

Energising Through Renewables



Energising Through Renewables



'Urja Dweep' at SUGEN is a unique and self-sustaining complex comprising community medical centre and family housing apartments (48 nos.) based solely on Green Power (viz. bio-gas and solar energy)

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Directors	Sudhir Mehta S. K. Barua Kiran Karnik V. K. Kukreja Jinal Mehta Keki M. Mistry D. J. Pandian, IAS Pankaj Patel Samir Mehta Markand Bhatt Murli Ranganathan T. P. Vijayarathy	Executive Chairman Executive Vice Chairman Whole-time Director Whole-time Director Whole-time Director
Audit Committee	Keki M. Mistry S. K. Barua Kiran Karnik T. P. Vijayarathy	Chairman
Shareholders' Grievances Committee	Pankaj Patel Markand Bhatt Samir Mehta	Chairman
Nomination and Remuneration Committee	Kiran Karnik Sudhir Mehta Pankaj Patel	Chairman
Committee of Directors	Samir Mehta Markand Bhatt Jinal Mehta Murli Ranganathan T. P. Vijayarathy	Chairman
Company Secretary	Rajiv Shah	
Auditors	Deloitte Haskins & Sells	Chartered Accountants
Registered Office	Torrent House, Off Ashram Road, Ahmedabad-380009 Telephone: (079) 2658 5090, 2658 3060 Fax: (079) 2658 2326	
Plants	<ul style="list-style-type: none"> • SUGEN, Off National Highway No. 8, Taluka Kamrej, District Surat-394155 • Sabarmati, Ahmedabad-380005 • Vatva, Ahmedabad-382445 	
Distribution Divisions	<ul style="list-style-type: none"> • Electricity House, Lal Darwaja, Ahmedabad-380001 • Torrent House, Station Road, Surat-395003 • Old Agra Road, Anjur Phata, Bhiwandi-421302 • 6, Raghunath Nagar, Suresh Plaza Market, Opp. Sanjay Place, M. G. Road, Agra-282002 	
Website	www.torrentpower.com	
Registrar and Share Transfer Agent	Sharepro Services (India) Private Limited 13 A-B, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400072	

NOTICE is hereby given that the Eighth Annual General Meeting of the Shareholders of **TORRENT POWER LIMITED** will be held on Tuesday, 24th July, 2012 at 9.30 a.m. at **J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015** to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Balance Sheet as on 31st March, 2012, Statement of Profit and Loss for the year ended on that date and reports of the Auditors and the Directors thereon.
- 2) To confirm payment of interim dividend on equity shares for the Financial Year ended on 31st March, 2012 and to declare final dividend on equity shares for the said Financial Year.

The Board of Directors, at its meeting held on 21st January, 2012, declared normal annual dividend as interim dividend of ₹ 3.00 per equity share of ₹ 10.00 each for the Financial Year ended on 31st March, 2012. The Board has also, at its meeting held on 11th May, 2012, recommended a special dividend as final dividend of ₹ 3.50 per equity share of ₹ 10.00 each for the said Financial Year.

- 3) To appoint a Director in place of Shri Pankaj Patel, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Kiran Karnik, who retires by rotation and being eligible offers himself for re-appointment.
- 5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (ICAI Registration No. 117365W) be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT Shri D. J. Pandian, IAS, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company and who holds office till commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Shri V. K. Kukreja, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company and who holds office till commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Shri Jinal Mehta, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company and who holds office till commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 259 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government and such other approvals as may be necessary, the maximum permissible number of Directors be and is hereby increased to 15 Directors.

RESOLVED FURTHER THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, Article 157 of the Articles of Association of the Company be altered to read as under:

157. The number of Directors of the Company shall not be less than three or more than fifteen including the special director, debenture director or corporation director, if any.

RESOLVED FURTHER THAT the Board of Directors which shall include any committee of the Board specifically authorised for this purpose from time to time be and is hereby authorised to take such actions as may be necessary for implementing the above resolution.”

By Order of the Board
For Torrent Power Limited

Ahmedabad
11th May, 2012

Rajiv Shah
Company Secretary

Registered Office:

Torrent House,
Off Ashram Road,
Ahmedabad-380009

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A proxy form, duly completed and stamped, must reach the Registered Office of the Company not later than 9.30 a.m. on 23rd July, 2012.
2. Members/ proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 18th June, 2012 to Wednesday, 20th June, 2012 (both days inclusive).
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and Clause-49 of the Listing Agreement is annexed hereto and forms part of this Notice.
5. In terms of Section 224A of the Companies Act, 1956, a special resolution is proposed to be passed for appointment of Statutory Auditors of the Company as aggregate shareholding of the nationalised banks, insurance companies, state governments and government companies exceeds 25% of the subscribed capital of the Company.
6. The Company has transferred unclaimed dividends of erstwhile Torrent Power AEC Limited and Torrent Power SEC Limited upto the financial year ended on 31st March, 2004 to the Investor Education and Protection Fund in compliance with the provisions of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not encashed their dividend warrants for the subsequent financial years are requested to approach the Company for payment.
7. The Companies Act, 1956 provides nomination facility to the shareholders. As a shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the shareholders who currently hold shares in their single name. Nomination can avoid the process of acquiring right in shares through transmission by law. In case of nomination by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.
8. Trading in equity shares of the Company is compulsorily in dematerialised mode by all the investors. In view of the above, shareholders are advised to convert their shareholding in dematerialised form.
9. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
10. Annual Report of the Company has been uploaded on website of the Company; www.torrentpower.com.

EXPLANATORY STATEMENT

Item No. 3

Shri Pankaj Patel is an Independent Director of the Company and retires by rotation. Being eligible, he offers himself for re-appointment. His re-appointment is proposed under Section 256 of the Companies Act, 1956 and he shall be liable to retire by rotation.

Shri Pankaj Patel, 59, holds a Masters in Pharmaceuticals and Pharmaceutical Technology and is the Chairman and Managing Director of Cadila Healthcare Limited, Ahmedabad, a flagship company of “Zydus Cadila Group of Companies”. With over 30 years of experience in the Pharmaceutical Industry, he combines both research and techno-commercial expertise and has published over 50 research papers. He is associated with various industry associations and is on the governing councils of many national industry associations and forums. He is also actively involved in various educational institutions and is on the advisory committees and academic councils of leading pharmaceutical colleges and management institutes. He was the President of Indian Pharmaceutical Alliance and the Ahmedabad Management Association in 2010-11. At present, he is the Chairman of the Federation of Indian Chamber of Commerce and Industry (FICCI), Gujarat State Council. He is the Executive Chairman, Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute. He is also on the governing board of the Ahmedabad University.

For his achievements, he has been conferred various awards. In recognition of his entrepreneurial vision that has transformed the Zydus Group into a leading pharma conglomerate, he was awarded Ernst & Young Entrepreneur of the Year – Life Sciences Award for the year 2009. In 2010, he received the “Baroda Sun Lifetime Achievement Award” for the year 2010 by the Bank of Baroda.

