable based on yields provided by' The Fixed Income Money Market and Derivatives Association of India' (FIMMDA)

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, employee payables, security deposit from customer, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

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Note 48: Financial instruments and risk management (Contd.)

The Group's exposure with regards to foreign exchange risk which are not hedged are given below.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at September 30, 2023	As at March 31, 2023
Financial liabilities			
Trade payable	USD	**15.26**	3.58
Trade payable	EURO	**235.39**	175.32
Capital payable	EURO	**0.06**	0.06

Foreign currency sensitivity analysis
The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant.

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Impact on Profit before Tax - Rupee depreciate by ₹ 1 against EURO	**(2.68)**	(1.96)
Impact on Profit before Tax - Rupee appreciate by ₹ 1 against EURO	**2.68**	1.96

Commodity price risk
The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

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Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 48: Financial instruments and risk management (Contd.)

Derivatives

The Company uses derivative financial instruments such as forwards to hedge its risks associated with foreign exchange fluctuation and price risk movements. Risks associated with fluctuation in the price of the raw materials (natural gas, copper and aluminium) are minimized by undertaking appropriate derivative instruments. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

(a) The Asset position of various outstanding derivative financial instruments is given below: (₹ in Crore)

Particulars	Nature of risk being hedged	As at September 2023		As at March 31, 2023	
		Asset	Net fair value	Asset	Net fair value
Current					
Non-designated hedges					
Forward commodity contracts	Price Risk Component	93.46	93.46	-	-
Foreign currency contracts	Exchange rate movement risk	13.20	13.20	-	-
Total		**106.65**	**106.65**	-	-

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

Particulars	Currency Pair	As at September 2023			As at March 31, 2023		
		Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)	Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)
Non-designated							
Buy	USD_INR	82.71	2.67	13.20	-	-	-
Total				**13.20**			-

(c) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at september 30 , 2023

Particulars		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD) (in millions)	Fair value gain / (loss) (₹ in Crore)
Non Designated hedges							
Aluminium	Buy	USD	2,185.03	1,030.00	Tonne	2.25	93.46
Copper	Buy	USD	8,391.00	50.00	Tonne	0.42	13.20
Total							**106.65**

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2023

Particulars		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD) (in millions)	Fair value gain / (loss) (₹ in Crore)
Non Designated hedges							
Aluminium	Buy	USD	-	-	-	-	-
Copper	Buy	USD	-	-	-	-	-
Total						-	-

Note 48: Financial instruments and risk management (Contd.)

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Fixed rate borrowings^	**3,198.95**	3,348.47
Floating rate borrowings^	**7,463.00**	7,176.06
	10,661.95	10,524.53

^ Transactions cost reduced from the borrowing is excluded.

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Six months ended September 30, 2023	Six months ended September 30, 2022
Impact on profit before tax - increase in 50 basis points	**(18.11)**	(17.94)
Impact on profit before tax - decrease in 50 basis points	**18.11**	17.94

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for six months ended September 30, 2023 and year ended March 31, 2023. The Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group collects the security deposits in the form of Cash or Bank guarantee, considering the relevant electricity regulations under the relevant geographical area to cover its credit risks associated with its trade receivables.

TORRENT POWER LIMITED AHMEDABAD

Note 48: Financial instruments and risk management (Contd.)

(4) Age of receivables and expected credit loss

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

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

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

As at September 30, 2023

(₹ in Crore)

	Gross trade receivables	**Allowance for doubtful debt**
Less than or equal to 6 months	**2,578.21**	**41.95**
More than 6 months but less than or equal to 1 year	**65.79**	**22.53**
More than one year	**284.45**	**178.86**
	2,928.45	**243.34**

As at March 31, 2023

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	2,148.01	35.33
More than 6 months but less than or equal to 1 year	58.79	23.20
More than one year	244.03	145.97
	2,450.83	**204.50**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	As at September 30, 2023	As at March 31, 2023
Opening balance	**204.50**	217.71
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	**38.84**	(13.21)
Closing balance [Refer note 16]	**243.34**	204.50

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets/ instruments:

The Group is having balances in cash and cash equivalents, term deposits with banks, deposits, Loans to related parties, investments in government securities and investment in mutual funds. The Group is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. The credit loss from Loans receivable from related parties and financial guarantees is considered immaterial. The recoverable amount of unbilled revenue (including revenue gap/ surplus) perceives low credit risk of default considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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TORRENT POWER LIMITED

Notes forming part of the un-audited special purpose interim condensed consolidated financial statements for the six months ended September 30, 2023

Note 49: Approval of un-audited special purpose interim condensed consolidated financial statements

The un-audited special purpose interim condensed consolidated financial statements were approved for issue by Fund Raising Committee of the Company on December 2, 2024

Signature to Note 1 to 49

In terms of our report attached

For and on behalf of Fund Raising Committee of Torrent Power Limited

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

Samir Mehta
Chairperson
DIN: 00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Priyanshu Gundana
Partner
Membership No.: 109553

Mumbai, December 2, 2024

Ahmedabad, December 2, 2024

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (Refer Note 41(a)(1) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Sr.No.	Key audit matter	How our audit addressed the key audit matter
1	**Impairment assessment for Power Plant located at Dahej (Refer to note 43(1) to the consolidated financial statements):**	
	The carrying amount of Property, Plant and Equipment ("PPE") and Right-of-use assets ("ROU") includes an amount of ₹1,237.82 Crore as at March 31, 2024, pertaining to 1,200 MW DGEN Mega Power Project including Transmission Line located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and thereafter has operated only intermittently, including during current financial year. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and with the help of an external valuer, has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated remaining useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future prices of fuel, foreign exchange rate, expected tariff rates of electricity and discount rate, which are considered by management based on past trends and current and likely future state of the industry. Based on such assessment, the value in use arrived at by the management is higher than the carrying amount of PPE and ROU pertaining to DGEN and accordingly, no additional impairment is considered necessary as at March 31, 2024. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2024 is significant to the Holding Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management's impairment assessment of DGEN included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment. • Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them. • Evaluated independence, competence, capability and objectivity of the external valuer. • Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions underlying the same. • With the involvement of auditor's experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. • Enquired with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonably foreseeable range. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Assessed the adequacy of disclosure in the consolidated financial statements. Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.
2	**Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 44 (d)(2) to the consolidated financial statements)**	
	The Holding Company has recognised deferred tax assets on the unutilised tax credits amounting to ₹1,408.07 Crore as at March 31, 2024, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the current year and in earlier years in which the Holding Company did not have normal taxable profit due to availment of tax holiday. The deferred tax asset has been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel and expected tariff rates of electricity, covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered past trends, applicable tariff regulations/ agreements and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the consolidated financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.	Our audit procedures in relation to management's assessment of recoverability of Deferred tax assets on unutilised tax credits included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. • Assessed the Holding Company's accounting policy in respect of recognising of deferred tax assets on unutilised tax credits. • Enquired with senior management personnel, the justification for the key assumptions underlying the projections and assessed the reasonableness of the assumptions underlying profit projections made by management, by verifying the past trends, available tariff orders and relevant economic and industry indicators. Further, performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within a reasonable range. • Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the arithmetic accuracy of the underlying calculations of the profit projections. • Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.

Independent Auditor's Report (Contd.)

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Contd.)

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

Independent Auditor’s Report (Contd.)

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) (“the Rules”). Further, in relation to four subsidiaries in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the year ended March 31, 2024.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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 March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    (h) 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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 46 to the consolidated financial statements.

        ii. The Group has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 31. The Group was not required to recognise a provision as at March 31, 2024 under the derivative contracts.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year.

        iv. (a) The respective Managements of the Group whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 65(f) to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Contd.)

(b) The respective Managements of the Group whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 65(f) to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, its subsidiary companies is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Holding Company and thirty one subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has been operating throughout the year for all relevant transactions recorded in the software at application level and has been operating from March 27, 2024 at database level, except that the audit log does not capture changes, if any made using certain privileged access. Further, four subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the period for all relevant transactions recorded in the software.

Further, during the course of our audit except the aforesaid instances, we did not notice any instance of audit trail feature being tampered with (Refer Note 64 to the consolidated financial statement).

16. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 24109553BKGQVM7643

Place: Ahmedabad
Date: May 22, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2024

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 24109553BKGQVM7643

Place: Ahmedabad
Date: May 22, 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Crore)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	20,653.68	18,115.94
Right-of-use assets	5	259.07	216.46
Capital work-in-progress	6	2,472.36	2,624.69
Investment property	7	-	9.39
Goodwill	8	171.07	171.07
Other intangible assets	9	718.46	756.33
Financial assets			
Investments	10	17.02	15.94
Other financial assets	11	94.68	135.38
Deferred tax assets (net)	44	66.38	38.65
Non-current tax assets (net)	12	12.64	12.50
Other non-current assets	13	420.76	361.04
Sub total - Non-current assets		**24,886.12**	**22,457.39**
Current assets			
Inventories	14	800.45	820.28
Financial assets			
Investments	15	937.37	787.75
Trade receivables	16	2,190.86	2,246.33
Cash and cash equivalents	17	350.83	188.23
Bank balances other than cash and cash equivalents above	18	67.91	155.29
Other financial assets	19	3,989.23	3,111.40
Other current assets	20	169.71	143.51
Sub total - Current assets		**8,506.36**	**7,452.79**
Total - Assets		**33,392.48**	**29,910.18**
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	11,581.09	10,529.38
Sub total - Equity attributable to equity holders of the Company		**12,061.71**	**11,010.00**
Non-controlling interests		535.79	476.65
Sub total - Equity		**12,597.50**	**11,486.65**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	9,916.40	8,902.32
Lease liabilities	47	39.50	39.32
Trade payables	24		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		345.71	210.61
Other financial liabilities	25	0.95	-
Deferred tax liabilities (net)	44	1,233.65	968.79
Other non-current liabilities	26	1,445.68	1,372.46
Sub total - Non-current liabilities		**12,981.89**	**11,493.50**
Current liabilities			
Financial liabilities			
Borrowings	27	1,668.63	1,593.75
Lease liabilities	47	7.27	6.02
Trade payables	28		
Total outstanding dues of micro and small enterprises		64.12	68.99
Total outstanding dues other than micro and small enterprises		1,747.80	1,453.68
Other financial liabilities	29	3,264.67	2,687.72
Other current liabilities	30	735.06	677.24
Provisions	31	201.74	264.06
Current tax liabilities (net)	32	123.80	178.57
Sub total - Current liabilities		**7,813.09**	**6,930.03**
Total - Equity and liabilities		**33,392.48**	**29,910.18**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 22, 2024

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crore)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	33	27,183.21	25,694.12
Other income	34	344.32	381.85
Total income		**27,527.53**	**26,075.97**
Expenses			
Electrical energy purchased		13,743.27	14,440.53
Fuel cost		5,647.95	2,508.23
Cost of materials consumed	35	406.50	334.81
Purchase of stock-in-trade		690.53	1,879.26
Changes in inventories of finished goods and work-in-progress	36	20.45	(29.19)
Employee benefits expense	37	611.19	578.25
Finance costs	38	943.40	818.20
Depreciation and amortisation expense	39	1,377.50	1,280.96
Other expenses	40	1,504.14	1,223.56
Total expenses		**24,944.93**	**23,034.61**
Profit before tax		**2,582.60**	**3,041.36**
Tax expense			
Current tax	44	445.07	672.82
Deferred tax	44	241.53	203.87
Total tax expense		**686.60**	**876.69**
Profit for the year		**1,896.00**	**2,164.67**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	(20.81)	9.54
Tax relating to remeasurement of the defined benefit plans	44	(6.76)	3.50
Other comprehensive income for the year, net of tax		**(14.05)**	**6.04**
Total comprehensive income for the year		**1,881.95**	**2,170.71**
Profit for the year attributable to:			
Owners of the Company		1,833.23	2,117.43
Non-controlling interests		62.77	47.24
		1,896.00	**2,164.67**
Other comprehensive income for the year attributable to:			
Owners of the Company		(12.53)	6.75
Non-controlling interests		(1.52)	(0.71)
		(14.05)	**6.04**
Total comprehensive income for the year attributable to:			
Owners of the Company		1,820.70	2,124.18
Non-controlling interests		61.25	46.53
		1,881.95	**2,170.71**
Basic and diluted earnings per share of face value of ₹ 10 each (in ₹)	51	**38.14**	**44.06**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 22, 2024

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in Crore)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Profit before tax		2,582.60	3,041.36
Adjustments for :			
Depreciation and amortisation expense	**39**	1,377.50	1,280.96
Amortisation of deferred revenue	**33**	(106.18)	(100.10)
Provision of earlier years written back	**33**	(1.09)	(0.80)
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	**40**	37.19	29.91
Gain on disposal of property, plant and equipment / investment property	**34**	(40.01)	(44.84)
Bad debts written off (net of recovery)	**40**	12.41	4.02
Reversal of provision for onerous contracts	**40**	(109.40)	(10.82)
Provision for onerous contracts	**40**	-	9.44
Allowance for doubtful advances (net)	**40**	(6.06)	-
Allowance for doubtful debts (net)	**40**	(10.11)	(13.21)
Finance costs	**38**	943.40	818.20
Interest income from financial assets measured at amortised cost	**34**	(56.80)	(68.84)
Gain on sale of current investments in mutual funds	**34**	(57.94)	(55.64)
Gain on sale of non-current investments	**34**	(0.05)	-
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	**34**	(1.93)	(7.23)
Net gain arising on financial assets / liabilities measured at amortised cost	**34**	(50.02)	(23.67)
Net unrealised loss / (gain) on foreign currency transactions	**34**	3.98	10.76
Operating profit before working capital changes		**4,517.49**	**4,869.50**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		198.84	(265.58)
Trade receivables		59.23	(148.96)
Other financial assets		(775.59)	(929.80)
Other assets		13.79	(22.13)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		470.34	125.37
Other financial liabilities		188.29	260.20
Provisions		26.27	0.43
Other liabilities		57.32	56.84
Cash generated from operations		**4,755.98**	**3,945.87**
Taxes paid (net)		(497.63)	(490.09)
Net cash flow generated from operating activities		**4,258.35**	**3,455.78**
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & investment property		(3,656.48)	(3,089.07)
Proceeds from sale of property, plant and equipment, intangible assets & investment property		57.42	65.74
Acquisition of subsidiaries net of cash and cash equivalents [Refer note 42]		(18.74)	28.05
Advance against equity investment		-	(3.00)
Purchase of non-current investments		(4.03)	(1.94)
Proceeds from sale of non-current investments		1.98	-
Loans to related parties		-	(3.50)
Repayment of loans from related parties		-	11.25
Investments in bank deposits (original maturity more than three months)		(1,118.90)	(806.04)
Redemption in bank deposits (original maturity more than three months)		1,225.43	690.61

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2024

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
(Investments) / redemption in inter corporate deposits	-	266.84
Interest received	57.62	74.35
(Purchase of) / proceeds from current investments (net)	(88.73)	(449.25)
Net cash used in investing activities	**(3,544.43)**	**(3,215.96)**
Cash flow from financing activities		
Proceeds from long-term borrowings	3,300.13	3,812.34
Proceeds from short-term borrowings	1,365.00	400.00
Repayment of long-term borrowings	(1,263.68)	(1,359.28)
Prepayment of long-term borrowings	(1,241.54)	(341.86)
Repayment of short-term borrowings	(1,074.98)	(1,113.74)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	179.35	217.04
Dividend paid	(771.10)	(1,061.81)
Principal elements of lease payments	(44.02)	(22.34)
Finance costs paid	(996.66)	(867.53)
Net cash used in financing activities	**(551.32)**	**(341.00)**
Net (decrease) / increase in cash and cash equivalents	162.60	(101.18)
Cash and cash equivalents as at beginning of the year	188.23	289.41
Cash and cash equivalents as at end of the year	**350.83**	**188.23**
Footnotes:		
1 Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	268.41	187.33
Balance in fixed deposit accounts (original maturity for less than three months)	80.32	-
Cheques on hand	1.40	0.60
Cash on hand	0.70	0.30
	350.83	**188.23**
2 Non-cash investing and financing activities:		
Acquisition of Right-of-use assets	9.57	7.45
Refinancing of existing loan	-	374.62
	9.57	**382.07**

3 Cash flow from operating activities includes ₹ 32.95 Crore (Previous year ₹ 34.43 Crore) being expense towards corporate social responsibility initiatives.

4 The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 22, 2024

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital [Refer note 21]

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	480.62	480.62
Changes in equity share capital during the year	-	-
Balance at the end of the year	**480.62**	**480.62**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2024

B. Other Equity [Refer note 22]

(₹ in Crore)

	Reserves and surplus						Other equity attributable to equity holders of the Company	Non-controlling interests	Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings			
Balance as at April 01, 2023	**0.03**	**61.21**	**17.29**	**78.07**	**3,670.61**	**6,702.17**	**10,529.38**	**476.65**	**11,006.03**
Profit for the year	-	-	-	-	-	1,833.23	1,833.23	62.77	1,896.00
Other comprehensive income for the year, net of tax	-	-	-	-	-	(12.53)	(12.53)	(1.52)	(14.05)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,820.70**	**1,820.70**	**61.25**	**1,881.95**
Transfer to debenture redemption reserve	-	(16.70)	-	-	17.07	(0.37)	-	-	-
Transfer to contingency reserve	-	-	1.93	-	-	(1.93)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(768.99)	(768.99)	(2.11)	(771.10)
Balance as at March 31, 2024	**0.03**	**44.51**	**19.22**	**78.07**	**3,687.68**	**7,751.58**	**11,581.09**	**535.79**	**12,116.88**
Balance as at April 01, 2022	**0.03**	**139.60**	**15.37**	**78.07**	**3,583.89**	**5,645.60**	**9,462.56**	**35.93**	**9,498.49**
Profit for the year	-	-	-	-	-	2,117.43	2,117.43	47.24	2,164.67
Other comprehensive income for the year, net of tax	-	-	-	-	-	6.75	6.75	(0.71)	6.04
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,124.18**	**2,124.18**	**46.53**	**2,170.71**
Transfer to debenture redemption reserve	-	(78.39)	-	-	86.72	(8.33)	-	-	-
Transfer to contingency reserve	-	-	1.92	-	-	(1.92)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(1,057.36)	(1,057.36)	(4.45)	(1,061.81)
Non-controlling interests on acquisition of subsidiary [Refer note 42]	-	-	-	-	-	-	-	398.64	398.64
Balance as at March 31, 2023	**0.03**	**61.21**	**17.29**	**78.07**	**3,670.61**	**6,702.17**	**10,529.38**	**476.65**	**11,006.03**

Footnote:

1. Retained earning includes (₹ 37.20) Crore [March 31, 2023 : (₹ 23.15) Crore] related to re-measurement of defined benefit plans.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 22, 2024

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 1a: General information

These financial statements comprise financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") and associate (upto July 29, 2022) for the year ended March 31, 2024.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, renewables, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

Note 1b: New standards or interpretations adopted by the Group

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 01, 2023:

i) Ind AS 1 – Disclosure of accounting policies

ii) Ind AS 8 – Definition of Accounting estimates

iii) Ind AS 12 – Deferred tax related to assets and liabilities arising from a single transaction

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 2a: Material accounting policies

2.1 Basis of preparation:

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

Historical cost convention

The financial statements have been prepared on historical cost basis except for following which have been measured at fair value;

- Defined benefit plan assets
- Certain financial assets and liabilities (including derivative instruments) is measured at fair value

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.4 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use. Directly attributable costs are capitalized until the asset is ready to use in accordance with the Group's accounting policy of capitalization.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business $	Franchisee business @	Other business
Buildings	1.26% to 6.73%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	6.86% to 23.08%	-
Plant and machinery	0.92% to 19.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	0.64% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	0.91% to 15.00%	6.33%	6.33% to 9.91%
Vehicles	9.50% to 18.00%	9.50%	9.50% to 11.88%
Office equipment	0.91% to 31.67%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of Uttar Pradesh Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

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

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.5 Intangible assets:

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 22 years
- Distribution License – 25 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.6 Impairment of assets:

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.7 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the consolidated statement of profit and loss in the period of their accrual.

2.8 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.9 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved Fuel and Power Purchase Price Adjustment (FPPPA) which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Gross proceeds from sale of Certified Emission Reduction Certificates (CERs) are recognized when all the control of CERs have been passed to buyer, usually on delivery of the CERs.

(iv) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(v) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.11 Foreign currency translation:

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

2.12 Employee benefits:

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.13 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.14 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.15 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.16 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) Initial measurement

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

iii) Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses. The Group currently does not have any debt instruments which are measured at FVOCI.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The policy of the Group is to provide for credit loss takes into consideration of factors such as type of Consumers i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer.

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted when there is a certainty of recovery.

vii) Derivative

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Financial liabilities

i) Classification

All the Group's financial liabilities are measured at amortized cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.17 Contributed equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.18 Redemption liability:

Liability for put option issued to non-controlling shareholders in subsidiaries, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference arising between the amount received from the customer towards share capital, and the present value of redemption liability on initial recognition, would be recognised as a contract liability for electricity to be supplied in future. The liability shall be subsequently measured at amortised cost as per the principles of Ind AS 109.

2.19 Leases:

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 2a: Material accounting policies (Contd.)

2.20 Repurchase Arrangements:

A repurchase agreement is a contract in which an Company sells an asset and also promises or has the option (either in the same contract or in another contract) to repurchase the asset. The repurchased asset may be the asset that was originally sold to the customer, an asset that is substantially the same as that asset, or another asset of which the asset that was originally sold is a component.

2.21 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by '*'.

Note 2b: Other accounting policies

2.22 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.23 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 3: Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognized those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33 & 45]

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Group has ability to pledge the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

(ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 43(1)]

(iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 42]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 3: Critical accounting judgements and key sources of estimation uncertainty (Contd.)

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 44(d)].

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under ‘remote’, ‘possible’ or ‘probable’ which is carried out based on expert advice, past judgements, experiences etc. [Refer note 46(a)]

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 48.2 and 48.3.

3.6 Ind AS 116 - Leases

In determining whether the revenue contract (power purchase agreement) with customers especially when entire contractual capacity of the one project (solar) is committed to one customer, management has exercised judgement in concluding whether contract contains lease. Management takes into consideration of the responsible parties for design of the project and who has right to direct the use of solar power plant.

As per the revenue contract, power producer will design procure, install & commission the solar power plant & all other equipment required to generate solar electricity. Power Purchaser neither operates the plant nor involved in the design of the solar power plant, therefore the Power Purchaser does not have right to direct the use of solar power plant and accordingly arrangement does not contain lease as per Ind AS 116.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 4 : Property, Plant and Equipment

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at March 31, 2024
Freehold land	724.20	263.74	*	20.12	1,008.06	-	-	-	-	-	1,008.06
Buildings	2,073.27	278.64	4.67	2.28	2,349.52	428.33	77.65	0.96	(0.11)	504.91	1,844.61
Leasehold improvement	4.57	0.02	-	-	4.59	1.35	0.73	-	-	2.08	2.51
Railway siding	1.86	-	-	-	1.86	0.40	0.05	-	-	0.45	1.41
Plant and machinery	26,452.81	3,155.59	71.75	108.30	29,644.95	10,958.22	1,212.63	34.72	0.11	12,136.24	17,508.71
Electrical fittings and apparatus	68.41	18.68	0.31	0.12	86.90	24.54	4.11	0.15	-	28.50	58.40
Furniture and fixtures	78.94	13.75	2.23	0.56	91.02	25.07	5.31	1.38	-	29.00	62.02
Vehicles	35.30	8.12	1.47	-	41.95	13.72	3.62	0.67	-	16.67	25.28
Office equipment	214.78	35.89	7.91	-	242.76	86.57	18.76	5.25	-	100.08	142.68
Total	**29,654.14**	**3,774.43**	**88.34**	**131.38**	**33,471.61**	**11,538.20**	**1,322.86**	**43.13**	**-**	**12,817.93**	**20,653.68**

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	514.18	84.66	131.02	-	(5.66)	724.20	-	-	-	-	-	724.20
Buildings	1,807.77	5.16	246.43	1.12	15.03	2,073.27	357.85	67.87	0.21	2.82	428.33	1,644.94
Leasehold improvement	4.05	-	0.52	-	-	4.57	0.67	0.68	-	-	1.35	3.22
Railway siding	1.86	-	-	-	-	1.86	0.35	0.05	-	-	0.40	1.46
Plant and machinery	24,434.44	858.49	1,211.12	56.24	5.00	26,452.81	9,859.13	1,131.93	30.02	(2.82)	10,958.22	15,494.59
Electrical fittings and apparatus	55.52	-	12.99	0.15	0.05	68.41	21.32	3.31	0.09	-	24.54	43.87
Furniture and fixtures	64.46	-	14.64	0.16	-	78.94	20.89	4.29	0.11	-	25.07	53.87
Vehicles	30.86	0.49	6.06	2.11	-	35.30	11.51	3.44	1.23	-	13.72	21.58
Office equipment	190.69	0.04	28.24	4.48	0.29	214.78	72.72	17.03	3.18	-	86.57	128.21
Total	**27,103.83**	**948.84**	**1,651.02**	**64.26**	**14.71**	**29,654.14**	**10,344.44**	**1,228.60**	**34.84**	**-**	**11,538.20**	**18,115.94**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 4 : Property, Plant and Equipment (Contd.)

Footnotes:

1 The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital commitment:

Refer note 46 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the year include capitalisation of borrowing costs of ₹ 131.38 Crore (Previous year - ₹ 27.61 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.

4 Adjustments during the previous year include change in nature of freehold land to Investment property of ₹ 12.90 Crore.

5 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 8.25% to 9.00% p.a. (Previous year 7.62% p.a. to 7.67% p.a.).

6 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.

7 Refer note 43(1) for impairment loss in respect of DGEN power plant.

8 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2023 - ₹ 2,314.07 Crore).

9 The Group have not revalued its property, plant and equipment during the current or previous year.

10 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at March 31, 2024	As at March 31, 2023
Freehold land	50%	23.58	23.58
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 5: Right-of-use Assets

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at March 31, 2024
Land	223.09	0.03	37.97	7.06	19.22	273.25	29.96	12.78	3.13	0.32	39.93	233.32
Buildings	36.67	-	5.47	-	-	42.14	13.52	4.87	-	-	18.39	23.75
Plant and machinery	0.38	-	1.95	-	-	2.33	0.20	0.13	-	-	0.33	2.00
Office equipment	0.14	-	-	0.14	-	-	0.14	-	0.14	-	-	-
Total	**260.28**	**0.03**	**45.39**	**7.20**	**19.22**	**317.72**	**43.82**	**17.78**	**3.27**	**0.32**	**58.65**	**259.07**

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Land	210.13	0.48	17.52	0.39	(4.65)	223.09	21.46	9.04	-	(0.54)	29.96	193.13
Buildings	36.04	-	3.67	3.04	-	36.67	10.36	4.34	1.18	-	13.52	23.15
Plant and machinery	0.38	-	-	-	-	0.38	0.15	0.05	-	-	0.20	0.18
Office equipment	0.14	-	-	-	-	0.14	0.12	0.02	-	-	0.14	-
Total	**246.69**	**0.48**	**21.19**	**3.43**	**(4.65)**	**260.28**	**32.09**	**13.45**	**1.18**	**(0.54)**	**43.82**	**216.46**

Footnotes:

1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Adjustments during the previous year include change in nature of land from Right-of-use assets to Investment property of ₹ 4.11 Crore (net).

3 Adjustment during the year is due to transfer of capital work-in-progress to right-of-use assets of ₹ 18.90 Crore.

4 Refer note 47 for disclosure relating to right-of-use assets.

5 The Group have not revalued its right-of-use assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 6 : Capital Work-in-Progress

As at March 31, 2024

(₹ in Crore)

Particulars	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Capitalised during the year	Adjustments during the year	As at March 31, 2024
Capital work-in-progress	2,624.69	24.98	3,421.20	3,579.61	(18.90)	2,472.36
Total	**2,624.69**	**24.98**	**3,421.20**	**3,579.61**	**(18.90)**	**2,472.36**

As at March 31, 2023

(₹ in Crore)

Particulars	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Capitalised during the year	Adjustments during the year	As at March 31, 2023
Capital work-in-progress	1,297.27	0.07	2,840.23	1,501.31	(11.57)	2,624.69
Total	**1,297.27**	**0.07**	**2,840.23**	**1,501.31**	**(11.57)**	**2,624.69**

Footnotes:

1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Capital work-in-progress include borrowing costs of ₹ 34.54 Crore (March 31, 2023 - ₹ 83.00 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.

3 Adjustment during the year includes ₹ Nil (Previous year - ₹ 11.57 Crore (including ₹ 1.49 Crore related to borrowing cost)) write off.

4 Adjustment during the year is due to transfer of capital work-in-progress to right-of-use assets of ₹ 18.90 Crore.

5 Capital work-in-progress mainly comprises Plant and machinery, Buildings and Freehold land.

6 Additions to Capital work-in-progress includes capitalisation of directly attributable costs incurred by the Group under various headings.

7 During the year, Torrent Urja 8 Private Limited has imported Solarcells amounting to ₹ 146.32 Crore (including Custom duty and Cess), out of which Solarcells amounting to ₹ 79.52 Crore (including Custom duty and Cess) have been sold to EPC contractor in connection with its development of Solar power project and Solarcells amounting to ₹ 66.80 Crore are lying at Bonded Warehouse as at March 31, 2024. Corresponding obligation to repurchase Solarcells from EPC contractor of ₹ 79.52 Crore as at March 31, 2024 (₹ Nil for March 31, 2023) is included in “Payables for purchase of property, plant and equipment” under ”Other current financial liabilities”.

8 Refer note 58 for ageing schedule for capital work-in-progress.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note - 7 : Investment Property

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Freehold land	9.39	-	9.39	-	-	-	-	-	-	-
Total	**9.39**	**-**	**9.39**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2022	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	-	2.17	9.79	17.01	9.39	-	-	-	-	9.39
Total	**-**	**2.17**	**9.79**	**17.01**	**9.39**	**-**	**-**	**-**	**-**	**9.39**

Footnotes:

1 The above investment property have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 Adjustments during the previous year is due to change in nature of leasehold from Right-of-use assets / freehold land from Property plant and equipment of ₹ 17.01 Crore to Investment property.

3 Details of the Group's investment property and information about the fair value hierarchy are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of investment property (₹ in Crore)	-	40.26
Fair value hierarchy	Level 2 [Refer note 55]	Level 2 [Refer note 55]

The fair value of the Group's investment property has been arrived based on a valuation report by external independent valuer, who is a registered valuer as defined under rule 2 of Companies (Registered valuers and valuation) Rules 2017. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

4 The Group has no restrictions on the realisability or the remittance of income and proceeds of disposal of its investment properties. There are no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.

5 The Group has not revalued its investment property during the current or previous year.

6 The title deeds of investment property are held in the name of the Group as at March 31, 2023.

7 Amount recognised in statement of profit and loss for investment property:

(₹ in Crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income derived from investment property	-	-
Direct operating expenses arising from investment property that generated rental income	-	-
Direct operating expenses arising from investment property that did not generate rental income	-	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 8 : Goodwill

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	171.07	-
Addition on account of acquisition of subsidiary [Refer note 42]	-	171.07
Balance at the end of the year	**171.07**	**171.07**

Footnote:

1 Refer note 43 (3) for impairment assessment of goodwill.

Note 9 : Other Intangible Assets

As at March 31, 2024

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2023	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	Deductions during the year	As at March 31, 2024	As at March 31, 2024
Computer software	68.20	-	2.02	2.62	67.60	56.20	6.38	2.62	59.96	7.64
Customer contract	143.94	-	-	-	143.94	8.25	8.15	-	16.40	127.54
Distribution licence	634.00	-	-	-	634.00	25.36	25.36	-	50.72	583.28
Total	**846.14**	**-**	**2.02**	**2.62**	**845.54**	**89.81**	**39.89**	**2.62**	**127.08**	**718.46**

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2022	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Computer software	66.22	-	2.32	0.34	68.20	47.20	9.31	0.31	56.20	12.00
Customer contract	104.85	39.09	-	-	143.94	0.58	7.67	-	8.25	135.69
Distribution licence	-	634.00	-	-	634.00	-	25.36	-	25.36	608.64
Total	**171.07**	**673.09**	**2.32**	**0.34**	**846.14**	**47.78**	**42.34**	**0.31**	**89.81**	**756.33**

Footnotes:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Group [Refer note 23].

2 The Group have not revalued its intangible assets during the current or previous year.

3 Remaining amortisation period of “Distribution licence” is 23 years as at March 31, 2024 (March 31, 2023 - 24 years).

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 10 : Non-Current Investments

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023	Face value (In ₹)	As at March 31, 2024	As at March 31, 2023
	No. of shares				
Investment in equity instruments (unquoted) (at fair value through profit or loss)					
AEC Cements & Constructions Limited (As at March 31, 2024 & March 31, 2023 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr)	9,61,500	9,61,500	10	-	-
Tidong Hydro Power Limited (As at March 31, 2024 & March 31, 2023 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr)	24,500	24,500	10	-	-
UNM Foundation @	50,000	50,000	10	0.05	0.05
				0.05	**0.05**
Contingency reserve investments - statutory (quoted) (at amortised cost) $				16.97	15.89
				16.97	**15.89**
				17.02	**15.94**
Aggregate amount of quoted investments				16.97	15.89
Aggregate amount of unquoted investments				0.05	0.05
				17.02	**15.94**
Aggregate amount of provision for impairment in value of investments				0.63	0.63
Aggregate amount of market value of quoted investments				17.01	15.70

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e. UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

Note 11 : Other Non-Current Financial Assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Security deposits	64.04	58.59
Bank fixed deposits	7.18	24.40
Other advances / receivables [Refer footnote 1]	23.46	52.39
	94.68	**135.38**

Footnote:

1 Ministry of Power vide Gazette Notification dated June 03, 2022, notified The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (the "LPS Rules"). The LPS Rules provide a mechanism for settlement of outstanding dues as on June 03, 2022 into interest free Equated Monthly Instalments (EMI) which ranges from 12 to 48. In view of above, substantial modification and considering the principles of Ind AS 109 - Financial Instruments, the Group has derecognised the original trade receivables of ₹ 177.47 Crore as on June 03, 2022.

On derecognition of original trade receivable, the new receivable from customer under Late payment surcharge Scheme (based on modified terms) at its fair value is disclosed under the head Other non-current financial asset ₹ 52.28 Crore as at March 31, 2023 and other current financial asset ₹ 52.06 Crore as at March 31, 2023 [Refer note 19], and the loss due to substantial modification aggregating ₹ 15.10 Crore for FY 2022-23 under the head finance costs [Refer note 38].

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 12 : Non-Current Tax Assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Advance income tax (net)	12.64	12.50
	12.64	**12.50**

Note 13 : Other Non-Current Assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Capital advances	253.37	153.66
Advances for goods and services	86.16	118.32
Balances with government authorities	68.62	68.69
Prepaid expenses	12.61	17.37
Advance against equity investment [Refer footnote 1 and note 42]	-	3.00
	420.76	**361.04**

Footnote:

1 On February 08, 2023, the Company has entered into a Binding term sheet with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited (AWPL), which holds leasehold land situated in the state of Gujarat for the purpose of development of wind power project.

Accordingly, advance amount of ₹ 3.00 Crore given to the sellers as per binding term sheet is shown as “Advance against equity investment” as at March 31, 2023 in consolidated financial statement.

On September 01, 2023, the Company through its subsidiary, Torrent Green Energy Private Limited (TGEPL) has signed a Share Purchase Agreement (SPA) with the Sellers for the acquisition of 100% share capital of AWPL. The advance amount of ₹ 3.00 Crore has been recovered by Company from TGEPL.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 14 : Inventories

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Stores and spares	307.30	351.49
Fuel	214.84	340.38
Raw materials	37.00	42.53
Work-in-progress	17.48	23.20
Finished goods	37.99	56.43
Packing materials	2.77	2.49
Loose tools	4.06	3.76
Right to receive inventory [Refer footnote 3]	179.01	-
	800.45	**820.28**

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹ 4.03 Crore (Previous year - ₹ 4.44 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Group. [Refer note 23]

3 The Group has sold a certain quantity of Liquified Natural Gas ('LNG') to a third-party during FY 2023-24 and has also agreed to repurchase the same quantity of LNG at a pre-determined price. Accordingly, the Group has recognized a right to re-purchase inventory of LNG of ₹ 179.01 Crore as at March 31, 2024 (₹ Nil for March 31, 2023) and corresponding obligation of ₹ 179.01 Crore as at March 31, 2024 (₹ Nil for March 31, 2023) is included in "Sundry payables" under "Other current financial liabilities".

4 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Fuel	5.61	9.35
Raw materials	3.59	3.93
Finished goods	17.22	9.46
	26.42	**22.74**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 15 : Current Investments

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Investment in mutual funds (unquoted) (at fair value through profit or loss)	934.42	785.82
Contingency reserve investments - statutory (quoted) (at amortised cost) $	2.95	1.93
	937.37	**787.75**
Aggregate amount of quoted investments	2.95	1.93
Aggregate amount of unquoted investments	934.42	785.82
	937.37	**787.75**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	2.87	1.98

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

Note 16 : Trade Receivables

(₹ in Crore)

		As at March 31, 2024	As at March 31, 2023
Trade receivables			
Secured	- Considered good #	1,134.88	929.30
Unsecured	- Considered good	1,055.98	1,317.03
	- Credit impaired	194.39	204.50
		2,385.25	**2,450.83**
Less: Allowance for bad and doubtful debts		194.39	204.50
		2,190.86	**2,246.33**

Group holds security deposits in respect of electricity receivables.

Footnotes:

1 Refer note 23 for charge on current assets including trade receivables.

2 Refer note 55 for credit risk related disclosures.

3 Refer note 59 for ageing schedule of trade receivables.

Note 17 : Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Balance in current accounts	268.41	187.33
Balance in fixed deposit accounts (original maturity of less than three months)	80.32	-
	348.73	**187.33**
Cheques on hand	1.40	0.60
Cash on hand	0.70	0.30
	350.83	**188.23**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 18 : Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Unpaid dividend accounts	13.15	11.21
Unpaid fractional coupon accounts	*	*
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	54.76	144.08
	67.91	**155.29**

include ₹ 51.50 Crore (March 31, 2023 - ₹ 31.49 Crore) on which a lien has been created in favour of lenders.

Note 19 : Other Current Financial Assets

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Security deposits	66.01	41.36
Interest accrued on non-current investments	0.23	0.24
Interest accrued on deposits	2.12	2.93
Unbilled revenue (including revenue gap / surplus) [Refer note 45(a)]	3,672.43	2,904.66
Forward contract receivables	1.63	-
	3,742.42	**2,949.19**
Other advances / receivables [Refer footnote 1 of note 11]		
Considered good ^	246.81	162.21
Considered credit impaired	-	6.06
	246.81	**168.27**
Less : Allowance for doubtful advances	-	6.06
	246.81	162.21
	3,989.23	**3,111.40**

^ including ₹ 79.52 Crore (March 31, 2023 : Nil) receivable from EPC contractor [Refer footnote 7 of note 6].

Note 20 : Other Current Assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Advances for goods and services	99.52	83.79
Balances with government authorities	1.76	6.03
Prepaid expenses	68.43	53.69
	169.71	**143.51**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 21 : Equity Share Capital

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2023) equity shares of ₹ 10 each	4,370.02	4,370.00
	4,370.02	**4,370.00**
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2023) equity shares of ₹ 10 each	480.62	480.62
	480.62	**480.62**

Footnotes:

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at March 31, 2024	No. of shares As at March 31, 2023
At the beginning of the year	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	**48,06,16,784**	**48,06,16,784**

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2023) of ₹ 10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Limited	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Limited	3,45,06,287	7.18%	4,16,57,977	8.67%
SBI Mutual Fund Trustee Company Private Limited	2,98,56,078	6.21%	2,52,86,083	5.26%

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 21 : Equity Share Capital (Contd.)

5 Details of shareholding of Promoters in the Company :

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited	25,74,22,311	53.56%	-	25,74,22,311	53.56%	-
Sudhir Mehta	6,882	0.00%	-	6,882	0.00%	-
Samir Mehta	6,125	0.00%	-	6,125	0.00%	-
Jinal Mehta	**8,000**	**0.00%**	**-**	**8,000**	**0.00%**	**-**

6 Distributions made:

Interim dividend for FY 2023-24 of ₹ 12.00 per equity share [Previous year - ₹ 22.00 per equity share (including ₹ 13.00 per equity share as a special dividend)] aggregating to ₹ 576.74 Crore [Previous year - ₹ 1,057.36 Crore] was paid in the month of March 2024 [Previous year - March 2023].

The Board of Directors at its meeting held on May 22, 2024 has recommended a final dividend of 40% (₹ 4.00 per equity share of par value ₹ 10 each) [Previous year - ₹ 4.00 per equity share]. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of ₹ 192.25 Crore.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 22 : Other Equity

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	44.51	61.21
Contingency reserve	19.22	17.29
Special reserve	78.07	78.07
General reserve	3,687.68	3,670.61
Retained earnings	7,751.58	6,702.17
	11,581.09	**10,529.38**

Refer "Consolidated Statement of Changes in Equity" for movement in each reserve.

Footnotes:

1 Securities premium:

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Group was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created by the Group till previous years will be transferred to general reserve on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 23 : Non-Current Borrowings

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
6.50%,6.90%,7.25% Series 7A,7B & 7C	164.53	248.54
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	300.00	450.00
7.45%,8.05% Series 9A & 9B	599.43	599.36
8.30%,8.35%,8.55%,8.65% Series 10A,10B,10C & 10D	200.00	200.00
8.50% Series 11A,11B,11C,11D,11E & 11F	601.36	-
8.40% Series 12A,12B,12C & 12D	750.51	-
8.32% Series 13A,13B,13C & 13D	699.82	-
8.20% Series 1 (In respect of Torrent Solargen Limited)	481.00	503.26
	3,796.65	**2,001.16**
Term loans @		
From banks	5,918.46	5,793.74
	5,918.46	**5,793.74**
Supplier's credit	-	612.94
	9,715.11	**8,407.84**
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A,4B & 4C	-	89.99
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	99.88	199.57
7.00% Series 1 (In respect of Latur Renewable Private Limited)	99.88	199.57
	199.76	**489.13**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	1.53	5.35
	1.53	**5.35**
	201.29	**494.48**
	9,916.40	**8,902.32**

@ After considering unamortised expense of ₹ 15.21 Crore as at March 31, 2024 and ₹ 18.72 Crore as at March 31, 2023.

& After considering unamortised expense (net of premium) of ₹ 0.15 Crore as at March 31, 2024 and ₹ 3.19 Crore as at March 31, 2023.

After considering unamortised expense of ₹ 0.24 Crore as at March 31, 2024 and ₹ 0.87 Crore as at March 31, 2023.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 23 : Non-Current Borrowings (Contd.)

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures ^		
8.95% Series 3A,3B & 3C	-	80.00
7.30% Series 6	-	300.00
6.50%,6.90%,7.25% Series 7A,7B & 7C	84.51	-
6.20%,6.70%,7.10%,7.45% Series 8A,8B,8C & 8D	150.00	150.00
8.20% Series 1 (In respect of Torrent Solargen Limited)	22.45	21.32
	256.96	**551.32**
Term loans $		
From banks	824.96	746.17
	824.96	**746.17**
Unsecured loans - at amortised cost		
Non convertible debentures *		
10.25% Series 4A,4B & 4C	89.99	89.94
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	99.69	99.50
7.00% Series 1 (In respect of Latur Renewable Private Limited)	99.69	99.50
	289.37	**288.94**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	**3.82**
	1,375.11	**1,590.25**
Amount disclosed under the head 'Current borrowings' [Refer note 27]	(1,375.11)	(1,590.25)
	-	-

$ After considering unamortised expense of ₹ 3.80 Crore as at March 31, 2024 and ₹ 4.49 Crore as at March 31, 2023.

^ After considering unamortised expense of ₹ 0.58 Crore as at March 31, 2024 and ₹ 0.13 Crore as at March 31, 2023.

* After considering unamortised expense of ₹ 0.63 Crore as at March 31, 2024 and ₹ 1.06 Crore as at March 31, 2023.

Footnotes:

As at March 31, 2024

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,786.07 Crore and non convertible debentures of ₹ 3,550.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds, working capital facility agreements), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:

Non-convertible debentures of ₹ 504.35 Crore outstanding as at March 31, 2024, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 23 : Non-Current Borrowings (Contd.)

(iii) Surya Vidyut Limited:

Term loans ₹ 343.40 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

(iv) Torrent Saurya Urja 2 Private Limited (TSU2):

Credit Facility (including Capex LC, Service LC and Term Loan) (issued ₹ 1,336.00 Crore and outstanding term loans of ₹ 632.95 Crore) are secured by (i) Capital goods purchased / RM for capex imported under LC and (ii) a first pari-passu charge by way of hypothecation of movable assets and current assets of the Project, both present and future.

Project means (i) 150 MW(AC) of solar plant at Surel Village (Surendranagar District); and (ii) 150 MW(AC) solar plant at Babra Village (Amreli District) in Gujarat setting up by TSU2, subsidiary of the Company.

(v) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL):

Term loans ₹ Nil (sanctioned amount ₹ 350.00 Crore) are secured by way of (i) exclusive first charge on all present and future movable assets of the DNHDDPDCL including the current assets (other than receivables of the DNHDDPDCL), stores, spares and other current assets); (ii) exclusive first charge on all accounts opened / to be opened and maintained by the DNHDDPDCL; (iii) exclusive first charge on all present and future immovable assets of the DNHDDPDCL; and (iv) second charge on the receivables of the DNHDDPDCL.

2 The future annual repayment obligations (monthly / quarterly / yearly) on principal amount for the above long-term borrowings are as under:-

(₹ in Crore)

Financial year	Term loans	Non convertible debentures
2024-25	832.58	547.54
2025-26	987.12	803.65
2026-27	1,039.63	609.75
2027-28	749.70	751.12
2028-29	714.78	452.50
2029-30	814.14	27.50
2030-31	721.18	30.25
2031-32	562.77	281.90
2032-33	227.22	583.55
2033-34	24.97	233.55
2034-35	24.97	35.20
2035-36	24.97	37.40
2036-37	24.97	39.05
2037-38	18.79	41.25
2038-39	-	38.50
2039-40	-	31.62

3 The rate of interest for term loans from banks are ranges from 8.25% p.a. to 8.95% p.a. as at March 31, 2024.

4 Undrawn term loans from banks, based on approved facilities, were ₹ 1,643.00 Crore as at March 31, 2024.

5 During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 23 : Non-Current Borrowings (Contd.)

As at March 31, 2023

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 6,194.75 Crore and non convertible debentures of ₹ 2,030.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds), are carved out of security provided to lenders.

(ii) Torrent Solargen Limited:

Capex LC facility (LC issued of ₹ 693.27 Crore and LC discounted of ₹ 612.94 Crore as at March 31, 2023) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.