Shri Pankaj Patel is Chairman of the Shareholders’ Grievances Committee of the Company. He is also member of the Nomination and Remuneration Committee of the Company. Details of his directorship in other companies and membership in committees of these companies are given below:

Sr. No.	Directorship in Companies	Names of Committees
1.	Cadila Healthcare Limited	<ul style="list-style-type: none"> • Shareholders Grievances Committee - Member • Share Transfer Committee - Chairman
2.	Dialforhealth India Limited	<ul style="list-style-type: none"> • Audit Committee - Chairman
3.	Zydus Pharmaceuticals Limited	-
4.	Nirma Limited	-
5.	BAAP Diagnostics Limited	-
6.	Zydus Animal Health Limited	<ul style="list-style-type: none"> • Audit Committee - Chairman • Remuneration Committee - Chairman
7.	Vadilal Chemicals Limited	-
8.	Karnavati Club Limited	-
9.	Zydus Technologies Limited	-
10.	Zydus Wellness Limited	-
11.	Zydus Hospitals and Healthcare Research Private Limited	-
12.	Zydus Infrastructure Private Limited	-
13.	Pripan Investment Private Limited	-
14.	Cadmach Machinery Company Private Limited	-
15.	Mabs Biotech Private Limited	-
16.	Cadila Laboratories Private Limited	-
17.	Western Ahmedabad Effluent Conveyance Company Private Limited	-
18.	Zydus Nycomed Healthcare Private Limited	-
19.	Zydus Hospitals (Rajkot) Private Limited	-
20.	Zydus Hospitals (Vadodara) Private Limited	-
21.	Bayer Zydus Pharma Private Limited	-

Shri Pankaj Patel does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Pankaj Patel is deemed to be interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 4

Shri Kiran Karnik is an Independent Director of the Company and retires by rotation. Being eligible, he offers himself for re-appointment. His re-appointment is proposed under Section 256 of the Companies Act, 1956 and he shall be liable to retire by rotation.

Shri Kiran Karnik, 65, a Post-Graduate from IIM, Ahmedabad also holds an Honours Degree in Physics from Bombay University. He was the President of NASSCOM and has been the guiding force for the Indian IT industry. He has also been instrumental in promoting India's technology strength to the world.

During his tenure as the Managing Director of Discovery Networks India, he spearheaded the launch of Discovery Channel in South Asia in 1995 and Animal Planet in 1999. Shri Karnik was the Founder-Director of the Consortium for Educational Communication which was responsible for the country-wide classroom broadcasts and other ICT initiatives of the University Grants Commission.

Shri Karnik has worked for over 20 years at the Indian Space Research Organisation where he held various positions including that of Founder-Director of Development and Educational Communication Unit. His work in ISRO involved conceptualizing and managing applications of space technology as well as INSAT system.

Shri Karnik has also worked for the United Nations and has done consulting assignments for the World Health Organisation, the World Bank, UN Institute for Disarmament Research, Ford Foundation and for UNESCO in Afghanistan.

He is a Director on the Central Board of the Reserve Bank of India and Chairman of the Western Area Local Board of the Reserve Bank of India. He is also on many key government committees and has a deep involvement with a number of NGOs in the areas of education and environment. He also chaired the Government-appointed Board of Directors of Satyam Computer Services and has successfully steered the process of sale of this troubled company.

Shri Karnik has received many national and international awards and accolades including Padma Shri in 2007. He was also selected as Forbes magazine's "Face of the Year 2003" for being a driving force behind India's offshoring wave and was awarded Frank Malina medal for Space Education by the International Astronautical Federation. He also regularly writes for various national publications and occasionally lectures at important national institutes and international conferences.

Shri Kiran Karnik is a member of the Audit Committee and Chairman of the Nomination and Remuneration Committee of the Company. He is not a member of any Committee in other companies. Details of his directorship in other companies are given below:

Sr. No.	Directorship in Companies
1.	Sasken Communication Technologies Limited
2.	Aujas Networks Private Limited
3.	Schnabel DC Consultants India Private Limited
4.	IKP Investment Management Company Private Limited
5.	Media Lab Asia
6.	Oxfam India

Shri Kiran Karnik does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Kiran Karnik is deemed to be interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 6

Shri D. J. Pandian, IAS, a nominee director of the Government of Gujarat (a shareholder), was appointed by the Board of Directors as an Additional Director on 29th July, 2011. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company, he holds the office of director till commencement of this Annual General Meeting. His appointment is proposed under Section 257 of the Companies Act, 1956 and he shall be liable to retire by rotation. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit from a shareholder proposing the candidature of Shri D. J. Pandian, IAS for appointment as a Director of the Company.

Shri D. J. Pandian, 57, is a senior IAS officer and holds degree in Master of Business Administration from Madras University and has administrative and corporate experience spanning over 25 years. Prior to his current position of Principal Secretary, Energy and Petrochemicals Department, Government of Gujarat, he was the Managing Director of Gujarat State Petroleum Corporation Limited (GSPC) and was looking after the entire GSPC group. During his tenure with GSPC from 2001 to 2009, he nurtured and developed the then fledgling GSPC group into a strong and significant player in the Indian oil and gas sector. Also while at GSPC, he played a vital role in setting up the Pandit Deendayal Petroleum University (PDPU) near Gandhinagar, Gujarat. The PDPU has achieved the distinct position of World Class University Potential in the nation.

Shri Pandian has also worked for the World Bank at Washington DC during his deputation from the Government of India. He was Director, External Commercial Borrowing, Ministry of Finance, Government of India from 1995 to 1997. He has also held various senior positions in the Government of Gujarat and Government of India.

Shri D. J. Pandian, IAS is not a member of any committee in any company. Details of his other directorship are given below:

Sr. No.	Directorship in Companies
1.	Gujarat State Petroleum Corporation Limited
2.	Gujarat State Petronet Limited
3.	GSPC Gas Company Limited
4.	Gujarat State Energy Generation Limited
5.	GSPC Pipavav Power Company Limited
6.	Gujarat Power Corporation Limited
7.	Gujarat Industries Power Company Limited
8.	Gujarat State Electricity Corporation Limited
9.	Gujarat Energy Transmission Corporation Limited
10.	Gujarat Urja Vikas Nigam Limited
11.	Gujarat Narmada Valley Fertilizers Company Limited
12.	Gujarat Alkalies and Chemicals Limited
13.	Mahaguj Collieries Limited
14.	Gujarat State Fertilizers and Chemicals Limited

Shri D. J. Pandian, IAS does not hold any shares of the Company. He is not related to any director of the Company.

Approval of shareholders is sought for appointment of Shri D. J. Pandian, IAS as Director under Section 257 of the Companies Act, 1956.