Non-convertible debentures of ₹ 525.80 Crore outstanding as at March 31, 2023, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:
Term loans ₹ 368.37 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

2 The future annual repayment obligations (monthly / quarterly / yearly) on principal amount for the above long-term borrowings are as under:-

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Others
2023-24	754.48	841.45	-
2024-25	507.74	547.55	612.94
2025-26	667.37	453.65	-
2026-27	795.01	259.75	-
2027-28	718.15	376.13	-
2028-29	717.22	77.50	-
2029-30	804.58	27.50	-
2030-31	702.62	30.25	-
2031-32	536.40	81.90	-
2032-33	250.05	383.55	-
2033-34	24.97	33.55	-
2034-35	24.97	35.20	-
2035-36	24.97	37.40	-
2036-37	24.97	39.05	-
2037-38	18.79	41.25	-
2038-39	-	38.50	-
2039-40	-	31.62	-

3 The rate of interest for term loans from banks are ranges from 8.35% p.a. to 9.19% p.a. as at March 31, 2023.

4 Undrawn term loans from banks, based on approved facilities, were ₹ 306.73 Crore as at March 31, 2023.

5 During the previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 24 : Non-Current Trade Payables

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	345.71	210.61
	345.71	**210.61**

Footnote:

1 Refer note 60(a) for ageing schedule of trade payables.

Note 25 : Other Non-Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Redemption liability [Refer footnote 1]	0.95	-
	0.95	**-**

Footnote:

1 There are other stakeholders in certain subsidiaries owning in the range of 26% to 33% stake. A redemption liability of ₹ 0.95 Crore (March 31, 2023 - ₹ Nil) has been accounted for non-controlling interest portion.

Note 26 : Other Non-Current Liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	1,371.37	1,303.00
Capital grant from government [Refer note 57(b)]	11.76	11.66
Sundry payables	62.55	57.80
	1,445.68	**1,372.46**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 27 : Current Borrowings

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Secured loans		
Working capital loan from banks	290.00	-
Overdraft from banks	0.02	-
	290.02	**-**
Unsecured loans		
Other loans [Refer footnote 7]	3.50	3.50
	3.50	**3.50**
Current maturities of long-term debt [Refer note 23]	1,375.11	1,590.25
	1,668.63	**1,593.75**

Footnotes:

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

2 Working capital facility of ₹ 50.00 Crore is secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

3 Working capital facility of ₹ 50.00 Crore is secured by a first exclusive charge by way of hypothecation in respect of entire movable assets and current assets of of subsidiary company, Torrent Electricals Private Limited (formerly known as TCL Cables Private Limited) (TEPL), both present and future of TEPL.

4 Non-fund based facility of ₹ 400.00 Crore secured by way of (i) exclusive first charge on all present and future movable assets of the Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL) (including the current assets (other than receivables of the DNHDDPDCL), stores, spares and other current assets); (ii) exclusive first charge on all Accounts opened / to be opened and maintained by the DNHDDPDCL; and (iii) second charge on the receivables of the DNHDDPDCL.

5 Undrawn cash credit from banks, based on approved facilities, were ₹ 1,310.00 Crore (March 31, 2023 - ₹ 1,200.00 Crore).

6 During the current and previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

7 Loan is interest free and repayable on demand.

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 27 : Current Borrowings (Contd.)

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	350.83	188.23
Current investments	937.37	787.75
Current borrowings (excluding current maturities of long-term debt and interest accrued but not due) #	(293.63)	(3.50)
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due) #	(11,451.58)	(10,642.80)
Lease Liabilities	(46.77)	(45.34)
	(10,503.78)	**(9,715.66)**

Transactions cost reduced from the borrowing is excluded.

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2023	**188.23**	**787.75**	**(3.50)**	**(10,642.80)**	**(45.34)**	**(9,715.66)**
Cash flows (net)	162.60	88.73	(290.02)	(791.09)	44.02	(785.76)
New lease	-	-	-	-	(45.39)	(45.39)
Transfer from non-current investments	-	1.02	-	-	-	1.02
Deletion relating to lease liability	-	-	-	-	3.93	3.93
Interest expense	-	-	(2.87)	(860.84)	(3.99)	(867.70)
Interest paid	-	-	2.76	843.15	-	845.91
Gain on sale of current investments	-	57.94	-	-	-	57.94
Fair value adjustment	-	1.93	-	-	-	1.93
Net balance as at March 31, 2024	**350.83**	**937.37**	**(293.63)**	**(11,451.58)**	**(46.77)**	**(10,503.78)**
Net balance as at April 01, 2022	**289.41**	**273.70**	**(717.24)**	**(8,531.52)**	**(44.21)**	**(8,729.86)**
Cash flows (net)	(101.18)	449.25	713.74	(2,107.38)	22.34	(1,023.23)
New lease	-	-	-	-	(21.19)	(21.19)
Transfer from non-current investments	-	1.93	-	-	-	1.93
Deletion relating to lease liability	-	-	-	-	2.25	2.25
Interest expense	-	-	(13.97)	(769.73)	(3.95)	(787.65)
Interest paid	-	-	13.97	765.83	-	779.80
Gain on sale of current investments	-	55.64	-	-	-	55.64
Fair value adjustment	-	7.23	-	-	-	7.23
On account of acquisition of subsidiaries	-	-	-	-	(0.58)	(0.58)
Net balance as at March 31, 2023	**188.23**	**787.75**	**(3.50)**	**(10,642.80)**	**(45.34)**	**(9,715.66)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 28 : Current Trade Payables

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	64.12	68.99
Total outstanding dues other than micro and small enterprises	1,747.80	1,453.68
	1,811.92	**1,522.67**

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

Footnote:

1 Refer note 60(b) for ageing schedule of trade payables.

Note 29 : Other Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on loans and security deposits	139.57	121.77
Investor education and protection fund #		
Unpaid / Unclaimed dividend	13.15	11.21
Unclaimed fractional coupons	*	*
Book overdraft	-	0.07
Security deposits from consumers @	1,949.07	1,702.55
Other deposits	7.72	6.86
Payables for purchase of property, plant and equipment ^ $	643.46	451.62
Sundry payables (including for employees related payables) $$	511.70	393.64
	3,264.67	**2,687.72**

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2024 and as at March 31, 2023.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹ 25.02 Crore (March 31, 2023 - ₹ 41.85 Crore)

$ including ₹ 79.52 Crore (March 31, 2023 : Nil) for right to repurchase solarcells from EPC contractor [Refer footnote 7 of note 6].

$$ including ₹ 179.01 Crore (March 31, 2023 : Nil) for right to receive inventory [Refer footnote 3 of note 14].

Note 30 : Other Current Liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Credit balances of consumers [Refer note 45(d)]	120.66	106.28
Service line deposits from consumers [Refer note 45(c)]	237.00	236.41
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	106.92	100.80
Capital grant from government [Refer note 57(b)]	0.96	2.37
Statutory dues	254.74	223.93
Liability towards corporate social resposibility ^	12.87	-
Sundry payables #	1.91	7.45
	735.06	**677.24**

including dues to micro and small enterprises for ₹ 0.31 Crore (March 31, 2023 - ₹ 0.26 Crore)

^ It represents unspent amount of corporate social responsibility. The Group has tranferred of ₹ 9.29 Crore, ₹ 2.05 Crore and ₹ 1.53 Crore to a special bank account on April 16, 2024, April 23, 2024 and April 29, 2024 respectively.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 31 : Current Provisions

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	30.45	2.54
Provision for compensated absences $	129.49	124.68
Provision for pension [Refer note 48.3(d)]	2.55	1.95
	162.49	**129.17**
Other provisions		
Provision for indirect taxes	0.25	0.25
Provision for onerous contracts [Refer note 56]	24.98	134.38
Provision for contingencies	14.02	0.26
	39.25	**134.89**
	201.74	**264.06**

$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in Provision

(₹ in Crore)

	Provision for indirect taxes	Provision for onerous contracts	Provision for contingencies
Balance as at April 01, 2023	0.25	134.38	0.26
Additional provision recognised	-	-	14.02
Utilisation of provision	-	(109.40)	(0.26)
Balance as at March 31, 2024	**0.25**	**24.98**	**14.02**
Balance as at April 01, 2022	**0.25**	**135.76**	**-**
Additional provision recognised	-	9.44	-
Addition on account of acquisition of subsidiary	-	-	0.26
Reversal of provision	-	(10.82)	-
Balance as at March 31, 2023	**0.25**	**134.38**	**0.26**

Note 32 : Current Tax Liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Provision for taxation (net of tax paid)	123.80	178.57
	123.80	**178.57**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 33 : Revenue From Operations

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	25,696.03	22,006.77
Revenue from sale of cable products		
Manufactured goods	481.72	358.67
Revenue from trading of RLNG	753.16	3,068.65
	26,930.91	**25,434.09**
Less: Discount for prompt payment of bills	36.52	31.25
	26,894.39	**25,402.84**
Other operating income		
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 45(b)(2)] #	104.87	97.73
Capital grant from government [Refer note 57(b)]	1.31	2.37
Income from Certified Emission Reduction (CERs)	-	12.43
Income from Generation Based Incentive	36.05	33.91
Hire of meters	0.97	2.46
Insurance claim receipt	3.57	2.23
Incentive income under solar rooftop programme	16.79	55.14
Provisions of earlier years written back	1.09	0.80
Gain on cancellation of contracts	20.80	-
Miscellaneous income	103.37	84.21
	288.82	**291.28**
	27,183.21	**25,694.12**

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

Footnotes:

1 Disaggregation of revenue from contracts with customers:

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Generation	2,105.45	2,828.50
Transmission and Distribution	24,194.25	22,112.93
Renewables	594.69	461.41
	26,894.39	**25,402.84**

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time and others at a point in time.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 34 : Other Income

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets measured at amortised cost		
Deposits	7.04	19.53
Consumers	48.16	43.12
Contingency reserve investments	1.37	1.28
Loans to related parties [Refer note 54(b)]	-	3.45
Others	0.23	1.46
	56.80	**68.84**
Gain on disposal of property, plant and equipment / investment property	40.01	44.84
Gain on sale of current investments in mutual funds	57.94	55.64
Gain on sale of non-current investments	0.05	-
Net gain arising on financial assets / liabilities measured at amortised cost	50.02	23.67
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	1.93	7.23
Net gain on foreign currency transactions and translations	0.21	0.63
Gain on change in fair value of derivatives (net)	1.47	-
Discount on prompt payment of power purchase	84.76	115.60
Miscellaneous income	51.13	65.40
	344.32	**381.85**

Note 35 : Cost of Materials Consumed

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Cost of materials consumed	544.64	504.17
Less: Allocated to capital works	138.14	169.36
	406.50	**334.81**

Note 36 : Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory of finished goods		
Opening stock	56.43	26.33
Less: Closing stock	37.99	56.43
	18.44	**(30.10)**
Inventory of work-in-progress		
Opening stock	23.20	9.96
Less: Closing stock	17.48	23.20
	5.72	**(13.24)**
Less: Allocated to capital works	3.71	(14.15)
	20.45	**(29.19)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 37 : Employee Benefits Expense

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	731.92	708.70
Contribution to provident and other funds [Refer note 48.1]	52.42	48.88
Employees welfare expenses	34.17	28.94
Compensated absences	25.96	18.32
Gratuity [Refer note 48.2(e)(3)]	18.86	20.17
	863.33	**825.01**
Less: Allocated to capital works, repairs and other relevant revenue accounts #	252.14	246.76
	611.19	**578.25**

includes allocated to capital works of ₹ 152.09 Crore (previous year ₹ 148.49 Crore)

Note 38 : Finance Costs

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense for financial liabilities measured at amortised cost		
Term loans #	555.50	482.65
Non convertible debentures ^	276.22	269.88
Working capital loans	2.87	13.97
Security deposits from consumers	119.29	64.56
Lease liabilities	3.99	3.95
Others (including for supplier's credit)	38.19	28.22
	996.06	**863.23**
Other interest expense	4.50	1.16
Other borrowing costs	25.76	15.00
Unwinding of discount [Refer footnote 1 of note 11]	-	15.10
	1,026.32	**894.49**
Less: Allocated to capital works	82.92	76.29
	943.40	**818.20**

includes amortisation of borrowing cost of ₹ 6.03 Crore (previous year ₹ 8.75 Crore)

^ includes amortisation of borrowing cost of ₹ 1.60 Crore (previous year ₹ 1.93 Crore)

Note 39 : Depreciation and Amortisation Expense

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense on property, plant and equipment	1,322.86	1,228.60
Depreciation expense on right-of-use assets	17.78	13.45
Amortisation expense on intangible assets	39.89	42.34
	1,380.53	**1,284.39**
Less: Transfer from others	-	0.20
Less: Allocated to capital works	3.03	3.23
	1,377.50	**1,280.96**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 40 : Other Expenses

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	295.92	195.80
Rent and hire charges	25.65	23.08
Repairs to		
Buildings	16.80	12.44
Plant and machinery	543.09	499.74
Others	36.17	33.01
	596.06	**545.19**
Insurance	50.65	50.53
Rates and taxes	28.68	14.71
Vehicle running expenses	49.11	45.05
Electricity expenses	41.12	36.14
Security expenses	65.91	63.69
Water charges	32.25	24.24
Power transmission and scheduling charges	13.95	6.21
Corporate social responsibility expenses	45.82	34.43
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	37.19	29.91
Commission to non-executive directors [Refer note 54(b)]	3.27	2.50
Directors sitting fees	1.05	0.75
Auditors remuneration [Refer note 49]	3.17	2.74
Legal, professional and consultancy fees	97.66	79.68
Donations [Refer note 50]	63.55	43.03
Net loss on foreign currency transactions	4.19	11.40
Bad debts written off (net of recovery)	12.41	4.02
Liquidated damages related to onerous contracts [Refer note 56]	109.40	-
Reversal of provision for onerous contracts [Refer note 56]	(109.40)	(10.82)
Provision for onerous contracts [Refer note 56]	-	9.44
Allowance for doubtful advances	(6.06)	-
Allowance for doubtful debts (net)	(10.11)	(13.21)
Miscellaneous expenses	170.23	143.44
	1,621.67	**1,341.95**
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	117.53	118.39
	1,504.14	**1,223.56**

^ includes allocated to capital works of ₹ 23.63 Crore (previous year ₹ 15.33 Crore)

Notes

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Note 41: Composition of the Group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2024	As at March 31, 2023
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited	Power Generation	India	74%	100%
Torrent Saurya Urja 4 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 5 Private Limited	Power Generation	India	74%	100%
Visual Percept Solar Projects Private Limited	Power Generation	India	100%	100%
Surya Vidyut Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 6 Private Limited (Formerly known as LREHL Renewables India SPV 1 Private Limited)	Power Generation	India	100%	100%
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (w.e.f. April 01, 2022)	Power Distribution	India	51%	51%
Torrent Urja 7 Private Limited (w.e.f. July 30, 2022) (formerly known as Wind Two Renergy Private Limited)	Power Generation	India	100%	100%
Sun Shakti Solar Power Projects Private Limited (w.e.f. June 13, 2022)	Power Generation	India	100%	100%
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	Power Generation	India	100%	-
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	-
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	Power Generation	India	67%	-
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	Power Generation	India	100%	-
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	Power Generation	India	100%	-

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Note 41: Composition of the Group (Contd.)

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2024	As at March 31, 2023
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	Power Generation	India	100%	-
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	Power Generation	India	100%	-
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	Power Generation	India	100%	-
Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023)	Power Generation	India	100%	-
Torrent PSH 1 Private Limited (w.e.f January 03, 2024)	Power Generation	India	100%	-
Torrent PSH 2 Private Limited (w.e.f January 03, 2024)	Power Generation	India	100%	-
Torrent PSH 3 Private Limited (w.e.f December 29, 2023)	Power Generation	India	100%	-
Torrent PSH 4 Private Limited (w.e.f. December 30, 2023)	Power Generation	India	100%	-
Solapur Transmission Limited (w.e.f. March 20, 2024)	Transmission of Power	India	100%	-
Step down Subsidiary Airpower Windfarms Private Limited (w.e.f September 01, 2023)	Power Generation	India	100%	-

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Note 41: Composition of the Group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company its Subsidiaries and its step down subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2024:

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.56%	12,038.51	94.83%	1,798.03	72.64%	(10.21)	95.00%	1,787.82
Torrent Solargen Limited	(0.02%)	(2.91)	(0.85%)	(16.07)	-	-	(0.85%)	(16.07)
Torrent Pipavav Generation Limited	0.23%	28.43	(0.04%)	(0.71)	-	-	(0.04%)	(0.71)
Torrent Power Grid Limited	0.85%	107.35	0.66%	12.57	0.14%	(0.02)	0.67%	12.55
Latur Renewable Private Limited	1.19%	149.32	0.89%	16.92	-	-	0.90%	16.92
Jodhpur Wind Farms Private Limited	1.13%	142.08	0.73%	13.86	-	-	0.74%	13.86
Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)	0.12%	15.30	(1.48%)	(27.99)	4.91%	(0.69)	(1.52%)	(28.68)
Torrent Solar Power Private Limited	(0.24%)	(30.56)	(0.81%)	(15.40)	-	-	(0.82%)	(15.40)
Torrent Saurya Urja 2 Private Limited	(0.12%)	(15.62)	(0.54%)	(10.24)	-	-	(0.54%)	(10.24)
Torrent Saurya Urja 3 Private Limited	0.00%	(0.53)	(0.06%)	(1.11)	-	-	(0.06%)	(1.11)
Torrent Saurya Urja 4 Private Limited	(0.02%)	(2.14)	(0.11%)	(2.06)	-	-	(0.11%)	(2.06)
Torrent Saurya Urja 5 Private Limited	0.08%	9.79	(0.10%)	(1.86)	-	-	(0.10%)	(1.86)
Visual Percept Solar Projects Private Limited	1.35%	169.64	1.15%	21.86	0.14%	(0.02)	1.16%	21.84
Surya Vidyut Limited	2.73%	343.30	1.38%	26.44	0.07%	(0.01)	1.40%	26.43
Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)	0.77%	97.56	0.98%	18.67	-	-	0.99%	18.67
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	2.35%	296.41	3.71%	70.36	11.17%	(1.57)	3.66%	68.79
Sun Shakti Solar Power Projects Private Limited	1.17%	146.93	0.99%	18.72	-	-	0.99%	18.72
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	0.33%	41.79	(0.21%)	(4.03)	-	-	(0.21%)	(4.03)
Torrent Urja 13 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Green Energy Private Limited (w.e.f. August 02, 2023)	(0.01%)	(0.79)	(0.04%)	(0.84)	-	-	(0.04%)	(0.84)
Airpower Windfarms Private Limited (w.e.f September 01, 2023)	0.17%	21.10	(0.03%)	(0.64)	-	-	(0.03%)	(0.64)

Notes

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Note 41: Composition of the Group (Contd.)

Name of the entity in the Group	Consolidated share in net assets i.e. total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Green Hydrogen Private Limited (w.e.f December 29, 2023)	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Urja 8 Private Limited (w.e.f. April 28, 2023)	(0.02%)	(2.14)	(0.03%)	(0.64)	-	-	(0.03%)	(0.64)
Torrent Urja 9 Private Limited (w.e.f. April 26, 2023)	0.00%	(0.04)	0.00%	(0.05)	-	-	0.00%	(0.05)
Torrent Urja 10 Private Limited (w.e.f. April 21, 2023)	0.02%	2.68	(0.01%)	(0.21)	-	-	(0.01%)	(0.21)
Torrent Urja 11 Private Limited (w.e.f. April 20, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 12 Private Limited (w.e.f. April 18, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 14 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 15 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 16 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent Urja 17 Private Limited (w.e.f. May 11, 2023)	0.00%	(0.02)	0.00%	(0.03)	-	-	0.00%	(0.03)
Torrent PSH 1 Private Limited (w.e.f January 03, 2024)	0.00%	0.01	0.00%	-	-	-	0.00%	-
Torrent PSH 2 Private Limited (w.e.f January 03, 2024)	0.00%	0.01	0.00%	-	-	-	0.00%	-
Torrent PSH 3 Private Limited (w.e.f December 29, 2023)	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent PSH 4 Private Limited (w.e.f. December 30, 2023)	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Solapur Transmission Limited (w.e.f. March 20, 2024)	0.00%	-	0.00%	(0.01)	-	-	0.00%	(0.01)
Non-controlling interests	4.25%	535.79	3.31%	62.77	10.92%	(1.53)	3.25%	61.24
Consolidation adjustments	(11.87%)	(1,493.63)	(4.32%)	(82.10)	0.01%	-	(4.40%)	(82.10)
Total	**100.00%**	**12,597.50**	**100.00%**	**1,896.00**	**100.00%**	**(14.05)**	**100.00%**	**1,881.95**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 41: Composition of the Group (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2024
			As at March 31, 2024	As at March 31, 2023		
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited) (Upto July 29, 2022)	Power Generation	India	NA	NA	NA	NA

(c) Summarised Financial Information of Material Non Controlling Interests

Financial Information of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited that have material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests:

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest by non controlling interest	
		As at March 31, 2024	As at March 31, 2023
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	India	49%	49%

(i) Summarised Balance Sheet:

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Non-current Assets	606.66	387.11
Current Assets	1,034.64	929.77
Non-current Liabilities	(28.83)	(18.37)
Current Liabilities	(1,031.27)	(852.18)
	581.20	**446.33**
Accumulated share of Profit:		
Owners of the company	296.41	227.63
Non-controlling interest	284.79	218.70

Notes
forming part of the consolidated financial statements for the year ended March 31, 2024

Note 41: Composition of the Group (Contd.)

(ii) Summarised Statement of Profit and Loss:

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Income		
Revenue from operations	6,097.15	5,985.40
Other income	64.89	74.58
Total Income	**6,162.04**	**6,059.98**
Expenses		
Electrical energy purchased	(5,821.01)	(5,779.56)
Employee benefits expense	(39.85)	(42.78)
Finance costs	(23.89)	(17.67)
Depreciation and amortisation expense	(18.82)	(14.48)
Other expenses	(74.56)	(64.27)
Total expenses	**(5,978.13)**	**(5,918.76)**
Profit before tax	**183.91**	**141.21**
Tax expense	(45.94)	(37.21)
Profit for the Period	**137.97**	**104.00**
Other Comprehensive Income for the year	(3.10)	(1.49)
Total Comprehensive Income for the year	**134.87**	**102.51**
Attributable to:		
Owners of the company	68.79	52.28
Non-controlling interest	66.08	50.24

(iii) Summarised Cash Flow information:

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Operating Activities	208.44	(32.70)
Investing Activities	(222.89)	(68.96)
Financing Activities	29.65	(17.93)
Net (Decrease) / Increase in Cash and Cash Equivalents	**15.20**	**(119.59)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 42: Business Acquisition / Asset acquisitions

A Acquistions during the current year (FY 2023-24)

(a) Details of asset acquisitions

(i) Airpower Windfarms Private Limited

On September 01, 2023, the Company through its subsidiary, Torrent Green Energy Private Limited (TGEPL) has signed a Share Purchase Agreement (SPA) with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited (AWPL), which holds leasehold revenue land situated in the state of Gujarat for the purpose of development of wind power project. AWPL has become wholly owned subsidiary of the TGEPL w.e.f. September 01, 2023.

(ii) Solapur Transmission Limited

On March 20, 2024, the Company has signed a Share Purchase Agreement (SPA) with PFC Consulting Limited (the Seller) through competitive bidding process for the acquisition of 100% share capital of Solapur Transmission Limited (STL), which will set up the transmission project on build, own, operate and transfer (BOOT) basis and will provide Transmission Service of power from the RE projects in Solapur SEZ in Maharashtra. Pursuant to the SPA, STL has become wholly owned subsidiary of the Company w.e.f. March 20, 2024.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factor that the purchase consideration pertain to the fair value of leasehold land for development of renewable power assets.

Consideration Transferred

(₹ in Crore)

	Airpower Windfarms Private Limited	Solapur Transmission Limited
Consideration paid in cash for purchase of Equity shares	21.52	0.01
	21.52	**0.01**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 42: Business Acquisition / Asset acquisitions (Contd.)

Net amount of Assets and Liabilities

(₹ in Crore)

	Airpower Windfarms Private Limited	Solapur Transmission Limited
Assets		
Property, plant and equipment (including Capital Work in Progress)	18.69	6.29
Right-of-use assets	0.03	-
Other current assets	2.86	0.01
Total Assets Acquired	**21.58**	**6.30**
Liabilities		
Current Borrowings	-	5.61
Trade payables	0.05	-
Other financial liabilities	-	0.12
Other current liabilities	0.01	0.56
Total Liabilities Assumed	**0.06**	**6.29**
Net Assets Acquired	**21.52**	**0.01**

B Acquistions during the previous year (FY 2022-23)

(a) Details of business combination

(i) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL')

On March 15, 2022, the Company has entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with 'The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu' (the 'Holding Entity') and 'Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL') for purchase of 51% shares of the DNHDDPDCL from the Holding Entity for a consideration of ₹ 555.00 Crore plus consideration adjustment of ₹ 31.06 Crore as per terms of SPA, on account of notified balance sheet of the DNHDDPDCL as at April 01, 2022 i.e. total consideration of ₹ 586.06 crore.

Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 01, 2022 ('Acquisition date') for the purpose of implementing the transfer scheme.

DNHDDPDCL shall be the licensee to carry out the function of distribution and retail supply of electricity in the Dadra and Nagar Haveli District of the Union Territory of Dadra and Nagar Haveli and Daman and Diu for a period of 25 years effective from the acquisition date.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 42: Business Acquisition / Asset acquisitions (Contd.)

The Group has accounted the said acquisition in accordance with Ind AS 103 'Business Combination'. The details are as follows:

Consideration Transferred and computation of Goodwill

(₹ in Crore)

Particulars	
Total consideration*	586.06
Consideration Transferred	**586.06**
Less: Fair Value of identifiable net assets acquired	(813.63)
Add: Non-Controlling Interest (49%)	398.64
Goodwill on acqusition	**171.07**

* Out of the above ₹ 31.06 crore, included in Note 29 Sundry Payables under "Other current financial liabilities" has been paid subsequent to year end on April 29, 2023. Further there are no contingent considerations.

Goodwill comprises the value of expected higher profitability on account of the acquisition. Non-controlling interest has been intially measured at proportionate share of DNHDDPDCL's Fair Value of identifiable net assets acquired. Further pursuant to the transfer scheme there are no contingent liability transferred as on the acquisition date. Acquisition related costs of ₹ 4.30 Crores have been excluded from the consideration transferred and have been recognised as an expense in Consolidated Statement of Profit and Loss in the Current year and Previous year under the head "Other expenses".

Details of assets acquired and liabilities recognised at the date of acquisition

(₹ in Crore)

Particulars	
Assets	
Non-current assets	
Property, plant and equipment	397.84
Other intangible assets	634.00
Current assets	
Inventories	17.13
Financial assets	
Trade receivables	409.42
Cash and cash equivalents	140.64
Other financial assets	160.75
Total Assets Acquired	**1,759.78**
Liabilities	
Non-current liabilities	
Financial liabilities	
Other financial liabilities	181.72
Deferred tax liabilities (net)	263.96
Current liabilities	
Financial liabilities	
Trade payables	336.80
Other financial liabilities	163.67
Total Liabilities Assumed	**946.15**
Net Assets Acquired at fair value	**813.63**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 42: Business Acquisition / Asset acquisitions (Contd.)

Revenue and profit of the DNHDDPDCL since the acquisition date included in the consolidated statement of profit and loss of the Group:

(₹ in Crore)

Particulars	
Revenue from Operations	5,985.40
Profit for the Period	104.00

(b) Details of asset acquisitions

(i) Sunshakti Solar Power Projects Private Limited

On April 23, 2022, the Company has entered into a Securities Purchase Agreement (SPA) with SkyPower Southeast Asia III Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited (SSPPPL), which operates 50 MW solar power plant, situated in the state of Telangana. On completion of the conditions precedent to SPA, SSPPPL has become wholly owned subsidiary of the Company w.e.f. June 13, 2022.

(ii) Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)

On July 30, 2022, the Company has acquired 100% of paid-up capital of Torrent Urja 7 Private Limited ("TU7") (formerly known as Wind Two Renergy Private Limited (WTRPL)) from Inox Green Energy Services Limited (formerly known as Inox Wind Infrastructure Services Limited). TU7 operates 50 MW Wind power plant, situated in the state of Gujarat. On acquisition of shares, TU7 has become wholly owned subsidiary of the Company w.e.f. July 30, 2022 which was Associate of the Company till July 29, 2022.

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

Consideration Transferred

(₹ in Crore)

	Sunshakti Solar Power Projects Private Limited	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)
Consideration paid in cash for purchase of Equity shares	105.93	32.51
Consideration paid in cash for purchase of Compulsory Convertible Debentures	36.69	-
	142.62	**32.51**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 42: Business Acquisition / Asset acquisitions (Contd.)

Net amount of Assets and Liabilities

(₹ in Crore)

	Sunshakti Solar Power Projects Private Limited	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)
Assets		
Property, plant and equipment (including CWIP) and Right-of-use assets	279.60	271.95
Intangible Asset including Customer contract	18.87	20.22
Other non-current assets	-	2.31
Other current assets	148.77	2.34
Total Assets Acquired	**447.24**	**296.82**
Liabilities		
Non current Borrowings	273.52	-
Other non-current liabilities	22.34	-
Current Borrowings	-	251.76
Other current liabilities	8.76	12.55
Total Liabilities Assumed	**304.62**	**264.31**
Net Assets Acquired	**142.62**	**32.51**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 43: Impairment Assessment

(1) DGEN Power Plant

Net carrying value of Property, plant & equipment ("PPE") and Right-of-use assets ("ROU") as at March 31, 2024 includes ₹ 1,237.82 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat including its Transmission Line ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially including the current year due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, during the current year, the Company had carried out an impairment assessment of DGEN as at March 31, 2024 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value-in-use is determined considering a discount rate of 15.50% (March 31, 2023 – 15.00%) and cash flow projections over a period of 16 years (March 31, 2023 - 17 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 on the basis that the Company expects to supply power in the future. Based on the assessment, recoverable value of PPE by using value-in-use is ₹ 1,307.00 Crore which is higher than the carrying amount of PPE of ₹ 1,237.82 Crore and accordingly no additional impairment loss is required as at March 31, 2024. The management has conducted sensitivity analysis on impairment test of the value in use of DGEN. The management believes that reasonable possible change in key assumptions would not materially impact the impairment assessment as at March 31, 2024.

During the earlier years, the Company has provided for impairment loss of ₹ 2,300.00 Crore (March 31, 2023: ₹ 2,300.00 Crore).

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land.

As per the Letter dated January 23, 2024 from Revenue Department, Government of Gujarat, the said land is now to be handed over to the Collector, Amreli and has determined the amount to be paid to GPCL towards the cost incurred for acquisition of aforesaid land. The Collector, Amreli issued letter dated March 28, 2024 for payment to be made towards the cost incurred for acquisition of aforesaid land to GPCL. GPCL will reimburse TPGL its share from the total amount received from Collector, Amreli. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for year ended March 31, 2024 have been prepared on a non - going concern basis.

(3) Impairment testing of Goodwill

Net carrying value of Goodwill of ₹ 171.07 crore as at March 31, 2024 and March 31, 2023 pertaining to acquisition of 'Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (DNHDDPDCL)', considered as Cash generating unit ('CGU') for the purpose of impairment assessment of goodwill in accordance with Ind AS 36. The Group tests goodwill for impairment at each reporting date or based on any identified impairment indicator. The Group provides for impairment if the carrying amount of goodwill exceeds its recoverable amount. The recoverable amount is determined based on ""value in use"" calculations which is calculated as the net present value of forecasted cash flows of CGU to which the goodwill is related.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 43: Impairment Assessment (Contd.)

The key assumptions for impairment assessment of Goodwill are as follows:

a) Projected cash flows for five years based on financial budgets / forecasts. The perpetuity value is taken based on the long term growth rate of 3%.

b) Discount rate applied to projected cash flow is 10.10%.

The Management believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU. Accordingly Goodwill is not required to be impaired as at March 31, 2024.

Note 44: Income Tax Expense

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
Current tax on profits for the year	452.65	669.53
Adjustment for current tax of prior periods	(7.58)	3.29
	445.07	**672.82**
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(114.63)	5.85
(Decrease) / increase in deferred tax liabilities	356.16	198.02
	241.53	**203.87**
Income tax expense	**686.60**	**876.69**

(b) Reconciliation of income tax expense

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	2,582.60	3,041.36
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	902.46	1,062.77
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	33.97	13.47
Tax incentives / deductions	(256.04)	(237.16)
Unabsorbed depreciation / tax credits and other items	13.79	34.32
Total	**694.18**	**873.40**
Adjustment for current tax of prior periods	(7.58)	3.29
Total expense as per statement of profit and loss	**686.60**	**876.69**

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 44: Income Tax Expense (Contd.)

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(20.81)	9.54
Income tax expense / (income) recognised in other comprehensive income	(6.76)	3.50

(d) Deferred tax balances

(1) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	1,948.32	1,829.29
Deferred tax liabilities	(3,115.59)	(2,759.43)
	(1,167.27)	**(930.14)**
Disclosed as deferred tax assets (net)	66.38	38.65
Disclosed as deferred tax liabilities (net)	(1,233.65)	(968.79)
	(1,167.27)	**(930.14)**

(2) Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2024

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acqusition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,547.98)	(366.25)	-	-	-	(2,914.23)
Intangible Assets	(211.45)	10.09	-			(201.36)
Provision for compensated absences	40.45	1.40	-	-	-	41.85
Provision for onerous contracts	45.56	(34.93)	-	-	-	10.63
Allowance for doubtful debts	27.11	(6.43)	-	-	-	20.68
Unabsorbed depreciation / MAT credit entitlement	1,688.23	187.22	-	(2.36)	-	1,873.09
Others	27.94	(32.63)	-	-	6.76	2.07
	(930.14)	**(241.53)**	**-**	**(2.36)**	**6.76**	**(1,167.27)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 44: Income Tax Expense (Contd.)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2023

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acqusition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,198.82)	(198.02)	(151.14)	-	-	(2,547.98)
Intangible Assets		10.09	(221.54)			(211.45)
Provision for compensated absences	41.11	(0.66)	-	-	-	40.45
Provision for onerous contracts	47.44	(1.88)	-	-	-	45.56
Allowance for doubtful debts	32.65	(5.54)	-	-	-	27.11
Unabsorbed depreciation / MAT credit entitlement	1,730.68	4.89	81.29	(128.63)	-	1,688.23
Others	36.85	(12.75)	7.34	-	(3.50)	27.94
	(310.09)	**(203.87)**	**(284.05)**	**(128.63)**	**(3.50)**	**(930.14)**

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Accumulated MAT credit entitlement	9.36	20.32
	9.36	**20.32**

Unused tax credit that shall expire as follows:

(₹ in Crore)

Financial year	Year ended March 31, 2024	Year ended March 31, 2023
2023-24	-	4.21
2024-25	4.61	4.61
2025-26	4.47	4.47
2026-27	0.28	2.21
2027-28	-	1.92
2028-29	-	1.74
2029-30	-	1.16
	9.36	**20.32**

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement available to the Company.

The assessment of taxable income involved several key assumptions including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

The Group has not recognized any deferred tax liabilities for taxes that would be payable on the Group's share in undistributed earnings of its subsidiaries because the Group controls the distribution. The Group intends to repatriate earnings from subsidiaries only to the extent these can be distributed in a tax-free manner.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 45: Revenue from Contracts with Customers

(a) Unbilled revenue

(1) Revenue from Power Supply includes unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Group has not recognized those true up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Opening balance	2,899.96	1,905.06
Add: Balance received pursuant to 'Transfer Scheme'	-	160.75
Add: Income accrued during the year as per tariff regulations / orders	6,008.71	4,916.99
Less: Amount billed during the year to the consumers as per tariff orders	(5,239.68)	(4,082.84)
Closing balance	**3,668.99**	**2,899.96**
Disclosed under		
Unbilled revenue [Refer note 19]	3,672.43	2,904.66
Sundry payables [Refer note 26 & note 29]	(3.44)	(4.70)
	3,668.99	**2,899.96**

(b) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue over its useful life.

(2) Movement of contribution received from consumers

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Opening balance	1,403.80	1,284.49
Add: Contribution received during the year	179.36	217.04
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(104.87)	(97.73)
Closing balance	**1,478.29**	**1,403.80**
Non-current portion [Refer note 26]	1,371.37	1,303.00
Current portion [Refer note 30]	106.92	100.80
	1,478.29	**1,403.80**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 45: Revenue from Contracts with Customers (Contd.)

(c) Service line deposit from consumers

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Opening balance	236.41	207.13
Add: Received during the year (net of refund)	179.94	246.32
Less: Transferred to contribution received from consumers	(179.35)	(217.04)
Closing balance [Refer note 30]	**237.00**	**236.41**

Footnote:

1. Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head "other current / non-current liabilities".

(d) Credit balance of consumers

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Opening balance	106.28	105.17
Add / (less) : Adjustment to current billing (net)	14.38	1.11
Closing balance [Refer note 30]	**120.66**	**106.28**

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments

(a) Contingent liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Disputed income tax matters	20.65	23.21
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	0.49
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	36.37	36.37
Disputed value added tax matters	3.36	3.36
Disputed central sales tax matters	4.09	4.09
Disputed goods and service tax matters	4.65	-
Claims against the Group not acknowledged as debt [Refer footnote 3]	165.27	127.93

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the Consolidated financial statements.

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Group not acknowledged as debt:

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Claim of regulatory surcharge including interest in franchise distribution business	94.52	85.89
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	26.04	21.83
Compensation payable for short lifting for material	8.46	8.46
Others	36.25	11.75
	165.27	**127.93**

(b) Contingent assets

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Claim for coal grade slippage	9.65	6.92
Claim of compensation for short lifting of material	8.46	8.46
	18.11	**15.38**

(c) Capital and other commitments

(₹ in Crore)

		As at March 31, 2024	As at March 31, 2023
i)	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	Property, plant and equipment	3,431.10	761.39

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

(d) For Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (the 'DNHDDPDCL') a subsidiary of the Company during the current year,Ratnagiri Gas & Power Pvt Ltd (RGPPL) has raised the invoices pertaining to power purchase including late payment surcharge outstanding till March 31, 2024 aggregating to ₹ 243.52 crores, subsequent to the order of Hon'ble Supreme Court in the case of Maharashtra State Electricity Distribution Corporation Limited ('MSEDCL') vs RGPPL. The erstwhile DNH Power Distribution Corporation Limited ('DNH PDCL') had terminated power Purchase Agreement ('PPA') on August 25, 2016 and had not paid invoices raised by RGPPL.

As per Transfer scheme, (i) RGPPL PPA with DNH PDCL was not transferred to the Company and hence it is not liable to make the payment of the invoices. (ii) RGPPL PPA with Electricity Department of Union Territory of Dadra and Nagar Haveli and Daman and Diu ('ED-DD') was transferred to the Company, however the invoices for outstanding amount were prior to transfer of electricity distribution business of ED-DD to the Company, and hence it is not liable to make the payment of the invoices.

DNHDDPDCL has requested erstwhile DNH PDCL and ED-DD to discuss the aforesaid matter with RGPPL. DNHDDPDCL has also sought legal opinion and is confident that it bears no liability, thus no provision has been made in the consolidated financial statements for the year ended March 31, 2024.

Note 47: Leases

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)

	Notes	As at March 31, 2024	As at March 31, 2023
Land	5	233.32	193.13
Buildings	5	23.75	23.15
Plant and machinery	5	2.00	0.18
Total		**259.07**	**216.46**

Lease liabilities

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Current	7.27	6.02
Non-current	39.50	39.32
Total	**46.77**	**45.34**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 47: Leases (Contd.)

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

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

(₹ in Crore)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation charge of right-of-use assets	39	17.78	13.45
Interest expense (included in finance costs)	38	3.99	3.95
Expense relating to short-term leases (included in other expenses)	40	3.47	2.29
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	3.22	1.15
Total		**28.46**	**20.84**

(iii) Maturities of lease liabilities

As at March 31, 2024:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	9.63
Between 1 year and 5 years	33.74	-
5 years and above	24.69	-
Total	**58.43**	**9.63**

As at March 31, 2023:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	7.60
Between 1 year and 5 years	32.17	-
5 years and above	27.25	-
Total	**59.42**	**7.60**

(iv) The total cash outflow for leases :

(₹ in Crore)

	Notes	As at March 31, 2024	As at March 31, 2023
Principal elements of lease payments (disclosed in Cash flow statement)		44.02	22.34
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	3.47	2.29
Expense relating to variable lease payments not included in lease liabilities	40	3.22	1.15
Total		**50.71**	**25.78**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 47: Leases (Contd.)

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

The Company has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Group Limited ("MSEDCL") whereby as per the Agreement, the Company would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement, the Company would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement the Company has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, the Company has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, the Company would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by the Company to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by the Company for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan

48.1 Defined contribution plan

The Group has defined contribution retirement benefit plans for its employees.

The Group's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹ 52.42 Crore (Previous year - ₹ 48.88 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

48.2 Defined benefit plans - Gratuity

(a) Gratuity

The Group operates through various gratuity trust, a plan, covering all its employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the tenure of employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group makes annual contribution to the gratuity schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2024. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2024	As at March 31, 2023
Discount rate (p.a.)	7.27%	7.57%
Salary escalation rate (p.a.)	8.50%	8.50%

(d) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	321.93	297.31
Fair value of plan assets	291.94	296.61
Net (asset) / liability [Refer note 31]*	**29.99**	**0.70**

* After netting off ₹ 046. Crore (Previous year ₹ 1.84 Crore) disclosed in other advances / receivables [refer note 19]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded / Unfunded plan - Gratuity	
		As at March 31, 2024	As at March 31, 2023
1.	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	297.31	285.67
	Current service cost	18.80	19.18
	Interest cost	22.51	21.91
	Actuarial (gains) / losses from changes in demographic assumptions	-	0.01
	Actuarial (gains) / losses arising changes in financial assumptions	9.19	(9.14)
	Actuarial (gains) / losses from experience adjustments	8.20	(1.46)
	Liability transferred in of employees / due to acqusition of entities*	3.97	23.69
	Liability transferred out of employees	(4.00)	(8.95)
	Benefits paid directly by employer	(5.65)	(5.69)
	Benefits paid	(28.40)	(27.91)
	Obligation at the end of the year **	**321.93**	**297.31**
	* Includes Nil (March 31, 2023 ₹ 19.21 Crore) related to acquired entities during the year.		
	** Includes ₹ 0.34 Crore (March 31, 2023 ₹ 0.27 Crore) of subsidiaries which are unfunded.		
2.	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	296.61	271.65
	Interest income	22.45	20.92
	Return on plan assets (excluding interest income)	(1.36)	0.65
	Contributions received	2.57	12.09
	Assets Transferred out / Disinvestments$	0.07	19.21
	Benefits paid	(28.40)	(27.91)
	Plan assets at the end of the year, at fair value	**291.94**	**296.61**
	$ Includes Nil (March 31, 2023 ₹ 19.21Crore) related to newly acquired entities during the year.		
3.	**Gratuity cost recognized in the statement of profit and loss**		
	Current service cost	18.80	19.18
	Interest cost, net	0.06	0.99
	Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	**18.86**	**20.17**
4.	**Gratuity cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets (excluding interest income)	1.36	(0.65)
	Actuarial (gains) / losses	17.39	(10.59)
	Net (income) / expense for the year recognized in OCI	**18.75**	**(11.24)**

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

Change in assumptions

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(14.97)	(13.01)
50 basis points decrease in discount rate	16.29	14.15
50 basis points increase in salary escalation rate	15.89	13.81
50 basis points decrease in salary escalation rate	(14.77)	(12.85)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 18 years (March 31,2023 - 18 years).

(i) Expected contribution to the plan for the next annual reporting period is ₹ 30.45 Crore (March 31, 2023 ₹ 2.54 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded Plan - Gratuity	
	As at March 31, 2024	As at March 31, 2023
1st following year	32.01	32.31
2nd following year	17.67	18.36
3rd following year	21.22	29.10
4th following year	24.22	20.35
5th following year	21.09	23.08
sum of years 6th to 10th	119.05	112.59
more then 10 years	570.99	513.96

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

48.3 Defined benefit plans - Pension

(a) Pension

The Group operates defined benefit pension plan, covering eligible employees transferred-in pursuant to transfer scheme. The plan provides benefits to members in the form of a guaranteed pension payable for life. The benefits provided depends on members' length of service and their last drawn salary in the final years leading up to retirement.

The Group funds the pension liability through trustee-administered funds. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. The Group makes contribution to the pension schemes administered by the Life Insurance Corporation of India through Pension Trust Funds for employees joined on or before December 31, 2003. In case of certain employees transferred, which were hired on or after January 1, 2004 are eligible for the Pension benefit only on account of death or disability while in service. The liability in respect of plan is determined on the basis of an actuarial valuation and it is funded.

(b) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2024. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2024	As at March 31, 2023
Discount rate (p.a.)	7.24%	7.53%
Salary escalation rate (p.a.)	7.50%	7.50%

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

(d) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	29.02	27.81
Fair value of plan assets	26.47	25.86
Net (asset) / liability [Refer note 31]	**2.55**	**1.95**

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded plan- Pension	
		As at March 31, 2024	As at March 31, 2023
1.	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	27.81	-
	Balance received pursuant to 'Transfer scheme'	-	24.94
	Current service cost	0.35	0.25
	Interest cost	2.10	1.87
	Actuarial (gains) / losses arising changes in financial assumptions	0.71	1.40
	Actuarial (gains) / losses from experience adjustments	0.99	(0.65)
	Benefits paid	(2.94)	-
	Obligation at the end of the year	**29.02**	**27.81**
2.	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	25.86	-
	Balance received pursuant to 'Transfer Scheme'	-	24.94
	Interest income	1.95	1.87
	Return on plan assets (excluding interest income)	(0.36)	(0.95)
	Contributions received	1.96	-
	Benefits paid	(2.94)	-
	Plan assets at the end of the year, at fair value	**26.47**	**25.86**
3.	**Pension cost recognized in the statement of profit and loss**		
	Current service cost	0.35	0.25
	Interest cost, net	0.15	-
	Net Pension cost recognized in the statement of profit and loss	**0.50**	**0.25**
4.	**Pension cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets (excluding interest income)	0.36	0.95
	Actuarial (gains) / losses	1.70	0.75
	Net (income) / expense for the year recognized in OCI	**2.06**	**1.70**

(f) Category wise plan assets

Contributions to fund the obligations under the Pension plan are made to the Life Insurance Corporation of India.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 48: Employee Benefits Plan (Contd.)

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Change in assumptions

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Increase / (decrease) in defined benefit obligation of Pension		
50 basis points increase in discount rate	(0.86)	(1.23)
50 basis points decrease in discount rate	1.30	1.46
50 basis points increase in salary escalation rate	0.75	1.22
50 basis points decrease in salary escalation rate	(0.73)	(0.81)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the pension plan based on average future service is 30 years (March 31, 2023 30 Years).

(i) Expected contribution to the plan for the next annual reporting period is ₹ 2.55 Crore (March 31, 2023 ₹ 1.95 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded Plan - Pension	
	As at March 31, 2024	As at March 31, 2023
1st following year	1.39	2.38
2nd following year	0.68	0.23
3rd following year	2.88	2.26
4th following year	3.82	2.78
5th following year	2.55	3.60
sum of years 6th to 10th	14.50	13.65

48.4 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 31 and 37, for the leave encashment provision / change in the balance sheet and statement of profit and loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 49: Auditors Remuneration (Including Taxes)

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
As audit fees	2.21	2.03
For other services	0.78	0.59
For reimbursement of expenses	0.18	0.12
	3.17	**2.74**

Note 50: Donations to Political Parties

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Bharatiya Janata Party	25.00	13.11
Nationalist Congress Party	1.50	-
Aam Aadmi Party	-	5.00
Indian National Congress	12.00	5.00
Prudent Electoral Trust	11.50	-
	50.00	**23.11**

Note 51: Earnings Per Share

	Year ended March 31, 2024	Year ended March 31, 2023
Basic earnings per share (₹)	38.14	44.06
Diluted earnings per share (₹)	**38.14**	**44.06**

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Profit for the year attributable to the owners of the Company (₹ in Crore)	1,833.23	2,117.43
Weighted average number of equity shares	48,06,16,784	48,06,16,784
Nominal value of shares (₹)	10	10

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 52: Operating Segments

During the current year, in line with the reassessment for reporting financial information to the entity's chief operating decision maker (CODM), the Group has presented its segment information in the consolidated financial statements as per Ind AS 108 – 'Operating Segments'. The CODM evaluates the Group's performance and applies the resources to whole of the Company's business viz. "Generation, Renewables, Transmission and Distribution of Power". In accordance with Ind AS - 108 "Operating Segments", the Group's reportable segments are as follows :-

Generation: Comprises of generation of power from thermal sources (gas and coal) and trading of Regassified Liquified Natural Gas.