Shri D. J. Pandian, IAS is deemed to be interested in the resolution. None of the other directors of the Company is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 7

Shri V. K. Kukreja, a nominee director of Life Insurance Corporation of India (LIC) (a shareholder), was appointed by the Board of Directors as an Additional Director on 19th October, 2011. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company, he holds the office of Director till commencement of this Annual General Meeting. His appointment is proposed under Section 257 of the Companies Act, 1956 and he shall be liable to retire by rotation. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit from a shareholder proposing the candidature of Shri V. K. Kukreja for appointment as a Director of the Company.

Shri V. K. Kukreja, 59, a Chartered Accountant with nearly 30 years of experience, is Executive Director (Finance & Accounts) of LIC at its Corporate office, Mumbai and possesses in depth knowledge of finance, accounts, audit, taxation, treasury management, etc. He is currently responsible for all accounting functions of LIC as well as income tax and service tax matters at its corporate level. In his earlier assignments with LIC, interalia, he has managed Equity and Social Sector Investment portfolios, ULIP Fund investment portfolios, debt investment portfolios, etc.

Shri V. K. Kukreja is not on the Board of Directors of any other company or a member of any committee in any company. Shri V. K. Kukreja does not hold any shares of the Company. He is not related to any Director of the Company.

Approval of shareholders is sought for appointment of Shri V. K. Kukreja as Director under Section 257 of the Companies Act, 1956.

Shri V. K. Kukreja is deemed to be interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 8

Shri Jinal Mehta was appointed as an Additional Director by the Board of Directors at its meeting held on 19th October, 2011. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 160(b) of the Articles of Association of the Company, he holds the office of Director till commencement of this Annual General Meeting. His appointment is proposed under Section 257 of the Companies Act, 1956 and he shall be liable to retire by rotation. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith the requisite deposit from a shareholder proposing the candidature of Shri Jinal Mehta for appointment as a Director of the Company.

Shri Jinal Mehta, 29, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia. He has more than 5 years of experience in the power sector.

Shri Jinal Mehta having been involved in the implementation of SUGEN's 1147.5 MW Mega Power Project subsequently shouldered the responsibility of its operations as its COO. Currently he has been actively supervising the project implementation of UNOSUGEN (382.5 MW) and DGEN Mega Power Project (1200 MW). He is also discharging the role of the Director and CEO of Torrent Energy Limited, a wholly-owned subsidiary of the Company which is implementing the Dahej SEZ DGEN Mega Power Project.

Shri Jinal Mehta is a member of the Committee of Directors of the Company. He is also on the Board of Directors of Torrent Private Limited. Shri Jinal Mehta does not hold any shares of the Company.

Approval of shareholders is sought for appointment of Shri Jinal Mehta as Director under Section 257 of the Companies Act, 1956.

Shri Jinal Mehta is deemed to be interested in the resolution. Shri Jinal Mehta is son of Shri Sudhir Mehta, Executive Chairman. Therefore, Shri Sudhir Mehta, Executive Chairman and Shri Samir Mehta, Executive Vice Chairman are

deemed to be interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 9

The Board of Directors of the Company at present consists of 12 Directors.

The Company has continued to grow steadily in the recent past. The Company presently has a generation capacity of 1,697 MW and distributes power in the cities of Ahmedabad, Gandhinagar and Surat, besides operating as the Distribution franchisee in Bhiwandi in Maharashtra and Agra in Uttar Pradesh. The Company is also implementing the 382.5 MW UNOSUGEN Project adjacent to the SUGEN Mega Power Project of the Company. In addition, the Company is also implementing the 1,200 MW DGEN Mega Power Project at Dahej SEZ through Torrent Energy Limited (TEL), a wholly-owned subsidiary company. TEL is also distributing power in Dahej SEZ area. The Company is also in the process of setting up 2,520 MW coal-based generation project at Pipavav through its subsidiary company, Torrent Pipavav Generation Limited (TPGL).

With increase in the scale of operations of the Company, business challenges have increased significantly. Also, the power sector is poised to grow at a rapid rate which in turn would throw open many opportunities for the Company. In view of the above, it is felt that the Board of Directors would need to be strengthened by induction of professionals with appropriate qualifications, diverse skill sets and exposure. This would help the Company in effectively meeting the business challenges and enhancing the effectiveness of the Board of Directors of the Company.

Article 157 of the Articles of Association of the Company provides that the number of Directors shall not be less than three or until otherwise determined by a General Meeting, more than such maximum as may be permissible under the Act including the special director, debenture director or corporation director, if any. Article 159 provides that the Company shall not increase the number of Directors beyond the maximum limit fixed by the Articles of Association without approval of the Central Government.

Section 259 of the Companies Act, 1956 ("the Act"), inter alia, provides that in case of a public company, any increase in the number of directors except an increase which is within the permissible maximum under its Articles of Association (as first registered), shall not have any effect unless approved by the Central Government.

In view of the above, it is proposed to increase the maximum number of Directors that can be appointed by the Board of Directors to 15 Directors. This would require approval of the Central Government.

Draft copy of the Articles of Association of the Company showing the proposed alteration to Article 157 of the Articles of Association is available for inspection at the registered office of the Company from 10.00 a.m. to 6.00 p.m. on all working days upto Monday, 23rd July, 2012.

None of the Directors of the Company is in any way concerned or interested in the resolution. The Board recommends the resolution for your approval.

By Order of the Board
For Torrent Power Limited

Ahmedabad
11th May, 2012

Rajiv Shah
Company Secretary

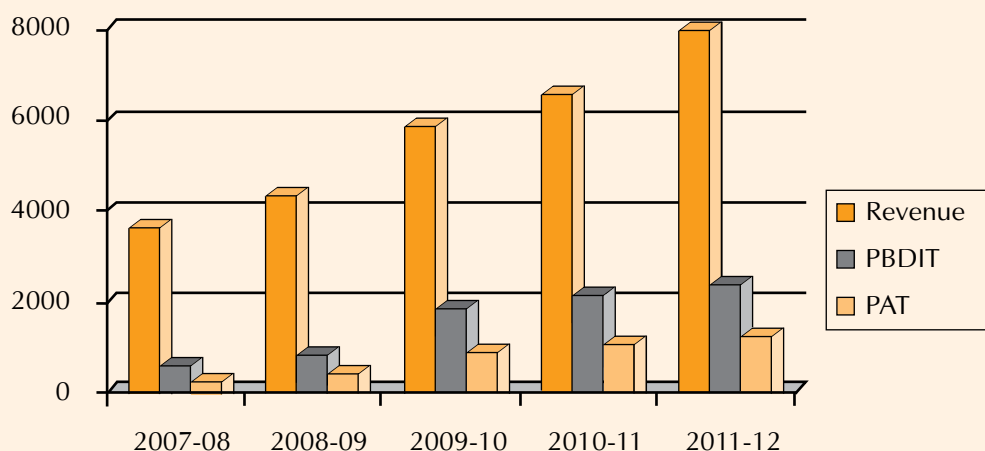
Registered Office:
Torrent House,
Off Ashram Road,
Ahmedabad-380009

Dear Shareholders,

Your Directors have pleasure in presenting the 8th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. HIGHLIGHTS

- The key highlights for the financial year 2011-12 are:
 - Increase in Revenue by 15.96% to ₹ 7917.82 Crore
 - Increase in PBDIT by 9.66% to ₹ 2355.82 Crore
 - Increase in PAT by 16.11% to ₹ 1237.46 Crore



- Gross CER Income of ₹ 324.99 Cr earned by SUGEN during FY 2011-12 by selling 6.67 Mn CERs to buyers of repute. CER futures prices have fallen from 13 Euros in first quarter of FY 2011-12 to around 4 Euros in March 2012.
- 1147.5 MW SUGEN Mega Power Plant has been awarded 5 Star rating by British Safety Council for Health and Safety Management System. The Plant has also obtained Energy Management System Certifications EN 16001:2009 & ISO 50001:2011. Moreover, IMS Certification covering ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 has been renewed.
- Tariff order for FY 2011-12 and MYT order for 2nd Control Period FY 2011-12 to FY 2015-16 has been issued by Hon'ble Gujarat Electricity Regulatory Commission (GERC) on 6th September, 2011 for AMGEN, Ahmedabad & Surat Distribution under which it approved tariff hike for Ahmedabad @ 22 paise per unit (4.68%) and Surat @ 12 paise per unit (2.63%).
- Hon'ble Appellate Tribunal for Electricity (APTEL) has upheld claims of the company in respect of ARR 2009-10 and ARR 2010-11.
- Reduction in T&D losses in Ahmedabad, Gandhinagar and Surat distribution circles to 6.84% in FY 2011-12 as against 7.23% in FY 2010-11; one of the lowest in the country. Reduction in AT&C losses in Bhiwandi to 17.85% in FY 2011-12 as against 18.43% in FY 2010-11; and in Agra to 54.33% in FY 2011-12 as against 61.19% in FY 2010-11.

- Short term power purchase contracts for 290 MW entered into to cater to the shortfall in demands of Ahmedabad, Gandhinagar and Surat distribution circles.
- Torrent Energy Limited (TEL), a wholly owned subsidiary of the Company, has been granted status of Co Developer by Ministry of Commerce & Industry at Dahej SEZ area and DGEN Power Project (being developed by TEL) has been granted Provisional Mega Power Status by Ministry of Power, Govt of India.
- The Company's first 49.6 MW Wind Power Plant at Lalpur, District Jamnagar, Gujarat was successfully commissioned during the year. The Company also signed an agreement with ReGen Powertech Pvt. Ltd to commission 75 MW wind project at Bhud, District Sangli, Maharashtra.

2. FINANCIAL RESULTS

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

(₹ Crores)

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Total Income	8019.66	6930.48
Profit before Depreciation, Interest and Tax	2355.82	2148.22
Depreciation	365.88	392.68
Interest	310.69	327.15
Profit before Tax	1679.25	1428.39
Current Tax	338.94	284.79
Deferred Tax	105.26	99.35
(Excess) / Short Provision for Taxation for earlier years	(2.41)	(21.47)
Profit After Tax	1237.46	1065.72
Add: Balance brought forward	862.12	499.40
Balance available for Appropriation	2099.58	1565.12
Appropriations:		
Transfer to Contingency Reserve	1.00	1.00
Transfer to General Reserve	500.00	400.00
Dividends:		
Interim Dividend	141.73	-
Dividend Distribution tax on interim dividend	22.99	-
Proposed Dividend	165.35	259.85
Dividend Distribution Tax on proposed Dividend	26.83	42.15
Total Dividend	307.08	259.85
Total Dividend Distribution Tax	49.82	42.15
Balance	1241.68	862.12

3. DIVIDEND

The Board of Directors had decided that the Company as a policy will endeavour to distribute 30% of its annual profits after tax as dividend in one or more tranches.

In line with the said policy, the Board of Directors' has,

- (a) On 21st January 2012, declared normal annual dividend as Interim Dividend of 30% i.e. ₹ 3.00 per equity share on 47, 24, 48,308 equity shares of ₹ 10/- each for FY 2011-12, amounting to ₹ 141.73 Crores and the said dividend had been paid on 2nd February, 2012.
- (b) On 11th May 2012, recommended special dividend as final dividend (over and above the interim dividend) of 35% i.e. ₹ 3.50 per equity share on 47, 24,48,308 equity shares of ₹ 10/- each for FY 2011-12, amounting to ₹ 165.35 Crores

Thus, the aggregate dividend works out to be ₹ 6.50 per share (Previous Year ₹ 5.50). With Dividend Distribution Tax of ₹ 49.82 Crores (Previous Year ₹ 42.15 Crores), the total outflow on account of dividend works out to ₹ 356.90 Crores (Previous Year ₹ 302.00 Crores). The distributed profits including DDT are 29% (Previous Year 28%) of annual profits after tax. The aforesaid dividends would be tax free in the hands of the shareholders.

4. ECONOMY AND POWER SECTOR SCENARIO

4.1 ECONOMY

Managing growth and price stability are the major challenges of macroeconomic policymaking. In FY 2011-12, India found itself in the heart of these conflicting demands. GDP growth in FY 2011-12 is expected to be 6.9% only mainly due to global economic slowdown, financial crisis in Europe and certain exogenous shocks like the Japanese nuclear disaster. Domestically, decline in GDP growth rate is primarily due to the dip in the growth in Industry to 3.9% in FY 2011-12 from 7.6% in FY 2010-11. GDP growth has been projected at 7.6% and 8.6% for FY 2012-13 and FY 2013-14 respectively. Inflation too was close to double digits with Wholesale price index (WPI) inflation at 9.74% and food inflation at 8.95% in April, 2011. Though, inflation eased to 6.89% in March 2012, it is expected to average 6.5%-7.0% in FY 2012-13. A rise in commodity prices and weakening of the Indian rupee remain significant risk factors for the inflation trajectory. India's Balance of Payments slipped into negative territory in third quarter of FY 2011-12 for the first time in three years as exports slumped and imports rose. India's current account deficit is expected to widen to 3.5% in FY 2011-12 as compared to 2.6% a year ago. India's fiscal deficit jumped to 5.9% of GDP for FY 2011-12 against the target of 4.6% and Government has set fiscal deficit target for FY 2012-13 at 5.1% of GDP, which is very high. These deficits, *inter alia*, had an impact on India's long term BBB rating which has shifted to negative from stable.