Transmission and Distribution: Comprises of transmission and distribution business (licensed and franchisee) and related ancillary services. It also comprises Power Cable business.

Renewables: Comprises of generation of power from renewable energy sources i.e. wind and solar.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

		Year ended March 31, 2024	Year ended March 31, 2023
1	**Segment revenue**		
(a)	Generation	7,978.69	6,430.61
(b)	Transmission and Distribution	24,391.25	22,337.51
(c)	Renewables	1,149.92	990.21
	Total segment revenue	**33,519.86**	**29,758.33**
	Less: Inter segment revenue	(6,336.66)	(4,064.21)
	Total revenue from operations	**27,183.20**	**25,694.12**
2	**Segment results (Profit before tax, depreciation and finance costs)**		
(a)	Generation	1,147.50	1,653.58
(b)	Transmission and Distribution	2,871.57	2,665.29
(c)	Renewables	1,001.65	859.70
	Total segment results	**5,020.72**	**5,178.57**
	Add: Unallocated	(117.23)	(38.05)
	Less: Finance costs	(943.40)	(818.20)
	Less: Depreciation and amortisation expense	(1,377.50)	(1,280.96)
	Profit before tax	**2,582.59**	**3,041.36**
3	**Segment assets**		
(a)	Generation	4,806.00	4,745.48
(b)	Transmission and Distribution	20,169.02	18,076.49
(c)	Renewables	8,073.37	6,472.04
(d)	Unallocated / Inter segment	344.09	616.17
	Total assets	**33,392.48**	**29,910.18**
4	**Segment liabilities**		
(a)	Generation	3,275.74	3,251.81
(b)	Transmission and Distribution	14,473.64	12,690.98
(c)	Renewables	5,527.81	3,966.72
(d)	Unallocated / Inter Segment	(2,482.21)	(1,485.98)
	Total liabilities	**20,794.98**	**18,423.53**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 52: Operating Segments (Contd.)

		Year ended March 31, 2024	Year ended March 31, 2023
5	**Depreciation and Amortisation**		
(a)	Generation	280.62	279.57
(b)	Transmission and Distribution	695.46	638.96
(c)	Renewables	395.15	356.60
(d)	Unallocated	6.27	5.83
	Total Depreciation and Amortisation	**1,377.50**	**1,280.96**
6	**Addition to Capital Expenditure**		
(a)	Generation	50.61	21.65
(b)	Transmission and Distribution	1,861.02	2,150.28
(c)	Renewables	1,814.54	858.94
(d)	Unallocated	3.72	3.26
	Total Addition to Capital Expenditure	**3,729.89**	**3,034.13**

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

Note 53: Certified emission reduction (CERs)

	As at March 31, 2024	As at March 31, 2023
No. of CERs inventory	4,997,674	4,997,674
No. of CERs under certification	-	-

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

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures

(a) Names of related parties and description of relationship:

1	**Entities having joint control over Parent Company**	Mehta Family Trust 1, Mehta Family Trust 2, Mehta Family Trust 3, Mehta Family Trust 4
2	**Parent Company**	Torrent Investments Private Limited
3	**Associates**	Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited) (upto July 29, 2022)
4	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, DNHDD PDCL Employees' Group Gratuity Trust, DNHDD PDCL Employees Super annuation Trust, ED-DD & DNHDD PDCL Employees Group Gratuity Trust, ED-DD & DNHDD PDCL Leave Enchashment Trust and ED-DD & DNHDD PDCL Super Annuation Pension Trust.
5	**Key management personnel**	Samir Mehta, Chairperson
		Jinal Mehta, Managing Director
		Varun Mehta (w.e.f. August 08, 2022), Wholetime Director
		Sudhir Mehta (Up to March 31, 2024), Chairman Emeritus
		Pankaj Patel (Upto March 31, 2024), Independent Director
		Samir Barua (Upto September 30, 2022), Independent Director
		Keki Mistry (Upto March 31, 2024), Independent Director
		Usha Sangwan, Independent Director
		Radhika Haribhakti, Independent Director
		Mamta Verma, Independent Director
		Ketan Dalal (w.e.f. May 11, 2022), Independent Director
		Apurva Diwanji (w.e.f. February 08, 2024), Independent Director
6	**Close member of key management personnel***	Varun Mehta (upto August 07, 2022)
7	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence***	UNM Foundation, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited^, Torrent Gas Limited (Formerly known as Torrent Gas Private Limited), Torrent Gas Chennai Private Limited,Torrent Gas Moradabad Limited^, Torrent Gas Jaipur Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited,Torrent Hospitals Private Limited, Torrent Diagnostics Private Limited and School of Ultimate Leadership Foundation (w.e.f. October 15, 2022).

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

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

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23
Nature of transactions										
Interest income	**-**	**3.45**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.45**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	3.45	-	-	-	-	-	-	-	3.45
Amortised premium on Non Convertible debentures	**-**	**2.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.62**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	2.62	-	-	-	-	-	-	-	2.62
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**411.88**	**566.33**	**411.88**	**566.33**
Torrent Investments Private Limited	-	-	-	-	-	-	411.88	566.33	411.88	566.33
Services provided (rent income including tax)	**-**	**-**	**-**	**-**	**-**	**-**	**1.51**	**1.35**	**1.51**	**1.35**
UNM Foundation	-	-	-	-	-	-	*	*	*	*
Torrent Investments Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Power Services Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	1.29	0.47	1.29	0.47
Torrent Fincorp Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Sports Ventures PrivateLimited	-	-	-	-	-	-	*	*	*	*
Torrent Gas Chennai Private Limited	-	-	-	-	-	-	0.11	0.22	0.11	0.22
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.11	0.22	0.11	0.22
Torrent Gas Pune Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.22	-	0.22
Torrent Gas Moradabad Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.22	-	0.22
Torrent Hospitals Private Limited	-	-	-	-	-	-	*	*	*	*
School of Ultimate Leadership Foundation	-	-	-	-	-	-	*	*	*	*
Torrent Diagnositcs PrivateLimited	-	-	-	-	-	-	*	*	*	*

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23
Services received / remuneration paid	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**	**1.16**	**0.03**	**1.16**
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	0.03	-	0.03	-
Varun Mehta	-	-	-	-	-	-	-	1.16	-	1.16
Sale of cables	**-**	**-**	**-**	**-**	**0.17**	**-**	**-**	**-**	**0.17**	**-**
Samir Mehta	-	-	-	-	0.17	-	-	-	0.17	-
Purchase of material	**-**	**-**	**-**	**-**	**-**	**-**	**296.32**	**-**	**296.32**	**-**
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	296.32	-	296.32	-
Assignment of gas contract	**-**	**-**	**-**	**-**	**-**	**-**	**19.47**	**-**	**19.47**	**-**
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	19.47	-	19.47	-
Shared expenditure charged to	**-**	**0.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.11**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	0.11	-	-	-	-	-	-	-	0.11
Expenses incurred on behalf of	**-**	**-**	**-**	**-**	**-**	**-**	**2.30**	**0.13**	**2.30**	**0.13**
UNM Foundation	-	-	-	-	-	-	2.13	-	2.13	-
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	0.13	0.05	0.13	0.05
Torrent Gas Pune Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.02	-	0.02
Torrent Gas Chennai Private Lmited	-	-	-	-	-	-	0.02	0.02	0.02	0.02
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.02	0.02	0.02	0.02
Torrent Gas Moradabad Limited (Merged with Torrent Gas Limited)	-	-	-	-	-	-	-	0.02	-	0.02
Transfer of gratuity/leave liability to / (from)	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**	**0.18**	**0.03**	**0.18**
UNM Foundation	-	-	-	-	-	-	0.03	-	0.03	-
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	-	(0.04)	-	(0.04)
Torrent Gas Limited (Formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	-	0.22	-	0.22

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23
Managerial remuneration@	**-**	**-**	**-**	**-**	**36.72**	**36.09**	**-**	**-**	**36.72**	**36.09**
Samir Mehta	-	-	-	-	13.00	15.00	-	-	13.00	15.00
Varun Mehta	-	-	-	-	4.66	3.00	-	-	4.66	3.00
Jinal Mehta	-	-	-	-	19.06	18.09	-	-	19.06	18.09
Commission to non-executive directors@@	**-**	**-**	**-**	**-**	**2.89**	**2.19**	**-**	**-**	**2.89**	**2.19**
Samir Barua	-	-	-	-	-	0.23	-	-	-	0.23
Keki Mistry	-	-	-	-	0.50	0.27	-	-	0.50	0.27
Pankaj Patel	-	-	-	-	0.41	0.31	-	-	0.41	0.31
Usha Sangwan	-	-	-	-	0.58	0.48	-	-	0.58	0.48
Radhika Haribhakti	-	-	-	-	0.64	0.48	-	-	0.64	0.48
Ketal Dalal	-	-	-	-	0.62	0.35	-	-	0.62	0.35
Mamta Verma#	-	-	-	-	0.14	0.07	-	-	0.14	0.07
Sitting fees to non-executive directors@@	**-**	**-**	**-**	**-**	**0.80**	**0.59**	**-**	**-**	**0.80**	**0.59**
Samir Barua	-	-	-	-	-	0.07	-	-	-	0.07
Keki Mistry	-	-	-	-	0.11	0.06	-	-	0.11	0.06
Pankaj Patel	-	-	-	-	0.10	0.07	-	-	0.10	0.07
Usha Sangwan	-	-	-	-	0.18	0.14	-	-	0.18	0.14
Radhika Haribhakti	-	-	-	-	0.20	0.14	-	-	0.20	0.14
Mamta Verma#	-	-	-	-	0.02	0.01	-	-	0.02	0.01
Ketal Dalal	-	-	-	-	0.19	0.10	-	-	0.19	0.10
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**5.85**	**9.55**	**5.85**	**9.55**
UNM Foundation	-	-	-	-	-	-	5.85	9.55	5.85	9.55
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**32.80**	**34.33**	**32.80**	**34.33**
UNM Foundation	-	-	-	-	-	-	32.80	34.33	32.80	34.33
Contribution to employee benefit plans (net)	**-**	**-**	**17.16**	**25.32**	**-**	**-**	**-**	**-**	**17.16**	**25.32**
TPL (Ahmedabad) Gratuity Trust	-	-	0.01	10.12	-	-	-	-	0.01	10.12
TPL (Ahmedabad) Superannuation Fund	-	-	8.11	7.91	-	-	-	-	8.11	7.91
TPL (Surat) Gratuity Trust	-	-	-	1.53	-	-	-	-	-	1.53

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23
TPL (Surat) Superannuation Fund	-	-	1.61	1.45	-	-	-	-	1.61	1.45
TPL (SUGEN) Gratuity Trust	-	-	1.21	0.40	-	-	-	-	1.21	0.40
TPL (SUGEN) Superannuation Fund	-	-	0.58	0.52	-	-	-	-	0.58	0.52
TPL (DGEN) Gratuity Trust	-	-	0.05	0.03	-	-	-	-	0.05	0.03
TPL (DGEN) Superannuation Fund	-	-	0.27	0.25	-	-	-	-	0.27	0.25
TPG Gratutity Trust	-	-	0.01	0.01	-	-	-	-	0.01	0.01
TPG Superannuation Fund	-	-	0.04	0.04	-	-	-	-	0.04	0.04
DNHDD PDCL Employees' Group Gratuity Trust	-	-	0.82	3.06	-	-	-	-	0.82	3.06
DNHDD PDCL Employees' Superannuation Trust	-	-	0.46	-	-	-	-	-	0.46	-
ED-DD and DNHPDCL Superannuation Pension Trust.	-	-	1.96	-	-	-	-	-	1.96	-
ED-DD and DNHPDCL Gratuity Trust.	-	-	0.40	-	-	-	-	-	0.40	-
ED-DD and DNHPDCL Leave Encashment Trust	-	-	1.63	-	-	-	-	-	1.63	-
Redemption of non-convertible debentures	**-**	**26.33**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26.33**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	26.33	-	-	-	-	-	-	-	26.33

Note 54: Related Party Disclosures (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23	Year ended 31.03.24	Year ended 31.03.23
Premium on NCD	**-**	**2.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.62**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	2.62	-	-	-	-	-	-	-	2.62
Loan Given	**-**	**3.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.50**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	3.50	-	-	-	-	-	-	-	3.50
Receipt on repayment of loans	**-**	**11.25**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11.25**
Torrent Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	-	11.25	-	-	-	-	-	-	-	11.25

@@ excluding Goods and Services Tax.

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

\# Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

(c) Key management personnel compensation

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	36.72	36.09
	36.72	**36.09**

Notes
forming part of the consolidated financial statements for the year ended March 31, 2024

Note 54: Related Party Disclosures (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
Balances at the end of the year										
Current liabilities	**-**	**-**	**-**	**-**	**19.61**	**22.97**	**22.24**	**0.40**	**41.85**	**23.37**
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	22.24	0.38	22.24	0.38
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	-	0.02	-	0.02
Torrent Hospitals Pvt Ltd	-	-	-	-	-	-	-	*	-	*
School of Ultimate Leadership Foundation	-	-	-	-	-	-	-	*	-	*
Samir Mehta	-	-	-	-	13.00	15.00	-	-	13.00	15.00
Varun Mehta	-	-	-	-	-	1.00	-	-	-	1.00
Jinal Mehta	-	-	-	-	4.00	5.00	-	-	4.00	5.00
Samir Barua	-	-	-	-	-	0.21	-	-	-	0.21
Keki Mistry	-	-	-	-	0.45	0.24	-	-	0.45	0.24
Pankaj Patel	-	-	-	-	0.37	0.28	-	-	0.37	0.28
Ketal Dalal	-	-	-	-	0.56	0.31	-	-	0.56	0.31
Usha Sangwan	-	-	-	-	0.52	0.43	-	-	0.52	0.43
Radhika Haribhakti	-	-	-	-	0.57	0.43	-	-	0.57	0.43
Mamta Verma#	-	-	-	-	0.14	0.07	-	-	0.14	0.07
Investment in equity	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**	**0.05**	**0.05**	**0.05**
UNM Foundation	-	-	-	-	-	-	0.05	0.05	0.05	0.05

Note 54: Related Party Disclosures (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel		Parent Company / Close member of key management personnel / Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/Entities where the directors have significant influence		Total	
	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23	As at 31.03.24	As at 31.03.23
Trade and other receivables	**-**	**-**	**-**	**-**	**-**	**-**	**2.87**	**-**	**2.87**	**-**
UNM Foundation	-	-	-	-	-	-	2.12	-	2.12	-
Torrent Gas Limited (formerly known as Torrent Gas Private Limited)	-	-	-	-	-	-	0.73	-	0.73	-
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.01	-	0.01	-
Torrent Gas Chennai Private Limited	-	-	-	-	-	-	0.01	-	0.01	-

Sitting fees and Commission of Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

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

(e) Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.No changes were made in the objectives, policies or process for managing its capital during the year ended March 31, 2024 and March 31, 2023. The Group reviews its dividend policy from time to time.

Gearing ratio

The gearing ratio at end of the reporting year is as follows.

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Debt	11,312.12	10,521.03
Total equity	12,875.24	11,489.39
Debt to equity ratio	**0.88**	**0.92**

Footnotes :

1 Debt is defined as all long term debt outstanding [including unamortised expense (net of premium)] + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets – Intangible assets under development

Loan Covenants

The Company has complied with financial covenants specified as per the terms of borrowing facilities.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	350.83	350.83	188.23	188.23
Bank balance other than cash and cash equivalents	67.91	67.91	155.29	155.29
Investment in bonds and debentures	19.92	19.92	17.82	17.82
Trade receivables	2,190.86	2,190.86	2,246.33	2,246.33
Other financial assets	4,083.60	4,083.60	3,246.78	3,246.78
	6,713.12	**6,713.12**	**5,854.45**	**5,854.45**
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	934.42	934.42	785.82	785.82
Investment in equity instruments	0.05	0.05	0.05	0.05
Other Current Financial Assets - Derivative contracts	0.31	0.31	-	-
	934.78	**934.78**	**785.87**	**785.87**
Financial liabilities				
Measured at amortised cost				
Borrowings	11,585.03	11,607.75	10,496.07	10,459.31
Trade payables	2,157.63	2,157.63	1,733.28	1,733.28
Other financial liabilities	3,265.62	3,265.62	2,687.72	2,687.72
	17,008.28	**17,031.00**	**14,917.07**	**14,880.31**

Footnotes:

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

2 Non current loan carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2024	As at March 31, 2023		
Investment in mutual fund units	934.42	785.82	Level 1	Quoted bid prices in an active market

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2024	As at March 31, 2023		
Other Current Financial Assets - Derivative contracts	0.31	-	Level 2	Inputs other than quoted prices that are observable based on mark to mark changes provided by ICICI Bank.
Fixed rate borrowings (Non-convertible debentures)	4,062.72	2,777.44	Level 2	Inputs other than quoted prices that are observable based on yields provided by' The Fixed Income Money Market and Derivatives Association of India' (FIMMDA)

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, employee payables, security deposit from customer, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

The Group's exposure with regards to foreign exchange risk which are not hedged are given below.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2024	As at March 31, 2023
Financial liabilities			
Trade payable	USD	4.04	3.58
Trade payable	EURO	289.74	175.32
Capital payable	EURO	0.06	0.06

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant.

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Impact on Profit before Tax - Rupee depreciate by ₹ 1 against EURO	(3.22)	(1.96)
Impact on Profit before Tax - Rupee appreciate by ₹ 1 against EURO	3.22	1.96

The Group's exposure with regard to foreign currency risk which are hedged at the end of the reporting period is as follows:

Hedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2024	As at March 31, 2023
Financial liabilities			
Capital payable	USD	76.60	-
Derivative contract			
Foreign exchange forward contract	USD	76.60	-

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

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Note 55: Financial Instruments and Risk Management (Contd.)

Derivatives

The Company uses derivative financial instruments such as forwards to hedge its risks associated with foreign exchange fluctuation and price risk movements. Risks associated with fluctuation in the price of the raw materials (natural gas, copper and aluminium) are minimized by undertaking appropriate derivative instruments. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

(a) The Asset position of various outstanding derivative financial instruments is given below:

(₹ in Crore)

	Nature of risk being hedged	As at March 31, 2024		As at March 31, 2023	
		Asset	Net fair value	Asset	Net fair value
Current					
Non-designated hedges					
Forward commodity contracts	Price Risk Component	1.24	1.24	-	-
Foreign currency contracts	Exchange rate movement risk	0.07	0.07	-	-
Total		**1.31**	**1.31**	**-**	**-**

(b) Outstanding position and fair value of various commodity derivative financial instruments

(₹ in Crore)

	Currency Pair	As at March 31, 2024			As at March 31, 2023		
		Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)	Weighted Average Strike rate	Notional value in foreign currency (in millions)	Fair value gain / (loss) (₹ in Crore)
Non-designated							
Buy	USD INR	83.38	0.01	0.07	-	-	-
Total				**0.07**			**-**

(c) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2024

(₹ in Crore)

		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD in millions)	Fair value Gain/(loss) (₹ in Crore)
Non Designated hedges							
ICE Brent Crude Oil	Buy	USD	77.80	1,000.00	Barrel	0.01	0.05
Aluminium	Buy	USD	83.55	1,250.00	Tonne	0.10	0.82
Copper	Buy	USD	83.51	110.00	Tonne	0.04	0.37
Total							**1.24**

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Note 55: Financial Instruments and Risk Management (Contd.)

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2023

(₹ in Crore)

		Currency	Weighted Average Strike rate	Quantity	Unit	Notional Value (USD in millions)	Fair value Gain/(loss) (₹ in Crore)
Non Designated hedges							
ICE Brent Crude Oil	Buy	USD	-	-	-	-	-
Aluminium	Buy	USD	-	-	-	-	-
Copper	Buy	USD	-	-	-	-	-
Total							**-**

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings^	4,362.21	3,348.47
Floating rate borrowings^	7,243.43	7,176.06
	11,605.64	**10,524.53**

^ Transactions cost reduced from the borrowing is excluded.

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Impact on profit before tax - increase in 50 basis points	(36.22)	(35.88)
Impact on profit before tax - decrease in 50 basis points	36.22	35.88

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2024 and March 31, 2023. The Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group collects the security deposits in the form of Cash or Bank guarantee, considering the relevant electricity regulations under the relevant geographical area to cover its credit risks associated with its trade receivables.

(4) Age of receivables and expected credit loss

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

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

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

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

As at March 31, 2024

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	2,097.28	30.43
More than 6 months but less than or equal to 1 year	52.67	19.38
More than one year	235.30	144.58
	2,385.25	**194.39**

As at March 31, 2023

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	2,148.01	35.33
More than 6 months but less than or equal to 1 year	58.79	23.20
More than one year	244.03	145.97
	2,450.83	**204.50**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	204.50	217.71
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	(10.11)	(13.21)
Closing balance [Refer note 16]	**194.39**	**204.50**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets/instruments:

The Group is having balances in cash and cash equivalents, term deposits with banks, deposits, Loans to related parties, investments in government securities and investment in mutual funds. The Group is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. The credit loss from Loans receivable from related parties and financial guarantees is considered immaterial. The recoverable amount of unbilled revenue (including revenue gap/ surplus) perceives low credit risk of default considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 55: Financial Instruments and Risk Management (Contd.)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Maturities of financial liabilities:

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2024

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	8,402.87	4,668.85	13,071.72
Trade payables	-	307.56	147.38	454.94
Lease liabilities	-	33.73	24.69	58.42
Other financial liabilities	-	-	0.95	0.95
	-	**8,744.16**	**4,841.87**	**13,586.03**
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,552.70	-	-	2,552.70
Trade payables	1,811.92	-	-	1,811.92
Lease liabilities	9.63	-	-	9.63
Other financial liabilities	3,264.67	-	-	3,264.67
	7,638.92	**-**	**-**	**7,638.92**
Total financial liabilities	**7,638.92**	**8,744.16**	**4,841.87**	**21,224.95**

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Note 55: Financial Instruments and Risk Management (Contd.)

As at March 31, 2023

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	7,050.68	5,001.06	12,051.74
Trade payables	-	187.79	87.40	275.19
Lease liabilities	-	32.17	27.25	59.42
	-	**7,270.64**	**5,115.71**	**12,386.35**
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,387.60	-	-	2,387.60
Trade payables	1,522.67	-	-	1,522.67
Lease liabilities^	7.60	-	-	7.60
Other financial liabilities	2,687.72	-	-	2,687.72
	6,605.59	**-**	**-**	**6,605.59**
Total financial liabilities	**6,605.59**	**7,270.64**	**5,115.71**	**18,991.94**

^ Transactions cost reduced from the borrowing is excluded.

Note 56: Provision for Onerous Contracts

The Group has a outstanding provision of ₹ 24.98 Crore as at March 31, 2024 (March 31, 2023 - ₹ 134.38 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Company in a prior period under a competitive bidding process. The expected outflow of the outstanding provision will be determined at the time of resolution of the matter.

During the current year, the Company has received final order dated March 28, 2024 from Central Electricity Regulatory Commission rejecting the Company's plea for termination of Power Purchase Agreement executed between the Company and Solar Energy Corporation of India (SECI) on account of a Force Majeure event and held to encash the Performance Bank Guarantees (BGs) submitted to SECI amounting to ₹ 99.96 Crore. Subsequent to the year-end SECI has encashed the aforesaid BG's on April 02, 2024. Further ₹ 9.44 Crore bank guarantee related to one of the subsidiary has been encashed by GUVNL dated January 10, 2024. Accordingly ₹ 109.40 Crore provision has been utilised (Previous year provision of ₹ 10.82 Crore has been reversed due to writting off of pre-operative expenses).

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forming part of the consolidated financial statements for the year ended March 31, 2024

Note 57: Government Grant

(a) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in Aggregate Technical & Commercial losses, to strengthen the Transmission & Distribution network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) Movement of government grant

(₹ in Crore)

	As at March 31, 2024	As at March 31, 2023
Opening balance	14.03	16.40
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(1.31)	(2.37)
Closing balance	**12.72**	**14.03**
Non-current portion [Refer note 26]	11.76	11.66
Current portion [Refer note 30]	0.96	2.37
	12.72	**14.03**

Note 58: Ageing Schedule for Capital Work-in-Progress (CWIP)

(i) Ageing table for capital-work-in-progress (CWIP):

As at March 31, 2024

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,032.16	305.77	102.85	30.28	2,471.06
Projects temporarily suspended	-	1.19	0.06	0.05	1.30
	2,032.16	**306.96**	**102.91**	**30.33**	**2,472.36**

As at March 31, 2023

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,883.30	417.56	245.11	78.58	2,624.55
Projects temporarily suspended	-	0.09	-	0.05	0.14
	1,883.30	**417.65**	**245.11**	**78.63**	**2,624.69**

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Note 58: Ageing Schedule for Capital Work-in-Progress (CWIP) (Contd.)

(ii) For capital-work-in progress, whose completion is overdue compared to its original plan:

As at March 31, 2024

(₹ in Crore)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
300 MW solar power project	1,205.53	-	-	-	1,205.53
Distribution Project	14.03	-	-	-	14.03
	1,219.56	**-**	**-**	**-**	**1,219.56**

As at March 31, 2023

(₹ in Crore)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
115 MW wind power project	832.64	-	-	-	832.64
Distribution Project	185.60	-	-	-	185.60
	1,018.24	**-**	**-**	**-**	**1,018.24**

There are no capital-work-in-progress, whose cost has exceeded compared to its original plan for the year ended March 31, 2024 and March 31, 2023.

Note 59: Ageing Schedule for Trade Receivables

Current trade receivables:

As at March 31, 2024

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- Considered good	1,917.70	148.83	33.29	47.88	20.84	21.43	2,189.97
- Credit impaired	0.51	27.09	17.74	15.61	11.29	65.22	137.46
Disputed Trade receivables							
- Considered good	0.32	-	-	-	-	0.57	0.89
- Credit impaired	1.55	1.28	1.64	5.66	8.52	38.28	56.93
	1,920.08	**177.20**	**52.67**	**69.15**	**40.65**	**125.50**	**2,385.25**

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Note 59: Ageing Schedule for Trade Receivables (Contd.)

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- Considered good	1,768.21	343.98	35.59	43.60	21.45	28.17	2,241.00
- Credit impaired	0.55	31.57	20.92	17.96	23.22	43.10	137.32
Disputed Trade receivables							
- Considered good	0.49	-	-	3.59	-	1.25	5.33
- Credit impaired	1.34	1.87	2.28	7.44	6.29	47.96	67.18
	1,770.59	**377.42**	**58.79**	**72.59**	**50.96**	**120.48**	**2,450.83**

* Includes ₹ 1314.56 Crores (March 31, 2023 : ₹ 1,288.06 Crore) billed subsequent to year end.

Note 60: Ageing Schedule for Trade Payables

(a) Non-current trade payables:

As at March 31, 2024

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	345.71	-	-	-	-	-	345.71
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	345.71	**-**	**-**	**-**	**-**	**-**	**345.71**

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	210.61	-	-	-	-	-	210.61
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	210.61	**-**	**-**	**-**	**-**	**-**	**210.61**

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Note 60: Ageing Schedule for Trade Payables (Contd.)

(b) Current trade payables:

As at March 31, 2024

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	3.76	59.50	0.74	0.10	-	0.02	64.12
- Others	524.28	941.98	157.17	38.26	1.46	9.40	1,672.55
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	75.25	75.25
	528.04	**1,001.48**	**157.91**	**38.36**	**1.46**	**84.67**	**1,811.92**

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	1.43	67.06	0.50	-	-	-	68.99
- Others	500.48	549.44	316.11	2.14	0.41	9.07	1,377.65
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	1.32	74.71	76.03
	501.91	**616.50**	**316.61**	**2.14**	**1.73**	**83.78**	**1,522.67**

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Note 61: Details of Loans and Advances

During the year ended March 31,2024 and March 31, 2023 there are no Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Note 62: Relationship with Struck off Companies

(₹ in Crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company
Unickon Fincap Private Limited	Investor	*	*	Shareholder
Vaishak Shares Limited	Investor	*	*	Shareholder
Dreams Broking Private Limited	Investor	*	*	Shareholder
Pandit Trading & Securities Limited	Investor	*	*	Shareholder
Jetees Securities (P) Limited	Investor	*	*	Shareholder
Solanki Solar Energy Pvt. Limited	Payables	*	*	Vendor
Krish N Kelly Facility Services	Payables	*	*	Vendor
Scanstar Inspection Technology Private Limited	Payables	0.01	0.01	Vendor
Royal Wireless Services Private Limited	Receivables	0.02	0.02	Customer
JBF Industries Limited	Receivables	*	*	Customer
Gujrat SICO Textiles Private Limited	Receivables	*	*	Customer
Nilay Diamonds Private Limited	Receivables	*	*	Customer
Radheshyam Bansal Eng (India) Limited	Receivables	*	*	Customer
Raj International Limited	Receivables	0.01	0.00	Customer
Maimoon Estate Private Limited	Receivables	*	*	Customer
G P Estate Private Liimited	Receivables	*	*	Customer
Chitrakut Flats Private Limited	Receivables	*	*	Customer
Jitu Builders Private Limited	Receivables	0.01	0.01	Customer
Nihi Construction Private Limited	Receivables	*	*	Customer
Galaxy Organisers Private Limited	Receivables	*	*	Customer
Ankush Construction Private Limited	Receivables	*	*	Customer
Emech Properties Private Limited	Receivables	0.02	0.01	Customer
Vishesh Estates Private Limited	Receivables	*	*	Customer

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 62: Relationship with Struck off Companies (Contd.)

(₹ in Crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2024	Balance outstanding as on March 31, 2023	Relationship with the Struck off company
Gurjari Infra Project Private Limited	Receivables	*	*	Customer
Bha Exim Private Limted	Receivables	*	*	Customer
Triveni Logistic Services Private Limited	Receivables	*	*	Customer
Akshar Info Services Private Limited	Receivables	*	*	Customer
Fascel limited	Receivables	*	*	Customer
Surat MRI Private Limited	Receivables	*	*	Customer
Kadiwala Prints Private Limited	Receivables	*	0.01	Customer
Kavisha Multiprint Limited	Receivables	*	*	Customer
Daman industrial estate Limited	Receivables	*	*	Customer
Finzo polymers Private Limited	Receivables	*	*	Customer
Kraps chem Private Limited	Receivables	*	*	Customer
Puja fab chem plast Private Limited	Receivables	*	*	Customer
Veeaar fabware Private Limited	Receivables	0.01	0.02	Customer
Swastik organic Private Limited	Receivables	-	-	Customer
Fascel Limited	Receivables	0.02	0.03	Customer
Unique screws Private Limited	Receivables	*	0.01	Customer
Omkareshwar techno plast Private Limited	Receivables	*	0.01	Customer
Hershey polymers Private Limited	Receivables	*	*	Customer
Rudra steel & alloys Private Limited	Receivables	0.01	*	Customer
Florance creation Private Limited	Receivables	0.03	0.01	Customer

Notes

forming part of the consolidated financial statements for the year ended March 31, 2024

Note 63: Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Group for contribution to employees' provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

Note 64: Audit Trail in Accounting Software

The Group has been using SAP ERP as a books of accounts (except four subsidiaries which are using Tally Software as books of accounts). While SAP audit logging has been enabled from the beginning of the year and captures all the changes made in the audit log as per SAP note no 3042258 version 7 dated March 06, 2024. However, changes made using certain privileged access does not capture "old value" and "new value" of changes made. After thorough testing and validation of tolerable impact on performance of SAP system, the audit trail at Database level was configured on March 27, 2024. As a part of privileged access management, Group has implemented ARCON make PAM (Privileged Access Management System) suite. This PAM system provides access based on need/approval and does the video recording of all activities carried out by privileged user. However due to standard database functionality of HANA DB, while changes made are logged in the database, it does not capture "old value" and "new value" of changes made. This is SAP related issue and management is working towards resolving the same with the vendor.

Note 65: Additional Regulatory Information Required by Schedule III

(a) The Group is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2024 and March 31, 2023.

(b) The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

(c) No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2024 and March 31, 2023.

(d) The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2024 and March 31, 2023.

(e) During the year ended March 31, 2024 and March 31, 2023, the Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) During the year ended March 31, 2024 and March 31, 2023, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes
forming part of the consolidated financial statements for the year ended March 31, 2024

Note 65: Additional Regulatory Information Required by Schedule III (Contd.)

During the year ended March 31, 2024 and March 31, 2023, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

Note 66: Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 22, 2024

Signature to Note 1 to 66

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 22, 2024

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

FORM AOC - 1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

(a) Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

Sr. no.	Name of Subsidiary Company	Date of becoming Subsidiary	Financial year ended on	Share capital	Reserves & Surplus	Total assets	Total liabilities (excluding share capital and reserves and surplus)	Invest-ments	Turnover (Revenue from operations)	Profit / (loss) before taxation	Provision for taxation (including deferred tax)	Profit / (loss) after taxation	Other compre-hensive income (net of tax)	Total compre-hensive income	Proposed dividend (in ₹ per equity share)	Extent of shareholding (in percentage)
1	Torrent Power Grid Limited	October 19, 2006	March 31, 2024	90.00	55.07	155.97	10.90	34.86	25.54	18.12	1.14	16.98	(0.03)	16.95	1.70	74.00%
2	Torrent Pipavav Generation Limited #	September 25, 2007	March 31, 2024	50.00	(20.04)	95.11	65.15	-	-	(0.75)	-	(0.75)	-	(0.75)	-	95.00%
3	Torrent Solargen Limited	September 09, 2008	March 31, 2024	80.05	(82.96)	1,721.08	1,723.99	27.97	181.22	(25.28)	(9.21)	(16.07)	-	(16.07)	-	100.00%
4	Jodhpur Wind Farms Private Limited	January 29, 2018	March 31, 2024	111.00	31.08	375.58	233.50	11.84	62.62	18.61	4.75	13.86	-	13.86	-	100.00%
5	Latur Renewable Private Limited	January 29, 2018	March 31, 2024	110.00	39.32	385.82	236.50	11.32	67.99	22.73	5.81	16.92	-	16.92	-	100.00%
6	Torrent Electricals Private Limited (Formerly known as TCL Cables Private Limited)	November 05, 2019	March 31, 2024	84.00	(68.70)	344.25	328.95	-	651.26	(37.08)	(9.09)	(27.99)	(0.69)	(28.68)	-	100.00%
7	Torrent Solar Power Private Limited #	July 28, 2020	March 31, 2024	0.05	(30.61)	255.18	285.74	-	-	(18.41)	(3.01)	(15.40)	-	(15.40)	-	100.00%
8	Torrent Saurya Urja 2 Private Limited #	February 05, 2021	March 31, 2024	0.05	(15.67)	1,568.23	1,583.85	-	-	(10.99)	(0.75)	(10.24)	-	(10.24)	-	100.00%
9	Torrent Saurya Urja 3 Private Limited	February 17, 2021	March 31, 2024	1.08	(1.32)	53.14	53.38	-	0.66	(1.35)	(0.24)	(1.11)	-	(1.11)	-	74.00%
10	Torrent Saurya Urja 4 Private Limited	July 20, 2021	March 31, 2024	0.05	(2.19)	58.50	60.64	-	3.97	(2.48)	(0.42)	(2.06)	-	(2.06)	-	100.00%
11	Torrent Saurya Urja 5 Private Limited	July 16, 2021	March 31, 2024	16.01	(2.06)	60.85	46.90	-	-	(2.26)	(0.39)	(1.87)	-	(1.87)	-	74.00%
12	Visual Percept Solar Projects Private Limited	February 15, 2022	March 31, 2024	17.45	152.19	177.90	8.26	9.29	42.21	26.07	4.21	21.86	(0.02)	21.84	2.90	100.00%
13	Surya Vidyut Limited	March 11, 2022	March 31, 2024	251.91	91.41	711.28	367.96	13.05	131.59	35.10	8.65	26.45	(0.01)	26.44	-	100.00%
14	Torrent Saurya Urja 6 Private Limited	March 25, 2022	March 31, 2024	23.43	74.13	220.56	123.00	-	41.80	15.92	(2.75)	18.67	-	18.67	-	100.00%
15	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	March 15, 2022	March 31, 2024	0.10	581.10	1,641.30	1,060.10	-	6,097.15	183.91	45.94	137.97	(3.10)	134.87	-	51.00%
16	Torrent Saurya Urja 7 Private Limited (formerly known as Wind Two Renergy Private Limited)	July 30, 2022	March 31, 2024	65.00	(23.21)	278.55	236.76	-	32.53	(5.40)	(1.37)	(4.03)	-	(4.03)	-	100.00%
17	Sunshakti Solar Power Projects Private Limited	June 13, 2022	March 31, 2024	0.06	146.87	274.23	127.30	-	51.75	25.08	6.36	18.72	-	18.72	-	100.00%
18	Torrent Green Energy Private Limited #	August 02, 2023	March 31, 2024	0.05	(0.84)	21.74	22.53	21.52	-	(0.84)	-	(0.84)	-	(0.84)	-	100.00%
19	Airpower Windfarms Private Limited #	September 01, 2023	March 31, 2024	55.00	(33.90)	88.37	67.27	-	-	(0.97)	(0.29)	(0.68)	-	(0.68)	-	100.00%
20	Torrent Urja 8 Private Limited #	April 28, 2023	March 31, 2024	0.01	(2.15)	224.33	226.47	-	-	(0.84)	(0.20)	(0.64)	-	(0.64)	-	100.00%
21	Torrent Urja 9 Private Limited #	April 26, 2023	March 31, 2024	0.01	(0.05)	0.01	0.05	-	-	(0.05)	-	(0.05)	-	(0.05)	-	100.00%
22	Torrent Urja 10 Private Limited	April 21, 2023	March 31, 2024	4.41	(0.27)	20.83	16.69	-	-	(0.26)	(0.05)	(0.21)	-	(0.21)	-	66.88%
23	Torrent Urja 11 Private Limited #	April 20, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
24	Torrent Urja 12 Private Limited #	April 18, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
25	Torrent Urja 13 Private Limited #	April 26, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
26	Torrent Urja 14 Private Limited #	May 11, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
27	Torrent Urja 15 Private Limited #	May 11, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
28	Torrent Urja 16 Private Limited #	May 11, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%

FORM AOC - 1 (Contd.)

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

(a) Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

Sr. no.	Name of Subsidiary Company	Date of becoming Subsidiary	Financial year ended on	Share capital	Reserves & Surplus	Total assets	Total liabilities (excluding share capital and reserves and surplus)	Invest-ments	Turnover (Revenue from operations)	Profit / (loss) before taxation	Provision for taxation (including deferred tax)	Profit / (loss) after taxation	Other compre-hensive income (net of tax)	Total compre-hensive income	Proposed dividend (in ₹ per equity share)	Extent of shareholding (in percentage)
29	Torrent Urja 17 Private Limited #	May 11, 2023	March 31, 2024	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	(0.03)	-	100.00%
30	Torrent Green Hydrogen Private Limited #	December 29, 2023	March 31, 2024	0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100.00%
31	Torrent PSH 1 Private Limited #	January 03, 2024	March 31, 2024	0.01	*	0.01	*	-	-	*	-	*	-	*	-	100.00%
32	Torrent PSH 2 Private Limited #	January 03, 2024	March 31, 2024	0.01	*	0.01	*	-	-	*	-	*	-	*	-	100.00%
33	Torrent PSH 3 Private Limited #	December 29, 2023	March 31, 2024	0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100.00%
34	Torrent PSH 4 Private Limited #	December 30, 2023	March 31, 2024	0.01	(0.01)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100.00%
35	Solapur Transmission Limited #	March 20, 2024	March 31, 2024	0.01	(0.01)	6.56	6.56	-	-	(0.01)	-	(0.01)	-	(0.01)	-	100.00%

List of subsidiaries which are yet to commence its operations.
* Figures below ₹ 50,000

(b) Associates and Joint Ventures

Sr. no.	Name of Associates or Joint Venture	Date of acquisition	Latest audited balance sheet date	Shares of associate or Joint venture held by the Company			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet	Profit/ Loss for the year	
				No. of shares	Amount of investment	Extent of Holding%				Considered in consolidation	Not considered in consolidation
1	UNM Foundation	Not Applicable					Refer note below				

Footnote:

1 UNM Foundation (UNM) is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over its profits to the members. In view of restrictions on Section 8 companies, the parent Company's proportionate share in UNM has not been considered in consolidated financial statement.

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 22, 2024

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 43 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th></th><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>i.</td><td colspan="2">Impairment assessment for Power Plant located at Dahej (Refer to note 45(1) to the consolidated financial statements):</td></tr>
<tr><td></td><td>The carrying amount of Property, Plant & Equipment ("PPE") and Right-of-use assets ("ROU") includes an amount of ₹ 1,315.05 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and thereafter has operated only intermittently.

As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and with the help of an external valuer, has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future prices of fuel, foreign exchange rate, expected tariff rates of electricity and discount rate, which are considered by management based on past trends and current and likely future state of the industry.

Based on such assessment, the value in use arrived at by the management is higher than the carrying amount of PPE and ROU pertaining to DGEN and accordingly, no additional impairment is considered necessary as at March 31, 2023.

We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2023 is significant to the Holding Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.</td><td>Our procedures in relation to management's impairment assessment of DGEN included the following:

• Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment.
• Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them.
• Evaluated independence, competence, capability and objectivity of the external valuer.
• Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions underlying the same.
• With the involvement of auditor's experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use.
• Enquired with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonably foreseeable range.
• Checked the arithmetic accuracy of the computations included in the discounted cash flow projections.
• Assessed the adequacy of disclosure in the consolidated financial statements.

Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.</td></tr>
<tr><td>ii.</td><td colspan="2">Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 46 to the consolidated financial statements)</td></tr>
<tr><td></td><td>The Holding Company has recognised deferred tax assets on the unutilised tax credits amounting to ₹ 1,347.59 crore as at March 31, 2023, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the earlier years in which the Holding Company did not have normal taxable profit due to availment of tax holiday. The deferred tax asset has been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits.

The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel and expected tariff rates of electricity, covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.</td><td>Our audit procedures in relation to management's assessment of recoverability of Deferred tax assets on unutilised tax credits included the following:

• Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits.
• Assessed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised tax credits.
• Enquired with senior management personnel, the justification for the key assumptions underlying the projections and assessed the reasonableness of the assumptions underlying profit projections made by management, by verifying the past trends, available tariff orders and relevant economic and industry indicators. Further, performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within a reasonable range.</td></tr>
</table>

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the consolidated financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.	• Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the arithmetic accuracy of the underlying calculations of the profit projections. • Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.
iii. Appropriateness of classification of Solar and Wind power projects acquired during the year and related purchase price allocation (Refer Note 44(b) to the consolidated financial statements)	
During the year, the Group acquired one operating solar and one wind power project, through Share Purchase Agreements (SPAs) entered into by it. The Group has assessed that these acquisitions do not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisitions', considering the factors like the purchase consideration pertained to the fair value of the Solar and Wind assets, the only key activity for this acquisition is the maintenance of the Solar and Wind assets and there are no other substantive processes required for the generation of output. The management also engaged external valuers for identification of the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed, in each of the acquisitions and allocation of the purchase price based on the fair values of the assets and liabilities. We considered this as a key audit matter, as the above assessment and allocation of the purchase consideration involves significant assumptions and management judgement in: • determination of whether the said acquisitions meet the definition of "Business"; • identification of the identifiable assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods, for allocation of the purchase price to the identifiable assets and liabilities assumed.	Our audit procedures in relation to appropriate classification of the acquisitions and the purchase price allocation included the following: • Assessed and tested the design and operating effectiveness of the Group's controls over acquisitions and purchase price allocation. • Read the share purchase agreements to understand the key terms and conditions of the acquisitions. • Evaluated the management's assessment for determining whether the acquisitions represent an 'asset acquisition' or a 'business combination'. • Perused the report issued by the external valuers engaged by the management and conducted enquiries with them to understand the assumptions considered by them. • Evaluated independence, competence, capability, and objectivity of the external valuers. • Assessed the appropriateness of identification of individual assets acquired and liabilities assumed. • With the involvement of auditor's experts, assessed the reasonableness of the assumptions underlying measurement of fair values of identified assets and liabilities. • Enquired with senior management personnel, the justification for the key assumptions used in determining the fair values of assets and liabilities as at the acquisition date. • Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of relevant Indian accounting standards. Based on the above procedures performed, we considered the management's assessment of the classification and allocation of the purchase price to be reasonable.

Key audit matter	How our audit addressed the key audit matter
iv. Appropriateness of accounting for acquisition of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (Refer Note 44(a) to the consolidated financial statements)	
Pursuant to the 'Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022' (the 'transfer scheme'), the Holding Company acquired 51% controlling stake in Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited with effect from April 1, 2022 i.e., the effective date of transfer, as notified by the Union Territory Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu for a total consideration transferred by the Holding Company was ₹ 586 crore. The said acquisition has been accounted for in accordance with Ind AS 103 'Business Combinations' by recognising the identifiable assets and liabilities and non-controlling interest at the respective fair values on the date of acquisition and recognising the excess of consideration paid over the fair values of identifiable assets and liabilities and non-controlling interest as Goodwill. The Group's management appointed an independent external valuer to perform the Fair valuation of the assets and liabilities and allocation of purchase price. We considered this as a key audit matter, as this is material acquisition for the group and above assessment and purchase price allocation involves significant assumptions and management judgement in respect of: • identification and measurement of the fair value of the assets and liabilities using appropriate valuation methods; • allocation of the purchase price to the identifiable assets (tangible and intangible) acquired and liabilities assumed and share of non-controlling interest and determination of goodwill; and • determination of an appropriate discount rate, and assumptions relating to revenue growth and terminal growth to determine the fair values of an identified intangible asset.	Our audit procedures in relation to accounting for the acquisition and the purchase price allocation included the following: • Assessed and tested the design and operating effectiveness of the Group's controls over accounting for business combinations. • Understood the process followed by the Company for assessment and determination of the effective date and the accounting treatment for the transfer scheme, including the identification of assets and liabilities and determination of their fair values. • Read the share purchase agreements and shareholders' agreement to understand the key terms and conditions of the acquisition of shares by the Holding Company. • Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them. • Evaluated independence, competence, capability, and objectivity of the external valuer. • Assessed the appropriateness of identification of individual assets acquired and liabilities assumed, share of non-controlling interest and recognition of Goodwill, in accordance with Ind AS 103. • With the involvement of auditor's experts, assessed the reasonableness of the assumptions underlying measurement of fair values of identified assets and liabilities including the assumption of discount rate, revenue growth and terminal growth, and allocation of the purchase price. • Enquired with senior management personnel, the justification for the key assumptions used in determining the fair values of assets (tangible and intangible) and liabilities as at the acquisition date. • Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of relevant Ind AS 103. Based on the above procedures performed, we considered the management's assessment of the identification of assets and allocation of the purchase price to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (Contd.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of one subsidiary (w.e.f. July 30, 2022) whose financial statements reflect total assets of ₹ 289.20 crore and net assets of ₹ 13.55 crore as at March 31, 2023, total revenue of ₹ 6.20 crore, total comprehensive income (comprising of loss and other comprehensive income) of (₹ 15.54) crore and net cash flows amounting to (₹ 0.17) crore for the period from July 30, 2022 to March 31, 2023, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ Nil for the period April 1, 2022 to July 29, 2022 as considered in the consolidated financial statements, in respect of one associate company (up to July 29, 2022), whose financial statements have not been audited by us. This financial statements has been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary (associate company up to July 29, 2022), and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

16. 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 (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 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 March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 48 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023– Refer Note 33 to the consolidated financial statements in respect of such items as it relates to the Group.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies during the year.

iv. (a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the subsidiary which is a company whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company and its subsidiary companies, is in compliance with Section 123 of the Act.

17. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 23109553BGWNNG5480

Place: Ahmedabad
Date: May 29, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, is based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 23109553BGWNNG5480

Place: Ahmedabad
Date: May 29, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Crore)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4	18,115.94	16,759.39
Right-of-use assets	5	216.46	214.60
Capital work-in-progress	6	2,624.69	1,297.27
Investment property	7	9.39	-
Goodwill	8	171.07	-
Other intangible assets	9	756.33	123.29
Financial assets			
Investments	10	15.94	132.82
Loans	11	-	121.87
Other financial assets	12	135.38	101.55
Deferred tax assets (net)	46	38.65	35.12
Non-current tax assets (net)	13	12.50	10.56
Other non-current assets	14	361.04	1,000.47
		22,457.39	**19,796.94**
Current assets			
Inventories	15	820.28	537.57
Financial assets			
Investments	16	787.75	273.70
Trade receivables	17	2,246.33	1,602.70
Cash and cash equivalents	18	188.23	289.41
Bank balances other than cash and cash equivalents above	19	155.29	62.93
Loans	20	-	19.90
Other financial assets	21	3,111.40	2,298.81
Other current assets	22	143.51	140.74
		7,452.79	**5,225.76**
		29,910.18	**25,022.70**
Equity and liabilities			
Equity			
Equity share capital	23	480.62	480.62
Other equity	24	10,529.38	9,462.56
		11,010.00	**9,943.18**
Non-controlling interests		476.65	35.93
		11,486.65	**9,979.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	25	8,902.32	7,099.15
Lease liabilities	49	39.32	39.10
Trade payables	26		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		210.61	150.46
Other financial liabilities	27	-	0.33
Deferred tax liabilities (net)	46	968.79	345.21
Other non-current liabilities	28	1,372.46	1,261.67
		11,493.50	**8,895.92**
Current liabilities			
Financial liabilities			
Borrowings	29	1,593.75	1,999.27
Lease liabilities	49	6.02	5.11
Trade payables	30		
Total outstanding dues of micro and small enterprises		68.99	54.02
Total outstanding dues other than micro and small enterprises		1,453.68	1,057.11
Other financial liabilities	31	2,687.72	2,021.51
Other current liabilities	32	677.24	613.56
Provisions	33	264.06	274.55
Current tax liabilities (net)	34	178.57	122.54
		6,930.03	**6,147.67**
		29,910.18	**25,022.70**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 29, 2023

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Crore)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	35	25,694.12	14,257.61
Other income	36	381.85	235.04
Total income		**26,075.97**	**14,492.65**
Expenses			
Electrical energy purchased		14,440.53	5,116.39
Fuel cost		2,508.23	3,403.40
Cost of materials consumed	37	334.81	262.64
Purchase of stock-in-trade		1,879.26	305.99
Changes in inventories of finished goods and work-in-progress	38	(29.19)	(11.11)
Employee benefits expense	39	578.25	533.54
Finance costs	40	818.20	628.21
Depreciation and amortisation expense	41	1,280.96	1,333.86
Other expenses	42	1,223.56	1,055.76
Total expenses		**23,034.61**	**12,628.68**
Profit before exceptional items and tax		3,041.36	1,863.97
Exceptional items	45	-	1,300.00
Profit before tax		**3,041.36**	**563.97**
Tax expense			
Current tax	46	672.82	372.48
Deferred tax	46	203.87	(267.21)
		876.69	**105.27**
Profit for the year		**2,164.67**	**458.70**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	50	9.54	2.89
Tax relating to remeasurement of the defined benefit plans	46	3.50	1.04
Other comprehensive income for the year, net of tax		**6.04**	**1.85**
Total comprehensive income for the year		**2,170.71**	**460.55**
Profit for the year attributable to:			
Owners of the Company		2,117.43	453.98
Non-controlling interests		47.24	4.72
		2,164.67	**458.70**
Other comprehensive income for the year attributable to:			
Owners of the Company		6.75	1.85
Non-controlling interests		(0.71)	-
		6.04	**1.85**
Total comprehensive income for the year attributable to:			
Owners of the Company		2,124.18	455.83
Non-controlling interests		46.53	4.72
		2,170.71	**460.55**
Basic and diluted earnings per share of face value of ₹ 10 each (in ₹)	53	**44.06**	**9.45**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Samir Mehta
Chairperson
DIN:00061903

Priyanshu Gundana
Partner
Membership No.: 109553

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Ahmedabad, May 29, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Crore)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax		3,041.36	563.97
Adjustments for :			
Depreciation and amortisation expense	**41**	1,280.96	1,333.86
Amortisation of deferred revenue	**35**	(100.10)	(90.27)
Provision of earlier years written back	**35**	(0.80)	(1.04)
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	**42**	29.91	23.66
Gain on disposal of property, plant and equipment / investment property	**36**	(44.84)	(30.05)
Bad debts written off (net of recovery)	**42**	4.02	46.83
Reversal of provision for onerous contracts	**42**	(10.82)	(55.07)
Provision for onerous contracts	**42**	9.44	0.53
Allowance for doubtful debts (net)	**42**	(13.21)	(32.71)
Exceptional items	**45**	-	1,300.00
Finance costs	**40**	818.20	628.21
Interest income from financial assets measured at amortised cost	**36**	(68.84)	(66.62)
Gain on sale of current investments in mutual funds	**36**	(55.64)	(27.84)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	**36**	(7.23)	2.20
Net gain arising on financial assets / liabilities measured at amortised cost	**36**	(23.67)	(28.93)
Net unrealised loss / (gain) on foreign currency transactions		10.76	(5.34)
Operating profit before working capital changes		**4,869.50**	**3,561.39**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(265.58)	(85.44)
Trade receivables		(148.96)	(119.78)
Other financial assets		(929.80)	(287.41)
Other assets		(22.13)	(43.68)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		125.37	196.61
Other financial liabilities		260.20	118.13
Provisions		0.43	(3.92)
Other liabilities		56.84	62.33
Cash generated from operations		**3,945.87**	**3,398.23**
Taxes paid (net)		(490.09)	(231.05)
Net cash flow generated from operating activities		**3,455.78**	**3,167.18**
Cash flow from investing activities			
Payments for property, plant and equipment, intangible assets & investment property		(2,815.55)	(1,809.14)
Proceeds from sale of property, plant and equipment & intangible assets		65.74	49.44
Acquisition of subsidiaries net of cash and cash equivalents [Refer note 44]		28.05	(515.23)
Advance against equity investment		(3.00)	(555.00)
Purchase of non-current investments		(1.94)	(1.91)
Loans to related parties		(277.02)	(7.95)
Repayment of loans from related parties		11.25	21.30
(Investments) / redemption in bank deposits (net) (original maturity more than three months)		(115.43)	50.63
(Investments) / redemption in inter corporate deposits		266.84	113.40
Interest received		74.35	69.31
(Purchase of) / proceeds from current investments (net)		(449.25)	102.03
Net cash generated from / (used in) investing activities		**(3,215.96)**	**(2,483.12)**

(₹ in Crore)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from financing activities			
Proceeds from long-term borrowings		3,812.34	1,125.22
Proceeds from short-term borrowings		400.00	693.22
Repayment of long-term borrowings		(1,359.28)	(885.59)
Prepayment of long-term borrowings		(341.86)	(235.49)
Repayment of short-term borrowings		(1,113.74)	-
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan		(3.82)	(3.82)
Receipt of contribution from consumers		217.04	200.41
Dividend paid		(1,061.81)	(702.04)
Principal elements of lease payments		(22.34)	(44.35)
Finance costs paid		(867.53)	(649.49)
Net cash generated from / (used) in financing activities		**(341.00)**	**(501.93)**
Net (decrease) / increase in cash and cash equivalents		(101.18)	182.13
Cash and cash equivalents as at beginning of the year		289.41	107.28
Cash and cash equivalents as at end of the year		**188.23**	**289.41**
Footnotes:			
1. Cash and cash equivalents as at end of the year:			
Balances with banks			
Balance in current accounts		187.33	288.10
Balance in fixed deposit accounts (original maturity for less than three months)		-	0.05
Cheques on hand		0.60	0.79
Cash on hand		0.30	0.47
		188.23	**289.41**
2. Non-cash investing and financing activities:			
Acquisition of Right-of-use assets		7.45	12.78
Refinancing of existing loan		374.62	-
		382.07	**12.78**

3. The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 29, 2023

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital [Refer note 23]

(₹ in Crore)

Balance as at April 1, 2021	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**480.62**

B. Other equity [Refer note 24]

(₹ in Crore)

	Reserves and surplus						Other equity attributable to equity holders of the Company	Non-controlling interests	Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings			
Balance as at April 1, 2021	**0.03**	**187.26**	**13.46**	**78.07**	**3,583.89**	**5,840.91**	**9,703.62**	**36.36**	**9,739.98**
Profit for the year	-	-	-	-	-	453.98	453.98	4.72	458.70
Other comprehensive income for the year, net of tax	-	-	-	-	-	1.85	1.85	-	1.85
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**455.83**	**455.83**	**4.72**	**460.55**
Transfer to debenture redemption reserve	-	(47.66)	-	-	-	47.66	-	-	-
Transfer to contingency reserve	-	-	1.91	-	-	(1.91)	-	-	-
Transaction with owners in their capacity as owners: Dividend (including interim dividend) paid	-	-	-	-	-	(696.89)	(696.89)	(5.15)	(702.04)
Balance as at March 31, 2022	**0.03**	**139.60**	**15.37**	**78.07**	**3,583.89**	**5,645.60**	**9,462.56**	**35.93**	**9,498.49**
Profit for the year	-	-	-	-	-	2,117.43	2,117.43	47.24	2,164.67
Other comprehensive income for the year, net of tax	-	-	-	-	-	6.75	6.75	(0.71)	6.04
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,124.18**	**2,124.18**	**46.53**	**2,170.71**
Transfer to debenture redemption reserve	-	(78.39)	-	-	86.72	(8.33)	-	-	-
Transfer to contingency reserve	-	-	1.92	-	-	(1.92)	-	-	-
Transaction with owners in their capacity as owners: Dividend (including interim dividend) paid	-	-	-	-	-	(1,057.36)	(1,057.36)	(4.45)	(1,061.81)
Non-controlling interests on acquisition of subsidiary [Refer note 44]	-	-	-	-	-	-	-	398.64	398.64
Balance as at March 31, 2023	**0.03**	**61.21**	**17.29**	**78.07**	**3,670.61**	**6,702.17**	**10,529.38**	**476.65**	**11,006.03**

Footnote:

1 Retained earning includes (₹ 23.15) Crore [March 31, 2022 (₹ 29.19) Crore] related to re-measurement of defined benefit plans.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 29, 2023

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 1a : General information

These financial statements comprise financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") and associate (upto July 29, 2022) for the year ended March 31, 2023.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 43.

Note 1b : New standards or interpretations adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 1c : New standards or interpretations issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies

2.1 Basis of preparation:

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following which have been measured at fair value;

- Defined benefit plan assets

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

2.2 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

2.4 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.5 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 1, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business $	Franchisee business @	Other business
Buildings	1.26% to 6.73%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	6.86% to 23.08%	-
Plant and machinery	0.92% to 19.00%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	0.64% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	0.91% to 15.00%	6.33%	6.33% to 9.91%
Vehicles	9.50% to 18.00%	9.50%	9.50% to 11.88%
Office equipment	0.91% to 31.67%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of Uttar Pradesh Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

$ For assets acquired on or after April 1, 2009 in case of Regulated generation and distribution business, remaining depreciable value as on 31st March of the year closing after a period of 12 years from date on which assets are ready for their intended use, shall be spread over the balance useful life of the assets as defined in GERC / CERC Multi Year Tariff (MYT) regulations.

2.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

2.7 Intangible assets:

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer contracts – 15 to 22 years
- Distribution license – 25 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of assets :

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the consolidated statement of profit and loss in the period of their accrual.

2.10 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

2.11 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured and recognized at transaction price recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the rates, terms and conditions laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulators / agreements entered with the customers / power exchange rates, as applicable. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved Fuel and Power Purchase Price Adjustment (FPPPA) which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 21, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

(iv) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.13 Foreign currency translation:

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

Foreign exchange differences arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

2.14 Employee benefits:

Defined contribution plans

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

2.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

2.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.18 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) Initial measurement

Financial assets (excluding trade receivables) are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables which do not contain a significant financing component are measured at transaction price.

iii) Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit and loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses. The Group currently does not have any debt instruments which are measured at FVOCI.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses to measure the expected credit losses, trade receivables have been grouped based on days past due. The policy of the Group is to provide for credit loss takes into consideration of factors such as type of Consumers i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted when there is a certainty of recovery.

Financial liabilities

i) Classification

All the Group's financial liabilities are measured at amortized cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Contributed equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.20 Leases:

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 2 : Significant accounting policies (Contd.)

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Group for the year, the Group makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by '*'.

Note 3 : Critical accounting judgements and key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognized those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 35 & 47]

3.2 Property, plant and equipment:

(i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Group has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 3 : Critical accounting judgements and key sources of estimation uncertainty (Contd.)

(ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 45(1)]

(iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 44]

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 46(d)].

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 48(a)]

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 50.2 and 50.3.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 4 : Property, Plant and Equipment

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 1, 2022	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 1, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	514.18	84.66	131.02	-	(5.66)	724.20	-	-	-	-	-	724.20
Buildings	1,807.77	5.16	246.43	1.12	15.03	2,073.27	357.85	67.87	0.21	2.82	428.33	1,644.94
Leasehold improvement	4.05	-	0.52	-	-	4.57	0.67	0.68	-	-	1.35	3.22
Railway siding	1.86	-	-	-	-	1.86	0.35	0.05	-	-	0.40	1.46
Plant and machinery	24,434.44	858.49	1,211.12	56.24	5.00	26,452.81	9,859.13	1,131.93	30.02	(2.82)	10,958.22	15,494.59
Electrical fittings and apparatus	55.52	-	12.99	0.15	0.05	68.41	21.32	3.31	0.09	-	24.54	43.87
Furniture and fixtures	64.46	-	14.64	0.16	-	78.94	20.89	4.29	0.11	-	25.07	53.87
Vehicles	30.86	0.49	6.06	2.11	-	35.30	11.51	3.44	1.23	-	13.72	21.58
Office equipment	190.69	0.04	28.24	4.48	0.29	214.78	72.72	17.03	3.18	-	86.57	128.21
Total	**27,103.83**	**948.84**	**1,651.02**	**64.26**	**14.71**	**29,654.14**	**10,344.44**	**1,228.60**	**34.84**	**-**	**11,538.20**	**18,115.94**

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 1, 2021	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2022	As at April 1, 2021	For the year: Depreciation	For the year: Impairment	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Freehold land	441.74	46.31	30.98	4.85	-	514.18	-	-	-	-	-	514.18
Buildings	1,687.09	13.29	112.80	6.41	1.00	1,807.77	297.93	61.20	-	1.28	357.85	1,449.92
Leasehold improvement	-	-	0.58	-	3.47	4.05	-	0.67	-	-	0.67	3.38
Railway siding	1.86	-	-	-	-	1.86	0.30	0.05	-	-	0.35	1.51
Plant and machinery	22,458.33	918.32	1,115.10	58.97	1.66	24,434.44	7,360.29	1,226.45	1,300.00	27.61	9,859.13	14,575.31
Electrical fittings and apparatus	51.96	-	6.45	0.13	(2.76)	55.52	18.36	3.04	-	0.08	21.32	34.20
Furniture and fixtures	57.22	0.01	7.76	0.53	-	64.46	17.37	3.85	-	0.33	20.89	43.57
Vehicles	28.87	0.03	5.27	3.44	0.13	30.86	11.06	2.91	-	2.46	11.51	19.35
Office equipment	165.32	0.04	23.60	1.33	3.06	190.69	57.83	15.79	-	0.90	72.72	117.97
Total	**24,892.39**	**978.00**	**1,302.54**	**75.66**	**6.56**	**27,103.83**	**7,763.14**	**1,313.96**	**1,300.00**	**32.66**	**10,344.44**	**16,759.39**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 4 : Property, Plant and Equipment (Contd.)

Footnotes:

1 The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 25].

2 Capital commitment:

Refer note 48 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3 Adjustments during the year include capitalisation of borrowing costs of ₹ 27.61 Crore (Previous year - ₹ 7.17 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs" and in Previous year - ₹ 0.61 Crore pertaining to reversal of security deposit.

4 Adjustments during the year include change in nature of freehold land to Investment property of ₹ 12.90 Crore.

5 The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.62% p.a. to 7.67% p.a. (Previous year 7.27% p.a. to 7.30% p.a.).

6 Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.

7 Refer note 45(1) for impairment loss in respect of DGEN power plant

8 The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2022 - ₹ 2,314.07 Crore).

9 The Group have not revalued its property, plant and equipment during the current or previous year.

10 Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at March 31, 2023	As at March 31, 2022
Freehold land	50%	23.58	23.58
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 5 : Right-of-use Assets

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation					Net carrying amount
	As at April 1, 2022	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 1, 2022	For the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at March 31, 2023
Land	210.13	0.48	17.52	0.39	(4.65)	223.09	21.46	9.04	-	(0.54)	29.96	193.13
Buildings	36.04	-	3.67	3.04	-	36.67	10.36	4.34	1.18	-	13.52	23.15
Plant and machinery	0.38	-	-	-	-	0.38	0.15	0.05	-	-	0.20	0.18
Office equipment	0.14	-	-	-	-	0.14	0.12	0.02	-	-	0.14	-
Total	**246.69**	**0.48**	**21.19**	**3.43**	**(4.65)**	**260.28**	**32.09**	**13.45**	**1.18**	**(0.54)**	**43.82**	**216.46**

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 1, 2021	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Land	171.94	1.98	36.21	-	210.13	13.79	7.67	-	21.46	188.67
Buildings	27.70	-	10.77	2.43	36.04	7.84	4.40	1.88	10.36	25.68
Plant and machinery	0.38	-	-	-	0.38	0.10	0.05	-	0.15	0.23
Office equipment	0.14	-	-	-	0.14	0.08	0.04	-	0.12	0.02
Total	**200.16**	**1.98**	**46.98**	**2.43**	**246.69**	**21.81**	**12.16**	**1.88**	**32.09**	**214.60**

Footnotes:

1 The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 25].

2 Adjustments during the year include change in nature of land from Right-of-use assets to Investment property of ₹ 4.11 Crore (net).

3 Refer note 49 for disclosure relating to right-of-use assets.

4 The Group have not revalued its right-of-use assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 6 : Capital Work-in-Progress

As at March 31, 2023

(₹ in Crore)

Particulars	As at April 1, 2022	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Capitalised during the year	Adjustment during the year	As at March 31, 2023
Capital work-in-progress	1,297.27	0.07	2,840.23	1,501.31	(11.57)	2,624.69
Total	**1,297.27**	**0.07**	**2,840.23**	**1,501.31**	**(11.57)**	**2,624.69**

As at March 31, 2022

(₹ in Crore)

Particulars	As at April 1, 2021	Additions on acquisition of subsidiaries	Additions during the year	Capitalised during the year	Adjustment during the year	As at March 31, 2022
Capital work-in-progress	837.73	-	1,639.16	1,181.30	1.68	1,297.27
Total	**837.73**	**-**	**1,639.16**	**1,181.30**	**1.68**	**1,297.27**

Footnotes:

1 The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 25].

2 Capital work-in-progress include borrowing costs of ₹ 83.00 Crore (March 31, 2022 - ₹ 35.81 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.

3 Adjustment during the year includes ₹ 11.57 Crore (including ₹ 1.49 Crore related to borrowing cost) (Previous year - ₹ 0.43 Crore) write off and Previous year - ₹ 2.11 Crore for reversal of inpairment provision.

4 Capital work-in-progress mainly comprises Plant and machinery, Buildings and Freehold land.

5 Refer note 60 for ageing schedule for capital work-in-progress.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 7 : Investment Property

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 1, 2022	Additions during the year	Deductions during the year	Adjustments during the year	As at March 31, 2023	As at April 1, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Freehold land	-	2.17	9.79	17.01	9.39	-	-	-	-	9.39
Total	**-**	**2.17**	**9.79**	**17.01**	**9.39**	**-**	**-**	**-**	**-**	**9.39**

Footnotes:

1 The above investment property have been mortgaged and hypothecated to secure borrowings of the Group [Refer note 25].

2 The fair value of the Group's investment property has been arrived based on a valuation report by external independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

3 Adjustments during the year is due to change in nature of leasehold land from Right-of-use assets / freehold land from Property plant and equipment of ₹ 17.01 Crore to Investment property.

4 Details of the Group's investment property and information about the fair value hierarchy are as follows:

Particulars	As at March 31, 2023
Fair value of investment property (₹ in Crore)	40.26
Fair value hierarchy	Level 2 [Refer note 57]

5 The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop such investment property or for repairs, maintenance and enhancements thereof.

6 The Group has not revalued its investment property during the current or previous year.

7 The title deeds of investment property are held in the name of the Group as at March 31, 2023 and March 31, 2022.

8 Amount recognised in statement of profit and loss for investment property:

(₹ in Crore)

Particulars	Year ended March 31, 2023
Rental income derived from investment property	-
Direct operating expenses arising from investment property that generated rental income	-
Direct operating expenses arising from investment property that did not generate rental income	-

Note 8 : Goodwill

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	-
Addition on account of acquisition of subsidiary [Refer note 44]	171.07	-
Balance at the end of the year	**171.07**	**-**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 9 : Other Intangible Assets

As at March 31, 2023

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortisation				Net carrying amount
	As at April 1, 2022	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 1, 2022	For the year	Deductions during the year	As at March 31, 2023	As at March 31, 2023
Computer software	66.22	-	2.32	0.34	68.20	47.20	9.31	0.31	56.20	12.00
Customer contract	104.85	39.09	-	-	143.94	0.58	7.67	-	8.25	135.69
Distribution license	-	634.00	-	-	634.00	-	25.36	-	25.36	608.64
Total	**171.07**	**673.09**	**2.32**	**0.34**	**846.14**	**47.78**	**42.34**	**0.31**	**89.81**	**756.33**

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortisation				Net carrying amount
	As at April 1, 2021	Additions on acquisition of subsidiaries [Refer note 44]	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Computer software	56.52	0.02	10.65	0.97	66.22	38.08	10.04	0.92	47.20	19.02
Customer contract	-	104.85	-	-	104.85	-	0.58	-	0.58	104.27
Total	**56.52**	**104.87**	**10.65**	**0.97**	**171.07**	**38.08**	**10.62**	**0.92**	**47.78**	**123.29**

Footnote:

1 The above computer software has been mortgaged and hypothecated to secure borrowings of the Group [Refer note 25].

2 The Group have not revalued its intangible assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 10 : Non-Current Investments

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Private Limited ^ Zero coupon secured, redeemable with premium, non-convertible debentures of ₹ 1,00,000 each (No. of debentures - March 31, 2023: Nil, March 31, 2022: 9,070)	-	116.89
	-	**116.89**
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2023: 9,61,500, March 31, 2022: 9,61,500) [As at March 31, 2023 & March 31, 2022 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr]	-	-
Tidong Hydro Power Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2023: 24,500, March 31, 2022: 24,500) [As at March 31, 2023 & March 31, 2022 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr]	-	-
UNM Foundation (Formerly known as Tornascent Care Institute) @ Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2023: 50,000, March 31, 2022: 50,000)	0.05	0.05
	0.05	**0.05**
Contingency reserve investments - statutory (quoted) (at amortised cost) $	15.89	15.88
	15.89	**15.88**
	15.94	**132.82**
Aggregate amount of quoted investments	15.89	15.88
Aggregate amount of unquoted investments	0.05	116.94
	15.94	**132.82**
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	15.70	16.30

^ During the year 7,276 nos. of non-convertible debentures(NCDs) have been reedemed with premium.

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e. UNM Foundation (Formerly known as Tornascent Care Institute), under the Companies Act, 2013 for the purpose of carrying out charitable activities.

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 24 - Contingency reserve]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 11 : Non-Current Loans

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Loans to related parties (including interest accrued) [Refer note 56(d)]	-	121.87
	-	**121.87**

Note 12 : Other Non-Current Financial Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Security deposits	58.59	20.36
Inter-corporate deposits #	-	80.00
Bank fixed deposits	24.40	1.02
Other advances / receivables [Refer footnote 1]	52.39	0.17
	135.38	**101.55**

a lien has been created in favour of lenders.

Footnote:

1 Ministry of Power vide Gazette Notification dated June 3, 2022, notified The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (the "LPS Rules"). The LPS Rules provide a mechanism for settlement of outstanding dues as on June 3, 2022 into interest free Equated Monthly Instalments (EMI) which ranges from 12 to 48. In view of above, substantial modification and considering the principles of Ind AS 109 - Financial Instruments, the Group has derecognised the original trade receivables of ₹ 177.47 Crore as on June 3, 2022.

On derecognition of original trade receivable, the new receivable from customer under Late payment surcharge Scheme (based on modified terms) at its fair value is disclosed under the head Other non-current financial asset ₹ 52.28 Crore as at March 31, 2023 and other current financial asset ₹ 52.06 Crore as at March 31, 2023 [Refer note 21], and the loss due to substantial modification aggregating ₹ 15.10 Crore for FY 2022-23 under the head finance costs [Refer note 40].

Note 13 : Non-Current Tax Assets

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Advance income tax (net)	12.50	10.56
	12.50	**10.56**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 14 : Other Non-Current Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Capital advances	153.66	230.78
Advances for goods and services	118.32	133.59
Balances with government authorities	68.69	62.25
Prepaid expenses	17.37	18.85
Advance against equity investment [Refer footnote 1 and note 44]	3.00	555.00
	361.04	**1,000.47**

Footnote:

1 On February 8, 2023, the Company had entered into a Binding term sheet with Powerica Limited and Vestas Wind Technology India Private Limited (the Sellers) for the acquisition of 100% share capital of Airpower Windfarms Private Limited, which holds leasehold revenue land situated in the state of Gujarat for the purpose of development of wind power project. Enterprise value estimated for this acquisition is approx. ₹ 21.74 Crore The acquisition is subject to Share Purchase Agreement and/or other allied agreements and customary conditions for transaction closure.

Accordingly, advance amount of ₹ 3.00 Crore given to the sellers as per binding term sheet is shown as "Advance against equity investment" as at March 31, 2023 in consolidated financial statement.

Note 15 : Inventories

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Stores and spares	351.49	272.98
Fuel	340.38	166.69
Raw materials	42.53	56.44
Work-in-progress	23.20	9.96
Finished goods	56.43	26.33
Packing materials	2.49	2.37
Loose tools	3.76	2.80
	820.28	**537.57**

Footnotes:

1 The cost of stores and spares inventories recognised as an expense includes ₹ 4.44 Crore (Previous year - ₹ 1.36 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.

2 The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Group. [Refer note 25]

3 The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Fuel	9.35	8.93
Raw materials	3.93	3.92
Finished goods	9.46	10.57
	22.74	**23.42**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 16 : Current Investments

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Investment in mutual funds (unquoted) (at fair value through profit or loss)	785.82	273.70
Contingency reserve investments - statutory (quoted) (at amortised cost) $	1.93	-
	787.75	**273.70**
Aggregate amount of quoted investments	1.93	-
Aggregate amount of unquoted investments	785.82	273.70
	787.75	**273.70**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	1.98	-

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 24 - Contingency reserve]

Note 17 : Trade Receivables

(₹ in Crore)

		As at March 31, 2023	As at March 31, 2022
Trade receivables			
Secured	- Considered good #	929.30	575.68
Unsecured	- Considered good	1,317.03	1,027.02
	- Credit impaired	204.50	217.71
		2,450.83	**1,820.41**
Less: Allowance for bad and doubtful debts		204.50	217.71
		2,246.33	**1,602.70**

Group holds security deposits in respect of electricity receivables.

Footnotes:

1 Refer note 25 for charge on current assets including trade receivables.

2 Refer note 57 for credit risk related disclosures.

3 Refer note 61 for ageing schedule of trade receivables.

Note 18 : Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Balance in current accounts	187.33	288.10
Balance in fixed deposit accounts (original maturity of less than three months)	-	0.05
	187.33	**288.15**
Cheques on hand	0.60	0.79
Cash on hand	0.30	0.47
	188.23	**289.41**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 19 : Bank Balances Other Than Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts	11.21	10.55
Unpaid fractional coupon accounts	*	0.35
Balance in fixed deposit accounts # (maturity of more than three months but less than twelve months)	144.08	52.03
	155.29	**62.93**

include ₹ 31.49 Crore (March 31, 2022 - ₹ 33.62 Crore) on which a lien has been created in favour of lenders.

Note 20 : Current Loans

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Loans to related parties [Refer note 56(d)]	-	19.90
	-	**19.90**

Note 21 : Other Current Financial Assets

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Security deposits	41.36	56.27
Inter-corporate deposits #	-	186.84
Interest accrued on non-current investments	0.24	0.24
Interest accrued on deposits	2.93	6.68
Unbilled revenue (including revenue gap / surplus) [Refer note 47(a)]	2,904.66	1,917.89
	2,949.19	**2,167.92**
Other advances / receivables [Refer footnote 1 of note 12]		
Considered good	162.21	130.89
Considered credit impaired	6.06	6.06
	168.27	**136.95**
Less : Allowance for doubtful advances	6.06	6.06
	162.21	**130.89**
	3,111.40	**2,298.81**

₹ 86.84 Crore as at March 31, 2022 on which a lien has been created in favour of lenders.

Note 22 : Other Current Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Advances for goods and services	83.79	93.71
Balances with government authorities	6.03	6.93
Prepaid expenses	53.69	40.10
	143.51	**140.74**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 23 : Equity Share Capital

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2022) equity shares of ₹ 10 each	4,370.00	4,370.00
	4,370.00	**4,370.00**
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2022) equity shares of ₹ 10 each	480.62	480.62
	480.62	**480.62**

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at March 31, 2023	No. of shares As at March 31, 2022
At the beginning of the year	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	**48,06,16,784**	**48,06,16,784**

2 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2022) of ₹ 10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Limited	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Limited	4,16,57,977	8.67%	4,08,34,428	8.50%
SBI Focused Equity Fund	2,52,86,083	5.26%	1,73,90,291	@

@ less than 5%

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 23 : Equity Share Capital (Contd.)

5 Details of shareholding of Promoters in the Company :

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited	25,74,22,311	53.56%	-	25,74,22,311	53.56%	-
Sudhir Mehta	6,882	0.00%	-	6,882	0.00%	-
Samir Mehta	6,125	0.00%	-	6,125	0.00%	-
Jinal Mehta	8,000	0.00%	-	8,000	0.00%	-

6 Distributions made:

Interim dividend for FY 2022-23 of ₹ 22.00 per equity share (including ₹ 13.00 per equity share as a special dividend) [Previous year - ₹ 9.00 per equity share] aggregating to ₹ 1,057.36 Crore [Previous year - ₹ 432.56 Crore] was paid in the month of March 2023.

The Board of Directors at its meeting held on May 29, 2023 has recommended a final dividend of 40% (₹ 4.00 per equity share of par value ₹ 10 each). The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting and if approved, would result in a cash outflow of ₹ 192.25 Crore.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 24 : Other Equity

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	61.21	139.60
Contingency reserve	17.29	15.37
Special reserve	78.07	78.07
General reserve	3,670.61	3,583.89
Retained earnings	6,702.17	5,645.60
	10,529.38	**9,462.56**

Refer “Consolidated Statement of Changes in Equity” for movement in each reserve.

Footnotes:

1 Securities premium:

Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a “securities premium account” as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2 Debenture redemption reserve:

The Group was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to general reserve on redemption of debentures.

3 Contingency reserve:

As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4 Special reserve:

As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5 General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6 Retained earnings:

The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 25 : Non-Current Borrowings

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
8.95% Series 3A, 3B & 3C	-	80.00
7.30% Series 6	-	300.00
6.50%,6.90%,7.25% Series 7A, 7B & 7C	248.54	248.05
6.20%,6.70%,7.10%,7.45% Series 8A, 8B, 8C & 8D	450.00	-
7.45%, 8.05% Series 9A & 9B	599.36	-
8.30%,8.35%,8.55%,8.65% Series 10A, 10B, 10C & 10D	200.00	-
8.20% Series 1 (In respect of Torrent Solargen Limited)	503.26	-
	2,001.16	**628.05**
Term loans @		
From banks	5,793.74	5,659.78
	5,793.74	**5,659.78**
Supplier's credit	612.94	25.22
	8,407.84	**6,313.05**
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	89.99	179.93
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	199.57	298.50
7.00% Series 1 (In respect of Latur Renewable Private Limited)	199.57	298.50
	489.13	**776.93**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	5.35	9.17
	5.35	**9.17**
	494.48	**786.10**
	8,902.32	**7,099.15**

@ After considering unamortised expense of ₹ 18.72 Crore as at March 31, 2023 and ₹ 19.63 Crore as at March 31, 2022.

& After considering unamortised expense of ₹ 3.19 Crore as at March 31, 2023 and ₹ 1.95 Crore as at March 31, 2022.

After considering unamortised expense of ₹ 0.87 Crore as at March 31, 2023 and ₹ 3.07 Crore as at March 31, 2022.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 25 : Non-Current Borrowings (Contd.)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures^		
10.35% Series 1	-	183.37
10.35% Series 2A, 2B & 2C	-	100.00
8.95% Series 3A, 3B & 3C	80.00	85.00
7.65% Series 5	-	100.00
7.30% Series 6	300.00	-
6.20%,6.70%,7.10%,7.45% Series 8A, 8B, 8C & 8D	150.00	-
8.20% Series 1 (In respect of Torrent Solargen Limited)	21.32	-
	551.32	**468.37**
Term loans $		
From banks	746.17	719.96
	746.17	**719.96**
Unsecured loans - at amortised cost		
Non convertible debentures*		
10.25% Series 4A, 4B & 4C	89.94	89.88
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	99.50	-
7.00% Series 1 (In respect of Latur Renewable Private Limited)	99.50	-
	288.94	**89.88**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	**3.82**
	1,590.25	**1,282.03**
Amount disclosed under the head 'Current borrowings' [Refer note 29]	**(1,590.25)**	**(1,282.03)**
	-	**-**

$ After considering unamortised expense of ₹ 4.49 Crore as at March 31, 2023 and ₹ 7.70 Crore as at March 31, 2022.

^ After considering unamortised expense of ₹ 0.13 Crore as at March 31, 2023 and ₹ Nil as at March 31, 2022.

* After considering unamortised expense of ₹ 1.06 Crore as at March 31, 2023 and ₹ 0.12 Crore as at March 31, 2022.

Footnotes:

As at March 31, 2023

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 6,194.75 Crore and non convertible debentures of ₹ 2,030.00 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds), are carved out of security provided to lenders.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 25 : Non-Current Borrowings (Contd.)

(ii) Torrent Solargen Limited:

Capex LC facility (LC issued of ₹ 693.27 Crore and LC discounted of ₹ 612.94 Crore as at March 31, 2023) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.

Non-convertible debentures of ₹ 525.80 Crore outstanding as at March 31, 2023, is secured by first pari passu charge on all projects' immovable and movable properties, intangible assets, current assets, receivable and bank accounts.

Project means ~126 MW of wind power project being implemented in Maharashtra by Torrent Solargen Limited, subsidiary of the Company.

(iii) Surya Vidyut Limited:

Term loans ₹ 368.37 Crore are secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Others
2023-24	754.48	841.45	-
2024-25	507.74	547.55	612.94
2025-26	667.37	453.65	-
2026-27	795.01	259.75	-
2027-28	718.15	376.13	-
2028-29	717.22	77.50	-
2029-30	804.58	27.50	-
2030-31	702.62	30.25	-
2031-32	536.40	81.90	-
2032-33	250.05	383.55	-
2033-34	24.97	33.55	-
2034-35	24.97	35.20	-
2035-36	24.97	37.40	-
2036-37	24.97	39.05	-
2037-38	18.79	41.25	-
2038-39	-	38.50	-
2039-40	-	31.62	-

3 Undrawn term loans from banks, based on approved facilities, were ₹ 306.73 Crore as at March 31, 2023.

4 During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 25 : Non-Current Borrowings (Contd.)

As at March 31, 2022

1 Nature of security

(i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,806.91 Crore and non convertible debentures of ₹ 1,098.37 Crore along with lenders of cash credits and non-fund based credit facilities, except some assets which, in terms of respective financing documents (including Loan agreements, Debenture Trust deeds), are carved out of security provided to lenders.

(ii) Torrent Power Grid Limited:

Term loan ₹ 5.20 Crore 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, charge over all the rights, titles in the Project Documents of subsidiary company, Torrent Power Grid Limited (TPGL). Term loan is also secured by pledge of 30% of equity shares issued by TPGL, held by the Company.

(iii) Torrent Solargen Limited:

Capex LC facility (LC issued of ₹ 693.27 Crore and LC discounted of ₹ 25.22 Crore as at March 31, 2022) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.

(iv) Surya Vidyut Limited:

Term loans ₹ 415.03 Crore are secured by an exclusive charge (i) by way of mortgage / hypothecation in respect of the fixed assets including its land, building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL), (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL and (iii) pledge of 5.60% of equity shares issued by SVL, held by the Company (to be pledged).

(v) Torrent Saurya Urja 6 Private Limited (Formerly known as LREHL Renewables India SPV1 Private Limited):

Term loan ₹ 179.93 Crore is secured by way of charge on (i) entire immovable properties, movable properties including current assets, intangible assets, accounts and rights under the project documents of the subsidiary company Torrent Saurya Urja 6 Private Limited (TSU 6) and (ii) Pledge of 100% of equity shares and CCD issued by TSU 6, held by the Company.

2 The future annual repayment obligations on principal amount for the above long-term borrowings are as under:

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Others
2022-23	731.48	558.37	-
2023-24	420.52	670.00	-
2024-25	524.12	375.00	25.22
2025-26	691.13	280.00	-
2026-27	802.93	85.00	-
2027-28	675.97	-	-
2028-29	666.42	-	-
2029-30	715.98	-	-
2030-31	562.24	-	-
2031-32	374.80	-	-
2032-33	254.47	-	-

3 Undrawn term loans from banks, based on approved facilities, were ₹ 6.73 Crore as at March 31, 2022.

4 During the previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 26 : Non-Current Trade Payables

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	210.61	150.46
	210.61	**150.46**

Footnote:

1 Refer note 62 for ageing schedule of trade payables.

Note 27 : Other Non-Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Sundry payables	-	0.33
	-	**0.33**

Note 28 : Other Non-Current Liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Deferred revenue		
Contribution received from consumers [Refer note 47(b)]	1,303.00	1,192.34
Capital grant from government [Refer note 59(b)]	11.66	14.03
Sundry payables	57.80	55.30
	1,372.46	**1,261.67**

Note 29 : Current Borrowings

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Secured loans		
Working Capital loan from banks	-	350.00
Overdraft from banks	-	2.74
	-	**352.74**
Unsecured loans		
Commercial paper	-	350.00
Other loans [Refer footnote 5]	3.50	14.50
	3.50	**364.50**
Current maturities of long-term debt [Refer note 25]	1,590.25	1,282.03
	1,593.75	**1,999.27**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 29 : Current Borrowings (Contd.)

Footnotes:

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

2 Working capital facility of ₹ 50.00 Crore is secured by a first pari-passu charge (i) by way of mortgage / hypothecation in respect of the property, plant and equipment including its land (excluding revenue / government land), building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL) , (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL.

3 Undrawn cash credit from banks, based on approved facilities, were ₹ 1,200.00 Crore (March 31, 2022 - 460.00 Crore).

4 During the current and previous year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

5 Loan is interest free and repayable on demand.

Net debt reconciliation :

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	188.23	289.41
Current investments	787.75	273.70
Current borrowings (excluding current maturities of long-term debt)	(3.50)	(717.24)
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due)	(10,642.80)	(8,531.52)
Lease liabilities	(45.34)	(44.21)
	(9,715.66)	**(8,729.86)**

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 1, 2021	**107.28**	**341.58**	**-**	**(7,887.70)**	**(36.01)**	**(7,474.85)**
Cash flows (net)	182.13	(102.03)	(693.22)	(0.32)	44.35	(569.09)
New lease	-	-	-	-	(46.98)	(46.98)
Interest expense	-	-	(2.26)	(578.21)	(3.59)	(584.06)
Interest paid	-	-	2.26	539.54	-	541.80
Gain on sale of current investments	-	27.84	-	-	-	27.84
Fair value adjustment	-	(2.20)	-	-	-	(2.20)
On account of acquisition of subsidiaries	-	8.51	(24.02)	(604.83)	(1.98)	(622.32)
Net balance as at March 31, 2022	**289.41**	**273.70**	**(717.24)**	**(8,531.52)**	**(44.21)**	**(8,729.86)**
Cash flows (net)	(101.18)	449.25	713.74	(2,107.38)	22.34	(1,023.23)
New lease	-	-	-	-	(21.19)	(21.19)
Transfer from non-current investments	-	1.93	-	-	-	1.93
Deletion relating to lease liability	-	-	-	-	2.25	2.25
Interest expense	-	-	(13.97)	(769.73)	(3.95)	(787.65)
Interest paid	-	-	13.97	765.83	-	779.80
Gain on sale of current investments	-	55.64	-	-	-	55.64
Fair value adjustment	-	7.23	-	-	-	7.23
On account of acquisition of subsidiaries	-	-	-	-	(0.58)	(0.58)
Net balance as at March 31, 2023	**188.23**	**787.75**	**(3.50)**	**(10,642.80)**	**(45.34)**	**(9,715.66)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 30 : Current Trade Payables

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	68.99	54.02
Total outstanding dues other than micro and small enterprises	1,453.68	1,057.11
	1,522.67	**1,111.13**

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

Footnote:

1 Refer note 62 for ageing schedule of trade payables.

Note 31 : Other Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on loans and security deposits	121.77	117.87
Investor education and protection fund #		
Unpaid / Unclaimed dividend	11.21	10.55
Unclaimed fractional coupons	*	0.35
Book overdraft	0.07	1.30
Security deposits from consumers @	1,702.55	1,328.02
Other deposits	6.86	5.13
Payables for purchase of property, plant and equipment ^	451.62	395.89
Sundry payables (including for employees related payables)	393.64	162.40
	2,687.72	**2,021.51**

There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2023 and as at March 31, 2022.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹ 42.04 Crore (March 31, 2022 - ₹ 12.53 Crore)

Note 32 : Other Current Liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Credit balances of consumers [Refer note 47(d)]	106.28	105.17
Service line deposits from consumers [Refer note 47(c)]	236.41	207.13
Deferred revenue		
Contribution received from consumers [Refer note 47(b)]	100.80	92.15
Capital grant from government [Refer note 59(b)]	2.37	2.37
Statutory dues	223.93	205.22
Sundry payables ^	7.45	1.52
	677.24	**613.56**

^ including dues to micro and small enterprises for ₹ 0.07 Crore (March 31, 2022 - ₹ 0.02 Crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 33 : Current Provisions

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity [Refer note 50.2(d)]	2.54	14.02
Provision for compensated absences $	124.68	124.52
Provision for pension [Refer note 50.3(d)]	1.95	-
	129.17	**138.54**
Other provisions		
Provision for indirect taxes	0.25	0.25
Provision for onerous contracts [Refer note 58]	134.38	135.76
Others	0.26	-
	134.89	**136.01**
	264.06	**274.55**

$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in Provision

(₹ in Crore)

	Provision for indirect taxes	Provision for onerous contracts	Others
Balance as at April 1, 2021	**0.25**	**190.80**	**-**
Additional provision recognised	-	0.53	-
Reversal of provision	-	(55.07)	-
Amount utilised during the year	-	(0.50)	-
Balance as at March 31, 2022	**0.25**	**135.76**	**-**
Additional provision recognised	-	9.44	-
Addition on account of acquisition of subsidiary	-	-	0.26
Reversal of provision	-	(10.82)	-
Balance as at March 31, 2023	**0.25**	**134.38**	**0.26**

Note 34 : Current Tax Liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Provision for taxation (net of tax paid)	178.57	122.54
	178.57	**122.54**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 35 : Revenue from Operations

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	22,006.77	13,238.39
Revenue from sale of cable products		
Manufactured goods	358.67	289.72
Revenue from trading of RLNG	3,068.65	547.94
	25,434.09	**14,076.05**
Less: Discount for prompt payment of bills	31.25	20.79
	25,402.84	**14,055.26**
Other operating income		
Provisions of earlier years written back	0.80	1.04
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 47(b)(2)] #	97.73	87.82
Capital grant from government [Refer note 59(b)]	2.37	2.45
Income from Certified Emission Reduction (CERs)	12.43	3.30
Income from Generation Based Incentive	33.91	24.98
Hire of meters	2.46	-
Insurance claim receipt	2.23	0.14
Incentive income under solar rooftop programme	55.14	9.81
Miscellaneous income	84.21	72.81
	291.28	**202.35**
	25,694.12	**14,257.61**

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

Footnotes:

1 Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

2 Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time and others at a point in time.

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Note 36 : Other Income

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from financial assets measured at amortised cost		
Deposits	19.53	16.66
Consumers	43.12	36.49
Contingency reserve investments	1.28	1.15
Loans to related parties [Refer note 56(b)]	3.45	11.09
Others	1.46	1.23
	68.84	**66.62**
Gain on disposal of property, plant and equipment / investment property	44.84	30.05
Gain on sale of current investments in mutual funds	55.64	27.84
Net gain arising on financial assets / liabilities measured at amortised cost	23.67	28.93
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	7.23	(2.20)
Net gain on foreign currency transactions and translations	0.63	5.46
Discount on prompt payment of power purchase	115.60	19.00
Miscellaneous income [Refer footnote 1]	65.40	59.34
	381.85	**235.04**

Footnote:

1 During previous year, pursuant to settlement agreement with EPC contractor, the Subsidiary Company has received compensation claim of ₹ 33.50 Crore from EPC contractor in respect of revenue loss due to delays and disputes/ claims/disagreements relating to Energy Yielding Report.