4.2 INFRASTRUCTURE

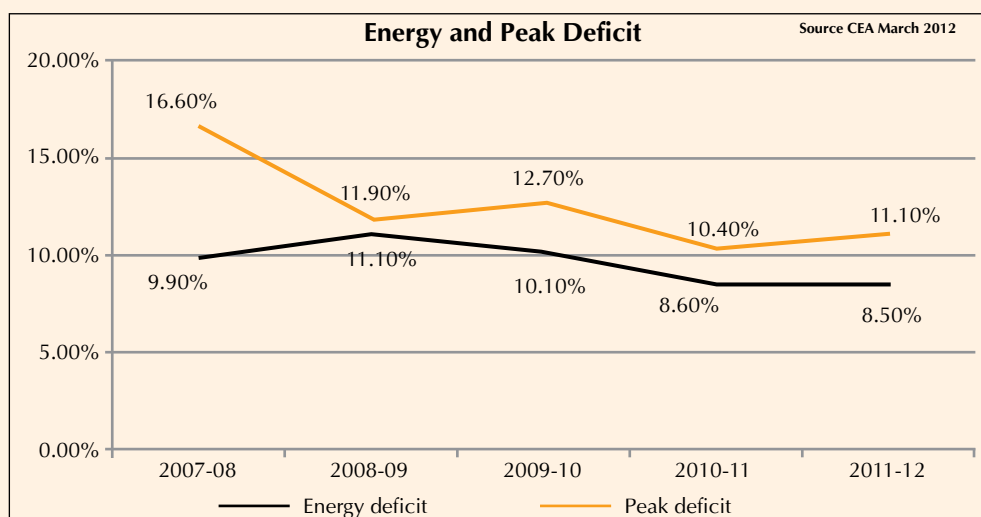
India is one of the fastest growing economies in the world. The Eleventh Plan emphasized the need for removing infrastructure bottlenecks for sustained growth. Inclusive growth of the economy can be achieved only if the infrastructure deficit is overcome by adequate investment to support higher growth and an improved quality of life for both urban and rural communities. Public private partnerships (PPPs) in this sector are gaining importance and are benefiting from government support. PPPs are expected to augment resource availability as well as improve the efficiency of infrastructure service delivery. Allocation of natural resources in a transparent and fair process would lead to the growth of infrastructure. The Ashok Chawla Committee recommendations include adoption of open, transparent and competitive mechanism for allocation of natural resources and greater disclosure of the existing approval process. The Supreme Court's recent judgment that the basis of the allocation of all natural resources should be by way of auction is an important step in this direction.

4.3 POWER SECTOR SCENARIO

The installed capacity at 1,713 MW in 1950 has grown to 1,99,877 MW in March 2012 symbolizing the dynamic growth of the sector. The Eleventh Plan which began with an installed capacity of 1, 32,329 MW has grown by 51.05% as of 31st March, 2012. The Per capita consumption of electricity in the country has increased from 592 kWh in FY 2003-04 to 814 kWh in FY 2010-11. However, for a nation that has a population of over a billion and aims at 9% GDP growth by FY 2016-17, these figures are far from adequate.

A) DEMAND SUPPLY SCENARIO

The demand for electrical power in India has been growing at approx. 6% during the last six years whereas the supply has been growing by approx. 5.4% over the same period due to which the energy deficit has persisted over the years. The demand-supply gap remains high, with energy shortage of 8.5% and peak power shortage (mainly generated from the commercial and industrial segments) at 11.10% as of 31st March, 2012. However, both energy and peak power deficits have reduced during the Eleventh Plan period as can be seen from the following chart:



The western region of the country faced the highest Energy deficit of 11.40% and Peak power deficit of 13.80% during FY 2011-12. However, in the state of Gujarat, the Energy deficit was almost Nil at 0.4% and peak power deficit was low at 1.8%. Further, Gujarat is expected to become a power surplus state soon in terms of both peak demand and energy requirement.

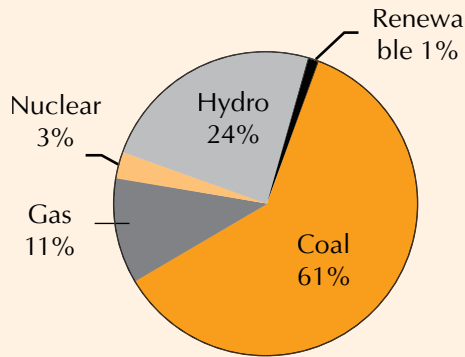
Shortages of this magnitude can significantly constrain industrial activity and restrict economic growth of any country.

B) GENERATION

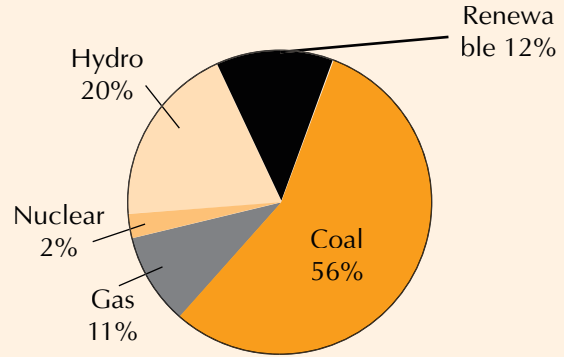
The Government of India has continually initiated several reforms to create a favourable environment for addition of new generation capacity in the country. The Electricity Act 2003 had put in place a highly liberal framework for generation which includes de-licensing of generation, setting up thermal generation projects without techno-economic clearance of CEA and captive generation being freed from all controls.

The installed capacity crossed the 2,00,000 MW mark on 14th April, 2012. The fuel wise breakup of the installed capacity as on 31st March, 2012 as given below shows that there is a major shift in renewable capacity from 1% in 1999-2000 to 12% in 2011-12:

Fuel Mix 1999-2000



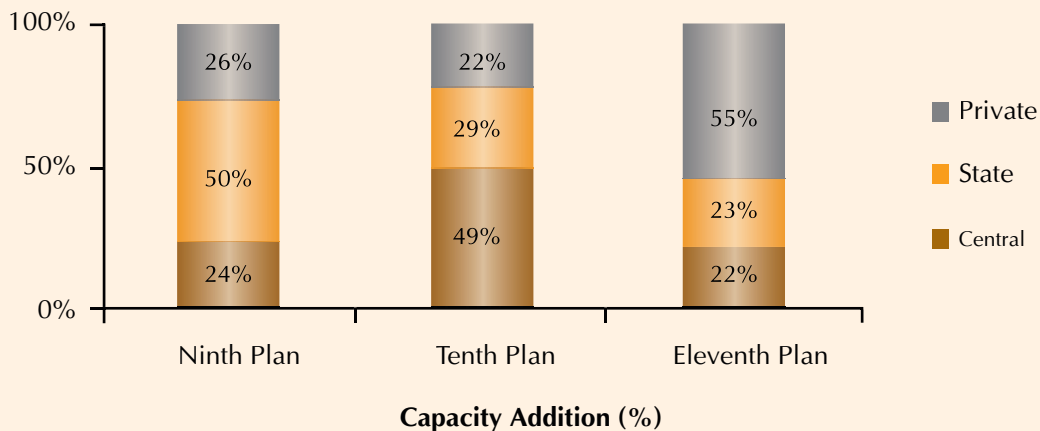
Fuel Mix 2011-2012



Total installed capacity: 93,294 MW Total installed capacity: 1, 99,877 MW

The Working Group on Power has estimated a capacity addition of 94,285 MW (incl. 18,500 MW from renewable sources) for the Twelfth Plan against the target of 92,700 MW (incl. 14,000 MW from renewable sources) for the Eleventh Plan. The Eleventh Plan, by making a capacity addition of 67,548 MW (including 16,743 MW from renewable sources), has surpassed the Ninth and the Tenth Plan that registered capacity addition of 19,251 MW and 27,283 MW respectively. Around 39% (i.e. 26,251 MW) of the capacity addition made in the Eleventh Plan has been achieved in FY 2011-12, which is greater by 85% as compared to FY 2010-11. The total generation for FY 2011-12 at 8,71,604 MUs (excluding from renewable sources), also registered a growth of 8% over the last year.

The sector wise share in installed capacity addition in Ninth, Tenth and Eleventh Plan as given under shows that the private sector has taken a big leap and is poised to play a greater role in the coming years thus, changing the industry structure for power generation in India.



Though the progress in the sector is noteworthy, yet the desired levels have not been achieved. While the power sector demand for coal at approx. 696 million tonnes (MT) has grown at a compounded annual growth rate (CAGR) of 7.3 % in FY 2010-11 and FY 2011-12, the domestic coal production of Coal India Limited (CIL)

has remained stagnant at around 430 MT in the same period. Further, the high carbon tax rate of 30% in Australia and the Indonesian coal policy of benchmarking coal sales to an index-based price linked to global rate along with a plan to impose a 25% export tax on coal impact import prices adversely.

Gas-based power capacity was expected to increase to 20,000 MW at the end of the Eleventh Plan but the availability of domestic gas was not adequate to feed the existing projects and projects added during Eleventh Plan. The commitments of domestic gas allocation made earlier to power stations were not fulfilled. This led to decrease in national PLF of gas based power plants from 66.15% in FY 2010-11 to 59.91% during FY 2011-12. Even though the Empowered Group of Ministers (EGoM) allocated an additional 30 million metric standard cubic metres per day (mmscmd) gas supplies to power projects from Reliance's KG-D6 fields, besides the existing allocation of domestic gas, the domestic gas supply shortages could not be met due to the continuous drop in gas output from the KG D6 fields to 28.16 mmscmd in March 2012, against the projection of 80 mmscmd. The alternative to domestic natural gas, imported LNG, though available adequately, could not be used to make up for the shortfall in domestic gas due to its high cost.

During the year, first Ultra Mega Power Project (UMPP) of the country was commissioned successfully. However, the first four UMPPS awarded seven years ago have run into various troubles and roadblocks. Domestic Fuel availability and cost would be the main challenges faced by these UMPPs.

The key trends and developments in the generation sector are as under:

1. CIL Board released draft fuel supply agreements (FSA) for power plants that have entered into long-term power purchase agreements with Discoms and would get commissioned on or before March, 2015. However, it offers only limited self-penalty of 0.01% for not supplying at least 80% of committed supply.
2. The Ministry of Coal has migrated to Gross Calorific Value (GCV) based grading system for non-coking coal from the earlier Useful Heat Value (UHV) based system with effect from 1st January 2012.
3. Auction by Competitive Bidding of Coal Mines Rules, 2012 have been notified on 2nd February, 2012.
4. Ministry of Environment and Forests (MOEF) has announced Fast Track Environmental Clearance for Thermal Power Projects.
5. Several Joint Ventures have been set up in the country for manufacturing of supercritical boilers & turbine generators with technology tie-ups from International manufacturers. With a view to encourage domestic manufacturing of supercritical units, bulk orders for around 20 supercritical units have been approved by the Government with a mandatory stipulation to incorporate the condition of setting up of pre-agreed Phased Domestic Manufacturing Programme (PMP) in the bids to be invited. These measures are yet to make an impact.
6. In the Finance Bill 2012, the following benefits have been proposed which would ameliorate the worsening state of the power generation sector:
 - a. Extension of 80IA benefit (claiming 100% deduction of profits) for plants commissioned on or before 31st March 2013.
 - b. Additional depreciation of 20% in the initial year has been proposed to be extended to new assets acquired by power generation companies.
 - c. Full exemption from basic duty of 5% to Natural Gas and LNG.

- d. Full exemption from basic custom duties and concessional countervailing duty (CVD) of 1% to steam coal for a period of 2 years till 31st March 2014.
- e. To constitute an inter-ministerial group to periodically review the allocation of coal mines and make necessary recommendations for de-allocation, if required.
- f. Provision to allow external commercial borrowing to part-finance rupee debt of existing power projects and floating tax-free bonds of Rs 10,000 crores.

C) TRANSMISSION

Power transmission sector in India is witnessing a massive system augmentation drive in accordance with generation capacity addition. However, transmission works are delayed / held up because of Right-of-Way (RoW) issues, non-availability/delay in getting Forest Clearance and delay in land acquisition for sub-stations.

As per CEA report, there are total 2, 74,882 ckm transmission lines and 3, 83,465 MVA transformer capacity as on 31st March 2012. As per the report of Working Group on Power, the target for transmission line capacity addition at the end of Eleventh Plan was 68,673 ckt. kms against which around 71,644 ckt. kms has been estimated as completed while transformation/substation capacity addition was targeted at 1,57,691 MVA out of which around 1,28,955 MVA has been estimated as completed. The targets for the Twelfth Plan include addition in transmission lines of about 1, 20,000 ckt. Kms, HVDC terminal capacity of 13,000 MW and AC transformation capacity of 2, 95,000 MVA.

The country is now building lines at 800 kV and 1200 kV HVDC level. The Northern, Western, Eastern and North-Eastern regional grids with capacity of about 133 GW have been synchronized with one another while the Southern grid (49 GW) is expected to be synchronized with these grids by 2014. Integration of renewable energy generation into the grid is planned but this may increase the complexity in the monitoring and control of such large grid. The existing SCADA/EMS based grid operation has the capability to provide only steady state view of the power grid. Therefore, Phasor Measurement Units (PMU) and Wide Area Measurement System (WAMS) based technology is the need of the hour which would be helpful in monitoring safety and security of the grid and in enabling control/corrective actions.

The new Regulations for Sharing of Transmission Charges and Losses w.e.f. 1st July 2011 have shifted the transmission pricing mechanism from Postage Stamp Method to Point of Connection Mechanism (PoC). Artificial transmission tariff based barriers (pancaking) to the geographic outreach by generators, distribution companies and open access customers have been mitigated by this new mechanism.