Note 37 : Cost of Materials Consumed

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Cost of materials consumed	504.17	394.04
Less: Allocated to capital works	169.36	131.40
	334.81	**262.64**

Note 38 : Changes in Inventories of Finished Goods and Work-In-Progress

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory of finished goods		
Opening stock	26.33	18.09
Less: Closing stock	56.43	26.33
	(30.10)	**(8.24)**
Inventory of work-in-progress		
Opening stock	9.96	6.36
Less: Closing stock	23.20	9.96
	(13.24)	**(3.60)**
Less: Allocated to capital works	(14.15)	(0.73)
	(29.19)	**(11.11)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 39 : Employee Benefits Expense

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	708.70	640.03
Contribution to provident and other funds [Refer note 50.1]	48.88	45.02
Employees welfare expenses	28.94	30.56
Compensated absences	18.32	14.29
Gratuity [Refer note 50.2(e)(3)]	20.17	19.01
	825.01	**748.91**
Less: Allocated to capital works, repairs and other relevant revenue accounts #	246.76	215.37
	578.25	**533.54**

includes allocated to capital works of ₹ 148.49 Crore (previous year ₹ 117.34 Crore)

Note 40 : Finance Costs

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense for financial liabilities measured at amortised cost		
Term loans	473.90	414.15
Non convertible debentures	267.95	164.06
Working capital loans	13.97	2.26
Security deposits from consumers	64.56	51.81
Lease liabilities	3.95	3.59
Others (including for supplier's credit)	29.38	3.56
Other borrowing costs	15.00	14.29
Amortisation of borrowing costs	10.68	5.10
Unwinding of discount [Refer footnote 1 of note 12]	15.10	-
	894.49	**658.82**
Less: Allocated to capital works	76.29	30.61
	818.20	**628.21**

Note 41 : Depreciation and Amortisation Expense

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on property, plant and equipment	1,228.60	1,313.96
Depreciation expense on right-of-use assets	13.45	12.16
Amortisation expense on intangible assets	42.34	10.62
	1,284.39	**1,336.74**
Less: Transfer from others	0.20	0.10
Less: Allocated to capital works	3.23	2.78
	1,280.96	**1,333.86**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 42 : Other Expenses

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	195.80	236.76
Rent and hire charges	23.08	17.55
Repairs to		
Buildings	12.44	13.29
Plant and machinery	499.74	421.89
Others	33.01	21.96
	545.19	**457.14**
Insurance	50.53	46.46
Rates and taxes	14.71	14.06
Vehicle running expenses	45.05	40.84
Electricity expenses	36.14	30.06
Security expenses	63.69	49.87
Water charges	24.24	22.59
Power transmission and scheduling charges	6.21	13.08
Corporate social responsibility expenses [Refer note 50]	34.43	29.33
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	29.91	23.66
Commission to non-executive directors [Refer note 56(b)]	2.50	2.97
Directors sitting fees	0.75	0.91
Auditors remuneration [Refer note 51]	2.74	2.20
Legal, professional and consultancy fees	79.68	48.83
Donations [Refer note 52]	43.03	58.30
Net loss on foreign currency transactions	11.40	0.12
Bad debts written off (net of recovery)	4.02	46.83
Reversal of provision for onerous contracts [Refer note 58]	(10.82)	(55.07)
Provision for onerous contracts [Refer note 58]	9.44	0.53
Allowance for doubtful debts (net)	(13.21)	(32.71)
Miscellaneous expenses	143.44	104.88
	1,341.95	**1,159.19**
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	118.39	103.43
	1,223.56	**1,055.76**

^ includes allocated to capital works of ₹ 15.33 crore (previous year ₹ 9.75 crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 43 : Composition of the Group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2023	As at March 31, 2022
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited	Power Generation	India	100%	100%
Torrent Saurya Urja 4 Private Limited (w.e.f. July 20, 2021)	Power Generation	India	100%	100%
Torrent Saurya Urja 5 Private Limited (w.e.f. July 16, 2021)	Power Generation	India	100%	100%
Visual Percept Solar Projects Private Limited (w.e.f. February 15, 2022)	Power Generation	India	100%	100%
Surya Vidyut Limited (w.e.f. March 11, 2022)	Power Generation	India	100%	100%
Torrent Saurya Urja 6 Private Limited (w.e.f. March 25, 2022) (Formerly known as LREHL Renewables India SPV 1 Private Limited)	Power Generation	India	100%	100%
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (w.e.f. April 1, 2022)	Power Distribution	India	51%	-
Wind Two Renergy Private Limited (w.e.f. July 30, 2022)	Power Generation	India	100%	-
Sun Shakti Solar Power Projects Private Limited (w.e.f. June 13, 2022)	Power Generation	India	100%	-

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forming part of the consolidated financial statements for the year ended March 31, 2023

Note 43 : Composition of the Group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2023:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Company	95.93%	11,019.67	97.18%	2,103.72	120.74%	7.29	97.25%	2,111.01
Torrent Solargen Limited	0.11%	13.16	(0.22%)	(4.83)	-	-	(0.22%)	(4.83)
Torrent Pipavav Generation Limited	0.25%	29.14	(0.04%)	(0.81)	-	-	(0.04%)	(0.81)
Torrent Power Grid Limited	0.88%	100.80	0.73%	15.72	1.02%	0.06	0.73%	15.78
Latur Renewable Private Limited	1.15%	132.40	0.49%	10.62	-	-	0.49%	10.62
Jodhpur Wind Farms Private Limited	1.12%	128.23	0.34%	7.31	-	-	0.34%	7.31
TCL Cables Private Limited	0.02%	1.98	(0.22%)	(4.77)	3.23%	0.19	(0.21%)	(4.58)
Torrent Solar Power Private Limited	(0.13%)	(15.16)	(0.67%)	(14.53)	-	-	(0.67%)	(14.53)
Torrent Saurya Urja 2 Private Limited	(0.05%)	(5.38)	(0.23%)	(4.95)	-	-	(0.23%)	(4.95)
Torrent Saurya Urja 3 Private Limited	0.00%	-	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent Saurya Urja 4 Private Limited	0.00%	(0.08)	(0.01%)	(0.12)	-	-	(0.01%)	(0.12)
Torrent Saurya Urja 5 Private Limited	0.00%	0.02	0.00%	(0.01)	-	-	0.00%	(0.01)
Visual Percept Solar Projects Private Limited	1.53%	175.55	1.26%	27.36	(0.03%)	(0.00)	1.26%	27.36
Surya Vidyut Limited	2.76%	316.87	(0.51%)	(10.94)	(0.53%)	(0.03)	(0.51%)	(10.97)
Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)	0.69%	78.98	0.11%	2.43	-	-	0.11%	2.43
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	1.98%	227.63	2.45%	53.04	(12.64%)	(0.76)	2.41%	52.28
Sunshakti Solar Power Projects Private Limited	1.12%	128.21	0.92%	19.88	-	-	0.92%	19.88
Wind Two Renergy Private Limited	0.12%	13.55	(0.72%)	(15.54)	-	-	(0.72%)	(15.54)
Non-controlling interests	4.15%	476.64	2.18%	47.24	(11.79%)	(0.71)	2.14%	46.53
Consolidation adjustments	(11.63%)	(1,335.56)	(3.04%)	(66.13)	-	-	(3.04%)	(66.13)
Total	**100.00%**	**11,486.65**	**100.00%**	**2,164.67**	**100.00%**	**6.04**	**100.00%**	**2,170.71**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 43 : Composition of the Group (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2023
			As at March 31, 2023	As at March 31, 2022		
Wind Two Renergy Private Limited (Upto July 29, 2022)	Power Generation	India	NA	0.00% #	Unlisted	NA

\# As at March 31, 2022 the Company had made investments in the one entity in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹ 90.70 Crore as at March 31, 2022 made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit/ loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹ 90.70 Crore as at March 31, 2022 have been carried at amortized cost.

(c) Summarised Financial Information of Material Non Controlling Interests

Financial Information of Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited that have material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest by non controlling interest
		As at March 31, 2023
Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	India	49%

(i) Summarised Balance Sheet:

(₹ in Crore)

	As at March 31, 2023
Non-current Assets	387.11
Current Assets	929.77
Non-current Liabilities	(18.37)
Current Liabilities	(852.18)
	446.33
Attributable to:	
Owners of the company	227.63
Non-controlling interest	218.70

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 43 : Composition of the Group (Contd.)

(ii) Summarised Statement of Profit and Loss:

(₹ in Crore)

	Year ended March 31, 2023
Revenue from operations	5,985.40
Other income	74.58
Electrical energy purchased	(5,779.56)
Employee benefits expense	(42.78)
Finance costs	(17.67)
Depreciation and amortisation expense	(14.48)
Other expenses	(64.27)
Profit before tax	**141.22**
Tax expense	(37.21)
Profit for the Period	**104.01**
Other Comprehensive Income for the year	(1.49)
Total Comprehensive Income for the year	**102.52**
Attributable to:	
Owners of the company	52.28
Non-controlling interest	50.24

(iii) Summarised Cash Flow information:

(₹ in Crore)

	Year ended March 31, 2023
Operating Activities	(32.70)
Investing Activities	(68.96)
Financing Activities	(17.93)
Net (Decrease) / Increase in Cash and Cash Equivalents	**(119.59)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 44 : Business Acquisition / Asset Acquisitions

A Acquisitions during the year (FY 2022-23)

(a) Details of business combination

(i) Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL')

On March 15, 2022, the Company had entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with 'The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu' (the 'Holding Entity') and 'Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited' (the 'DNHDDPDCL') for purchase of 51% shares of the DNHDDPDCL from the Holding Entity for a consideration of ₹ 555.00 Crore plus consideration adjustment of ₹ 31.06 Crore as per terms of SPA, on account of notified balance sheet of the DNHDDPDCL as at April 1, 2022 i.e. total consideration of ₹ 586.06 crore.

Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 1, 2022 ('Acquisition date') for the purpose of implementing the transfer scheme.

DNHDDPDCL shall be the licensee to carry out the function of distribution and retail supply of electricity in the Dadra and Nagar Haveli District of the Union Territory of Dadra and Nagar Haveli and Daman and Diu for a period of 25 years effective from the acquisition date."

The Group has accounted the said acquisition in accordance with Ind AS 103 'Business Combination'. The details are as follows:

Consideration Transferred and computation of Goodwill

(₹ in Crore)

Particulars	
Total consideration*	586.06
Consideration Transferred	**586.06**
Less: Fair Value of identifiable net assets acquired	(813.63)
Add: Non-Controlling Interest (49%)	398.64
Goodwill on acquisition	**171.07**

* Out of the above ₹ 31.06 crore, included in Note 31 Sundry Payables under "Other current financial liabilities" has been paid subsequent to year end on April 29, 2023.Further there are no contingent considerations.

Goodwill comprises the value of expected higher profitability on account of the acquisition. Non-controlling interest has been initially measured at proportionate share of DNHDDPDCL's Fair Value of identifiable net assets acquired. Further pursuant to the transfer scheme there are no contingent liability transferred as on the acquisition date. Acquisition related costs of ₹ 4.30 Crores have been excluded from the consideration transferred and have been recognised as an expense in Consolidated Statement of Profit and Loss in the Current year and Previous year under the head "Other expenses".

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 44 : Business Acquisition / Asset Acquisitions (Contd.)

Details of assets acquired and liabilities recognised at the date of acquisition

(₹ in Crore)

Particulars	
Non-current assets	
Property, plant and equipment	397.84
Intangible assets- Distribution License	634.00
Current assets	
Inventories	17.13
Financial assets	
Trade receivables	409.42
Cash and cash equivalents	140.64
Other financial assets	160.75
Total Assets Acquired	**1,759.78**
Liabilities	
Non-current liabilities	
Financial liabilities	
Other financial liabilities	181.72
Deferred tax liabilities (net)	263.96
Current liabilities	
Financial liabilities	
Trade payables	336.80
Other financial liabilities	163.67
Total Liabilities Assumed	946.15
Net Assets Acquired at fair value	**813.63**

Revenue and profit of the DNHDDPDCL since the acquisition date included in the consolidated statement of profit and loss of the Group:

(₹ in Crore)

Particulars	
Revenue from Operations	5,985.40
Profit for the Period	104.01

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 44 : Business Acquisition / Asset Acquisitions (Contd.)

(b) Details of asset acquisitions

(i) Sunshakti Solar Power Projects Private Limited

On April 23, 2022, the Company had entered into a Securities Purchase Agreement (SPA) with SkyPower Southeast Asia Ill Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited (SSPPPL), which operates 50 MW solar power plant, situated in the state of Telangana. On completion of the conditions precedent to SPA, SSPPPL had become wholly owned subsidiary of the Company w.e.f. June 13, 2022.

(ii) Wind Two Renergy Private Limited

On July 30, 2022, the Company had acquired 100% of paid-up capital of Wind Two Renergy Private Limited (WTRPL) from Inox Green Energy Services Limited (formerly known as Inox Wind Infrastructure Services Limited). WTRPL operates 50 MW Wind power plant, situated in the state of Gujarat. On acquisition of shares, WTRPL had become wholly owned subsidiary of the Company w.e.f. July 30, 2022 which was Associate of the Company till that date.

Based on guidance on definition of business under Ind AS, Management has classified above acquisitions as asset acquisitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

Consideration Transferred

(₹ in Crore)

Particulars	Sunshakti Solar Power Projects Private Limited	Wind Two Renergy Private Limited
Consideration paid in cash for purchase of Equity shares	105.93	32.51
Consideration paid in cash for purchase of Compulsory Convertible Debentures	36.69	-
	142.62	**32.51**

Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	Sunshakti Solar Power Projects Private Limited	Wind Two Renergy Private Limited
Assets		
Property, plant and equipment (including CWIP) and Right-of-use assets	279.60	271.95
Intangible Asset - Customer contract	18.87	20.22
Other non-current assets	-	2.31
Other current assets	148.77	2.34
Total Assets Acquired	**447.24**	**296.82**
Liabilities		
Non current Borrowings	273.52	-
Other non-current liabilities	22.34	-
Current Borrowings	-	251.76
Other current liabilities	8.76	12.54
Total Liabilities Assumed	**304.62**	**264.31**
Net Assets Acquired	**142.62**	**32.51**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 44 : Business Acquisition / Asset Acquisitions (Contd.)

B Acquisitions during the previous year (FY 2021-22)

(a) Details of asset acquisitions

(i) Visual Percept Solar Projects Private Limited

On February 10, 2022, the Company had signed a Share Purchase Agreement (SPA) with Blue Daimond Properties Private Limited and Balrampur Chini Mills Limited, (the Sellers) for acquisition of 100% of Shares of Visual Percept Solar Projects Private Limited (VPSPPL) having 25 MW operating solar assets. VPSPPL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited. On completion of the conditions precedent to SPA, VPSPPL had become wholly owned subsidiary of the Company w.e.f. February 15, 2022.

(ii) Surya Vidyut Limited

On September 20, 2021, the Company had signed a Share Purchase Agreement (SPA) with CESC Limited, Haldia Energy Limited and other Nominal Shareholders, (the Sellers) for acquisition of 100% of Shares of Surya Vidyut Limited (SVL) having 156 MW operating wind assets. SVL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat, Rajasthan and Madhya Pradesh having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Madhya Pradesh Power Management Company Limited. On completion of the conditions precedent to SPA, SVL had become wholly owned subsidiary of the Company w.e.f. March 11, 2022.

(iii) Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited)

On July 30, 2021, the Company had signed a Securities Purchase Agreement (SPA) with Lightsource India Limited and Lightsource Renewable Energy (India) Limited, (the Seller) for acquisition of 100% of Shares of Torrent Saurya Urja 6 Private Limited (formerly known as LREHL Renewables India SPV 1 Private Limited) (LREHL) having 50 MW operating solar assets. LREHL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Maharashtra having long term Power Purchase Agreements (PPAs) with Solar Energy Corporation of India Limited. On completion of the conditions precedent to SPA, LREHL had become wholly owned subsidiary of the Company w.e.f. March 25, 2022.

Based on guidance on definition of business under Ind AS, Management has classified above acquisitions as asset acquisitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

Consideration Transferred

(₹ in Crore)

Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	Torrent Saurya Urja 6 Private Limited
Consideration paid in cash for purchase of Equity shares	162.62	304.73	46.95
Consideration paid in cash for purchase of Compulsory Convertible Debentures	-	-	51.84
	162.62	**304.73**	**98.79**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 44 : Business Acquisition / Asset Acquisitions (Contd.)

Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	Torrent Saurya Urja 6 Private Limited
Assets			
Property, plant and equipment and Right-of-use assets	84.06	683.00	212.92
Intangible Asset including Customer contract	68.82	-	36.05
Other non-current assets	0.03	0.48	0.42
Other current assets	16.97	71.31	67.17
Total Assets Acquired	**169.88**	**754.79**	**316.56**
Liabilities			
Non current Borrowings	-	367.76	-
Other non-current liabilities	7.00	0.03	36.87
Current Borrowings	-	80.19	176.52
Other current liabilities	0.26	2.08	4.38
Total Liabilities Assumed	**7.26**	**450.06**	**217.77**
Net Assets Acquired	**162.62**	**304.73**	**98.79**

Note 45 : Impairment Assessment

(1) DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") and Right-of-use assets ("ROU") as at March 31, 2023 includes ₹ 1,315.05 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, during the current year, the Company has carried out an impairment assessment of DGEN as at March 31, 2023 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value-in-use is determined considering a discount rate of 15.00% (March 31, 2022 – 14.50%) and cash flow projections over a period of 17 years (March 31, 2022 - 18 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power selling agreements. Based on the assessment, recoverable value of PPE by using value-in-use is ₹ 1,368.00 Crore which is higher than the carrying amount of PPE of ₹ 1,315.05 Crore and accordingly no additional impairment loss is required as at March 31, 2023. The management has conducted sensitivity analysis on impairment test of the value in use of DGEN. The management believes that reasonable possible change in key assumptions would not materially impact the impairment assessment as at March 31,2023.

During the earlier years, the Company had provided for impairment loss of ₹ 2,300.00 Crore (including ₹ 1,300.00 Crore during previous year) which has been disclosed as an Exceptional item in the Statement of Profit and Loss.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 45 : Impairment Assessment (Contd.)

(2) Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 6, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved. Further, as per the said letter, the cost of land would be reimbursed after the disposal of land. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government of Gujarat and requested Energy and Petroleum Department, GoG to take further action in the matter. It is learnt that the Government of Gujarat is exploring the possibility of usage of Land for industrial purpose. The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the land.The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer.Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial results of TPGL for the year ended March 31, 2023 have been prepared on a non - going concern basis.

Note 46 : Income Tax Expense

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
Current tax on profits for the year	669.53	372.48
Adjustment for current tax of prior periods	3.29	-
	672.82	**372.48**
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	5.85	(94.06)
(Decrease) / increase in deferred tax liabilities	198.02	(173.15)
	203.87	**(267.21)**
Income tax expense	**876.69**	**105.27**

(b) Reconciliation of income tax expense

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	3,041.36	563.97
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	1,062.77	197.07
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	13.47	28.54
Tax incentives / deductions	(237.16)	(214.02)
change in tax rates		
Impairment loss of DGEN unit	-	82.64
Unabsorbed depreciation / tax credits and other items	34.32	11.03
Total	**873.40**	**105.27**
Adjustment for current tax of prior periods	3.29	-
Total expense as per statement of profit and loss	**876.69**	**105.27**

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 46 : Income Tax Expense (Contd.)

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	9.54	2.89
Income tax expense / (income) recognised in other comprehensive income	3.50	1.04

(d) Deferred tax balances

(1) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	1,829.29	1,888.73
Deferred tax liabilities	(2,759.43)	(2,198.82)
	(930.14)	**(310.09)**
Disclosed as deferred tax assets (net)	38.65	35.12
Disclosed as deferred tax liabilities (net)	(968.79)	(345.21)
	(930.14)	**(310.09)**

(2) Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2023

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acquisition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,198.82)	(198.03)	(151.14)	-	-	(2,547.98)
Intangible Assets	-	10.09	(221.54)	-	-	(211.45)
Provision for compensated absences	41.11	(0.66)	-	-	-	40.45
Provision for onerous contracts	47.44	(1.88)	-	-	-	45.56
Allowance for doubtful debts	32.65	(5.54)	-	-	-	27.11
Unabsorbed depreciation / MAT credit entitlement	1,730.68	4.89	81.29	(128.63)	-	1,688.23
Others	36.85	(12.75)	7.34	-	(3.50)	27.94
	(310.09)	**(203.87)**	**(284.05)**	**(128.63)**	**(3.50)**	**(930.14)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 46 : Income Tax Expense (Contd.)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2022

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acquisition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,337.74)	173.15	(34.23)	-	-	(2,198.82)
Provision for compensated absences	43.66	(2.55)	-	-	-	41.11
Provision for onerous contracts	56.89	(9.45)	-	-	-	47.44
Allowance for doubtful debts	46.21	(13.56)	-	-	-	32.65
Unabsorbed depreciation / MAT credit entitlement	1,687.30	82.40	22.34	(61.36)	-	1,730.68
Others	0.67	37.22	-	-	(1.04)	36.85
	(503.01)	**267.21**	**(11.89)**	**(61.36)**	**(1.04)**	**(310.09)**

(3) Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Accumulated MAT credit entitlement	20.32	14.86
	20.32	**14.86**

As at March 31, 2023, unused tax credit that shall expire as follows:

(₹ in Crore)

Financial year	Year ended March 31, 2023	Year ended March 31, 2022
2022-23	-	1.29
2023-24	4.21	4.21
2024-25	4.61	4.61
2025-26	4.47	4.47
2026-27	2.21	0.28
2027-28	1.92	-
2028-29	1.74	-
2029-30	1.16	-
	20.32	**14.86**

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement available to the Company.

The assessment of taxable income involved several key assumptions including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 47 : Revenue from Contracts with Customers

(a) Unbilled revenue

(1) Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

The Group has not recognized those true up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

(2) Movement in unbilled revenue

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Opening balance	1,905.06	1,642.33
Add: Balance received pursuant to 'Transfer Scheme'[Refer note 44 A]	160.75	-
Add: Income accrued during the year as per tariff regulations / orders	4,916.99	2,658.13
Less: Amount billed during the year to the consumers as per tariff orders	(4,082.84)	(2,395.40)
Closing balance	**2,899.96**	**1,905.06**
Disclosed under		
Unbilled revenue [Refer note 21]	2,904.66	1,917.89
Sundry payables [Refer note 31]	(4.70)	(12.83)
	2,899.96	**1,905.06**

(b) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue over its useful life.

(2) Movement of contribution received from consumers

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Opening balance	1,284.49	1,171.90
Add: Contribution received during the year	217.04	200.41
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 35]	(97.73)	(87.82)
Closing balance	**1,403.80**	**1,284.49**
Non-current portion [Refer note 28]	1,303.00	1,192.34
Current portion [Refer note 32]	100.80	92.15
	1,403.80	**1,284.49**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 47 : Revenue from Contracts with Customers (Contd.)

(c) Service line deposit from consumers

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Opening balance	207.13	189.85
Add: Received during the year (net of refund)	246.32	217.69
Less: Transferred to contribution received from consumers	(217.04)	(200.41)
Closing balance [Refer note 32]	**236.41**	**207.13**

Footnote:

1 Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head "other current / non-current liabilities".

(d) Credit balance of consumers

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Opening balance	105.17	85.71
Add / (less) : Adjustment to current billing (net)	1.11	19.46
Closing balance [Refer note 32]	**106.28**	**105.17**

Note 48 : Contingent Liabilities, Contingent Assets and Capital Commitments

(a) Contingent liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Disputed income tax matters	23.21	26.46
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	0.49
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	36.37	36.37
Disputed value added tax matters	3.36	3.36
Disputed central sales tax matters	4.09	4.09
Claims against the Group not acknowledged as debt [Refer footnote 3]	127.93	164.04

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Footnotes :

1 Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.

2 In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.

3 Break up of claims against the Group not acknowledged as debt:

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 48 : Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Claim of regulatory surcharge including interest in franchise distribution business	85.89	77.27
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	-	50.53
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	21.83	18.31
Compensation payable for short lifting for material	8.46	8.46
Others	11.75	9.47
	127.93	**164.04**

(b) Contingent assets

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Claim for coal grade slippage	6.92	6.35
Claim of compensation for short lifting of material	8.46	8.46
	15.38	**14.81**

(c) Capital and other commitments

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	761.39	1,317.92

Note 49 : Leases

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)

	Notes	As at March 31, 2023	As at March 31, 2022
Land	5	193.13	188.67
Buildings	5	23.15	25.68
Plant and machinery	5	0.18	0.23
Office equipment	5	-	0.02
Total		**216.46**	**214.60**

Lease liabilities

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Current	6.02	5.11
Non-current	39.32	39.10
Total	**45.34**	**44.21**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 49 : Leases (Contd.)

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

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

(₹ in Crore)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of right-of-use assets	41	13.45	12.16
Interest expense (included in finance costs)	40	3.95	3.59
Expense relating to short-term leases (included in other expenses)	42	2.29	1.98
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	42	1.15	0.88
Total		**20.84**	**18.61**

(iii) Maturities of lease liabilities:

As at March 31, 2023

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	7.60
Between 1 year and 5 years	32.17	-
5 years and above	27.25	-
Total	**59.42**	**7.60**

As at March 31, 2022

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	8.69
Between 1 year and 5 years	30.44	-
5 years and above	29.22	-
Total	**59.66**	**8.69**

(iv) The total cash outflow for leases :

(₹ in Crore)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Principal elements of lease payments (disclosed in Cash flow statement)		22.34	44.35
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	42	2.29	1.98
Expense relating to variable lease payments not included in lease liabilities	42	1.15	0.88
Total		**25.78**	**47.21**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 49 : Leases (Contd.)

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

The Company has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Group Limited ("MSEDCL") whereby as per the Agreement the Company would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 1, 2020).

As per the Agreement the Company would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement the Company has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, the Company has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, the Company would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by the Company to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by the Company for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

Note 50 : Employee Benefit Plans

50.1 Defined contribution plan

The Group has defined contribution retirement benefit plans for its employees.

The Group's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹ 48.88 Crore (Previous year - ₹ 45.02 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 39].

50.2 Defined benefit plans - Gratuity

(a) Gratuity

The Group operates through various gratuity trust, a plan, covering all its employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the tenure of employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 50 : Employee Benefit Plans (Contd.)

The Group makes annual contribution to the gratuity schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a.)	7.57%	7.17%
Salary escalation rate (p.a.)	8.50%	8.50%

(d) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	297.31	285.67
Fair value of plan assets	296.61	271.65
Net (asset) / liability [Refer note 33]*	**0.70**	**14.02**

* after netting off ₹ 1.84 Crore disclosed in "Other advances / receivables" [Refer note 21]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 50 : Employee Benefit Plans (Contd.)

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded plan- Gratuity	
		As at March 31, 2023	As at March 31, 2022
(1)	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	285.67	288.99
	Current service cost	19.18	18.04
	Past service cost	-	0.02
	Interest cost	21.91	20.54
	Actuarial (gains) / losses from changes in demographic assumptions	0.01	0.10
	Actuarial (gains) / losses arising changes in financial assumptions	(9.14)	(2.25)
	Actuarial (gains) / losses from experience adjustments	(1.46)	(2.34)
	Liability transferred in of employees / due to acqusition of entities*	23.69	2.84
	Liability transferred out of employees	(8.95)	(2.17)
	Benefits paid directly by employer	(5.69)	(2.71)
	Benefits paid	(27.91)	(35.39)
	Obligation at the end of the year **	**297.31**	**285.67**
*	Includes ₹ 19.21 Crore (March 31, 2022 ₹ 0.23 Crore) related to acquired entities during the year.		
**	Includes ₹ 0.27 Crore (March 31, 2022 ₹ 0.23 Crore) of subsidiaries which are unfunded.		
(2)	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	271.65	276.74
	Interest income	20.92	19.59
	Return on plan assets (excluding interest income)	0.65	(1.60)
	Contributions received	12.09	12.31
	Assets Transferred out / Disinvestments $	19.21	-
	Benefits paid	(27.91)	(35.39)
	Plan assets at the end of the year, at fair value	**296.61**	**271.65**
$	Includes ₹ 19.21 Crore (March 31, 2022- ₹ Nil) related to newly acquired entities during the year.		
(3)	**Gratuity cost recognized in the statement of profit and loss**		
	Current service cost	19.18	18.04
	Interest cost, net	0.99	0.95
	Past service cost	-	0.02
	Net gratuity cost recognized in the statement of profit and loss [Refer note 39]	**20.17**	**19.01**
(4)	**Gratuity cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets (excluding interest income)	(0.65)	1.60
	Actuarial (gains) / losses	(10.59)	(4.49)
	Net (income) / expense for the year recognized in OCI	**(11.24)**	**(2.89)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 50 : Employee Benefit Plans (Contd.)

(f) Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Change in assumptions

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(13.01)	(12.42)
50 basis points decrease in discount rate	14.15	13.55
50 basis points increase in salary escalation rate	13.81	13.29
50 basis points decrease in salary escalation rate	(12.85)	(12.30)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 18 years (March 31,2022 - 19 years).

(i) Expected contribution to the plan for the next annual reporting period is ₹ 2.54 Crore (March 31, 2022 ₹ 14.02 Crore).

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
1st following year	32.31	33.15
2nd following year	18.36	17.44
3rd following year	29.10	29.39
4th following year	20.35	27.41
5th following year	23.08	18.40
sum of years 6th to 10th	112.59	99.45
more then 10 years	513.96	454.96

50.3 Defined benefit plans - Pension

(a) Pension

The Group operates defined benefit pension plan, covering eligible employees transferred-in pursuant to transfer scheme. The plan provides benefits to members in the form of a guaranteed pension payable for life. The benefits provided depends on members' length of service and their last drawn salary in the final years leading up to retirement.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 50 : Employee Benefit Plans (Contd.)

The Group funds the pension liability through trustee-administered funds. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. The Group makes contribution to the pension schemes administered by the Life Insurance Corporation of India through Pension Trust Funds for employees joined on or before December 31, 2003. In case of certain employees transferred, which were hired on or after January 1, 2004 are eligible for the Pension benefit only on account of death or disability while in service.The liability in respect of plan is determined on the basis of an actuarial valuation and it is funded.

(b) Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2023
Discount rate (p.a.)	7.53%
Salary escalation rate (p.a.)	7.50%

(d) The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2023
Present value of funded defined benefit obligation	27.81
Fair value of plan assets	25.86
Net (asset) / liability [Refer note 33]	**1.95**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 50 : Employee Benefit Plans (Contd.)

(e) Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded plan - Pension As at March 31, 2023
(1)	**Movements in the present value of the defined benefit obligation:**	
	Obligation at the beginning of the year	-
	Current service cost	0.25
	Interest cost	1.87
	Actuarial (gains) / losses arising changes in financial assumptions	1.40
	Actuarial (gains) / losses from experience adjustments	(0.65)
	Liability transferred in of employees / due to acquisition of entities	24.94
	Obligation at the end of the year *	**27.81**
	* Includes ₹ 24.94 Crore related to 'Transfer Scheme' during the year.	
(2)	**Movements in the fair value of the plan assets:**	
	Plan assets at the beginning of the year, at fair value	-
	Balance received pursuant to 'Transfer Scheme'	24.94
	Interest income	1.87
	Return on plan assets (excluding interest income)	(0.95)
	Plan assets at the end of the year, at fair value	**25.86**
(3)	**Pension cost recognized in the statement of profit and loss**	
	Current service cost	0.25
	Net Pension cost recognized in the statement of profit and loss	**0.25**
(4)	**Pension cost recognized in the other comprehensive income (OCI)**	
	Return on plan assets (excluding interest income)	0.95
	Actuarial (gains) / losses	0.75
	Net (income) / expense for the year recognized in OCI	**1.70**

(f) Category wise plan assets

Contributions to fund the obligations under the Pension plan are made to the Life Insurance Corporation of India.

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes

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Note 50 : Employee Benefit Plans (Contd.)

Change in assumptions

(₹ in Crore)

	As at March 31, 2023
Increase / (decrease) in defined benefit obligation of Pension	
50 basis points increase in discount rate	(1.23)
50 basis points decrease in discount rate	1.46
50 basis points increase in salary escalation rate	1.22
50 basis points decrease in salary escalation rate	(0.81)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the pension plan based on average future service is 30 years .

(i) Expected contribution to the plan for the next annual reporting period is ₹ 1.32 Crore.

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded plan - Pension
	As at March 31, 2023
1st following year	2.38
2nd following year	0.23
3rd following year	2.26
4th following year	2.78
5th following year	3.60
sum of years 6th to 10th	13.65

50.4 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 33 and 39, for the leave encashment provision / charge in the balance sheet and statement of profit and loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 51 : Auditors Remuneration (Including Taxes)

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
As audit fees	2.03	1.64
For other services	0.59	0.54
For reimbursement of expenses	0.12	0.02
	2.74	**2.20**

Note 52 : Donations Include Political Contributions as Under

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Electoral Bonds	23.00	27.50
Prudent Electoral Trust	-	3.50
Bhartiya Janta Party	0.11	-
	23.11	**31.00**

Note 53 : Earnings Per Share

	Year ended March 31, 2023	Year ended March 31, 2022
Basic earnings per share (₹)	44.06	9.45
Diluted earnings per share (₹)	44.06	9.45

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	2,117.43	453.98
Weighted average number of equity shares	48,06,16,784	48,06,16,784

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

Note 54 : Operating Segment

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and applies the resources to whole of the Group's business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Further, the Group's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Group does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The Group's operations are wholly confined within India and hence there is no reportable geographical information.

Notes

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Note 55 : Certified Emission Reduction (CERS)

	As at March 31, 2023	As at March 31, 2022
No. of CERs inventory	49,97,674	-
No. of CERs under certification	-	71,71,099

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

Note 56 : Related Party Disclosures

(a) Names of related parties and description of relationship:

1	**Parent Company**	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2	**Associates**	Wind Two Renergy Private Limited (upto July 29, 2022)
3	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund , DNHDD PDCL Employees' Group Gratuity Trust
4	**Key management personnel**	Samir Mehta Jinal Mehta Varun Mehta (w.e.f. August 8, 2022)
5	**Non-executive directors**	Sudhir Mehta Pankaj Patel Samir Barua (Upto September 30, 2022) Keki Mistry Usha Sangwan (w.e.f. May 21, 2021) Sunaina Tomar (upto June 15, 2021) Radhika Haribhakti (w.e.f. August 7, 2021) Mamta Verma (w.e.f. August 7, 2021) Bhavna Doshi (upto September 30, 2021) Dharmishta Raval (upto September 30, 2021) Ketan Dalal (w.e.f. May 11, 2022)
6	**Relatives of key management personnel***	Varun Mehta (upto August 7, 2022)
7	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company/ Entities where the directors have significant influence***	UNM Foundation (formerly known as Tornascent Care Institute)#, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited , Torrent Gas Private Limited, Torrent Gas Chennai Private Limited,Torrent Gas Moradabad Limited, Torrent Gas Jaipur Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited,Torrent Hospitals Private Limited, Torrent Diagnostics Private Limited, Gujarat Lease Financing Limited,School of Ultimate Leadership Foundation (w.e.f. October 15, 2022).

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

\# The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 1, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.

Notes

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Note 56 : Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Nature of transactions										
Interest income	**3.45**	**11.09**	**-**	**-**	**-**	**-**	**-**	**-**	**3.45**	**11.09**
Wind Two Renergy Private Limited	3.45	11.09	-	-	-	-	-	-	3.45	11.09
Dividend paid	-	-	-	-	-	-	**566.33**	**373.26**	**566.33**	**373.26**
Torrent Investments Private Limited	-	-	-	-	-	-	566.33	373.26	566.33	373.26
Services provided (rent income including tax)	-	-	-	-	-	-	**1.35**	**0.88**	**1.35**	**0.88**
UNM Foundation	-	-	-	-	-	-	*	0.01	*	0.01
Torrent Investments Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Power Services Private Limited	-	-	-	-	-	-	*	-	*	-
Torrent Gas Private Limited	-	-	-	-	-	-	0.47	0.87	0.47	0.87
Torrent Fincorp Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Sports Ventures Private Limited	-	-	-	-	-	-	*	*	*	*
Torrent Gas Chennai Private Limited	-	-	-	-	-	-	0.22	-	0.22	-
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.22	-	0.22	-
Torrent Gas Pune Limited	-	-	-	-	-	-	0.22	-	0.22	-
Torrent Gas Moradabad Limited	-	-	-	-	-	-	0.22	-	0.22	-
Torrent Hospitals Private Limited	-	-	-	-	-	-	*	-	*	-
School of Ultimate Leadership Foundation	-	-	-	-	-	-	*	-	*	-
Torrent Diagnostics Private Limited	-	-	-	-	-	-	*	*	*	*
Services received / remuneration paid	-	-	-	-	-	-	**1.16**	**2.25**	**1.16**	**2.25**
Varun Mehta	-	-	-	-	-	-	1.16	2.25	1.16	2.25

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 56 : Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of material	-	-	-	-	-	-	-	**0.63**	-	**0.63**
Torrent Gas Private Limited	-	-	-	-	-	-	-	0.63	-	0.63
Shared expenditure charged to	**0.11**	**0.31**	-	-	-	-	-	**0.02**	**0.11**	**0.33**
Wind Two Renergy Private Limited	0.11	0.31	-	-	-	-	-	-	0.11	0.31
Gujarat Lease Financing Limited	-	-	-	-	-	-	-	0.02	-	0.02
Expenses incurred on behalf of	-	-	-	-	-	-	**0.13**	**0.07**	**0.13**	**0.07**
Torrent Gas Private Limited	-	-	-	-	-	-	0.05	0.07	0.05	0.07
Torrent Gas Pune Limited	-	-	-	-	-	-	0.02	-	0.02	-
Torrent Gas Chennai Private Lmited	-	-	-	-	-	-	0.02	-	0.02	-
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	0.02	-	0.02	-
Torrent Gas Moradabad Limited	-	-	-	-	-	-	0.02	-	0.02	-
Transfer of gratuity / leave liability to / (from)	-	-	-	-	-	-	**0.18**	**(0.13)**	**0.18**	**(0.13)**
Torrent Pharmaceuticals Limited	-	-	-	-	-	-	-	(0.29)	-	(0.29)
UNM Foundation	-	-	-	-	-	-	-	*	-	*
Torrent Gas Jaipur Private Limited	-	-	-	-	-	-	(0.04)	-	(0.04)	-
Torrent Gas Private Limited	-	-	-	-	-	-	0.22	0.16	0.22	0.16
Managerial remuneration @	-	-	-	-	**36.09**	**24.14**	-	-	**36.09**	**24.14**
Samir Mehta	-	-	-	-	15.00	10.00	-	-	15.00	10.00
Varun Mehta	-	-	-	-	3.00	-	-	-	3.00	-
Jinal Mehta	-	-	-	-	18.09	14.14	-	-	18.09	14.14
Commission to non-executive directors @@	-	-	-	-	**2.19**	**1.82**	-	-	**2.19**	**1.82**
Samir Barua	-	-	-	-	0.23	0.37	-	-	0.23	0.37
Keki Mistry	-	-	-	-	0.27	0.30	-	-	0.27	0.30
Pankaj Patel	-	-	-	-	0.31	0.27	-	-	0.31	0.27
Bhavna Doshi	-	-	-	-	-	0.21	-	-	-	0.21

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 56 : Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Dharmishta Raval	-	-	-	-	-	0.22	-	-	-	0.22
Sunaina Tomar#	-	-	-	-	-	0.05	-	-	-	0.05
Usha Sangwan	-	-	-	-	0.48	0.21	-	-	0.48	0.21
Radhika Haribhakti	-	-	-	-	0.48	0.14	-	-	0.48	0.14
Ketal Dalal	-	-	-	-	0.35	-	-	-	0.35	-
Mamta Verma #	-	-	-	-	0.07	0.05	-	-	0.07	0.05
Sitting fees to non-executive directors @@	**-**	**-**	**-**	**-**	**0.59**	**0.72**	**-**	**-**	**0.59**	**0.72**
Samir Barua	-	-	-	-	0.07	0.18	-	-	0.07	0.18
Keki Mistry	-	-	-	-	0.06	0.11	-	-	0.06	0.11
Pankaj Patel	-	-	-	-	0.07	0.09	-	-	0.07	0.09
Bhavna Doshi	-	-	-	-	-	0.08	-	-	-	0.08
Dharmishta Raval	-	-	-	-	-	0.09	-	-	-	0.09
Sunaina Tomar #	-	-	-	-	-	0.01	-	-	-	0.01
Usha Sangwan	-	-	-	-	0.14	0.09	-	-	0.14	0.09
Radhika Haribhakti	-	-	-	-	0.14	0.06	-	-	0.14	0.06
Mamta Verma #	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Ketal Dalal	-	-	-	-	0.10	-	-	-	0.10	-
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**9.55**	**11.36**	**9.55**	**11.36**
UNM Foundation	-	-	-	-	-	-	9.55	11.36	9.55	11.36
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**34.33**	**29.51**	**34.33**	**29.51**
UNM Foundation	-	-	-	-	-	-	34.33	29.51	34.33	29.51

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 56 : Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to employee benefit plans (net)	**-**	**-**	**25.32**	**22.20**	**-**	**-**	**-**	**-**	**25.32**	**22.20**
TPL (Ahmedabad) Gratuity Trust	-	-	10.12	9.16	-	-	-	-	10.12	9.16
TPL (Ahmedabad) Superannuation Fund	-	-	7.91	7.54	-	-	-	-	7.91	7.54
TPL (Surat) Gratuity Trust	-	-	1.53	2.66	-	-	-	-	1.53	2.66
TPL (Surat) Superannuation Fund	-	-	1.45	1.51	-	-	-	-	1.45	1.51
TPL (SUGEN) Gratuity Trust	-	-	0.40	0.44	-	-	-	-	0.40	0.44
TPL (SUGEN) Superannuation Fund	-	-	0.52	0.52	-	-	-	-	0.52	0.52
TPL (DGEN) Gratuity Trust	-	-	0.03	0.05	-	-	-	-	0.03	0.05
TPL (DGEN) Superannuation Fund	-	-	0.25	0.27	-	-	-	-	0.25	0.27
TPG Gratuity Trust	-	-	0.01	-	-	-	-	-	0.01	-
TPG Superannuation Fund	-	-	0.04	0.05	-	-	-	-	0.04	0.05
DNHDD PDCL Employees' Group Gratuity Trust	-	-	3.06	-	-	-	-	-	3.06	-
Redemption of non-convertible debentures	**26.33**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26.33**	**-**
Wind Two Renergy Private Limited	26.33	-	-	-	-	-	-	-	26.33	-
Premium on NCD	**2.62**	**7.45**	**-**	**-**	**-**	**-**	**-**	**-**	**2.62**	**7.45**
Wind Two Renergy Private Limited	2.62	7.45	-	-	-	-	-	-	2.62	7.45
Loan Given	**3.50**	**7.95**	**-**	**-**	**-**	**-**	**-**	**-**	**3.50**	**7.95**
Wind Two Renergy Private Limited	3.50	7.95	-	-	-	-	-	-	3.50	7.95
Receipt on repayment of loans	**11.25**	**21.30**	**-**	**-**	**-**	**-**	**-**	**-**	**11.25**	**21.30**
Wind Two Renergy Private Limited	11.25	21.30	-	-	-	-	-	-	11.25	21.30
Deposits received	-	-	-	-	-	-	*	*	*	*
Torrent Sports Ventures Private Limited	-	-	-	-	-	-	-	*	-	*
School of Ultimate Leadership Foundation	-	-	-	-	-	-	*	-	*	-
Torrent Diagnostics Private Limited	-	-	-	-	-	-	-	*	-	*

Note 56 : Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Deposit Refunded	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	*****
UNM Foundation	-	-	-	-	-	-	-	*	-	*
Torrent Investment Private Limited	-	-	-	-	-	-	-	*	-	*
Torrent Power Serivces Private Limited	-	-	-	-	-	-	-	*	-	*
Torrrent Gas Private Limited	-	-	-	-	-	-	-	*	-	*
Torrent Fincorp Private Limited	-	-	-	-	-	-	-	*	-	*

@@ excluding Goods and Services Tax.

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

C. Key management personnel compensation

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	36.09	24.14
	36.09	**24.14**

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forming part of the consolidated financial statements for the year ended March 31, 2023

Note 56 : Related Party Disclosures (Contd.)

D. Related party balances

(₹ in Crore)

	Parent Company		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Balances at the end of the year												
Current liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**22.97**	**14.32**	**0.40**	**0.16**	**23.37**	**14.48**
UNM Foundation	-	-	-	-	-	-	-	-	-	*	-	*
Torrent Gas Private Limited			-	-	-	-	-	-	0.38	0.16	0.38	0.16
Torrent Gas Jaipur Private Limited			-	-	-	-	-	-	0.02	-	0.02	-
Torrent Sports Ventures Private Limited			-	-	-	-	-	-	-	*	-	*
Torrent Hospitals Pvt Ltd			-	-	-	-	-	-	*	-	*	-
School of Ultimate Leadership Foundation			-	-	-	-	-	-	*	-	*	-
Torrent Diagnostics Private Limited			-	-	-	-	-	-	-	*	-	*
Samir Mehta	-	-	-	-	-	-	15.00	10.00	-	-	15.00	10.00
Varun Mehta	-	-	-	-	-	-	1.00	-	-	-	1.00	-
Jinal Mehta	-	-	-	-	-	-	5.00	2.50	-	-	5.00	2.50
Samir Barua	-	-	-	-	-	-	0.21	0.37	-	-	0.21	0.37
Keki Mistry	-	-	-	-	-	-	0.24	0.30	-	-	0.24	0.30
Pankaj Patel	-	-	-	-	-	-	0.28	0.27	-	-	0.28	0.27
Bhavna Doshi	-	-	-	-	-	-	-	0.21	-	-	-	0.21
Dharmishta Raval	-	-	-	-	-	-	-	0.22	-	-	-	0.22
Sunaina Tomar#	-	-	-	-	-	-	-	0.05	-	-	-	0.05
Ketal Dalal	-	-	-	-	-	-	0.31	-	-	-	0.31	-
Usha Sangwan	-	-	-	-	-	-	0.43	0.21	-	-	0.43	0.21
Radhika Haribhakti	-	-	-	-	-	-	0.43	0.14	-	-	0.43	0.14

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 56 : Related Party Disclosures (Contd.)

D. Related party balances

(₹ in Crore)

	Parent Company		Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of key management personnel / enterprises controlled by relatives of key management personnel / entity where the company has 50% voting right/Entities where the directors have significant influence		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Mamta Verma #	-	-	-	-	-	-	0.07	0.05	-	-	0.07	0.05
Investment in equity	-	-	-	-	-	-	-	-	**0.05**	**0.05**	**0.05**	**0.05**
UNM Foundation	-	-	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Investment in non-convertible debentures (including amortise premium)	-	-	-	**116.89**	-	-	-	-	-	-	-	**116.89**
Wind Two Renergy Private Limited	-	-	-	116.89	-	-	-	-	-	-	-	116.89
Loans (including interest) (non-current)	-	-	-	**121.87**	-	-	-	-	-	-	-	**121.87**
Wind Two Renergy Private Limited			-	121.87	-	-	-	-	-	-	-	121.87
Loans (including interest) (current)	-	-	-	**19.90**	-	-	-	-	-	-	-	**19.90**
Wind Two Renergy Private Limited			-	19.90	-	-	-	-	-	-	-	19.90
Trade and other receivables	-	-	-	**0.07**	-	-	-	-	-	**0.29**	-	**0.36**
Wind Two Renergy Private Limited			-	0.07	-	-	-	-	-	-	-	0.07
Torrent Pharmaceuticals Limited	-	-	-	-	-	-	-	-	-	0.29	-	0.29

Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

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

E. Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 23, 24) and debt (borrowings as detailed in note 25).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1. No changes were made in the objectives, policies or process for managing its capital during the year ended March 31, 2023 and March 31, 2022. The Group reviews its dividend policy from time to time.

Gearing ratio

The gearing ratio at end of the reporting year is as follows.

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Debt	10,521.03	8,413.65
Total equity	11,489.39	10,165.91
Debt to equity ratio	**0.92**	**0.83**

Footnotes:

1 Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.