Permissible frequency range has been narrowed down to 49.5 - 50.2 Hz from 49.2 - 50.3 Hz. to reduce the misuse of the Unscheduled Interchange (UI) as a route for trading and to maintain the grid discipline.

D) DISTRIBUTION

The distribution sector which constitutes the last mile connectivity has been dominated by state utilities with only handful of discoms in private sector. Though the share of private sector in the distribution network is only about 4%, its share in terms of energy sold is about 10%.

In the past five years distribution line length has grown at a CAGR of 5.8% to reach 8.26 million ct. km in FY 2010-11 and transformer capacity has grown at an estimated CAGR of approx. 9.2 % to reach 3,75,290 MVA as of 2010-11.

The Twelfth Plan envisages rapid augmentation and strengthening of distribution networks to ensure that the sector is able to absorb the upcoming generation.

Addressing high AT&C losses is a major challenge. Government of India's initiative to reduce AT&C losses below 15% through Restructured Accelerated Power Development Reform Programme (R-APDRP) announced in July 2008 with an outlay of ₹ 515 billion has achieved a marginal reduction of 1% in AT&C losses.

Absence of political will and the disposition of the State Electricity Regulatory Commissions (SERCs) have led to widening gap between average cost of supply and average revenue realized by the generators/distributors. The gap was approx. ₹ 0.86 per unit without subsidy (Gap with subsidy - ₹ 0.59). Stagnant tariffs and increasing costs resulted in huge losses and negative net worth of state discoms which are expected to reach Rs.1.80 lakh cr and Rs. 75,000 crores respectively by FY 2011-12, as per Crisil Research. This has led to financial institutions and banks adopting a cautious stance towards lending to the power sector. National Electricity Fund (NEF) set up by Govt of India to provide interest subsidy on loans for implementing network improvement projects may improve lender confidence.

The judgment by APTEL directing the SERCs to notify suo moto tariff orders, fuel cost pass-through mechanism in the ARR on a monthly /quarterly basis and the recommendations of Shunglu committee on Utility finance, *inter-alia*, including adoption of franchisee model are some of the positive developments. With invitation for bids for six circles in M.P. and Orissa in FY 2011-12, the franchisee model may be considered to be gaining increased acceptance. However, it remains to be seen whether the Franchisee model would address the woes of the Distribution sector.

E) RENEWABLE ENERGY (RE)

The Indian renewable energy sector witnessed significant growth during the year under review. The total installed capacity was approx. 25,000 MW as on 31st March, 2012. Wind energy continues to be the single largest component of the RE portfolio, accounting for nearly 70% of all Green power, followed by small hydro power at 15% and bagasse based cogeneration at 8%. Wind power installations in FY 2011-12 were the highest so far at 3163 MW and the total wind power capacity addition during the Eleventh Five Year Plan was approx. 10,233 MW, which was double the capacity addition during Tenth Plan period.

The Centre has announced an ambitious National Solar Mission (NSM) under which 20,000 MW of solar power capacity is expected to be added in the next decade. The mission is going on as scheduled and is on target. Gujarat's 600 MW solar power park, touted as Asia's first and largest solar power park, is a boost to India's efforts towards low carbon growth. Solar tariffs have crashed more than 50% in the past 18 months from approx ₹17 in July 2010 to approx. ₹ 9 in December 2011.

One of the key factors driving the growth of renewable sector is the Renewable Purchase Obligation framework that requires all discoms to source a part of their electricity purchase from renewable energy sources. Also, there has been good capacity addition under the Renewable Energy Certificate (REC) framework. Some regulators have been proactive in stipulating feed-in tariffs for solar power that are meant to give a fillip to investments in the sector – thereby making it attractive for investors. Besides, there was accelerated depreciation and generation-based incentive (GBI), as incentives to spur investment in wind energy. Despite such positive measures, prices of renewable energy equipment, in particular wind turbines, which are on the higher side impact the IRRs of the renewable projects adversely.

However, inspite of the tremendous growth, there is a large untapped potential. The current capacity represents less than one-third of the estimated potential of over 84,776 MW (excluding solar). Solar power potential alone is estimated to be about 100 GW, compared to the installed capacity of about 1 GW.

F) POWER TRADING

Power trading market has emerged as the fastest growing segment with a CAGR of over 24% in last six years. The short term transactions are facilitated through Bilateral (traders and term ahead contracts), Power Exchanges [currently Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL)] and Unscheduled Interchange (UI).

Of the total generation in FY 2011-12, 94,512 MUs (11%) of power were traded through short term transactions. The composition is as follows:

Bilateral	IEX	PXIL	UI
51,932 MUs (54.95%)	13,793 MUs (14.59%)	1,029 MUs (1.09%)	27,758 MUs (29.37%)

The short term transactions have increased by 12,961 MUs during FY 2011-12 registering a growth of around 16% over FY 2010-11. This is due to increase in Bilateral transactions by 13,981 MUs along with decrease in exchanges and UI transactions by 698 MUs and 322 MUs respectively. The average price of power transacted during FY 2011-12 through Bilateral decreased to ₹ 4.19/kwh from FY 2010-11's price of ₹ 4.79/kwh, while the average price of power transacted during FY 2011-12 through Exchanges remained same at FY 2010-11's price of ₹ 3.48/kwh. The reasons for decline in bilateral trading price include increase in power available for short term trading, reduced seasonal demand from distribution utilities, and utilities choosing to shed load instead of procuring short term power to meet shortages.

Network congestion, poor utility finances, high aggregate technical and commercial losses, trading margin cap, transmission capacity constraints and limited implementation of open access are the constraints that need to be dealt with in order to ensure accelerated growth of the trading segment. Hon'ble CERC and 24 SERCs are working towards the creation of a strong regulatory framework for the effective functioning of the power market.

G) RISKS & CONCERNS

The world economy and consequently Indian economy is in an uncertain state. While the Indian Power Sector has gained considerable ground in the Eleventh Plan Period, the progress in the sector has been limited due to various issues faced by it. The private sector has come a long way since the initial negotiated contracts to transparently and competitively bid projects. However, the private sector is not a panacea for all the challenges and adequate attention needs to be paid to address the fundamental issue of reforms. Some key issues and concerns that adversely impact the sector are mentioned below:

- Both demand predictions and cost realizations have become uncertain and as a result the generation projects in pipeline are stagnating.
- For existing projects, domestic fuel shortages and high costs of fuel imports remain a challenge that the generation sector needs to address. The domestic supply of both coal and natural gas has failed to match the growing demand. Gas production from KG-D6 basin is currently subdued due to technical problems dealing with reservoir complexities and is likely to remain at such levels over the next couple of years after which the output is expected to rise.