2 Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – Goodwill – Other intangible assets – Intangible assets under development

Loan Covenants

The Company has complied with financial covenants specified as per the terms of borrowing facilities.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

(b) Categories of financial instruments

(₹ in Crore)

	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	188.23	188.23	289.41	289.41
Bank balance other than cash and cash equivalents	155.29	155.29	62.93	62.93
Investment in bonds and debentures	17.82	17.82	132.77	132.77
Trade receivables	2,246.33	2,246.33	1,602.70	1,602.70
Loans	-	-	141.77	141.77
Other financial assets	3,246.78	3,246.78	2,400.36	2,400.36
	5,854.45	**5,854.45**	**4,629.94**	**4,629.94**
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	785.82	785.82	273.70	273.70
Investment in equity instruments	0.05	0.05	0.05	0.05
	785.87	**785.87**	**273.75**	**273.75**
Financial liabilities				
Measured at amortised cost				
Borrowings	10,496.07	13,273.51	9,098.42	9,138.90
Trade payables	1,733.28	1,733.28	1,261.59	1,261.59
Other financial liabilities	2,687.72	2,687.72	2,021.84	2,021.84
	14,917.07	**17,694.51**	**12,381.85**	**12,422.33**

Footnotes:

1. The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
2. Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

(c) Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 : Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2023	As at March 31, 2022		
Investment in mutual fund units	785.82	273.70	Level 1	Quoted bid prices in an active market

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2023	As at March 31, 2022		
Fixed rate borrowings (Non-convertible debentures)	2,777.44	2,008.84	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA

(d) Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, employee payables, security deposit from customer, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

The Group's exposure with regards to foreign exchange risk which are not hedged are given below.

Unhedged foreign currency exposures:

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2023	As at March 31, 2022
Financial liabilities			
Trade payable	USD	3.58	4.37
Trade payable	EURO	175.32	138.80
Capital payable	EURO	0.06	0.06

Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant.

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Impact on Profit before Tax - Rupee depreciate by ₹ 1 against EURO	(1.96)	(1.64)
Impact on Profit before Tax - Rupee appreciate by ₹ 1 against EURO	1.96	1.64

The USD currency risk is not significant to the Group's operation and accordingly sensitivity analysis is not given.

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings^	3,348.47	2,345.86
Floating rate borrowings^	7,176.06	6,785.03
	10,524.53	**9,130.89**

^ Transactions cost reduced from the borrowing is excluded.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Impact on profit before tax - increase in 50 basis points	(35.88)	(33.93)
Impact on profit before tax - decrease in 50 basis points	35.88	33.93

Credit risk

Trade receivables:

(1) Exposures to credit risk

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

(2) Credit risk management

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2023 and March 31, 2022. The Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group collects the security deposits in the form of Cash or Bank guarantee, considering the relevant electricity regulations under the relevant geographical area to cover its credit risks associated with its trade receivables.

(4) Age of receivables and expected credit loss

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

The policy of the Group is to provide for credit loss takes into consideration of factors such as type of Consumers i.e. Government Consumers / Non Government consumers, Status of Consumers i.e. Live consumers / Disconnected consumers and Security deposits provided by the Consumer.

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

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

As at March 31, 2023

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	2,148.01	35.33
More than 6 months but less than or equal to 1 year	58.79	23.20
More than one year	244.03	145.97
	2,450.83	**204.50**

As at March 31, 2022

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,428.07	43.83
More than 6 months but less than or equal to 1 year	138.88	29.78
More than one year	253.46	144.10
	1,820.41	**217.71**

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	217.71	250.42
Movement in expected credit loss allowance on trade receivable, net [Refer note 42]	(13.21)	(32.71)
Closing balance [Refer note 17]	**204.50**	**217.71**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:

The Group is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. The Group is having balances in cash and cash equivalents, term deposits with scheduled banks with high credit rating and hence perceive low credit risk of default. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them. The recoverable amount of unbilled revenue (includingrevenue gap/surplus) perceives low credit risk of default considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 57 : Financial Instruments and Risk Management (Contd.)

Maturities of financial liabilities:

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2023

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	7,050.68	5,001.06	12,051.74
Trade payables	-	187.79	87.40	275.19
Lease liabilities	-	32.17	27.25	59.42
	-	**7,270.64**	**5,115.71**	**12,386.35**
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,387.60	-	-	2,387.60
Trade payables	1,522.67	-	-	1,522.67
Lease liabilities	7.60	-	-	7.60
Other financial liabilities	2,687.72	-	-	2,687.72
	6,605.59	**-**	**-**	**6,605.59**
Total financial liabilities	**6,605.59**	**7,270.64**	**5,115.71**	**18,991.94**

As at March 31, 2022

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,388.40	3,876.52	9,264.92
Trade payables	-	96.39	102.20	198.59
Lease liabilities	-	30.44	29.22	59.66
Other financial liabilities	-	0.33	-	0.33
	-	**5,515.56**	**4,007.94**	**9,523.50**
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,590.14	-	-	2,590.14
Trade payables	1,111.13	-	-	1,111.13
Lease liabilities	8.69	-	-	8.69
Other financial liabilities	2,021.51	-	-	2,021.51
	5,731.47	**-**	**-**	**5,731.47**
Total financial liabilities	**5,731.47**	**5,515.56**	**4,007.94**	**15,254.97**

^ Transactions cost reduced from the borrowing is excluded.

Note 58 : Provision for Onerous Contracts

The Group has a provision of ₹ 134.38 Crore (March 31, 2022 - ₹ 135.76 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind and solar power generation capacities, awarded to the Group in a prior period under a competitive bidding process. During the current year, ₹ 9.44 Crore provision has been created related to Bank guarantee (Previous year ₹ 0.53 Crore) and ₹ 10.82 Crore provision has been reversed due to writing off of pre-operative expenses (Previous year ₹ 55.07 Crore provision has been reversed due to discharge of bank guarantee). The expected outflow will be determined at the time of final resolution of the matter.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 59 : Government Grant

(a) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in Aggregate Technical & Commercial losses, to strengthen the Transmission & Distribution network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

(b) Movement of government grant

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
Opening balance	16.40	18.85
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 35]	(2.37)	(2.45)
Closing balance	**14.03**	**16.40**
Non-current portion [Refer note 28]	11.66	14.03
Current portion [Refer note 32]	2.37	2.37
	14.03	**16.40**

Note 60 : Ageing Schedule for Capital Work-in-Progress (CWIP)

As at March 31, 2023

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,883.30	417.56	245.11	78.58	2,624.55
Projects temporarily suspended	-	0.09	-	0.05	0.14
	1,883.30	**417.65**	**245.11**	**78.63**	**2,624.69**

As at March 31, 2022

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	762.74	378.13	100.75	44.62	1,286.24
Projects temporarily suspended	0.10	1.06	1.19	8.68	11.03
	762.84	**379.19**	**101.94**	**53.30**	**1,297.27**

For capital-work-in progress, whose completion is overdue compared to its original plan:

As at March 31, 2023

(₹ in Crore)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
115 MW wind power project	832.64	-	-	-	832.64
Distribution Project	185.60	-	-	-	185.60
	1,018.24	**-**	**-**	**-**	**1,018.24**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 60 : Ageing Schedule for Capital Work-in-Progress (CWIP) (Contd.)

As at March 31, 2022

(₹ in Crore)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
115 MW wind power project	64.87	-	-	-	64.87
	64.87	**-**	**-**	**-**	**64.87**

There are no capital-work-in progress, whose cost has exceeded compared to its original plan for year ended March 31, 2023 and March 31, 2022.

Note 61 : Ageing Schedule for Trade Receivables

Current trade receivables:

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- Considered good	1,768.21	343.98	35.59	43.60	21.45	28.17	2,241.00
- Credit impaired	0.55	31.57	20.92	17.96	23.22	43.10	137.32
Disputed Trade receivables							
- Considered good	0.49	-	-	3.59	-	1.25	5.33
- Credit impaired	1.34	1.87	2.28	7.44	6.29	47.96	67.18
	1,770.59	**377.42**	**58.79**	**72.59**	**50.96**	**120.48**	**2,450.83**

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due*	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
- Considered good	1,109.74	273.93	109.10	70.13	18.68	19.04	1,600.62
- Credit impaired	0.57	40.37	26.57	42.89	11.89	35.63	157.92
Disputed Trade receivables							
- Considered good	0.57	-	-	0.16	0.10	1.25	2.08
- Credit impaired	1.13	1.76	3.21	5.73	7.31	40.65	59.79
	1,112.01	**316.06**	**138.88**	**118.91**	**37.98**	**96.57**	**1,820.41**

* Includes ₹ 1,288.06 Crore (March 31, 2022: ₹ 1,029.04 Crore) billed subsequent to year end.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 62 : Ageing Schedule for Trade Payables

(a) Non-current trade payables:

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	210.61	-	-	-	-	-	210.61
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	210.61	**-**	**-**	**-**	**-**	**-**	**210.61**

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	150.46	-	-	-	-	-	150.46
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
	150.46	**-**	**-**	**-**	**-**	**-**	**150.46**

(b) Current trade payables:

As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	1.43	67.06	0.50	-	-	-	68.99
- Others	500.47	549.44	316.11	2.14	0.41	9.07	1,377.64
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	1.32	74.71	76.03
	501.90	**616.50**	**316.61**	**2.14**	**1.73**	**83.78**	**1,522.66**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 62 : Ageing Schedule for Trade Payables (Contd.)

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- Micro and small enterprises	1.23	52.60	0.19	-	-	-	54.02
- Others	427.93	439.81	94.24	5.80	0.24	9.54	977.56
Disputed dues							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	0.02	1.57	5.34	72.62	79.55
	429.16	**492.41**	**94.45**	**7.37**	**5.58**	**82.16**	**1,111.13**

Note 63 : Details of Loans and Advances

Details of Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

(₹ in Crore)

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans
Related Parties	-	-	141.77	100.00%
	-		**141.77**	

Note 64 : Relationship with Struck off Companies

(₹ in Crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2023	Balance outstanding as on 31.03.2022	Relationship with the Struck off company
Unickon Fincap Private Limited	Investor	*	*	Shareholder
Vaishak Shares Limited	Investor	*	*	Shareholder
Dreams Broking Private Limited	Investor	*	*	Shareholder
Pandit Trading & Securities Limited	Investor	*	*	Shareholder
Jetees Securities (P) Limited	Investor	*	*	Shareholder
Solanki Solar Energy Private Limited	Payables	*	*	Vendor
Krish N Kelly Facility Services	Payables	*	*	Vendor
Scanstar Inspection Technology Private Limited	Payables	0.01	-	Vendor

Note 65 : Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Group for contribution to employees' provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2023

Note 66 : Additional Regulatory Information Required by Schedule III

(a) The Group is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2023 and March 31, 2022.

(b) The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.

(c) No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2023 and March 31, 2022.

(d) The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2023 and March 31, 2022.

(e) During the year ended March 31, 2023 and March 31, 2022, the Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) During the year ended March 31, 2023 and March 31, 2022, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

   During the year ended March 31, 2023 and March 31, 2022, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

Note 67 : Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 29, 2023.

Signature to Note 1 to 67

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 29, 2023

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Form AOC - 1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

A Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

1.	Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited	Torrent Saurya Urja 2 Private Limited	Torrent Saurya Urja 3 Private Limited	Torrent Saurya Urja 4 Private Limited	Torrent Saurya Urja 5 Private Limited	Torrent Solar Power Private Limited	Surya Vidyut Limited	Torrent Saurya Urja 6 Private Limited	Visual Percept Solar Projects Private Limited	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited	Wind Two Renergy Private Limited	Sunshakti Solar Power Projects Private Limited
2.	Date of becoming Subsidiary	October 19, 2006	September 25, 2007	September, 2008	January 29, 2018	January 29, 2018	November 5, 2019	February 5, 2021	February 17, 2021	July 20, 2021	July 16, 2021	July 28, 2020	March 11, 2022	March 25, 2022	February 15, 2022	March 15, 2022	July 30, 2022	June 13, 2022
3.	Financial year ended on	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
4.	Share capital (including share capital suspense)	90.00	50.00	80.05	111.00	110.00	42.00	0.05	0.05	0.05	0.05	0.05	251.91	23.43	17.45	0.10	32.51	0.06
5.	Reserves & Surplus	46.21	(19.29)	(66.89)	17.23	22.40	(40.02)	(5.43)	(0.05)	(0.13)	(0.03)	(15.21)	64.96	55.55	158.10	446.23	(18.96)	128.15
6.	Total assets	146.14	95.13	1,680.52	458.05	462.87	343.09	203.40	0.01	35.77	0.03	149.60	714.47	237.32	184.02	1,316.88	289.20	306.68
7.	Total liabilities (excluding share capital and reserves and surplus)	9.93	64.42	1,667.36	329.82	330.47	341.11	208.78	0.01	35.85	0.01	164.76	397.60	158.34	8.47	870.55	275.65	178.47
8.	Investments	22.71	-	6.44	32.86	25.98	-	-	-	-	-	-	-	-	41.80	-	-	-
9.	Turnover (Revenue from operations)	39.11	-	95.75	58.56	61.01	545.34	-	-	-	-	-	117.59	41.02	52.38	5,985.40	22.95	51.50
10.	Profit / (loss) before taxation	19.27	(0.85)	(5.91)	9.76	14.21	(6.28)	(5.93)	(0.02)	(0.14)	(0.01)	(17.48)	11.27	3.16	32.70	141.22	(22.50)	10.39
11.	Provision for taxation (including deferred tax)	(1.97)	-	(1.08)	2.45	3.59	(1.51)	(0.98)	-	(0.02)	-	(2.95)	22.21	0.73	5.34	37.21	(5.68)	(6.98)
12.	Profit / (loss) after taxation	21.24	(0.85)	(4.83)	7.31	10.62	(4.77)	(4.95)	(0.02)	(0.12)	(0.01)	(14.53)	(10.94)	2.43	27.36	104.01	(16.82)	17.37
13.	Other comprehensive income (net of tax)	0.08	-	-	-	-	0.20	-	-	-	-	-	(0.03)	-	*	(1.49)	-	-
14.	Total comprehensive income	21.32	(0.85)	(4.83)	7.31	10.62	(4.57)	(4.95)	(0.02)	(0.12)	(0.01)	(14.53)	(10.97)	2.43	27.36	102.52	(16.82)	17.37
15.	Proposed dividend (in ₹ per equity share)	0.90	-	-	-	-	-	-	-	-	-	-	-	-	6.30	-	-	-
16.	Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	100.00%

Footnote :

1 Torrent Pipavav Generation Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited, Torrent Saurya Urja 4 Private Limited, Torrent Saurya Urja 5 Private Limited and Torrent Solar Power Private Limited are yet to commence its operations.

* figures below ₹ 50,000

B Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Company

Name of Associate	Wind Two Renergy Private Limited (upto July 29, 2022)

Footnote :

1 During the year, Wind Two Renergy Private Limited has ceased to be associate of the Company and become subsidiary w.e.f. July 30, 2022. As the Company does not have equity interest in the above associate company, Total Comprehensive Income of (₹ 1.28) crore for the period April 1, 2022 to July 29, 2022 has not been considered in the consolidated financial statements.

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN: 00061903

Saurabh Mashruwala
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 29, 2023

Independent Auditor's Report

To the Members of Torrent Power Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Torrent Power Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate company (refer Note 41 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
i. Impairment assessment for Power Plant located at Dahej (Refer to note 43(1) to the consolidated financial statements):	
The carrying amount of Property, Plant & Equipment ("PP&E") includes an amount of ₹ 1,378.90 crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India ("DGEN"). DGEN started its commercial operations from November 2014 ("COD") and has operated only intermittently after the COD. As a result of the above, and given the current economic environment, management has carried out an impairment assessment of DGEN in accordance with Ind AS 36 'Impairment of Assets' and with the help of an external valuer, has measured the recoverable amount based on 'value in use' which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN. Such assessment involved several key assumptions including expected demand of electricity, future prices of fuel, foreign exchange rate, expected tariff rates of electricity and discount rate, which are considered by management based on past trends and current and likely future state of the industry. Based on such assessment, the value in use arrived at by the management was lower than the carrying amount of DGEN as at March 31, 2022 and accordingly, the Holding Company has provided for an additional impairment loss of ₹ 1,300 crore. We considered this to be a key audit matter as the carrying value of DGEN at March 31, 2022 is significant to the Holding Company's balance sheet and there is significant judgement and estimation involved in the discounted cash flow (DCF) model used by the management to assess the value in use of DGEN.	Our procedures in relation to management's impairment assessment of DGEN included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over impairment assessment. • Perused the report issued by the external valuer engaged by the management and conducted enquiries with them to understand the assumptions considered by them. • Evaluated independence, competence, capability and objectivity of the external valuer. • Evaluated the reasonableness of cash flow projections used by the Holding Company and the key assumptions underlying the same. • With the involvement of auditor's experts, assessed the reasonableness of the assumptions considered in the discounted cash flow projections for determining value in use. • Enquired with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same, within a reasonably foreseeable range. • Checked the arithmetic accuracy of the computations included in the discounted cash flow projections. • Assessed the adequacy of disclosure in the consolidated financial statements. Based on the above procedures performed, we considered management's assessment of impairment of DGEN to be reasonable.
ii. Assessment of recoverability of Deferred tax assets on unutilised tax credits (Refer to note 44 to the consolidated financial statements)	
The Holding Company has recognised deferred tax assets on the unutilised tax credits amounting to ₹ 1,474.20 Crore as at March 31, 2022, representing Minimum Alternate Tax (MAT) paid on the accounting profit in the earlier years in which the Holding Company did not have normal taxable profit due to availment of tax holiday. The asset has been recognised on the basis of Holding Company's assessment of availability of future taxable profits to offset the accumulated deferred tax assets on the unutilised tax credits. The future taxable profit projections involve several key assumptions including expected demand of electricity, future prices of fuel, expected tariff rates of electricity and foreign exchange rate, covering the period over which MAT Credit can be claimed as per the Income-tax Act, 1961. In preparing the profit projections, management has considered past trends, applicable tariff regulations/ agreements and current and likely future state of the industry.	Our audit procedures in relation to management's assessment of recoverability of Deferred tax assets on unutilised tax credits included the following: • Assessed and tested the design and operating effectiveness of the Holding Company's controls over recognition and assessment of recoverability of deferred tax assets on unutilised tax credits. • Assessed the Holding Company's accounting policy in respect of recognizing deferred tax assets on unutilised tax credits. • Enquired with senior management personnel, the justification for the key assumptions underlying the projections and assessed the reasonableness of the assumptions underlying profit projections made by management, by verifying the past trends, available tariff orders and relevant economic and industry indicators. Further, performed sensitivity analysis over the assumptions used in determining the projected taxable profits, within a reasonable range.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter as the amount of deferred tax assets on unutilised tax credits is material to the consolidated financial statements and significant management judgement is required in assessing the recoverability of accumulated deferred tax assets on unutilised tax credits based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Holding Company's future business plans.	• Evaluated whether the tax credit entitlements are legally available to the Holding Company for the forecast recoupment period, considering the provisions of Income-tax Act, 1961. • Checked the arithmetic accuracy of the underlying calculations of the profit projections. • Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes. Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets in respect of accumulated deferred tax assets on unutilised tax credits to be reasonable.
iii. Appropriateness of classification of Solar and Wind power projects acquired during the year and related purchase price allocation (Refer Note 42 to the consolidated financial statements)	
During the year, the Group acquired two operating solar and one wind power projects, through Share Purchase Agreements (SPAs) entered into by it. The Group has assessed that these acquisitions do not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisitions', considering the factors like the purchase consideration pertained to the fair value of the Solar and Wind assets, the only key activity for this acquisition is the maintenance of the Solar and Wind assets and there are no other substantive processes required for the generation of output. The management also engaged external valuers for identification of the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed, in each of the acquisitions and allocation of the purchase price based on the fair values of the assets and liabilities. We considered this as a key audit matter, as the above assessment and allocation of the purchase consideration involves significant assumptions and management judgement in: • determination of whether the said acquisitions meet the definition of "Business"; • identification of the identifiable assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods, for allocation of the purchase price to the identifiable assets and liabilities assumed.	Our audit procedures in relation to appropriate classification of the acquisitions and the purchase price allocation included the following: • Assessed and tested the design and operating effectiveness of the Group's controls over acquisitions and purchase price allocation. • Read the share purchase agreements to understand the key terms and conditions of the acquisitions. • Evaluated the management's assessment for determining whether the acquisitions represent an 'asset acquisition' or a 'business combination'; • Perused the report issued by the external valuers engaged by the management and conducted enquiries with them to understand the assumptions considered by them. • Evaluated independence, competence, capability, and objectivity of the external valuers. • Assessed the appropriateness of identification of individual assets acquired and liabilities assumed. • With the involvement of auditor's experts, assessed the reasonableness of the assumptions underlying measurement of fair values of identified assets and liabilities. • Enquired with senior management personnel, the justification for the key assumptions used in determining the fair values of assets and liabilities as at the acquisition date. • Assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the requirements of relevant Indian accounting standards. Based on the above procedures performed, we considered the management's assessment of the classification and allocation of the purchase price to be reasonable.

Independent Auditor's Report (Contd.)

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report (Contd.)

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Contd.)

Other Matters

14. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹ Nil for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on the report of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

16. 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 (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies, its associate company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report (Contd.)

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 46(a) to the consolidated financial statements.

ii. The Group and its associate company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 31. The Group and its associate company did not have any derivative contracts as at March 31, 2022;

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and its associate company during the year.

iv. (a) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and associate company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associate company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and associate company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the associate company whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company and its subsidiary company, is in compliance with Section 123 of the Act.

17. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRVEC7630

Place: Ahmedabad
Date: May 10, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Torrent Power Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the consolidated financial statements for the year ended March 31, 2022

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate company, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, is based on the corresponding report of the auditor of such company. Our opinion is not modified in respect of this matter.

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

Priyanshu Gundana
Partner
Membership Number: 109553
UDIN: 22109553AIRVEC7630

Place: Ahmedabad
Date: May 10, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	16,759.39	17,129.25
Right-of-use assets	5	214.60	178.35
Capital work-in-progress	6	1,297.27	837.73
Intangible assets	7	123.29	18.44
Financial assets			
Investment	8	132.82	124.20
Loans	9	121.87	155.70
Other financial assets	10	101.55	75.83
Deferred tax assets (net)	44	35.12	24.50
Non-current tax assets (net)	11	10.56	12.83
Other non-current assets	12	1,000.47	337.48
		19,796.94	**18,894.31**
Current assets			
Inventories	13	537.57	450.35
Financial assets			
Investments	14	273.70	341.58
Trade receivables	15	1,602.70	1,420.29
Cash and cash equivalents	16	289.41	107.28
Bank balances other than cash and cash equivalents above	17	62.93	95.14
Loans	18	19.90	-
Other financial assets	19	2,298.81	2,153.41
Other current assets	20	140.74	76.36
		5,225.76	**4,644.41**
		25,022.70	**23,538.72**
Equity and liabilities			
Equity			
Equity share capital	21	480.62	480.62
Other equity	22	9,462.56	9,703.62
		9,943.18	**10,184.24**
Non-controlling interests		35.93	36.36
		9,979.11	**10,220.60**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	7,099.15	6,672.18
Trade payables	24		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues other than micro and small enterprises		150.46	116.11
Lease liabilities	47	39.10	30.96
Other financial liabilities	25	0.33	1.17
Deferred tax liabilities (net)	44	345.21	527.51
Other non-current liabilities	26	1,261.67	1,160.34
		8,895.92	**8,508.27**
Current liabilities			
Financial liabilities			
Borrowings	27	1,999.27	1,108.37
Trade payables	28		
Total outstanding dues of micro and small enterprises		54.02	38.17
Total outstanding dues other than micro and small enterprises		1,057.11	936.62
Lease liabilities	47	5.11	5.05
Other financial liabilities	29	2,021.51	1,799.77
Other current liabilities	30	613.56	542.02
Provisions	31	274.55	335.30
Current tax liabilities (net)	32	122.54	44.55
		6,147.67	**4,809.85**
		25,022.70	**23,538.72**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Income			
Revenue from operations	33	14,257.61	12,172.66
Other income	34	235.04	141.81
Total income		**14,492.65**	**12,314.47**
Expenses			
Electrical energy purchased		5,116.39	3,358.36
Fuel cost		3,403.40	3,610.55
Cost of materials consumed	35	262.64	104.21
Purchase of stock-in-trade		305.99	48.24
Changes in inventories of finished goods and work-in-progress	36	(11.11)	8.86
Employee benefits expense	37	533.54	538.94
Finance costs	38	628.21	775.73
Depreciation and amortisation expense	39	1,333.86	1,279.55
Other expenses	40	1,055.76	1,038.26
Total expenses		**12,628.68**	**10,762.70**
Profit before exceptional items and tax		1,863.97	1,551.77
Exceptional items	43	1,300.00	-
Profit before tax		**563.97**	**1,551.77**
Tax expense			
Current tax	44	372.48	287.85
Deferred tax	44	(267.21)	(31.95)
		105.27	**255.90**
Profit for the year		**458.70**	**1,295.87**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	48	2.89	6.13
Tax relating to remeasurement of the defined benefit plans	44	1.04	2.02
Other comprehensive income for the year, net of tax		**1.85**	**4.11**
Total comprehensive income for the year		**460.55**	**1,299.98**
Profit for the year attributable to:			
Owners of the Company		453.98	1,290.93
Non-controlling interests		4.72	4.94
		458.70	**1,295.87**
Other comprehensive income for the year attributable to:			
Owners of the Company		1.85	4.11
Non-controlling interests		-	-
		1.85	**4.11**
Total comprehensive income for the year attributable to:			
Owners of the Company		455.83	1,295.04
Non-controlling interests		4.72	4.94
		460.55	**1,299.98**
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	51	**9.45**	**26.86**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities			
Profit before tax		563.97	1,551.77
Adjustments for :			
Depreciation and amortisation expense	39	1,333.86	1,279.55
Amortisation of deferred revenue	33	(90.27)	(82.62)
Provision of earlier years written back	33	(1.04)	(2.47)
Loss on sale / discarding of property, plant and equipment	40	23.66	12.03
Gain on disposal of property, plant and equipment	34	(30.05)	(3.56)
Bad debts written off (net of recovery)	40	46.83	54.55
Reversal of provision for onerous contracts	40	(55.07)	-
Provision for onerous contracts	40	0.53	1.02
Allowance for doubtful debts (net)	40	(32.71)	14.62
Exceptional items	43	1,300.00	-
Finance costs	38	628.21	775.73
Interest income	34	(66.62)	(79.66)
Gain on sale of current investments in mutual funds	34	(27.84)	(19.35)
Net (gain) / loss arising on current investments in mutual funds measured at fair value through profit or loss	34	2.20	(2.75)
Net gain arising on financial assets / liabilities measured at amortised cost	34	(28.93)	(11.39)
Net unrealised loss / (gain) on foreign currency transactions		(5.34)	10.49
Operating profit before working capital changes		**3,561.39**	**3,497.96**
Movement in working capital:			
Adjustments for decrease / (increase) in operating assets:			
Inventories		(85.44)	147.89
Trade receivables		(119.78)	(209.71)
Other financial assets		(287.41)	(184.17)
Other assets		(43.68)	65.89
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		196.61	(66.11)
Other financial liabilities		118.13	71.55
Provisions		(3.92)	(32.46)
Other liabilities		62.33	(47.50)
Cash generated from operations		**3,398.23**	**3,243.34**
Taxes paid (net)		(231.05)	(255.78)
Net cash flow generated from operating activities		**3,167.18**	**2,987.56**
Cash flow from investing activities			
Payments for property, plant and equipment & intangible assets		(1,809.14)	(1,295.97)
Proceeds from sale of property, plant and equipment & intangible assets		49.44	7.42
Acquisition of subsidiaries net of cash and cash equivalents [Refer note 42]		(515.23)	-
Advance against equity investment		(555.00)	-
Purchase of non-current investments		(1.91)	(1.86)
Loans to related parties		(7.95)	(18.70)
Repayment of loans from related parties		21.30	19.00
(Investments) / redemption in bank deposits (net) (original maturity more than three months)		50.63	91.90
(Investments) / redemption in inter corporate deposits		113.40	(100.24)
Interest received		69.31	99.88
(Purchase of) / proceeds from current investments (net)		102.03	288.11
Net cash generated from / (used in) investing activities		**(2,483.12)**	**(910.46)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2022

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from financing activities		
Proceeds from long-term borrowings	1,125.22	900.00
Proceeds from short-term borrowings	693.22	700.00
Repayment of long-term borrowings	(885.59)	(860.75)
Prepayment of long-term borrowings	(235.49)	(1,124.84)
Repayment of short-term borrowings	-	(703.28)
Repayment of Accelerated Power Development and Reform Programme (APDRP) loan	(3.82)	(3.82)
Receipt of contribution from consumers	200.41	116.04
Dividend paid	(702.04)	(268.55)
Principal elements of lease payments	(44.35)	(7.10)
Finance costs paid	(649.49)	(808.68)
Net cash generated from / (used) in financing activities	**(501.93)**	**(2,060.98)**
Net (decrease) / increase in cash and cash equivalents	182.13	16.12
Cash and cash equivalents as at beginning of the year	107.28	91.16
Cash and cash equivalents as at end of the year	**289.41**	**107.28**

Footnotes:

1. Cash and cash equivalents as at end of the year:		
Balances with banks		
Balance in current accounts	288.10	104.92
Balance in fixed deposit accounts (original maturity for less than three months)	0.05	-
Cheques on hand	0.79	0.58
Cash on hand	0.47	1.78
	289.41	**107.28**

2. The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind As) - 7 "Statement of Cash Flows".

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital [Refer note 21]

	(₹ in Crore)
Balance as at April 01, 2020	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**480.62**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**480.62**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2022

B. Other equity [Refer note 22]

(₹ in Crore)

	Reserves and surplus								Total
	Securities premium	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	Other equity attributable to equity holders of the Company	Non- controlling interests	
Balance as at April 01, 2020	**0.03**	**258.10**	**11.59**	**78.07**	**3,583.89**	**4,741.24**	**8,672.92**	**35.63**	**8,708.55**
Profit for the year	-	-	-	-	-	1,290.93	1,290.93	4.94	1,295.87
Other comprehensive income for the year, net of tax	-	-	-	-	-	4.11	4.11	-	4.11
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,295.04**	**1,295.04**	**4.94**	**1,299.98**
Transfer to debenture redemption reserve	-	(70.84)	-	-	-	70.84	-	-	-
Transfer to contingency reserve	-	-	1.87	-	-	(1.87)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(264.34)	(264.34)	(4.21)	(268.55)
Balance as at March 31, 2021	**0.03**	**187.26**	**13.46**	**78.07**	**3,583.89**	**5,840.91**	**9,703.62**	**36.36**	**9,739.98**
Profit for the year	-	-	-	-	-	453.98	453.98	4.72	458.70
Other comprehensive income for the year, net of tax	-	-	-	-	-	1.85	1.85	-	1.85
Total comprehensive income for the year	-	-	-	-	-	**455.83**	**455.83**	**4.72**	**460.55**
Transfer to debenture redemption reserve	-	(47.66)	-	-	-	47.66	-	-	-
Transfer to contingency reserve	-	-	1.91	-	-	(1.91)	-	-	-
Transaction with owners in their capacity as owners:									
Dividend (including interim dividend) paid	-	-	-	-	-	(696.89)	(696.89)	(5.15)	(702.04)
Balance as at March 31, 2022	**0.03**	**139.60**	**15.37**	**78.07**	**3,583.89**	**5,645.60**	**9,462.56**	**35.93**	**9,498.49**

Footnotes:

1. Retained earning includes ₹ -29.91 Crore (March 31, 2021 ₹ -31.76 Crore) related to re-measurement of defined benefit plans.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 1A: General Information

These financial statements comprise financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") and associate for the year ended March 31, 2022.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its equity shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is engaged in the business of generation, transmission and distribution of Electricity and of manufacture and sale of Cable. Information on the Group's structure is provided in note 41.

Note 1B: New Standards or Interpretations Adopted by the Group

The Group has applied the following amendment to Ind AS for the first time for its annual reporting period commencing April 01, 2021:

i. Ind AS 116, extension of COVID-19 related concessions
ii. Ind AS 107, Ind AS 109 and Ind AS 116, Interest rate benchmark reform

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

Note 1C: New Standards or Interpretations Issued but not yet Effective

The Group will apply the following standard for the first time for its annual reporting period commencing April 01, 2022:

Ind AS 16, "Property, Plant and Equipment", proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets", onerous contracts – cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 103, "Business combinations", References to the conceptual framework

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109, "Financial Instruments", Fees included in the 10% test for derecognition of financial liabilities

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Ind AS 101, "First-time adoption", subsidiary as a first-time adopter

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 1D: Reclassifications Consequent to Amendments to Schedule III:

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01 2021.

Consequent to above, the Group has changed the classification / presentation as per below in the current year:

- Current maturities of long-term borrowings have now been included in the "Current borrowings" line item as compared to previous disclosure under the line item 'other financial liabilities'.

- Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item as compared to previous disclosure under the line item 'loans'.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised as below:

(₹ in Crore)

Balance sheet (extract)	March 31, 2021 (previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Loans (non-current)	174.31	(18.61)	155.70
Other financial assets (non-current)	57.22	18.61	75.83
Loans (current)	30.61	(30.61)	-
Other financial assets (current)	2,122.80	30.61	2,153.41
Borrowings (current)	-	1,108.37	1,108.37
Other financial liabilities (current)	2,908.14	(1,108.37)	1,799.77

Note 2: Significant Accounting Policies

2.1 Basis of preparation:

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Group has applied this norm while preparing the financial statements.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention except for following which have been measured at fair value;

- Defined benefit plan assets

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

2.2 Principles of consolidation:

Subsidiaries

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of changes in equity respectively.

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

2.3 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to such business.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

Acquisition of an asset or a group of assets

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets under Ind AS 38, Intangible Assets) and liabilities assumed. The Purchase Consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill or gain on bargain purchase.

2.4 Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to purchase of property, plant and equipment whose primary condition is that the Group should purchase, construct or otherwise acquire property, plant and equipment are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

2.5 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, except that on adoption of Ind AS, property, plant and equipment had been measured at deemed cost, using the net carrying value as per previous GAAP as at April 01, 2015.

Capital work in progress in the course of construction for production, supply or administrative purposes is carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation on property, plant and equipment which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided on straight line basis using the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other property, plant and equipment in non-regulated business, depreciation is provided on a straight line basis over the estimated useful lives.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period in respect of property, plant and equipment of non-regulated business. The effect of any such change in estimate in this regard is accounted for on a prospective basis.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business	Franchisee business@	Other business
Buildings	1.80% to 6.00%	3.34%	1.58% to 31.67%
Railway siding	1.80% to 5.28%	-	-
Leasehold improvement	-	11.65% to 17.65%	-
Plant and machinery	1.80% to 9.31%	5.28%	3.60% to 12.66%
Electrical fittings and apparatus	5.28% to 19.00%	6.33%	6.33% to 9.50%
Furniture and fixtures	5.28% to 15.00%	6.33%	6.33% to 9.50%
Vehicles	9.50%	9.50%	9.50% to 11.88%
Office equipment	3.60% to 19.00%	5.28% to 15.00%	6.33% to 19.00%

@ governed by the applicable regulations of U. P. Electricity Regulatory Commission (UPERC) / Maharashtra Electricity Regulatory Commission (MERC) for this purpose.

2.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from its current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

2.7 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over its estimated useful life. The range of estimated useful lives of the intangible assets are as follows:

- Computer software – 3 years
- Customer Contracts – 15 to 21 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on a prospective basis.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.8 Impairment of assets:

Property, plant and equipment and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Borrowing costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the consolidated statement of profit and loss in the period of their accrual.

2.10 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques / drafts on hand, current account balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.11 Inventories:

Raw materials, fuel, stores and spares, packing materials, loose tools, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of inventories includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the weighted average basis except for inventory of Regasified Liquefied Natural Gas (RLNG) which is valued using specific identification method considering its procurement for beneficiary usage or others. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Revenue recognition:

Revenue is recognized, when the control of the goods or services has been transferred to consumers, net of discounts and other similar allowances.

(i) Revenue from power supply and transmission charges is accounted for in accordance with the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator. Revenue recognised includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff and adjustments in respect of unbilled amounts towards revenue gaps / unapproved FPPPA which are recognised considering applicable tariff regulations/ tariff orders, past trends of approval, management's probability estimate and, when no significant uncertainty exists in such determination. Revenue from power supply exclude taxes and duties.

These adjustments / accruals are carried forward as 'Unbilled revenue' under "Other current financial assets" in Note 19, which would be adjusted through future billing based on tariff determination by the regulator in accordance with the electricity regulations.

(ii) Sales of cables and trading of RLNG are recognised, net of returns and rebates, on transfer of control of ownership to the buyer. Sales exclude Goods and Services Tax.

(iii) Income from Generation Based Incentive is accounted on accrual basis considering eligibility of project for availing incentive.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

(iv) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

2.13 Foreign currency translation:

Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (₹) which is functional as well as presentation currency of the Group.

Transactions and balances

In preparing the financial statements of each individual Group entity transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange differences arising on foreign currency borrowings are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange differences arising on settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

2.14 Employee benefits:

Defined contribution plan

Contributions retirement benefit plans in the form of provident fund, employee state insurance scheme, pension scheme and superannuation schemes as per regulations are charged as an expense on an accrual basis when employees have rendered the service. The Group has no further payment obligations once the contributions have been paid.

Defined benefits plans

The liability or asset recognised in the consolidated balance sheet in respect of the retirement benefit plan i.e. gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.
The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the consolidated statement of profit and loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Advance taxes and provisions for current income taxes are offset with each other when there is a legally enforceable right to offset and balances arise with the same tax authority.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Provisions, contingent liabilities and contingent assets:

Provision

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

2.18 Financial instruments:

Financial assets

i) Classification of financial assets (including debt instruments)

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

iii) Subsequent measurement

There are three measurement categories into which the debt instruments can be classified:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains / (losses) in the period in which it arises. Net gains / (losses) from these financial assets is included in other income.

iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

The Group applies the Ind AS 109 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on days past due. The Group recognises expected loss rates in case of unbilled revenue after considering applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval.

v) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Group has not retained control over the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi) Income recognition

Dividend is accounted when the right to receive payment is established.

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest on overdue receivables of energy bills and claims including insurance claims, coal cost variation and other claims etc. are accounted as and when recovered.

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings.

i) Classification

All the Group's financial liabilities are measured at amortized cost.

ii) Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method.

The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability.

iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Contributed equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

2.20 Leases:

The Group as a lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components.

Lease liabilities:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 2: Significant Accounting Policies (Contd.)

The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets:

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and lease payments made before the commencement date.

Right-of-use assets are depreciated over the lease term on a straight-line basis. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the asset's lease term on a straight-line basis.

Short term leases and leases of low value assets:

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment including IT equipment.

2.21 Exceptional Items:

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items."

2.22 Amount presented and rounding off:

All amounts in the financial statements and notes have been presented in ₹ Crore (except for share data) rounded to two decimals as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Figures below ₹ 50,000 are denoted by '*'.

Note 3: Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the course of applying the policies outlined in all notes under note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

3.1 Revenue recognition:

The Group has recognised revenue (including the adjustment in respect of unapproved FPPPA claims and other true up adjustment claims) as per the applicable tariff regulations / tariff orders, management's probability estimate and the past trends of approval. The Group has not recognized those truing up adjustment claims which are disputed and for which the group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities. [Refer note 33 & 45]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 3: Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Contd.)

3.2 Property, plant and equipment:

i) Service concession arrangements

The Group has assessed applicability of Appendix D of Ind AS 115 "Service Concession Arrangements" with respect to its Property, plant and equipment. In assessing the applicability, the Group has exercised judgment in relation to the provisions of the Electricity Act, 2003, conditions provided under transmission and distribution license and / or agreements. Further, the Company has ability to pledged the assets pursuant to which it has control and ability to direct the use of assets. Based on such assessment, it has concluded that Appendix D of Ind AS 115 is not applicable.

ii) Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment. [Refer note 43(1)]

iii) Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations. Identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves, key assumptions like the discount rate and expected demand. [Refer note 42]

3.3 Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets for unused tax credits that can be recognised, based upon the likely timing and the level of future taxable profits. [Refer note 44(d)]

3.4 Contingencies:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management judgement is involved in classification under 'remote', 'possible' or 'probable' which is carried out based on expert advice, past judgements, experiences etc. [Refer note 46(a)]

3.5 Employee benefit plans:

Defined benefit plans and other long-term employee benefits

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates . Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining present value of defined benefit obligation are disclosed in note 48.2.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount						Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2021	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2022	As at April 01, 2021	For the year: Depreciation	For the year: Impairment	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Freehold land	441.74	46.31	30.98	4.85	-	514.18	-	-	-	-	-	514.18
Buildings	1,687.09	13.29	112.80	6.41	1.00	1,807.77	297.93	61.20	-	1.28	357.85	1,449.92
Lease hold improvement	-	-	0.58	-	3.47	4.05	-	0.67	-	-	0.67	3.38
Railway siding	1.86	-	-	-	-	1.86	0.30	0.05	-	-	0.35	1.51
Plant and machinery	22,458.33	918.32	1,115.10	58.97	1.66	24,434.44	7,360.29	1,226.45	1,300.00	27.61	9,859.13	14,575.31
Electrical fittings and apparatus	51.96	-	6.45	0.13	(2.76)	55.52	18.36	3.04	-	0.08	21.32	34.20
Furniture and fixtures	57.22	0.01	7.76	0.53	-	64.46	17.37	3.85	-	0.33	20.89	43.57
Vehicles	28.87	0.03	5.27	3.44	0.13	30.86	11.06	2.91	-	2.46	11.51	19.35
Office equipment	165.32	0.04	23.60	1.33	3.06	190.69	57.83	15.79	-	0.90	72.72	117.97
Total	**24,892.39**	**978.00**	**1,302.54**	**75.66**	**6.56**	**27,103.83**	**7,763.14**	**1,313.96**	**1,300.00**	**32.66**	**10,344.44**	**16,759.39**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 4: Property, Plant and Equipment (Contd.)

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation and impairment loss					Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	Adjustments	As at March 31, 2021	As at April 01, 2020	For the year		Deductions during the year	As at March 31, 2021	As at March 31, 2021
							Depreciation	Impairment			
Freehold land	441.74	-	-	-	441.74	-	-	-	-	-	441.74
Buildings	1,545.97	118.33	0.09	22.88	1,687.09	241.51	56.44	-	0.02	297.93	1,389.16
Railway siding	1.86	-	-	-	1.86	0.25	0.05	-	-	0.30	1.56
Plant and machinery	21,631.97	860.13	27.30	(6.47)	22,458.33	6,191.44	1,181.22	-	12.37	7,360.29	15,098.04
Electrical fittings and apparatus	43.32	8.60	0.28	0.32	51.96	15.27	3.21	-	0.12	18.36	33.60
Furniture and fixtures	48.53	8.77	0.12	0.04	57.22	14.08	3.37	-	0.08	17.37	39.85
Vehicles	27.55	2.60	1.28	-	28.87	9.30	2.59	-	0.83	11.06	17.81
Office equipment	142.37	23.39	0.69	0.25	165.32	45.09	13.19	-	0.45	57.83	107.49
Total	**23,883.31**	**1,021.82**	**29.76**	**17.02**	**24,892.39**	**6,516.94**	**1,260.07**	**-**	**13.87**	**7,763.14**	**17,129.25**

Footnotes:

1. The above property, plant and equipment have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2. Capital commitment:

   Refer note 46 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
3. Adjustments during the year include capitalisation of borrowing costs of ₹ 7.17 Crore (Previous year - ₹ 15.99 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs” and ₹ 0.61 Crore pertaining to reversal of security deposit (Previous year - ₹ 1.03 Crore pertaining to reversal of Goods and Services Tax Credit).
4. The weighted average rate for capitalisation of borrowing cost relating to general borrowing is in the range of 7.27% p.a. to 7.30% p.a. (Previous year 7.81% p.a. to 7.95% p.a.).
5. Additions to plant and machinery includes capitalisation of directly attributable costs incurred by the Group under various headings.
6. Refer note 43(1) for impairment loss in respect of DGEN power plant
7. The closing balance of accumulated depreciation and impairment consist impairment loss of ₹ 2,314.07 Crore (March 31, 2021 - ₹ 1,014.07 Crore).
8. The Group have not revalued its property, plant and equipment during the current or previous year.
9. Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a fellow subsidiary are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at March 31, 2022	As at March 31, 2021
Freehold land	50%	23.78	23.78
Freehold land	70%	83.16	83.16
Building	70%	3.04	3.04

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 5: Right-Of-Use Assets

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01, 2021	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Land	171.94	1.98	36.21	-	210.13	13.79	7.67	-	21.46	188.67
Buildings	27.70	-	10.77	2.43	36.04	7.84	4.40	1.88	10.36	25.68
Plant and machinery	0.38	-	-	-	0.38	0.10	0.05	-	0.15	0.23
Office equipment	0.14	-	-	-	0.14	0.08	0.04	-	0.12	0.12
Total	**200.16**	**1.98**	**46.98**	**2.43**	**246.69**	**21.81**	**12.16**	**1.88**	**32.09**	**214.60**

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Land	170.11	1.83	-	171.94	6.85	6.94	-	13.79	158.15
Buildings	27.70	-	-	27.70	3.45	4.39	-	7.84	19.86
Plant and machinery	0.38	-	-	0.38	0.05	0.05	-	0.10	0.28
Office equipment	0.14	-	-	0.14	0.04	0.04	-	0.08	0.06
Total	**198.33**	**1.83**	**-**	**200.16**	**10.39**	**11.42**	**-**	**21.81**	**178.35**

Footnotes:

1. The above right-of-use assets have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2. Refer note 47 for disclosure relating to right-of-use asset.
3. The Group have not revalued its right-of-use assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 6: Capital Work-In-Progress

As at March 31, 2022

(₹ in Crore)

Particulars	As at April 01, 2021	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2022
Capital work-in-progress	837.73	1,639.16	1,181.30	1.68	1,297.27
Total	**837.73**	**1,639.16**	**1,181.30**	**1.68**	**1,297.27**

As at March 31, 2021

(₹ in Crore)

Particulars	As at April 01, 2020	Additions during the year	Capitalised during the year	Adjustment	As at March 31, 2021
Capital work-in-progress	567.40	1,239.03	968.70	-	837.73
Total	**567.40**	**1,239.03**	**968.70**	**-**	**837.73**

Footnotes:

1. The above Capital work-in-progress have been mortgaged and hypothecated to secure borrowings of the Company [Refer note 23].
2. Capital work-in-progress include borrowing costs of ₹ 35.81 Crore (March 31, 2021 - ₹ 12.37 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 “Borrowing Costs”.
3. Adjustment during the year includes ₹ 0.43 Crore write off and ₹ 2.11 Crore for reversal of inpairment provision.
4. Refer note 58 for ageing schedule for capital work-in-progress.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 7: Intangible Assets

As at March 31, 2022

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at April 01,2021	Additions on acquisition of subsidiaries [Refer note 42]	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022
Computer software	56.52	0.02	10.65	0.97	66.22	38.08	10.04	0.92	47.20	19.02
Customer contract	-	104.85	-	-	104.85	-	0.58	-	0.58	104.27
Total	**56.52**	**104.87**	**10.65**	**0.97**	**171.07**	**38.08**	**10.62**	**0.92**	**47.78**	**123.29**

As at March 31, 2021

(₹ in Crore)

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
Computer software	42.31	14.21	-	56.52	27.33	10.75	-	38.08	18.44
Total	**42.31**	**14.21**	**-**	**56.52**	**27.33**	**10.75**	**-**	**38.08**	**18.44**

Footnotes:

1. The above computer software has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries [Refer note 23].
2. The Group have not revalued its intangible assets during the current or previous year.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 8: Non-Current Investments

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Investment in non-convertible debentures (unquoted) (at amortised cost)		
Wind Two Renergy Private Limited Zero coupon secured, redeemable with premium non-convertible debentures of ₹ 1,00,000 each (No. of debentures - March 31, 2022: 9,070, March 31, 2021: 9,070)	116.89	110.18
	116.89	**110.18**
Investment in equity instruments (unquoted) (at fair value through profit or loss)		
AEC Cements & Constructions Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 9,61,500, March 31, 2021: 9,61,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.61 Cr, Impairment in value of investment - ₹ 0.61 Cr)	-	-
Tidong Hydro Power Limited Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 24,500, March 31, 2021: 24,500) (As at March 31, 2022 & March 31, 2021 Gross investment - ₹ 0.02 Cr, Impairment in value of investment - ₹ 0.02 Cr)	-	-
UNM Foundation (Formerly known as Tornascent Care Institute) @ # Equity shares of ₹ 10 each fully paid up (No. of shares - March 31, 2022: 50,000, March 31, 2021: 50,000)	0.05	0.05
	0.05	**0.05**
Contingency reserve investments - statutory (quoted) (at amortised cost) $		
8.28% GOI Bond - 2032	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32
8.40% GOI Bond - 2024	1.63	1.63
6.68% GOI Bond - 2031	1.69	1.69
7.37% GOI Bond - 2023	1.93	1.93
7.57% GOI Bond - 2033	1.92	1.92
7.73% GOI Bond - 2034	1.86	1.86
9.20% GOI Bond - 2030	1.91	-
	15.88	**13.97**
	132.82	**124.2**
Aggregate amount of quoted investments	15.88	13.97
Aggregate amount of unquoted investments	116.94	110.23
	132.82	**124.20**
Aggregate amount of provision for impairment in value of investments	0.63	0.63
Aggregate amount of market value of quoted investments	16.30	14.85

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 company, i.e UNM Foundation (Formerly known as Tornascent Care Institute), under the Companies Act, 2013 for the purpose of carrying out charitable activities.

The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.

$ Investment in Government of India bonds have been made in terms of Gujarat Electricity Regulatory Commission (GERC) Multi-Year Tariff (MYT) Regulations, which can be utilised only for the purposes mentioned therein. [Refer note 22 - Contingency reserve]

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 9: Non-Current Loans

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Loans to related parties (including interest accrued) [Refer note 54(d)]	121.87	155.70
	121.87	**155.70**

Note 10: Other Non-Current Financial Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Security deposits	20.36	18.61
Inter-corporate deposits #	80.00	53.54
Bank fixed deposits	1.02	3.59
Other advances	0.17	0.09
	101.55	**75.83**

a lien has been created in favour of lenders

Note 11: Non-Current Tax Assets

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Advance income tax (net)	10.56	12.83
	10.56	**12.83**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 12: Other Non-Current Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Capital advances	230.78	103.89
Advances for goods and services	133.59	148.85
Balances with government authorities	62.25	62.97
Prepaid expenses	18.85	21.77
Advance against equity investment [Refer footnote 1]	555.00	-
	1,000.47	**337.48**

Footnote:

1. The Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu (the "Holding Entity") has issued a Letter of Intent ('LOI') dated February 07, 2022 to the Company as a successful bidder , pursuant to its Bid, to purchase 51 % shares in Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (the "Distribution company"), (a company incorporated for holding assets of the Electricity Department, Daman and Diu and DNH Power Distribution Corporation Limited (DNH PDCL) related to electricity distribution business), which shall be responsible for distribution and retail supply of electricity and shall hold distribution license in the Union Territory of Dadra and Nagar Haveli and Daman and Diu.

   On March 15, 2022, the Company entered into a Share Purchase Agreement (SPA) and Shareholders Agreement (SHA) with the Holding Entity and the Distribution company for purchase of 51% shares of the Distribution company from the Holding Entity.

   Basis the Share Purchase Agreement read with The Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 (the "transfer scheme"), the effective date of transfer has been notified by the UT Administrator, Union Territory of Dadra and Nagar Haveli and Daman and Diu as April 1, 2022 for the purpose of implementing the transfer scheme.

   As per the transfer scheme, the electricity distribution and retail supply undertakings of the Electricity Department and DNH PDCL including the assets, proceedings and liabilities shall stand transferred to and vested in the distribution company, thereby acquiring control of the electricity distribution business, with effect from the notified transfer date i.e., April 1, 2022. The decisions over the relevant activities of the electricity distribution business shall continue to be taken by the Electricity Department and DNH PDCL until March 31, 2022.

   Accordingly, the amount of purchase consideration transferred for acquiring the shares of the distribution company has been shown as "Advance against equity investment" as at March 31, 2022 in the consolidated financial statements.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 13: Inventories

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Stores and spares	272.98	228.31
Fuel	166.69	158.00
Raw materials	56.44	36.23
Work-in-progress	9.96	6.36
Finished goods	26.33	18.09
Packing materials	2.37	1.17
Loose tools	2.80	2.19
	537.57	**450.35**

Footnote:

1. The cost of stores and spares inventories recognised as an expense includes ₹ 1.36 Crore (Previous year - ₹ 3.73 Crore) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories.
2. The above carrying amount of inventories has been mortgaged and hypothecated to secure borrowings of the Company and certain subsidiaries.
3. The above carrying amount includes goods in transit as under:

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Stores and spares	-	0.57
Fuel	8.93	2.49
Raw materials	3.92	-
Finished goods	10.57	-
	23.42	**3.06**

Note 14: Current Investments

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (unquoted)	273.70	341.58
	273.70	**341.58**
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	273.70	341.58
	273.70	**341.58**
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of market value of quoted investments	-	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 15: Trade Receivables

(₹ in Crore)

		As at March 31, 2022	As at March 31, 2021
Trade receivables			
Secured	- Considered good #	575.68	557.28
Unsecured	- Considered good	1,027.02	863.01
	- Credit impaired	217.71	250.42
		1,820.41	**1,670.71**
Less: Allowance for bad and doubtful debts		217.71	250.42
		1,602.70	**1,420.29**

Group holds security deposits in respect of electricity receivables.

Footnotes:

1. Refer note 55 for credit risk related disclosures.
2. Refer note 23 for charge on current assets including trade receivables.
3. Refer note 59 for ageing schedule of trade receivables.

Note 16: Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Balance in current accounts	288.10	104.92
Balance in fixed deposit accounts (original maturity of less than three months)	0.05	-
	288.15	**104.92**
Cheques on hand	0.79	0.58
Cash on hand	0.47	1.78
	289.41	**107.28**

Note 17: Bank Balances Other than Cash and Cash Equivalents

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Unpaid dividend accounts	10.55	10.09
Unpaid fractional coupon accounts	0.35	0.35
Balance in fixed deposit accounts (maturity of more than three months but less than twelve months)	52.03	84.70
	62.93	**95.14**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 18: Current Loans

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Loans to related parties [Refer note 54(d)]	19.90	-
	19.90	**-**

Note 19: Other Current Financial Assets

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Security deposits	56.27	30.61
Inter-corporate deposits #	186.84	326.70
Interest accrued on non-current investments	0.24	0.24
Interest accrued on deposits	6.68	7.78
Unbilled revenue (including revenue gap / surplus) [Refer note 45(a)]	1,917.89	1,677.46
	2,167.92	**2,042.79**
Other advances / receivables		
Considered good	130.89	110.62
Considered credit impaired	6.06	6.06
	136.95	**116.68**
Less : Allowance for doubtful advances	6.06	6.06
	130.89	**110.62**
	2,298.81	**2,153.41**

includes ₹ 86.84 Crore (March 31, 2021 - ₹ 123.20 Crore) on which a lien has been created in favour of lenders

Note 20: Other Current Assets

Unsecured (considered good)

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Advances for goods and services	93.71	42.47
Balances with government authorities	6.93	0.94
Prepaid expenses	40.10	32.95
	140.74	**76.36**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 21: Equity Share Capital

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Authorised		
4,37,00,00,000 (4,37,00,00,000 as at March 31, 2021) equity shares of ₹10 each	4,370.00	4,370.00
	4,370.00	**4,370.00**
Issued, subscribed and paid up		
48,06,16,784 (48,06,16,784 as at March 31, 2021) equity shares of ₹10 each	480.62	480.62
	480.62	**480.62**

Footnotes:

1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	No. of shares As at March 31, 2022	No. of shares As at March 31, 2021
At the beginning of the year	48,06,16,784	48,06,16,784
Issued during the year	-	-
Outstanding at the end of the year	**48,06,16,784**	**48,06,16,784**

2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at March 31, 2021) of ₹10 each fully paid up are held by the Parent Company - Torrent Investments Private Limited (Formerly known as Torrent Private Limited).

3. Terms / Rights attached to equity shares :

   The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

   In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4. Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	25,74,22,311	53.56%
Gujarat State Financial Services Limited	4,68,71,621	9.75%	4,68,71,621	9.75%
Axis Mutual Fund Trustee Limited	4,08,34,428	8.50%	3,75,81,431	7.82%

5. Details of shareholding of Promoters in the Company :

Promoter name	Shares held by promoters at the end of the year					
	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
Torrent Investments Private Limited (Formerly known as Torrent Private Limited)	25,74,22,311	53.56%	-	25,74,22,311	53.56%	-
Sudhir Mehta	6,882	0.00%	-	6,882	0.00%	-
Samir Mehta	6,125	0.00%	-	6,125	0.00%	-
Jinal Mehta	8,000	0.00%	-	8,000	0.00%	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 21: Equity Share Capital (Contd.)

6. Distributions made:

   Interim dividend for FY 2021-22 of ₹ 9.00 per equity share (Previous year - ₹ 5.50 per equity share) aggregating to ₹ 432.56 Crore (Previous year - ₹ 264.34 Crore) was paid in March, 2022. The Board of Directors has not considered any further dividends for FY 2021-22. Accordingly, payment of interim dividend will be considered as final dividend for FY 2021-22.

Note 22: Other Equity

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Securities premium	0.03	0.03
Debenture redemption reserve	139.60	187.26
Contingency reserve	15.37	13.46
Special reserve	78.07	78.07
General reserve	3,583.89	3,583.89
Retained earnings	5,645.60	5,840.91
	9,462.56	**9,703.62**

Footnote:

1. Securities premium:

   Securities premium reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised in accordance with the provisions of the Act.

2. Debenture redemption reserve:

   The Company was required to create a Debenture Redemption Reserve (DRR) out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company is not required to create DRR. Accordingly, the Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

3. Contingency reserve:

   As per the provisions of GERC MYT Regulations read with Tariff orders passed by GERC, the Company being a Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India have been made against such reserve.

4. Special reserve:

   As per MYT Regulations (2007), the Company has created a reserve in FY 2011-12 and FY 2012-13, which represents one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

5. General reserve:

   General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

6. Retained earnings:

   The retained earnings reflect the profit of the Group earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Non-current borrowings		
Secured loans - at amortised cost		
Non convertible debentures &		
10.35% Series 1	-	183.37
10.35% Series 2A, 2B & 2C	-	100.00
8.95% Series 3A, 3B & 3C	80.00	165.00
7.65% Series 5	-	100.00
7.30% Series 6	300.00	300.00
6.50%,6.90%,7.25% Series 7A, 7B & 7C	248.05	-
	628.05	**848.37**
Term loans @		
From banks	5,659.78	4,945.31
	5,659.78	**4,945.31**
Supplier's credit	25.22	-
	6,313.05	**5,793.68**
Unsecured loans - at amortised cost		
Non convertible debentures #		
10.25% Series 4A, 4B & 4C	179.93	269.65
7.00% Series 1 (In respect of Jodhpur Wind Farms Private Limited)	298.50	297.94
7.00% Series 1 (In respect of Latur Renewable Private Limited)	298.50	297.92
	776.93	**865.51**
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	9.17	12.99
	9.17	**12.99**
	786.10	**878.50**
	7,099.15	**6,672.18**

@ After considering unamortised expense of ₹ 19.63 Crore as at March 31, 2022 and ₹ 20.37 Crore as at March 31, 2021.
& After considering unamortised expense of ₹ 1.95 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.
# After considering unamortised expense of ₹ 3.07 Crore as at March 31, 2022 and ₹ 4.49 Crore as at March 31, 2021.

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Current maturities		
Secured loans - at amortised cost		
Non convertible debentures		
10.35% Series 1	183.37	183.32
10.35% Series 2A, 2B & 2C	100.00	100.00
8.95% Series 3A, 3B & 3C	85.00	80.00
7.65% Series 5	100.00	-
	468.37	**363.32**
Term loans $		
From banks	719.96	741.23
	719.96	**741.23**
Unsecured loans - at amortised cost		
Non convertible debentures		
10.25% Series 4A, 4B & 4C^	89.88	-
	89.88	-
Term loans		
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82
	3.82	**3.82**
	1,282.03	**1,108.37**
Amount disclosed under the head 'Current borrowings' [Refer note 27]	**(1,282.03)**	**(1,108.37)**
	-	**-**

$ After considering unamortised expense of ₹ 7.7 Crore as at March 31, 2022 and ₹ 3.09 Crore as at March 31, 2021.
^ After considering unamortised expense of ₹ 0.12 Crore as at March 31, 2022 and ₹ Nil Crore as at March 31, 2021.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings (Contd.)

Footnote:

1. Nature of security
   - (i) The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹ 5,806.91 Crore and non convertible debentures of ₹ 1,098.37 Crore along with lenders of cash credits and non-fund based credit facilities. (except assets detailed in (i), (ii) & (iii) below which are not provided as security to NCD holders / term loan lender as mentioned therein)
     - (i) Assets not given as security to non convertible debenture holders of Series no. 5
       - a. immovable assets, movable fixed assets and debt service reserve accounts pertaining to the Renewable Projects;
       - b. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.
     - (ii) Assets not given as security to non convertible debenture holders of Series no. 6 & 7
       - a. immovable and movable assets of Renewable Projects;
       - b. debt service reserve accounts maintained for the benefit of lenders of term loans;
       - c. investments / deposits made out of Non-Convertible Debenture Reserve;
       - d. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch;
       - e. non-agricultural plot of land at village Kamatghar, Taluka Bhiwandi, District Thane bearing survey no.119, Hissa no. 2/3 along with building thereon;
       - f. immovable property located at no. 2, Dharam Marg, Chanakya Puri, New Delhi.
     - (iii) Assets not given as security to lender of ₹ 250.00 Crore term loan availed in March 2022
       - a. immovable assets of Renewable Projects;
       - b. leasehold land bearing plot nos. B15 to B28 situated in the Atali Industrial Estate in Taluka Vagra, District Bharuch.
   - (ii) Torrent Power Grid Limited:

     Term loan ₹ 5.20 Crore 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, charge over all the rights, titles in the Project Documents of subsidiary company, Torrent Power Grid Limited (TPGL). Term loan is also secured by pledge of 30% of equity shares issued by TPGL, held by the Company.
   - (iii) Torrent Solargen Limited:

     Capex LC facility (utilised by ₹ 25.22 Crore as at March 31, 2022) is secured by way of hypothecation of all the project assets, project receivables and project accounts.

     Project means ~115 MW of wind power project being implemented in Gujarat by Torrent Solargen Limited, subsidiary of the Company.
   - (iv) Surya Vidyut Limited:

     Term loans ₹ 415.03 Crore are secured by an exclusive charge (i) by way of mortgage / hypothecation in respect of the fixed assets including its land, building, plant & machinery, etc. of subsidiary company, Surya Vidyut Limited (SVL) , (ii) by way of hypothecation of movable assets and current assets, rights under the project documents of SVL and (iii) pledge of 5.60% of equity shares issued by SVL, held by the Company (to be pledged).
   - (v) LREHL Renewables India SPV1 Private Limited:

     Term loan ₹ 179.93 Crore is secured way of charge on (i) entire immovable properties, movable properties including current assets, intangible assets, accounts and rights under the project documents of the subsidiary company LREHL Renewables India SPV1 Private Limited (LREHL) and (ii) Pledge of 100% of equity shares and CCDs issued by LREHL, held by the Company.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 23: Non-Current Borrowings (Contd.)

2. The future annual repayment obligations on principal amount for the above long-term borrowings are as under:-.

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Others
2022-23	731.48	558.37	-
2023-24	420.52	670.00	-
2024-25	524.12	375.00	25.22
2025-26	691.13	280.00	-
2026-27	802.93	85.00	-
2027-28	675.97	-	-
2028-29	666.42	-	-
2029-30	715.98	-	-
2030-31	562.24	-	-
2031-32	374.80	-	-
2032-33	254.47	-	-

3. Undrawn term loans from banks, based on approved facilities, were ₹ 674.78 Crore as at March 31, 2022.
4. During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Note 24: Non-Current Trade Payables

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues other than micro and small enterprises	150.46	116.11
	150.46	**116.11**

Note 25: Other Non-Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Payables for purchase of property, plant and equipment	-	0.04
Sundry payables	0.33	1.13
	0.33	**1.17**

Note 26: Other Non-Current Liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	1,192.34	1,088.64
Capital grant from government [Refer note 57(b)]	14.03	16.39
Sundry payables	55.30	55.31
	1,261.67	**1,160.34**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 27: Current Borrowings

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Secured loans		
Working capital loan from banks	350.00	-
Overdraft from banks	2.74	-
	352.74	-
Unsecured loans		
Commercial paper	350.00	-
Other loans	14.50	-
	364.50	-
Current maturities of long-term debt [Refer note 23]	1,282.03	1,108.37
	1,999.27	**1,108.37**

Footnote:

1. The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.
2. Undrawn cash credit from banks, based on approved facilities, were ₹ 460.00 Crore as at March 31, 2022.
3. During the year, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

Net debt reconciliation:

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	289.41	107.28
Current investments	273.70	341.58
Current borrowings (excluding current maturities of long-term debt)	(717.24)	-
Non-current borrowings (including current maturities of long-term debt and interest accrued but not due)	(8,531.52)	(7,887.70)
Lease Liabilities	(44.21)	(36.01)
	(8,729.86)	**(7,474.85)**

	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Current investments	Current borrowings	Non-current borrowings	Lease liabilities	
Net balance as at April 01, 2020	**91.16**	**607.59**	**(3.28)**	**(9,002.72)**	**(37.96)**	**(8,345.21)**
Cash flows	16.12	(288.11)	3.28	1,089.41	7.10	827.80
New lease	-	-	-	-	(1.83)	(1.83)
Interest expense	-	-	(9.90)	(699.43)	(3.32)	(712.65)
Interest paid	-	-	9.90	725.04	-	734.94
Gain on sale of current investments	-	19.35	-	-	-	19.35
Fair value adjustment	-	2.75	-	-	-	2.75
Net balance as at March 31, 2021	**107.28**	**341.58**	**-**	**(7,887.70)**	**(36.01)**	**(7,474.85)**
Cash flows	182.13	(102.03)	(693.22)	(0.32)	44.35	(569.09)
New lease	-	-	-	-	(46.98)	(46.98)
Interest expense	-	-	(2.26)	(578.21)	(3.59)	(584.06)
Interest paid	-	-	2.26	539.54		541.80
Gain on sale of current investments	-	27.84	-	-	-	27.84
Fair value adjustment	-	(2.20)	-	-	-	(2.20)
On account of acquisition of subsidiaries	-	8.51	(24.02)	(604.83)	(1.98)	(622.32)
Net balance as at March 31, 2022	**289.41**	**273.70**	**(717.24)**	**(8,531.52)**	**(44.21)**	**(8,729.86)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 28: Current Trade Payables

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Trade payables for goods and services		
Total outstanding dues of micro and small enterprises #	54.02	38.17
Total outstanding dues other than micro and small enterprises	1,057.11	936.62
	1,111.13	**974.79**

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

Note 29: Other Current Financial Liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on loans and security deposits	117.87	79.20
Investor education and protection fund #		
Unpaid / Unclaimed dividend	10.55	10.09
Unclaimed fractional coupons	0.35	0.35
Book overdraft	1.30	7.81
Security deposits from consumers @	1,328.02	1,221.06
Other deposits	5.13	3.39
Payables for purchase of property, plant and equipment^	395.89	331.16
Sundry payables (including for employees related payables)	162.40	146.71
	2,021.51	**1,799.77**

\# There is no amount due and outstanding to be credited to investor education and protection fund as at March 31, 2022.

@ Security deposits from consumers in the Group's business, which is in the nature of utility, are generally not repayable within a period of twelve months based on historical experience.

^ including dues to micro and small enterprises for ₹ 12.53 Crore (March 31, 2021 - ₹ 7.91 Crore)

Note 30: Other Current Liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Credit balances of consumers [Refer note 45(d)]	105.17	85.71
Service line deposits from consumers [Refer note 45(c)]	207.13	189.85
Deferred revenue		
Contribution received from consumers [Refer note 45(b)]	92.15	83.26
Capital grant from government [Refer note 57(b)]	2.37	2.46
Statutory dues	205.22	172.98
Sundry payables ^	1.52	7.76
	613.56	**542.02**

^ including dues to micro and small enterprises for ₹ 0.02 Crore

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 31: Current Provisions

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for gratuity [Refer note 48.2(d)]	14.02	12.25
Provision for compensated absences $	124.52	132.00
	138.54	**144.25**
Other provisions		
Provision for indirect taxes	0.25	0.25
Provision for onerous contracts [Refer note 56]	135.76	190.80
	136.01	**191.05**
	274.55	**335.30**

$ Provision for compensated absences is disclosed under current provision as the Group does not have an unconditional right to defer settlement for at least twelve months however these are generally not repayable within a period of twelve months based on historical experience.

Movement in provision for indirect taxes:		
Opening balance as on April 01	0.25	0.10
Additional provision recognised	-	0.15
Closing balance as on March 31	**0.25**	**0.25**
Movement in Provision for onerous contracts:		
Opening balance as on April 01	190.80	189.78
Additional provision recognised	0.53	1.02
Reversal of provision	(55.07)	-
Amount utilised during the year	(0.50)	-
Closing balance as on March 31	**135.76**	**190.80**

Note 32: Current Tax Liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net of tax paid)	122.54	44.55
	122.54	44.55

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 33: Revenue from Operations

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Revenue from contracts with customers [Refer footnotes below]		
Revenue from power supply	13,238.39	11,772.45
Revenue from sale of cable products		
Manufactured goods	289.72	149.54
Revenue from trading of RLNG	547.94	112.48
	14,076.05	**12,034.47**
Less: Discount for prompt payment of bills	20.79	17.73
	14,055.26	**12,016.74**
Other operating income		
Provisions of earlier years written back	1.04	2.47
Amortisation of deferred revenue		
Contribution received from consumers [Refer note 45(b)(2)] #	87.82	79.90
Capital grant from government [Refer note 57(b)]	2.45	2.72
Income from Generation Based Incentive	24.98	22.53
Insurance claim receipt	0.14	0.34
Miscellaneous income	85.92	47.96
	202.35	**155.92**
	14,257.61	**12,172.66**

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

Footnote:

1. Disclosure given above presents disaggregated revenue from contracts with customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.
2. Timing of revenue recognition (from contract with customers) : Revenue from power supply is recognised over a period of time.
3. Revenue from operations for the previous year ended March 31, 2021 includes ₹ 250.62 Crore on account of favourable orders received from the Appellate Tribunal for Electricity in respect of disputed Revenue Gap related to carrying costs of earlier years.

Note 34: Other Income

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Interest income from financial assets at amortised cost		
Deposits	16.66	28.38
Consumers	36.49	36.40
Contingency reserve investments	1.15	1.01
Loans to related parties [Refer note 54(b)]	11.09	13.02
Others	1.23	0.85
	66.62	**79.66**
Gain on disposal of property, plant and equipment	30.05	3.56
Gain on sale of current investments in mutual funds	27.84	19.35
Net gain arising on financial assets / liabilities measured at amortised cost	28.93	11.39
Net gain / (loss) arising on current investments in mutual funds measured at fair value through profit or loss	(2.20)	2.75
Net gain on foreign currency transactions and translations	5.46	0.22
Miscellaneous income [Refer footnote 1]	78.34	24.88
	235.04	**141.81**

Footnote:

1. 1 Pursuant to settlement agreement with EPC contractor, the Subsidiary Company has received compensation claim of ₹ 33.50 Crore from EPC contractor in respect of revenue loss due to delays and disputes / claims / disagreements relating to energy yielding Report.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 35: Cost of Materials Consumed

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Cost of materials consumed	394.04	190.47
Less: Allocated to capital works	131.40	86.26
	262.64	**104.21**

Note 36: Changes in Inventories of Finished Goods and Work-In-Progress

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Inventory of finished goods		
Opening stock	18.09	23.13
Less: Closing stock	26.33	18.09
	(8.24)	**5.04**
Inventory of work-in-progress		
Opening stock	6.36	7.37
Less: Closing stock	9.96	6.36
	(3.60)	**1.01**
Less: Allocated to capital works	(0.73)	(2.81)
	(11.11)	**8.86**

Note 37: Employee Benefits Expense

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Salaries, wages and bonus	640.03	610.60
Contribution to provident and other funds [Refer note 48.1]	45.02	42.67
Employees welfare expenses	30.56	26.26
Compensated absences	14.29	19.31
Gratuity [Refer note 48.2(e)(3)]	19.01	19.96
	748.91	**718.80**
Less: Allocated to capital works, repairs and other relevant revenue accounts #	215.37	179.86
	533.54	**538.94**

includes allocated to capital works of ₹ 117.34 Crore (previous year ₹ 84.6 Crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 38: Finance Costs

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Interest expense for financial liabilities classified as amortised cost		
Term loans	414.15	532.28
Non convertible debentures	164.06	167.15
Working capital loans	2.26	9.90
Security deposits from consumers	51.81	53.14
Lease liabilities	3.59	3.32
Others	3.56	2.42
Other borrowing costs	14.29	10.42
Amortisation of borrowing costs	5.10	10.51
Unwinding of discount	-	3.40
	658.82	**792.54**
Less: Allocated to capital works	30.61	16.81
	628.21	**775.73**

Note 39: Depreciation and Amortisation Expense

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Depreciation expense on property, plant and equipment	1,313.96	1,260.07
Depreciation expense on right-of-use assets	12.16	11.42
Amortisation expense on intangible assets	10.62	10.75
	1,336.74	**1,282.24**
Less: Transfer from others	0.10	0.10
Less: Allocated to capital works	2.78	2.59
	1,333.86	**1,279.55**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 40: Other Expenses

(₹ in Crore)

	year ended March 31, 2022	year ended March 31, 2021
Consumption of stores and spares	236.76	195.91
Rent and hire charges	17.55	15.07
Repairs to		
Buildings	13.29	8.03
Plant and machinery	421.89	359.81
Others	21.96	17.84
	457.14	**385.68**
Insurance	46.46	36.03
Rates and taxes	14.06	11.68
Vehicle running expenses	40.84	37.28
Electricity expenses	30.06	27.38
Security expenses	49.87	42.76
Water charges	22.59	18.35
Power transmission and scheduling charges	13.08	34.36
Corporate social responsibility expenses	29.33	34.32
Loss on sale / discarding of property, plant and equipment and capital work-in-progress	23.66	12.03
Commission to non-executive directors [Refer note 54(b)]	2.97	8.42
Directors sitting fees	0.91	0.73
Auditors remuneration [Refer note 49]	2.20	2.13
Legal, professional and consultancy fees	48.83	34.44
Donations [Refer note 50]	58.30	36.55
Net loss on foreign currency transactions	0.12	10.71
Bad debts written off (net)	46.83	54.55
Reversal of provision for onerous contracts [Refer note 56]	(55.07)	-
Provision for onerous contracts [Refer note 56]	0.53	1.02
Allowance for doubtful debts (net of recovery)	(32.71)	14.62
Miscellaneous expenses	104.88	94.19
	1,159.19	**1,108.21**
Less: Allocated to capital works, repairs and other relevant revenue accounts ^	103.43	69.95
	1,055.76	**1,038.26**

^ includes allocated to capital works of ₹ 9.75 crore (previous year ₹ 9.82 crore)

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group

(a) Subsidiaries

(1) Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2022	As at March 31, 2021
Torrent Solargen Limited	Power Generation	India	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%
Latur Renewable Private Limited	Power Generation	India	100%	100%
Jodhpur Wind Farms Private Limited	Power Generation	India	100%	100%
TCL Cables Private Limited	Manufacturing of Cables	India	100%	100%
Torrent Solar Power Private Limited (w.e.f. July 28, 2020)	Power Generation	India	100%	100%
Torrent Saurya Urja 2 Private Limited (w.e.f. February 05, 2021)	Power Generation	India	100%	100%
Torrent Saurya Urja 3 Private Limited (w.e.f. February 17, 2021)	Power Generation	India	100%	100%
Torrent Saurya Urja 4 Private Limited (w.e.f. July 20, 2021)	Power Generation	India	100%	NA
Torrent Saurya Urja 5 Private Limited (w.e.f. July 16, 2021)	Power Generation	India	100%	NA
Visual Percept Solar Projects Private Limited (w.e.f. February 15, 2022)	Power Generation	India	100%	NA
Surya Vidyut Limited (w.e.f. March 11, 2022)	Power Generation	India	100%	NA
LREHL Renewables India SPV 1 Private Limited (w.e.f. March 25, 2022)	Power Generation	India	100%	NA

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group (Contd.)

(2) Disclosure of additional information pertaining to the Parent Company and its Subsidiaries as per Schedule III of Companies Act, 2013 as at and for the year ended March 31, 2022:

Name of the entity in the Group	Consolidated share in net assets i.e total assets minus total liabilities		Consolidated share in profit or loss		Consolidated share in other comprehensive income		Consolidated share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore	As % of consolidated other comprehensive income	Amount (₹ in Crore)	As % of consolidated total comprehensive income	Amount (₹ in Crore)
Torrent Power Limited - Parent Companyw	99.87%	9,966.02	89.32%	409.71	106.48%	1.97	89.39%	411.68
Torrent Solargen Limited	0.18%	17.99	7.47%	34.26	-	-	7.44%	34.26
Torrent Pipavav Generation Limited	0.30%	29.95	(0.35%)	(1.59)	-	-	(0.35%)	(1.59)
Torrent Power Grid Limited	0.98%	97.67	2.98%	13.66	-	-	2.97%	13.66
Latur Renewable Private Limited	1.22%	121.83	2.45%	11.23	-	-	2.44%	11.23
Jodhpur Wind Farms Private Limited	1.21%	120.96	2.39%	10.94	-	-	2.38%	10.94
TCL Cables Private Limited	0.07%	6.56	(4.20%)	(19.28)	(3.24%)	(0.06)	(4.20%)	(19.34)
Torrent Solar Power Private Limited	(0.01%)	(0.63)	(0.15%)	(0.67)	-	-	(0.15%)	(0.67)
Torrent Saurya Urja 2 Private Limited	0.00%	(0.43)	(0.10%)	(0.47)	-	-	(0.10%)	(0.47)
Torrent Saurya Urja 3 Private Limited	0.00%	0.02	0.00%	(0.02)	-	-	0.00%	(0.02)
Torrent Saurya Urja 4 Private Ltd.	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Torrent Saurya Urja 5 Private Ltd.	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Visual Percept Solar Projects Private Limited	1.67%	166.51	0.66%	3.03	(3.24%)	(0.06)	0.64%	2.97
Surya Vidyut Limited	3.29%	327.84	4.09%	18.81	-	-	4.08%	18.81
LREHL Renewables India SPV 1 Private Limited	0.25%	24.72	-	-	-	-	0.00%	-
Non-controlling interests	0.36%	35.93	1.03%	4.72	-	-	1.02%	4.72
Consolidation adjustments	(9.39%)	(935.91)	(5.59%)	(25.61)	-	-	(5.56%)	(25.61)
Total	**100.00%**	**9,979.11**	**100.00%**	**458.70**	**100.00%**	**1.85**	**100.00%**	**460.55**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 41: Composition of the Group (Contd.)

(b) Associates

Details of the Company's associates are as follows:

Name of the entity in the Group	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		Quoted fair value	Carrying amount as at March 31, 2022
			As at March 31, 2022	As at March 31, 2021		
Wind Two Renergy Private Limited	Power Generation	India	0%	0%	Unlisted	#

\# As at March 31, 2022 the Company had made investments in the one entity in the form of secured redeemable (with premium) non-convertible debentures and does not hold any equity investments. To protect the investment aggregating to ₹ 90.70 Crore (March 31, 2021, ₹ 90.70 Crore) made by the Company, the Company has acquired certain rights which include the right to nominate directors on the board. Considering the above facts and based on the requirements of Ind AS, the investments in aforesaid entities have been classified as Investments in associates. As the Company does not have any equity interest, the Company does not have any share in the profit, loss or comprehensive income of the entities and accordingly, there is no impact on the consolidated statement of profit and loss and the aforesaid investments in redeemable debentures of ₹ 90.70 Crore (March 31, 2021, ₹ 90.70 Crore)

have been carried at amortized cost.

Note 42: Asset Acquisitions

A. Details of asset acquisitions

(i) Visual Percept Solar Projects Private Limited

On February 10, 2022, the Company has signed a Share Purchase Agreement (SPA) with Blue Diamond Properties Private Limited and Balrampur Chini Mills Limited, (the Sellers) for acquisition of 100% of Shares of Visual Percept Solar Projects Private Limited ("VPSPPL") having 25 MW operating solar assets. VPSPPL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited. On completion of the conditions precedent to SPA, VPSPPL has become wholly owned subsidiary of the Company w.e.f. February 15, 2022.

(ii) Surya Vidyut Limited

On September 20, 2021, the Company has signed a Share Purchase Agreement (SPA) with CESC Limited, Haldia Energy Limited and other Nominal Shareholders, (the Sellers) for acquisition of 100% of Shares of Surya Vidyut Limited ("SVL") having 156 MW operating wind assets. SVL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Gujarat, Rajasthan and Madhya Pradesh having long term Power Purchase Agreements (PPAs) with Gujarat Urja Vikas Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Madhya Pradesh Power Management Company Limited. On completion of the conditions precedent to SPA, SVL has become wholly owned subsidiary of the Company w.e.f. March 11, 2022.

(iii) LREHL Renewables India SPV 1 Private Limited

On July 30, 2021, the Company has signed a Securities Purchase Agreement (SPA) with Lightsource India Limited and Lightsource Renewable Energy (India) Limited, (the Seller) for acquisition of 100% of Shares of LREHL Renewables India SPV 1 Private Limited ("LREHL") having 50 MW operating solar assets. LREHL is engaged in the business of Generation of Electricity using Renewable Energy and having assets located in Maharashtra having long term Power Purchase Agreements (PPAs) with Solar Energy Corporation of India Limited. On completion of the conditions precedent to SPA, LREHL has become wholly owned subsidiary of the Company w.e.f. March 25, 2022.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 42: Asset Acquisitions (Contd.)

Based on guidance on definition of business under Ind AS, Management has classified above acqusitions as asset acqusitions. The management has assessed that above acquisitions does not meet the definition of 'business' in accordance with the principles laid down under Ind AS 103 - Business Combinations and hence have been considered to be 'asset acquisition', considering the factors like the purchase consideration pertains to the fair value of the Solar / Wind assets, the only key activity for this acquisition is the maintenance of the Solar / Wind assets and there are no other substantive processes required for the generation of output.

B. Consideration Transferred

(₹ in Crore)

Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	LREHL Renewables India SPV 1 Private Limited
Consideration paid in cash for purchase of Equity shares	162.62	304.73	46.95
Consideration paid in cash for purchase of Compulsory Convertible Debentures	-	-	51.84
	162.62	**304.73**	**98.79**

C. Net amount of Assets and Liabilities

(₹ in Crore)

Particulars	Visual Percept Solar Projects Private Limited	Surya Vidyut Limited	LREHL Renewables India SPV 1 Private Limited
Assets			
Property, plant and equipment and Right-of-use assets	84.06	683.00	212.92
Intangible asset including customer contract	68.82	-	36.05
Other non-current assets	0.03	0.48	0.42
Other current assets	16.97	71.31	67.17
Total Assets Acquired	**169.88**	**754.79**	**316.56**
Liabilities			
Non current Borrowings	-	367.76	-
Other non-current liabilities	7.00	0.03	36.87
Current Borrowings	-	80.19	176.52
Other current liabilities	0.26	2.08	4.38
Total Liabilities Assumed	**7.26**	**450.06**	**217.77**
Net Assets Acquired	**162.62**	**304.73**	**98.79**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 43: Impairment Assessment

1. DGEN Power Plant

Net carrying value of Property, Plant & Equipment ("PPE") as at March 31, 2022 includes ₹ 1,378.90 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, Gujarat ("DGEN"). DGEN started commercial operations with effect from November 2014 and thereafter has operated only intermittently / partially, including during the year ended March 31, 2022, due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power selling arrangement.

In view of the above and given the current economic environment, during the current year, the Company has carried out an impairment assessment of DGEN as at March 31, 2022 by considering the recoverable amount based on value-in-use of DGEN in accordance with Indian Accounting Standard 36 'Impairment of Assets'. Value-in-use is determined considering a discount rate of 14.5% (March 31, 2021 – 13%) and cash flow projections over a period of 18 years (March 31, 2021 - 19 years), being the balance useful life of DGEN in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 on the basis that the Company expects to supply power in the future, inter alia, under long term power selling agreements. Based on the assessment, recoverable value of PPE by using value-in-use is ₹ 1,378.90 Crore which is lower than the carrying amount of PPE of ₹ 2,678.90 Crore and accordingly additional impairment loss of ₹ 1,300.00 Crore has been provided, which has been disclosed as an Exceptional item in the Statement of Profit and Loss.

Assessment of 'value-in-use' involves several key assumptions including expected demand, future price of fuel, expected tariff rates for electricity, discount rate, exchange rate and electricity market scenario, based on past trends and the current and likely future state of the industry. Management reviews such assumptions periodically to factor updated information based on events or changes in circumstances in order to make fresh assessment of impairment, if any.

2. Investment in Torrent Pipavav Generation Limited

Torrent Pipavav Generation Limited ("TPGL"), a subsidiary of the Company and a joint venture between the Company and Gujarat Power Corporation Limited ("GPCL"), had made payments in nature of compensation for acquisition of private land as per the court orders in Amreli, Gujarat for the purpose of developing a coal-based power plant of 1,000+ MW. Due to non-availability of fuel linkage, Government of Gujarat ("GoG") vide its letter dated December 06, 2017, communicated that the said project may not be developed and accordingly, the joint venture is intended to be dissolved.Further, as per the said letter, the cost of land would be reimbursed after the disposal of land. With reference to this, in the month of March 2019, GPCL has written a letter to Collector, Amreli stating that the land is surrendered to the Government of Gujarat and requested Energy and Petroleum Department, GoG to take further action in the matter. It is learnt that the Government of Gujarat is exploring the possibility of usage of Land for industrial purpose. The management has made an impairment assessment of the amount recoverable from Government of Gujarat and concluded that there is no impairment in the carrying amount of the land. The timing of the recoverability of the amounts invested in land would depend upon the availability of the buyer. Considering the above facts, assets and liabilities are reflected at their net realisable values or cost whichever is lower and the financial statements of TPGL for the year ended March 31, 2022 have been prepared on a non - going concern basis.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 44: Income Tax Expense

A. Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on profits for the year	372.48	287.84
Adjustment for current tax of prior periods	-	0.01
	372.48	**287.85**
Deferred tax (other than that disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(94.06)	(230.96)
(Decrease) / increase in deferred tax liabilities	(173.15)	199.01
	(267.21)	**(31.95)**
Income tax expense	**105.27**	**255.90**

B. Reconciliation of income tax expense

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	563.97	1,551.77
Expected income tax expense calculated using tax rate at 34.944% (Previous year - 34.944%)	197.07	542.25
Adjustment to reconcile expected income tax expense to reported income tax expense:		
Effect of:		
Expenditure not deductible under Income Tax Act	28.54	16.33
Tax incentives / deductions	(214.02)	(327.57)
Impairment loss of DGEN unit	82.64	-
Unabsorbed depreciation / tax credits and other items	11.03	24.88
Total	**105.27**	**255.89**
Adjustment for current tax of prior periods	-	0.01
Total expense as per statement of profit and loss	**105.27**	**255.90**

The tax rate used for the reconciliations given above is the actual / enacted corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

C. Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	2.89	6.13
Income tax expense / (income) recognised in other comprehensive income	1.04	2.02

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 44: Income Tax Expense (Contd.)

D. Deferred tax balances

1. The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	1,888.73	1,834.73
Deferred tax liabilities	(2,198.82)	(2,337.74)
	(310.09)	**(503.01)**
Disclosed as deferred tax assets (net)	35.12	24.50
Disclosed as deferred tax liabilities (net)	(345.21)	(527.51)
	(310.09)	**(503.01)**

2. Movement of deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2022

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acqusition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,337.74)	173.15	(34.23)	-	-	**(2,198.82)**
Provision for compensated absences	43.66	(2.55)	-	-	-	**41.11**
Provision for onerous contracts	56.89	(9.45)	-	-	-	**47.44**
Allowance for doubtful debts	46.21	(13.56)	-	-	-	**32.65**
Unabsorbed depreciation / MAT credit entitlement	1,687.30	82.40	22.34	(61.36)	-	**1,730.68**
Others	0.67	37.22	-	-	(1.04)	**36.85**
	(503.01)	**267.21**	**(11.89)**	**(61.36)**	**(1.04)**	**(310.09)**

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2021

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Transfer on acqusition	Utilisation	Recognised in OCI	Closing balance
Property, plant and equipment	(2,138.73)	(199.01)	-	-	-	(2,337.74)
Provision for compensated absences	41.59	2.07	-	-	-	43.66
Provision for onerous contracts	56.53	0.36	-	-	-	56.89
Allowance for doubtful debts	33.29	12.92	-	-	-	46.21
Unabsorbed depreciation / MAT credit entitlement	1,477.02	210.28	-	-	-	1,687.30
Others	(2.64)	5.33	-	-	(2.02)	0.67
	(532.94)	**31.95**	**-**	**-**	**(2.02)**	**(503.01)**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 44: Income Tax Expense (Contd.)

3. Unrecognised deferred tax assets

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Accumulated MAT credit entitlement	14.86	16.81
	14.86	**16.81**

As at March 31, 2022, unsused tax credit that shall expire as follows:

(₹ in Crore)

Financial year	Year ended March 31, 2022	Year ended March 31, 2021
2021-22	-	1.95
2022-23	1.29	1.29
2023-24	4.21	4.21
2024-25	4.61	4.61
2025-26	4.47	4.47
2026-27	0.28	0.28
	14.86	**16.81**

Management has made an assessment of the amount of taxable income that would be available in future to offset the Accumulated MAT credit entitlement available to the Company.

The assessment of taxable income involved several key assumptions including expected demand, future price of fuel, expected tariff rate for electricity, exchange rate and electricity market scenario, which the management considered reasonable based on past trends, applicable tariff regulations / agreements and current and likely future state of the industry.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 45: Revenue from Contracts with Customers

A. Unbilled revenue

1. Revenue from contracts with customers include unbilled revenue towards FPPPA claims and other true up adjustments which is recognised considering applicable tariff regulations / tariff orders, past trends of approval and management's probability estimate.

   The Group has not recognized those true up adjustment claims which are subject of dispute and for which the Group is in appeal with regulatory authorities. These are recognised on receipt of final orders of respective regulatory authorities.

2. **Movement in unbilled revenue**

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	**1,642.33**	**1,498.72**
Add: Income accrued during the year as per tariff regulations / orders	2,658.13	2,227.37
Less: Amount billed during the year to the consumers as per tariff orders	(2,395.40)	(2,083.76)
Closing balance	**1,905.06**	**1,642.33**
Disclosed under		
Unbilled revenue [Refer note 19]	1,917.89	1,677.46
Sundry payables [Refer note 25 & note 29]	(12.83)	(35.13)
	1,905.06	**1,642.33**

B. Contribution received from consumers

1. **Nature of contribution received from consumers**
   Contributions received from consumers towards property, plant and equipment has been recognised as deferred revenue over its useful life.

2. **Movement of contribution received from consumers**

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,171.90	1,135.76
Add: Contribution received during the year	200.41	116.04
Less: Amortisation of contribution transferred to statement of profit and loss [Refer note 33]	(87.82)	(79.90)
Closing balance	**1,284.49**	**1,171.90**
Non-current portion [Refer note 26]	1,192.34	1,088.64
Current portion [Refer note 30]	92.15	83.26
	1,284.49	**1,171.90**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 45: Revenue from Contracts with Customers (Contd.)

C. Service line deposit from consumers

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	189.85	194.82
Add: Received during the year (net of refund)	217.69	111.07
Less: Transferred to contribution received from consumers	(200.41)	(116.04)
Closing balance [Refer note 30]	**207.13**	**189.85**

Footnote:

1. Service line deposits are collected against the cost of capital work to be carried out for new connection or load extension on application by consumers. On the completion of the work, such contribution is transferred to deferred revenue under the head “other current / non-current liabilities”.

D. Credit balance of consumers

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	85.71	87.48
Add / (less) : Adjustment to current billing (net)	19.46	(1.77)
Closing balance [Refer note 30]	**105.17**	**85.71**

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments

A. Contingent liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Disputed income tax matters	26.46	29.27
Disputed sales tax matters	5.25	5.25
Disputed service tax matters	0.49	0.49
Disputed custom duty matters	18.50	18.50
Disputed excise duty matters	2.88	2.88
Disputed stamp duty matters	36.37	0.35
Disputed value added tax matters	3.36	3.36
Disputed central sales tax matters	4.09	4.78
Claims against the Group not acknowledged as debt [Refer footnote 3]	164.04	148.36

The Group has evaluated the impact of Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees’ Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. Based on such evaluation, management has concluded that effect of the aforesaid judgement on the Group is not material and accordingly, no provision has been made in the financial statements.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 46: Contingent Liabilities, Contingent Assets and Capital Commitments (Contd.)

Footnotes :

1. Management believes that its position on the aforesaid direct and indirect tax demands and other claims against the Group will likely be upheld in the appellate process and accordingly no provision has been made in the consolidated financial statements for such demands.
2. In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute / matters. No reimbursement is expected.
3. Break up of claims against the Company not acknowledged as debt:

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Claim of regulatory surcharge including interest in franchise distribution business	77.27	68.59
Penalty order issued by Directorate General of Foreign Trade (DGFT) in distribution business	50.53	50.53
Demand including interest for Tariff Indexation for excess energy withdrawn in franchise distribution business	18.31	15.35
Compensation payable for short lifting for material	8.46	8.46
Others	9.47	5.43
	164.04	**148.36**

B. Contingent assets

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Claim for coal grade slippage	6.35	9.39
Claim of compensation for short lifting of material	8.46	8.46
	14.81	**17.85**

C. Capital and other commitments

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	1,317.92	455.19

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 47: Leases

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Crore)

	Notes	As at March 31, 2022	As at March 31, 2021
Land	5	188.67	158.15
Buildings	5	25.68	19.86
Plant and machinery	5	0.23	0.28
Office equipment	5	0.02	0.06
Total		**214.60**	**178.35**

Lease liabilities

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Current	5.11	5.05
Non-current	39.10	30.96
Total	**44.21**	**36.01**

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

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

(₹ in Crore)

	Notes	year ended March 31, 2022	year ended March 31, 2021
Depreciation charge of right-of-use assets	39	12.16	11.42
Interest expense (included in finance costs)	38	3.59	3.32
Expense relating to short-term leases (included in other expenses)	40	1.98	1.55
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	40	0.88	0.17
Total		**18.61**	**16.46**

(iii) Maturities of lease liabilities

As at March 31, 2022:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	8.69
Between 1 year and 5 years	30.44	-
5 years and above	29.22	-
Total	**59.66**	**8.69**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 47: Leases (Contd.)

As at March 31, 2021:

(₹ in Crore)

	Non-current lease liabilities	Current lease liabilities
Less than 1 year	-	6.77
Between 1 year and 5 years	17.73	-
5 years and above	29.50	-
Total	**47.23**	**6.77**

(iv) The total cash outflow for leases for the year was ₹ 44.35 Crore (March 31, 2021 ₹ 7.10 Crore).

(v) Lease asset of Shil, Mumbra and Kalwa (franchise area)

Torrent Power Limited ("TPL") has entered into a Distribution Franchise Agreement ("Agreement") dated February 11, 2019 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") whereby as per the Agreement TPL would distribute the electricity in the area of Shil, Mumbra and Kalwa in Thane District in Maharashtra ("Franchise area") for 20 years (effective from March 01, 2020).

As per the Agreement TPL would purchase electricity from MSEDCL at the rate which would be derived through mechanism as mentioned in the Agreement which is linked to the number of units purchased and would distribute electricity to the Consumers at the tariff which has been approved by Maharashtra Electricity Regulation Commission (MERC).

Further as per the Agreement TPL has right to use existing assets of MSEDCL in the Franchise area provided it shall perform all the obligations and accepts all liabilities of MSEDCL on behalf of distribution licensee in Franchise area and MSEDCL shall not charge any rent for the use of such assets.

Considering the facts of the arrangement, TPL has the right to obtain substantially all of the economic benefits from use of MSEDCL assets of the Franchise area and the right to direct the use of the said assets for 20 years and accordingly it would meet the definition of Lease as per Ind AS 116. Further, for distribution of electricity, TPL would purchase power from MSEDCL for which payment would be made as per the franchise agreement which is linked to the number of units purchased. Accordingly the payments by TPL to MSEDCL is variable in nature and there are no fixed payments in the form of minimum purchase commitments, take or pay or any sort of fixed charges is required to be made.

Considering the entire payment made by TPL for this arrangement is variable in nature and there would be no lease liability required to be recognised with a corresponding right of use assets on initial recognition in accordance with Ind AS 116 and considering non-availability of relevant observable information for lease payments, management estimates and cost benefit analysis, total consideration payable to MSEDCL towards purchase of electricity has been shown as 'Electrical energy purchased' in the Financial Statements.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans

48.1 Defined contribution plan

The Group has defined contribution retirement benefit plans for its employees.

The Group's contributions to provident fund, pension scheme and employee state insurance scheme are made to the relevant government authorities as per the prescribed rules and regulations. The Group's superannuation scheme for qualifying employees is administered through its various superannuation trust funds. The Group's contributions to the above defined contribution plans are recognised as employee benefit expenses in the statement of profit and loss for the year in which they are due. The Group has no further obligation in respect of such plans beyond the contributions made.

The Group's contribution to provident, pension, superannuation funds and to employees state insurance scheme aggregating to ₹ 45.02 Crore (Previous year - ₹ 42.67 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense [Refer note 37].

48.2 Defined benefit plans

a. Gratuity

The Group operates through various gratuity trust, a plan, covering all its employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the tenure of employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group makes annual contribution to the gratuity schemes administered by the Life Insurance Corporation of India through its various Gratuity Trust Funds. The liability in respect of plan is determined on the basis of an actuarial valuation.

b. Risk exposure to defined benefit plans

The plans typically expose the Group to actuarial risks such as: asset volatility, interest rate risk, longevity risk and salary risk as described below :

Asset volatility

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at March 31, 2022. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

c. Significant assumptions

The principal assumptions used for the purpose of the actuarial valuation were as follows.

	As at March 31, 2022	As at March 31, 2021
Discount rate (p.a.)	7.17%	7.08%
Salary escalation rate (p.a.)	8.50%	8.50%

d. The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	285.67	288.99
Fair value of plan assets	271.65	276.74
Net (asset) / liability [Refer note 31]	**14.02**	**12.25**

e. Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following are the amounts recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
1. Movements in the present value of the definedbenefit obligation:		
Obligation at the beginning of the year	288.99	289.52
Current service cost	18.04	16.18
Past service cost	0.02	-
Interest cost	20.54	20.06
Actuarial (gains) / losses from changes in demographic assumptions	0.10	-
Actuarial (gains) / losses arising changes in financial assumptions	(2.25)	(3.72)
Actuarial (gains) / losses from experience adjustments	(2.34)	(2.15)
Liability transferred in of employees / due to acqusition of entities	2.84	0.23
Liability transferred out of employees	(2.17)	(0.66)
Benefits paid directly by employer	(2.71)	(1.57)
Benefits paid	(35.39)	(28.90)
Obligation at the end of the year *	**285.67**	**288.99**
* includes ₹ 0.23 Crore (March 31, 2021 ₹ Nil) related to acquired entities during the year.		
2. Movements in the fair value of the plan assets:		
Plan assets at the beginning of the year, at fair value	276.74	235.02
Interest income	19.59	16.28
Return on plan assets (excluding interest income)	(1.60)	0.26
Contributions received	12.31	54.08
Benefits paid	(35.39)	(28.90)
Plan assets at the end of the year, at fair value $	**271.65**	**276.74**

$ Includes ₹ Nil (March 31, 2021 Nil) related to newly acquired entities during the year as it is unfunded.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
3. Gratuity cost recognized in the statement of profit and loss:		
Current service cost	18.04	16.18
Interest cost, net	0.95	3.78
Past service cost	0.02	-
Net gratuity cost recognized in the statement of profit and loss [Refer note 37]	**19.01**	**19.96**
4. Gratuity cost recognized in the other comprehensive income (OCI)		
Return on plan assets (excluding interest income)	1.60	(0.26)
Actuarial (gains) / losses	(4.49)	(5.87)
Net (income) / expense for the period recognized in OCI	**(2.89**	**(6.13)**

f. Category wise plan assets

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India.

g. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Change in assumptions

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Increase / (decrease) in defined benefit obligation of gratuity		
50 basis points increase in discount rate	(12.42)	(11.73)
50 basis points decrease in discount rate	13.55	12.78
50 basis points increase in salary escalation rate	13.29	12.53
50 basis points decrease in salary escalation rate	(12.30)	(11.62)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

h. The weighted average duration of the gratuity plan based on average future service is 19 years (Previous year - 19 years).

i. Expected contribution to the plan for the next annual reporting period is ₹ 14.02 Crore (March 31, 2021 ₹ 12.25 Crore).

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 48: Employees Benefits Plans (Contd.)

(j) Cash flow projection from the fund

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
1st following year	33.15	36.23
2nd following year	17.44	20.07
3rd following year	29.39	29.94
4th following year	27.41	28.60
5th following year	18.40	26.35
sum of years 6th to 10th	99.45	92.85

48.3 Other long-term employee benefit obligations

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement or resignation; at the rate of daily last drawn salary, multiplied by leave days accumulated as at the end of relevant period. Refer notes 31 and 37, for the leave encashment provision / change in the balance sheet and statement of profit and loss.

Note 49: Auditors Remuneration (Including Taxes)

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
As audit fees	1.64	1.53
For other services	0.54	0.57
For reimbursement of expenses	0.02	0.03
	2.20	**2.13**

Note 50: Donations Include Political Contributions as Under

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Electoral Bonds	27.50	-
Prudent Electoral Trust	3.50	10.00
	31.00	**10.00**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 51: Earnings Per Share

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (₹)	9.45	26.86
Diluted earnings per share (₹)	9.45	26.86

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	453.98	1,290.93
Weighted average number of equity shares	48,06,16,784	48,06,16,784

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

Note 52: Operating Segment

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and applies the resources to whole of the Group's business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Further, the Group's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Group does not have any reportable segment as per Ind AS - 108 "Operating Segments".

The Group's operations are wholly confined within India and as such there is no reportable geographical information.

Note 53: Certified Emission Reduction (CERs)

	As at March 31, 2022	As at March 31, 2021
No. of CERs inventory	-	3,91,411
No. of CERs under certification	71,71,099	52,04,387

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

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures

A. Names of related parties and description of relationship:

1.	**Parent Company**	Torrent Investments Private Limited (formerly known as Torrent Private Limited)
2.	**Associates**	Wind Two Renergy Private Limited
3.	**Employee benefits plans***	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPL (DGEN) Gratuity Trust, TPL (DGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund
4.	**Key management personnel (KMP)**	Samir Mehta Jinal Mehta
5.	**Non-executive directors**	Sudhir Mehta Pankaj Patel Samir Barua Keki Mistry Usha Sangwan (w.e.f. May 21, 2021) Radhika Haribhakti (w.e.f. August 07, 2021) Mamta Verma (w.e.f. August 07, 2021) Bhavna Doshi (upto September 30, 2021) Dharmishta Raval (upto September 30, 2021) Sunaina Tomar (upto June 15, 2021)
6.	**Relatives of key management personnel***	Varun Mehta
7.	**Other entities where the company has 50% voting right / enterprises controlled by the Parent Company / Associate of Parent Company***	UNM Foundation (formerly known as Tornascent Care Institute)#, Torrent Pharmaceuticals Limited, Torrent Power Services Private Limited, Torrent Gas Pune Limited (formerly known as Mahesh Gas Limited), Torrent Gas Private Limited, Torrent Fincorp Private Limited, Torrent Sports Ventures Private Limited, Torrent Diagnostics Private Limited, Gujarat Lease Financing Limited.

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

\# The National Company Law Tribunal (NCLT) has approved a Scheme of Arrangement ("Scheme") in the nature of Amalgamation of UNM Foundation with Tornascent Care Institute vide order dated March 23, 2021. The Scheme is effective from April 01, 2020 ("Appointed Date"). The name "Tornascent Care Institute" changed to "UNM Foundation" w.e.f. July 20, 2021.

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Interest income	**11.09**	**13.02**	**-**	**-**	**-**	**-**	**-**	**-**	**11.09**	**13.02**
Wind Two Renergy Private Ltd.	11.09	13.02	-	-	-	-	-	-	11.09	13.02
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**373.26**	**141.58**	**373.26**	**141.58**
Torrent Investments Private Ltd.	-	-	-	-	-	-	373.26	141.58	373.26	141.58
Services provided (rent income including tax)	**-**	**-**	**-**	**-**	**-**	**-**	**0.88**	**0.41**	**0.88**	**0.41**
UNM Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Power Services Private Ltd.	-	-	-	-	-	-	-	0.01	-	0.01
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.87	0.39	0.87	0.39
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	*	*	*	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Diagnositcs Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Services received / remuneration paid	**-**	**-**	**-**	**-**	**-**	**-**	**2.25**	**1.60**	**2.25**	**1.60**
Varun Mehta	-	-	-	-	-	-	2.25	1.60	2.25	1.60
Purchase of material	**-**	**-**	**-**	**-**	**-**	**-**	**0.63**	**-**	**0.63**	**-**
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.63	-	0.63	-

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Shared expenditure charged to	**0.31**	**0.28**	**-**	**-**	**-**	**-**	**0.02**	**0.06**	**0.33**	**0.34**
Wind Two Renergy Private Ltd.	0.31	0.28	-	-	-	-	-	-	0.31	0.28
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	0.06	-	0.06
Torrent Gas Private Ltd.	-	-	-	-	-	-	-	*	-	*
Gujarat Lease Financing Ltd.	-	-	-	-	-	-	0.02	-	0.02	-
Transfer of gratuity / leave liability to / (from)	**-**	**-**	**-**	**-**	**-**	**-**	**(0.13)**	**0.59**	**(0.13)**	**0.59**
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	(0.29)	0.51	(0.29)	0.51
UNM Foundation	-	-	-	-	-	-	*	-	*	-
Torrent Gas Pune Ltd.	-	-	-	-	-	-	-	(0.22)	-	(0.22)
Torrent Gas Private Ltd.	-	-	-	-	-	-	0.16	0.30	0.16	0.30

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Managerial remuneration@	**-**	**-**	**-**	**-**	**24.14**	**22.69**	**-**	**-**	**24.14**	**22.69**
Samir Mehta	-	-	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	-	-	14.14	12.69	-	-	14.14	12.69
Commission to non-executive directors^	**-**	**-**	**-**	**-**	**1.82**	**6.41**	**-**	**-**	**1.82**	**6.41**
Sudhir Mehta	-	-	-	-	-	5.00	-	-	-	5.00
Samir Barua	-	-	-	-	0.37	0.32	-	-	0.37	0.32
Keki Mistry	-	-	-	-	0.30	0.24	-	-	0.30	0.24
Pankaj Patel	-	-	-	-	0.27	0.21	-	-	0.27	0.21
Bhavna Doshi	-	-	-	-	0.21	0.32	-	-	0.21	0.32
Dharmishta Raval	-	-	-	-	0.22	0.27	-	-	0.22	0.27
Sunaina Tomar#	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Usha Sangwan	-	-	-	-	0.21	-	-	-	0.21	-
Radhika Haribhakti	-	-	-	-	0.14	-	-	-	0.14	-
Mamta Verma#	-	-	-	-	0.05	-	-	-	0.05	-
Sitting fees to non-executive directors^	**-**	**-**	**-**	**-**	**0.72**	**0.58**	**-**	**-**	**0.72**	**0.58**
Samir Barua	-	-	-	-	0.18	0.16	-	-	0.18	0.16
Keki Mistry	-	-	-	-	0.11	0.09	-	-	0.11	0.09
Pankaj Patel	-	-	-	-	0.09	0.07	-	-	0.09	0.07

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Bhavna Doshi	-	-	-	-	0.08	0.14	-	-	0.08	0.14
Dharmishta Raval	-	-	-	-	0.09	0.11	-	-	0.09	0.11
Sunaina Tomar#	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Usha Sangwan	-	-	-	-	0.09	-	-	-	0.09	-
Radhika Haribhakti	-	-	-	-	0.06	-	-	-	0.06	-
Mamta Verma#	-	-	-	-	0.01	-	-	-	0.01	-
Donation	**-**	**-**	**-**	**-**	**-**	**-**	**11.36**	**1.51**	**11.36**	**1.51**
UNM Foundation	-	-	-	-	-	-	11.36	1.51	11.36	1.51
Contribution towards CSR	**-**	**-**	**-**	**-**	**-**	**-**	**29.51**	**34.14**	**29.51**	**34.14**
Tornascent Care Institute	-	-	-	-	-	-	-	0.58	-	0.58
UNM Foundation	-	-	-	-	-	-	29.51	33.56	29.51	33.56

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Contribution to employee benefit plans (net)	**-**	**-**	**22.20**	**63.09**	**-**	**-**	**-**	**-**	**22.20**	**63.09**
TPL (Ahmedabad) Gratuity Trust	-	-	9.16	47.69	-	-	-	-	9.16	47.69
TPL (Ahmedabad) Superannuation Fund	-	-	7.54	6.87	-	-	-	-	7.54	6.87
TPL (Surat) Gratuity Trust	-	-	2.66	4.51	-	-	-	-	2.66	4.51
TPL (Surat) Superannuation Fund	-	-	1.51	1.29	-	-	-	-	1.51	1.29
TPL (SUGEN) Gratuity Trust	-	-	0.44	1.60	-	-	-	-	0.44	1.60
TPL (SUGEN) Superannuation Fund	-	-	0.52	0.49	-	-	-	-	0.52	0.49
TPL (DGEN) Gratuity Trust	-	-	0.05	0.28	-	-	-	-	0.05	0.28
TPL (DGEN) Superannuation Fund	-	-	0.27	0.32	-	-	-	-	0.27	0.32
TPG Superannuation Fund	-	-	0.05	0.04	-	-	-	-	0.05	0.04
Loan Given	**7.95**	**18.70**	**-**	**-**	**-**	**-**	**-**	**-**	**7.95**	**18.70**
Wind Two Renergy Private Ltd.	7.95	18.70	-	-	-	-	-	-	7.95	18.70
Receipt on repayment of loans	**21.30**	**19.00**	**-**	**-**	**-**	**-**	**-**	**-**	**21.30**	**19.00**
Wind Two Renergy Private Ltd.	21.30	19.00	-	-	-	-	-	-	21.30	19.00
Deposits received	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	*****
Torrent Investments Private Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Fincorp Private Ltd.	-	-	-	-	-	-	-	*	-	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Deposit Refunded	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	*****	**-**
UNM Foundation	-	-	-	-	-	-	*	-	*	-

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forming part of the consolidated financial statements for the year ended March 31, 2022

B. Related party transactions

(₹ in Crore)

	Associates		Employee benefits plans		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Torrent Investment Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-
Torrent Power Serivces Private Ltd.	-	-	-	-	-	-	*	-	*	-
Torrrent Gas Private Ltd.		-	-	-	-	-	*	-	*	-
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	-	*	-	*	-

^ excluding Goods and Services Tax.

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

\# Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

C. Key management personnel compensation

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	24.14	22.69
	24.14	**22.69**

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

D. Related party balances

(₹ in Crore)

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Balances at the end of the year								
Current liabilities	**-**	**-**	**14.32**	**19.18**	**0.16**	**0.81**	**14.48**	**19.99**
UNM Foundation	-	-	-	-	*	*	*	*
Torrent Investments Pvt. Ltd.	-	-	-	-	-	*	-	*
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	0.51	-	0.51
Torrent Power Services Pvt. Ltd.	-	-	-	-	-	*	-	*
Torrent Gas Pvt. Ltd.	-	-	-	-	0.16	0.30	0.16	0.30
Torrent Fincorp Pvt. Ltd.	-	-	-	-	-	*	-	*
Torrent Sports Ventures Pvt. Ltd.	-	-	-	-	*	-	*	-
Torrent Diagnostics Pvt. Ltd.	-	-	-	-	*	-	*	-
Sudhir Mehta	-	-	-	5.00	-	-	-	5.00
Samir Mehta	-	-	10.00	10.00	-	-	10.00	10.00
Jinal Mehta	-	-	2.50	2.50	-	-	2.50	2.50
Samir Barua	-	-	0.37	0.32	-	-	0.37	0.32
Keki Mistry	-	-	0.30	0.24	-	-	0.30	0.24
Pankaj Patel	-	-	0.27	0.21	-	-	0.27	0.21
Bhavna Doshi	-	-	0.21	0.32	-	-	0.21	0.32
Dharmishta Raval	-	-	0.22	0.27	-	-	0.22	0.27
Sunaina Tomar#	-	-	0.05	0.32	-	-	0.05	0.32
Usha Sangwan	-	-	0.21	-	-	-	0.21	-
Radhika Haribhakti	-	-	0.14	-	-	-	0.14	-
Mamta Verma#	-	-	0.05	-	-	-	0.05	-

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 54: Related Party Disclosures (Contd.)

D. Related party balances

(₹ in Crore)

	Associates		Key management personnel / non-executive directors		Parent Company / enterprises controlled by the Parent Company / Relatives of KMP / enterprises controlled by relatives of KMP / entity where the company has 50% voting right		Total	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
Investment in equity	**-**	**-**	**-**	**-**	**0.05**	**0.05**	**0.05**	**0.05**
UNM Foundation	-	-	-	-	0.05	0.05	0.05	0.05
Investment in non-convertible debentures (including amortise premium)	**116.89**	**110.18**	**-**	**-**	**-**	**-**	**116.89**	**110.18**
Wind Two Renergy Pvt. Ltd.	116.89	110.18	-	-	-	-	116.89	110.18
Loans (including interest) (non-current)	**121.87**	**155.70**	**-**	**-**	**-**	**-**	**121.87**	**155.70**
Wind Two Renergy Pvt. Ltd.	121.87	155.70	-	-	-	-	121.87	155.70
Loans (including interest) (current)	**19.90**	**-**	**-**	**-**	**-**	**-**	**19.90**	**-**
Wind Two Renergy Pvt. Ltd.	19.90	-	-	-	-	-	19.90	-
Trade and other receivables	0.07	0.07	-	0.03	0.29	1.39	0.36	1.49
UNM Foundation	-	-	-	-	-	0.01	-	0.01
Wind Two Renergy Pvt. Ltd.	0.07	0.07	-	-	-	-	0.07	0.07
Torrent Pharmaceuticals Ltd.	-	-	-	-	**0.29**	-	0.29	-
Executive and non-executive directors	-	-	-	0.03	-	-	-	0.03

\# Sitting fees and Commission of Sunaina Tomar and Mamta Verma (nominee of the Government of Gujarat) is payable to the Government of Gujarat.

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

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Note 55: Financial Instruments and Risk Review

A. Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 21, 22) and debt (borrowings as detailed in note 23).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

Gearing ratio

The gearing ratio at end of the reporting period is as follows:

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Debt	8,413.65	7,808.50
Total equity	10,165.91	10,705.17
Debt to equity ratio	**0.83**	**0.73**

Footnotes :

1. Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee give + short term debt outstanding in lieu of long term debt.
2. Total equity is defined as equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities - Deferred tax asset – intangible assets – Intangible assets under development.

Loan Covenants

The company has complied with financial covenants specified as per the terms of borrowing facilities.

E. Terms and conditions of outstanding balances

The transactions with related parties are made in the normal course of business on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at the year-end are unsecured.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

B. Categories of financial instruments

(₹ in Crore)

	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	289.41	289.41	107.28	107.28
Bank balance other than cash and cash equivalents	62.93	62.93	95.14	95.14
Investment in bonds and debentures	132.77	132.77	124.15	124.15
Trade receivables	1,602.70	1,602.70	1,420.29	1,420.29
Loans	141.77	141.77	155.70	155.70
Other financial assets	2,400.36	2,400.36	2,229.24	2,229.24
	4,629.94	**4,629.94**	**4,131.80**	**4,131.80**
Measured at fair value through profit and loss (FVTPL)				
Investment in mutual funds	273.70	273.70	341.58	341.58
Investment in equity instruments	0.05	0.05	0.05	0.05
	273.75	**273.75**	**341.63**	**341.63**
Financial liabilities				
Measured at amortised cost				
Borrowings	9,098.42	9,138.90	7,780.55	7,860.41
Trade payables	1,261.59	1,261.59	1,090.90	1,090.90
Other financial liabilities	2,021.84	2,021.84	1,800.94	1,800.94
	12,381.85	**12,422.33**	**10,672.39**	**10,752.25**

Footnotes:

1. The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
2. Non current loan and Inter corporate Deposits carries the interest rates that are variable in nature and hence carrying value is considered as same as fair value.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

C. Fair value measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are Quoted (unadjusted) market prices in active markets for identical assets or liabilities. This includes quoted equity instruments, investments in mutual funds that have quoted price.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This includes unquoted floating and fixed rate borrowing.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This includes unquoted equity shares, loans, security deposits, investments in Debentures, floating rate borrowings.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(1) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	**As at March 31, 2021**		
Investment in mutual fund units	**273.70**	341.58	Level 1	Quoted bid prices in an active market
	273.70	**341.58**		

(2) Financial liabilities at amortised cost

(₹ in Crore)

	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at March 31, 2022	**As at March 31, 2021**		
Fixed rate borrowings (Non-convertible debentures)	**2,008.84**	2,161.55	Level 2	Inputs other than quoted prices that are observable based on yields provided by FIMMDA
	2,008.84	**2,161.55**		

D. Financial risk management objectives

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, routine and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

The Group's activities expose it to a variety of financial risks viz foreign currency risk, commodity price risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Foreign currency risk

The Group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the USD and EURO. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Group's exposure with regards to foreign currency risk which are not hedged are given below. However, these risks are not significant to the company's operation and accordingly sensitivity analysis is not given.

Unhedged foreign currency exposures

(₹ in Crore)

Nature of transactions	Currency	As at March 31, 2022	As at March 31, 2021
Financial liabilities			
Trade payable	USD	4.37	2.00
Trade payable	EURO	138.80	235.94
Capital payable	EURO	0.06	0.06

Commodity price risk

The commodity exposure is mainly on account of fuel, a substantial part of which is a pass through cost and hence the commodity price exposure is not likely to have a material financial impact on the Group.

The Group has exposure to USD / INR exchange rate arising principally on account of import of LNG and import of coal. The extant tariff regulations do not permit the cost of hedging such exposure as a cost to be passed through to the off-takers / beneficiaries. As a result, the Group does not follow a policy of hedging such exposures and actual rupee costs of import of fuel are substantially passed on to the off-takers / consumers, because of which such commodity price exposure is not likely to have a material financial impact on the Group.

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

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

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings^	2,345.86	2,098.50
Floating rate borrowings^	6,785.03	5,710.00
	9,130.89	**7,808.50**

^ Transactions cost reduced from the borrowing is excluded.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Impact on profit before tax - increase in 50 basis points	(33.93)	(28.55)
Impact on profit before tax - decrease in 50 basis points	33.93	28.55

Credit risk

Trade receivables:

1. Exposures to credit risk

   The Group is exposed to the counterparty credit risk arising from the possibility that counterparties might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts.

2. Credit risk management

   Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2022 and March 31, 2021. The Group is dependent on the domestic market for its business and revenues.

   The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

3. Other credit enhancements

   The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

4. Age of receivables and expected credit loss

   The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

The age of receivables and provision matrix at the end of the reporting period is as follows.

As at March 31, 2022

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,428.07	43.83
More than 6 months but less than or equal to 1 year	138.88	29.78
More than one year	253.46	144.10
	1,820.41	**217.71**

As at March 31, 2021

(₹ in Crore)

	Gross trade receivables	Allowance for doubtful debt
Less than or equal to 6 months	1,373.86	80.20
More than 6 months but less than or equal to 1 year	113.94	63.07
More than one year	182.91	107.15
	1,670.71	**250.42**

5. Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	250.42	235.80
Movement in expected credit loss allowance on trade receivable calculated, net [Refer note 40]	(32.71)	14.62
Closing balance [Refer note 15]	**217.71**	**250.42**

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities and remaining customer base is large and widely dispersed and secured with security deposit.

Other financial assets:
The Group is having balances in cash and cash equivalents, term deposits with banks, Inter corporate deposits, Loans to related parties, investments in government securities and investment in mutual funds. With respect to investments, the Group limits its exposure to credit risk by investing in liquid securities with counterparties depending on their Composite Performance Rankings (CPR) published by CRISIL. The Group's investment policy lays down guidelines with respect to exposure per counterparty, rating, processes in terms of control and continuous monitoring. The Group therefore considers credit risks on such investments to be negligible. Loans receivable from related parties have negligible credit risk and hence no risk of default is perceived on them.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and unused borrowing facilities, by continuously monitoring projected / actual cash flows.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 55: Financial Instruments and Risk Review (Contd.)

Maturities of financial liabilities:

The Group's remaining contractual maturity for its financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at March 31, 2022

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,388.40	3,876.52	**9,264.92**
Trade payables	-	96.39	102.20	**198.59**
Lease liabilities	-	30.44	29.22	**59.66**
Other financial liabilities	-	0.33	-	**0.33**
	-	**5,515.56**	**4,007.94**	**9,523.50**
Current financial liabilities				
Borrowings (including interest on borrowings)^	2,590.14	-	-	**2,590.14**
Trade payables	1,111.13	-	-	**1,111.13**
Lease liabilities	8.69	-	-	**8.69**
Other financial liabilities	2,021.51	-	-	**2,021.51**
	5,731.47	**-**	**-**	**5,731.47**
Total financial liabilities	**5,731.47**	**5,515.56**	**4,007.94**	**15,254.97**

As at March 31, 2021

(₹ in Crore)

	Less than 1 year	Between 1 year and 5 years	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings (including interest on borrowings)^	-	5,028.78	3,960.75	**3,960.75**
Trade payables	-	111.23	31.54	**31.54**
Lease liabilities	-	17.73	29.50	**29.50**
Other financial liabilities	-	1.17	-	**-**
	-	**5,158.91**	**4,021.79**	**4,021.79**
Current financial liabilities				
Borrowings (including interest on borrowings)^	1,667.79	-	-	**-**
Trade payables	974.79	-	-	**-**
Lease liabilities	6.77	-	-	**-**
Other financial liabilities	1,799.77	-	-	**-**
	4,449.12	**-**	**-**	**-**
Total financial liabilities	**4,449.12**	**5,158.91**	**4,021.79**	**4,021.79**

^ Transactions cost reduced from the borrowing is excluded.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 56: Provision for Onerous Contracts

The Group has a provision of ₹ 135.76 Crore (March 31, 2021 - ₹ 190.80 Crore) in respect of certain onerous contracts towards potential damages and other project related costs, arising from expected delays or failure to set up certain wind power generation capacities, awarded to the Group in a prior period under a competitive bidding process. During the current year, ₹ 55.07 Crore provision has been reversed due to discharge of Bank Guarantee, ₹ 0.53 Crore provision has been created and ₹ 0.50 Crore has been utilised on account of encashment of bank guarantee. The expected outflow will be determined at the time of final resolution of the matter.

Note 57: Government Grant

A. Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

B. Movement of government grant

(₹ in Crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	18.85	21.57
Add: Grants during the year	-	-
Less: Amortisation of grant transferred to statement of profit and loss [Refer note 33]	(2.45)	(2.72)
Closing balance	**16.40**	**18.85**
Non-current portion [Refer note 26]	14.03	16.39
Current portion [Refer note 30]	2.37	2.46
	16.40	**18.85**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

NOTE 58: Ageing Schedule for Capital Work-In-Progress

(i) Ageing table for capital-work-in-progress (CWIP) :

As at March 31, 2022

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	762.74	378.13	100.75	44.62	1,286.24
Projects temporarily suspended	0.10	1.06	1.19	8.68	11.03
	762.84	**379.19**	**101.94**	**53.30**	**1,297.27**

As at March 31, 2021

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	634.05	140.24	41.36	11.18	826.83
Projects temporarily suspended	1.02	1.15	8.64	0.09	10.90
	635.07	**141.39**	**50.00**	**11.27**	**837.73**

(ii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

As at March 31, 2022

(₹ in Crore)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
115 MW wind power project *	64.87	-	-	-	64.87
	64.87	**-**	**-**	**-**	**64.87**

* The project was delayed on account of Covid-19 pandemic and certain clearances from the government authorities could not be obtained on time.

As at March 31, 2021

There were no capital-work-in -progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

NOTE 59: Ageing Schedule for Trade Receivables

Current trade receivables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	1,109.74	273.93	109.10	70.13	18.68	19.04	**1,600.62**
Credit impaired	0.57	40.37	26.57	42.89	11.89	35.63	**157.92**
Disputed Trade receivables							
Considered good	0.57	-	-	0.16	0.10	1.25	**2.08**
Credit impaired	1.13	1.76	3.21	5.73	7.31	40.65	**59.79**
	1,112.01	**316.06**	**138.88**	**118.91**	**37.98**	**96.57**	**1,820.41**

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
Considered good	946.40	346.76	50.87	48.95	4.85	20.25	**1,418.08**
Credit impaired	0.53	75.64	59.92	18.55	9.72	29.36	**193.72**
Disputed Trade receivables							
Considered good	0.50	-	-	0.23	0.58	0.90	**2.21**
Credit impaired	1.16	2.87	3.15	7.33	11.92	30.27	**56.70**
	948.59	**425.27**	**113.94**	**75.06**	**27.07**	**80.78**	**1,670.71**

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 60: Ageing Schedule for Trade Payables

A. Non-current trade payables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	150.46	-	-	-	-	-	**150.46**
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	150.46	**-**	**-**	**-**	**-**	**-**	**150.46**

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	116.11	-	-	-	-	-	**116.11**
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	116.11	**-**	**-**	**-**	**-**	**-**	**116.11**

B. Current trade payables:

As at March 31, 2022

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	1.23	52.60	0.19	-	-	-	**54.02**
Others	427.93	439.81	94.24	5.80	0.24	9.54	**977.56**
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	0.02	1.57	5.34	72.62	**79.55**
	429.16	**492.41**	**94.45**	**7.37**	**5.58**	**82.16**	**1,111.13**

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forming part of the consolidated financial statements for the year ended March 31, 2022

Note 60: Ageing Schedule for Trade Payables (Contd.)

As at March 31, 2021

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
Micro and small enterprises	0.34	37.63	0.20	-	-	-	**38.17**
Others	407.56	354.34	75.46	10.30	0.69	8.63	**856.98**
Disputed dues							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	1.60	5.41	8.28	64.35	**79.64**
	150.46	**391.97**	**77.26**	**15.71**	**8.97**	**72.98**	**974.79**

Note 61: Details of Loan and Advances

Details of Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or
(b) without specifying any terms or period of repayment

(₹ in Crore)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans	Amount of Loan or advance in nature of loan outstanding	Percentage to total loans and advances in the nature of loans
Related Parties	141.77	100.00%	115.71	100.00%
	141.77		155.71	

Note 64: Relationship wth Struck off Companies

(₹ in Crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2022	Balance outstanding as on 31.03.2021	Relationship with the Struck off company
Unicon Fincap Private Limited	Investor	*	*	Shareholder
Vaishak Shares Limited	Investor	*	*	Shareholder
Dreams Broking Private Limited	Investor	*	*	Shareholder
Pandit Trading & Securities Limited	Investor	*	*	Shareholder
Jetees Securities (P) Limited	Investor	*	*	Shareholder
Solanki Solar Energy Pvt. Limited	Payables	*	*	Vendor
Krish N Kelly Facility Services	Payables	*	*	Vendor

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 63: Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 ("Code") which may likely impact the obligations of the Group for contribution to employees' provident fund and gratuity. The effective date from which the Code is applicable and the rules to be framed under the Code are yet to be notified. In view of this, impact if any, of the change will be assessed and accounted in the period in which the Code and the rules thereunder are notified.

Note 64: Events Occurring after the Balance Sheet Date

Subsequent to year end, on April 23, 2022, the Company has entered into a Share Purchase Agreement (SPA) with SkyPower Southeast Asia Ill Investments Limited, SkyPower Southeast Asia Holdings 2 Limited (the Sellers) for the acquisition of 100% of the share capital of Sunshakti Solar Power Projects Private Limited, which operates 50 MW solar power plant, situated in the state of Telangana. Enterprise value estimated for this acquisition is approx ₹ 417 Crore subject to closing price adjustments. The acquisition is subject to customary conditions for transaction closure. This is non adjusting event after the balance sheet date.

Note 65: Additional Regulatory Information Required by Schedule III

a. The Group is in compliance with number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended March 31, 2022 and March 31, 2021.

b. The Group has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2022 and March 31, 2021.

c. No proceedings have been initiated on or are pending against the Group for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2022 and March 31, 2021.

d. The Group has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2022 and March 31, 2021.

e. During the year ended March 31, 2022 and March 31, 2021, the Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f. During the year ended March 31, 2022 and March 31, 2021, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
   b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

   During the year ended March 31, 2022 and March 31, 2021, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

Notes

forming part of the consolidated financial statements for the year ended March 31, 2022

Note 66: Approval of Financial Statements

The financial statements were approved for issue by the board of directors on May 10, 2022.

Signature to Note 1 to 66

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No.: 109553

Ahmedabad, May 10, 2022

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

Form AOC - 1

Statement pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 :

A. Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

1.	Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Solargen Limited	Jodhpur Wind Farms Private Limited	Latur Renewable Private Limited	TCL Cables Private Limited	Torrent Saurya Urja 2 Private Limited	Torrent Saurya Urja 3 Private Limited	Torrent Saurya Urja 4 Private Limited	Torrent Saurya Urja 5 Private Limited	Torrent Solar Power Private Limited	Surya Vidyut Limited	LREHL Renewables India SPV 1 Private Limited	Visual Percept Solar Projects Private Limited
2.	Financial year ended on	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
3.	Share capital	90.00	50.00	80.05	111.00	110.00	42.00	0.05	0.05	0.05	0.05	0.05	251.91	13.73	17.45
4.	Reserves and surplus	41.99	(18.44)	(62.05)	9.96	11.83	(35.44)	(0.48)	(0.03)	(0.01)	(0.01)	(0.68)	75.93	10.99	149.06
5.	Total assets	151.13	95.07	1,028.09	447.33	449.69	293.18	38.20	0.03	0.04	0.04	64.27	781.96	294.34	175.61
6.	Total liabilities (excluding share capital and reserves and surplus)	19.14	63.51	1,010.09	326.37	327.86	286.62	38.63	0.01	*	*	64.90	454.12	269.62	9.10
7.	Investments	18.19	-	-	1.26	0.97	-	-	-	-	-	-	-	-	-
8.	Turnover (Revenue from operations)	38.91	-	79.47	59.01	58.46	447.11	-	-	-	-	-	115.37	40.34	53.78
9.	Profit / (loss) before taxation	18.56	(1.68)	45.07	14.58	14.99	(25.36)	(0.62)	(0.02)	(0.01)	(0.01)	(0.86)	11.96	0.19	27.60
10.	Provision for taxation (including deferred tax)	0.10	-	10.81	3.64	3.76	(6.08)	(0.14)	-	-	-	(0.19)	(12.70)	1.01	11.25
11.	Profit / (loss) after taxation	18.46	(1.68)	34.26	10.94	11.23	(19.28)	(0.48)	(0.02)	(0.01)	(0.01)	(0.67)	24.66	(0.82)	16.35
12.	Other comprehensive income (net of tax)	*	-	-	-	-	(0.06)	-	-	-	-	-	0.06	-	(0.06)
13.	Total comprehensive income	18.46	(1.68)	34.26	10.94	11.23	(19.34)	(0.48)	(0.02)	(0.01)	(0.01)	(0.67)	24.72	(0.82)	16.29
14.	Proposed dividend	0.90	-	-	-	-	-	-	-	-	-	-	-	-	-
15.	Extent of shareholding (in percentage)	74.00%	95.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Footnote :

1. Torrent Pipavav Generation Limited, Torrent Saurya Urja 2 Private Limited, Torrent Saurya Urja 3 Private Limited, Torrent Saurya Urja 4 Private Limited, Torrent Saurya Urja 5 Private Limited and Torrent Solar Power Private Limited are yet to commence its operations.

* figures below ₹ 50,000

Form AOC - 1 (Contd)

B. Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Company

(₹ in Crore)

Name of Assosicates	**Wind Two Renergy Private Limited**
Latest audited balance sheet date	March 31, 2022
Date on which the associate was associated or acquired	December 12, 2017
Shares of associate held by the company on the year end	
(i) Numbers	-
(ii) Amount of investment in associates	-
(iii) Extend of holding (in percentage)	0%
Description of how there is significant influence	The Company has acquired certain rights which include the right to nominate directors on the board. Considering the said facts and based on the requirements of Ind AS, Company has significant influence in the above company.
Reason why the associate is not consolidated	As the Company does not have equity interest in the above company, the Company does not have any share in the profit, loss or comprehensive income of the entity and accordingly, there is no impact on the Consolidated Statement of Profit and Loss.
Networth attributable to shareholding as per latest audited balance sheet	-
Profit / (loss) for the year	
(i) Considered in consolidation	-
(ii) Not considered in consolidation	4.82

For and on behalf of the Board of Directors

Samir Mehta
Chairperson
DIN:00061903

Lalit Malik
Chief Financial Officer

Rahul Shah
Company Secretary

Ahmedabad, May 10, 2022

GENERAL INFORMATION

Our Company was originally incorporated as “Torrent Power Trading Private Limited”, under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC on April 29, 2004. Subsequently, the name of our Company was changed to “Torrent Power Private Limited” and a fresh certificate of incorporation consequent on change of name was issued by the RoC on January 25, 2006. Thereafter, our Company’s name changed to its present name viz “Torrent Power Limited” pursuant to a fresh certificate of incorporation consequent on change of name dated February 8, 2006 issued by the RoC. For further details regarding changes in the name and registered office of our Company, see “*Organisational Structure of our Company”* on page 206.

1. The Equity Shares of our Company have been listed on BSE and NSE since November 27, 2006 and November 28, 2006, respectively.

2. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE each dated December 2, 2024, under Regulation 28(1) of the SEBI Listing Regulations. We shall apply for final listing and trading approvals of such Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

3. Our Registered and Corporate Office is situated at “Samanvay”, 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India.

4. The CIN of our Company is L31200GJ2004PLC044068.

5. The website of our Company is www.torrentpower.com.

6. The authorised equity share capital of our Company is ₹ 43,700,000,000 divided into 4,370,000,000 Equity Shares of ₹10 each. The issued, subscribed and paid-up share capital of our Company is ₹ 4,806,167,840 divided into 480,616,784 Equity Shares of ₹10 each.

7. The Issue was authorised and approved by the Board pursuant to the resolution dated May 22, 2024 and by our Shareholders pursuant to the special resolution dated July 30, 2024.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered and Corporate Office.

10. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

11. Except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 149, there has been no material change in the financial or trading position of our Company since the date of the latest financial statements prepared and included in this Preliminary Placement Document, i.e., September 30, 2024.

12. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 264.

13. There have been no defaults in the annual fillings of our Company under the Companies Act, 2013 or the rules made thereunder.

14. The Issue will not result in a change in control of our Company.

15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹ 1,555.75 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Statutory Auditors. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated May 22, 2024 and the shareholders of our Company accorded through a special resolution dated July 30, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.

17. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

18. Rahul Chaitanyabhai Shah is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Rahul Chaitanyabhai Shah
"Samanvay", 600
Tapovan, Ambawadi
Ahmedabad – 380 015
Gujarat, India
Telephone: +91 79 2662 8300
E-mail: cs@torrentpower.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to the Issue) that may be held by them is set forth below:

S. No.	Name of the proposed Allottees(2)	Percentage of the post-Issue share capital held (%)(1)(3)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1)*Based on beneficiary position as on [●].*
(2)*Subject to receipt of funds and Allotment in the Issue. The above table has been intentionally left blank and the details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.*
(3)*The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Jinal Sudhirbhai Mehta
Vice-Chairman and Managing Director

DIN: 02685284

Date: December 2, 2024
Place: Ahmedabad

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____
Jinal Sudhirbhai Mehta
Vice-Chairman and Managing Director

I am authorized by the Board of Directors, *vide* resolution dated December 2, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Jinal Sudhirbhai Mehta
Vice-Chairman and Managing Director

DIN: 02685284

Date: December 2, 2024
Place: Ahmedabad

TORRENT POWER LIMITED
CIN: L31200GJ2004PLC044068

Registered and Corporate Office
"Samanvay", 600, Tapovan, Ambavadi,
Ahmedabad – 380 015, Gujarat, India
Telephone: +91 79 2662 8300
Email: cs@torrentpower.com
Website: www.torrentpower.com

Contact Person
Rahul Chaitanyabhai Shah
Designation: Company Secretary and Compliance Officer
Address: "Samanvay", 600, Tapovan, Ambavadi,
Ahmedabad – 380 015, Gujarat, India
Telephone: +91 79 2662 8300
E-mail: cs@torrentpower.com

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C – 27 'G' Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051, Maharashtra, India

Jefferies India Private Limited
16th Floor, Express Towers,
Nariman Point,
Mumbai 400 021, Maharashtra, India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi
Mumbai – 400 025, Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

M/s Price Waterhouse Chartered Accountants LLP
1701, 17th Floor, Shapath V, Opp. Karnavati Club, SG Highway,
Ahmedabad – 380051, Gujarat, India

LEGAL COUNSEL TO THE COMPANY

As to Indian law
Khaitan & Co
One World Centre
10th, 13th & 14th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers, Nariman Point,
Mumbai - 400 021, Maharashtra, India

As to United States federal securities law

Sidley Austin LLP
6 Battery Road
Level 31
Singapore 049909

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

TORRENT POWER LIMITED

*The Company was incorporated as "Torrent Power Trading Private Limited" under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 29, 2004 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, the name of the Company was changed to "Torrent Power Private Limited" on January 25, 2006. Thereafter, the Company's name changed to its present name viz "Torrent Power Limited" ("**Company**") on February 8, 2006.*

Registered and Corporate Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015, Gujarat, India
Telephone: +91 79 2662 8300
Contact Person: Rahul Chaitanyabhai Shah, Company Secretary and Compliance Officer
E-mail address: cs@torrentpower.com | **Website**: www.torrentpower.com
CIN: L31200GJ2004PLC044068 | **LEI:** 335800DJYYJQGAH3OX89 | **ISIN:** INE813H01021

APPLICATION FORM

Name of Bidder: ____________________

Form No: __________________________

Date: _______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹[●] CRORES UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY TORRENT POWER LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹1,555.75 PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and who (a) are not, excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws including foreign exchange related laws and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue can submit this Application Form. In addition to the foregoing, with respect to the Issue, Eligible QIBs shall consist of QIBs which are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules") can submit this Application Form. However, except as provided herein, other non-resident QIBs, in terms of the FEMA Rules, are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Regulation 144A under the U.S. Securities Act) ("U.S. QIBs") pursuant to Section 4(a)(2) of the U.S. Securities Act, and (b) outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the accompanying preliminary placement document dated December 2, 2024 (the "PPD"). For avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD as "QIBs"

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FEMA RULES. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE THROUGH THE PORTFOLIO INVESTMENT SCHEME AND UNDER THE RESPECTIVE SCHEDULES OF FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
Torrent Power Limited
"Samanvay", 600, Tapovan, Ambavadi,
Ahmedabad – 380015, Gujarat, India

Respected All,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds*	**SI-NBFC**	Systemically Important Non- Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ______________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.

* *Sponsor and Manager should be Indian owned and controlled.*

** *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations and foreign exchange related laws. We are not a promoter of the Company, directly or indirectly, (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are not a FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Kotak Mahindra Capital Company Limited, Jefferies India Private Limited and JM Financial Limited (the "**Lead Managers**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the Confirmation of Allocation Note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The Bid Amount payable by us for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Managers; and (i) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if we withdraw the Bid before Bid / Issue Closing Date, or (v) if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli ("**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Purchaser Representations and Transfer Restrictions***" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "***Risk Factors***" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Lead Managers, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; and (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

By signing and/or submitting this Application Form, we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. We hereby represent that we are either (a) a "qualified institutional buyer" (as defined in Regulation 144A under the U.S. Securities Act) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, or (b) located outside the United States and purchasing the Equity Shares in an "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act and in accordance with the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read and hereby make the representations, warranties, acknowledgments and agreements contained in the sections titled "***Selling Restrictions***" and "***Purchaser Representations and Transfer Restrictions***" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____		
FOR MFs	SEBI MF REGISTRATION NO. ____		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____		
FOR VCFs***	SEBI VCF REGISTRATION NO. ____		
FOR SI-NBFC	RBI REGISTRATION DETAILS____		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS ____		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS----------------------		

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Managers.*

** *In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3:00 PM (IST), December [●], 2024	
Name of the Account	TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	Axis Bank Ltd, 2nd Floor, 3rd Eye One, Opp. Honest Restaurant, Panchwati Cross Road, C G Road, Ahmedabad-380009
Legal Entity Identifier Code	335800DJYYJQGAH3OX89
Account Type	Escrow Account
Account Number	924020069053145
IFSC	UTIB0000308

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "**TORRENT POWER LIMITED – QIP ESCROW ACCOUNT 2024**". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name (Please ✓)	National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name			
DP – ID	I N		
Beneficiary Account Number			(16-digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**			

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code ("LEI")	
Date of Application	
Signature of Authorised Signatory *(may be signed either physically or digitally)***	

ENCLOSURES ATTACHED
Attested / certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter*
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIRC
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of power of attorney
☐ Other, please specify

* *It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

*** *The Application Form is liable to be rejected if any information provided is incomplete and / or inadequate.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and PD, unless specifically defined herein.

(2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Lead Managers. The duly filed Application Form along with all enclosures shall be submitted to the Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

(3) This Application Form, the PPD and the PD sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.