- Land acquisition and other clearances including environment and forest, water linkage, RoW, civil aviation etc. take a lot of time, increasing the pre-development cycle leading to delays in both generation and transmission projects which also escalates the project cost and builds uncertainties.
- The equipment industry lacks standardization in practices in terms of commercial terms, technology, performance standards, etc.
- The huge magnitude of the losses of state discoms will put pressure on the cash flows of state discoms, increasing the instances of disruption in electricity supply to consumers and limit the progress in strengthening and augmenting state network and also increase the risk of investments and reduce bankability of projects.
- In the Renewables sector, the rollback of Accelerated Depreciation benefit and the non-extension of Generation Based Incentive (GBI) can keep power developers at bay and could reduce renewable capacity addition in FY 2012-13 and beyond.
- Transmission congestion is one of the biggest challenges hindering the development of the short term power market and therefore the merchant power rates.
- Shortage of manpower is another concern facing the power sector which is competing with several other growing sectors for the same manpower pool.

H) FUTURE OUTLOOK AND OPPORTUNITIES

Powering India is imperative to sustained economic growth. The country's demand for power is likely to soar to 1,993 Billion Units (BUs) from the present 937 BUs after a decade. The capacity addition requirement corresponding to this incremental demand works out to 1,69,185 MW i.e. almost doubling the installed capacity the country has as on 31st March, 2012. On an average it comes to 16,919 MW of addition per year which seems achievable if the same is compared to the capacity addition made in FY 2011-12. Other factors impacting the power sector favourably are:

- Fast Track clearance from MoEF for Thermal Power Projects, new Land Acquisition Bill bringing benefits for farmers and the proposed Single Window Clearance system for Power Projects would certainly move the Generation sector.
- Government has taken the positive step by ensuring FSA for coal based plants expected to come up before 31st March, 2015. Captive mining and e-auction of coal would also improve coal supply.
- The National Gas Grid, consisting of existing and upcoming gas pipeline infrastructure, is expected to be available that would effectively cover all the major consumption centres in the country.
- The adoption of supercritical technology for majority of the upcoming projects, and the policies promoting it, is a step towards reducing greenhouse gas emissions.
- The emphasis is also being given to the development of nuclear power, hydro power as well as power from renewable sources. The National Solar Mission and Gujarat Solar Policy are major initiatives. Also the Renewable Purchase Obligation (RPO) and Renewable Energy Certificate (REC) framework have become major factors driving the growth of the renewable sector.
- APTEL directives to the State Commissions would help in raising the distribution tariff in a timely manner.

- The private sector is set to take a leap with increasing participation in generation and transmission, particularly through the competitive bidding process and more distribution circles getting privatized through the distribution franchisee model.

If major steps are taken power sector could tap the emerging opportunities and could achieve the inherent growth thus, providing one of the biggest avenues to participate in the development of India's infrastructure.

5. REVIEW OF COMPANY'S BUSINESS

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

GENERATION

SUGEN Mega Power Plant near Surat

During FY 2011-12, SUGEN achieved PAF of 89.29% (Previous Year – 95.32%) and PLF of 75.99% (Previous Year- 82.77%) and dispatched 7430 MUs (Previous Year – 8070 MUs). PAF reduced due to increase in planned maintenance during the year whereas lower gas supply from domestic sources, reluctance of beneficiaries to off take power using LNG which is expensive, regional transmission constraints and lower PAF have affected PLF of SUGEN in FY 2011-12.

Govt. of Gujarat has notified the Green Cess Act, 2011 with effect from 1st August, 2011, according to which Green Cess of 2 paise/unit is payable by all generating stations on their gross generation. However, the levy of such Green Cess has been challenged in the Gujarat High Court by some industries.

AMGEN in Ahmedabad

AMGEN has an installed capacity of 500 MW, of which 400 MW is coal based and 100 MW is gas based. The Company has engaged Doosan for upgradation of E & F stations at AMGEN whereby the capacity of both stations would increase to 120 MW each from existing 110 MW each.

During FY 2011-12 from its 500 MW capacity, the Company achieved PAF of 95.38% (Previous Year - 92.98%) and PLF of 77.80% (Previous Year - 82.53%) and dispatched 3128 MUs (Previous Year 3,327 MUs). While the availability was high as compared to previous year, PLF was lower on account of application of merit order dispatch, reduced KG-D6 gas supply etc. AMGEN is also liable to pay Green Cess of 2 paise/unit according to the Green Cess Act. However, the levy of such Green Cess has been challenged in the Gujarat High Court by some industries.

Wind Power Plant at Lalpur

The Company commissioned its 49.6 MW Wind Power Plant at Lalpur. The Plant has been registered under REC scheme with NLDC. Selling of Renewable Energy certificates on power exchange has been started with first trade being carried out in the month of March 2012.

DISTRIBUTION

Ahmedabad and Surat

The sales were higher at 8804 MUs in FY 2011-12 as against 8527 MUs during the previous year, registering a marginal growth of 3.25%. The T&D loss was reduced marginally to 6.84% in FY 2011-12 from 7.23% during the previous year and is one of the lowest in the country. The consumer base for both the areas as on

31st March, 2012 was 21.56 lacs (Previous Year - 20.87 lacs). The overall peak system demand for Ahmedabad was 1309 MW in FY 2011-12 as compared to 1152 MW in Previous Year, an increase of 13.6%. The overall peak system demand for Surat was 554 MW in FY 2011-12 as compared to 566 MW in Previous Year, a decrease of 2.2%. To cater to inability to off take power available from SUGEN and AMGEN using LNG (due to reduction in domestic gas supply), which is expensive and also increase in demand of Ahmedabad and Surat, the Company entered into an agreement with GUVNL for 140 MW for FY 2011-12 and FY 2012-13 and with Adani Power Limited and Sterlite Energy Limited for 75 MW each for FY 2012-13.

GERC (Multi Year Tariff) Regulations, provides for the truing up of previous years expenses and revenue based on audited accounts vis-à-vis the approved Annual Revenue Requirement and categorization of variations. The Tariff order was issued by Hon'ble GERC on 6th September, 2011 for Ahmedabad & Surat Distribution effective from 1st September, 2011 after taking into account the effect of Hon'ble APTEL's orders. Hon'ble GERC vide its letter dated 23rd November, 2011 has directed the Company to file the petition for truing up of FY 2010-11 and determination of tariff for FY 2012-13 and accordingly, the Company had filed its tariff Petition. Hon'ble GERC also notified the new Open Access regulations on 1st June, 2011.

Bhiwandi

The sales were higher at 2636 MUs in FY 2011-12 as against 2511 MUs during the Previous Year, registering a marginal growth of 4.98%. The AT&C Loss was marginally lower at 17.85% in FY 2011-12 as against 18.43% during the Previous Year. The consumer base as on 31st March, 2012 was 2.39 lacs (Previous Year 2.21 lacs).

Agra

The sales were higher at 1054 MUs in FY 2011-12 as against 980 MUs during the Previous Year, registering a growth of 7.55%. The AT&C Loss was lower at 54.34 % in FY 2011-12 as against 61.30% during the Previous Year. The consumer base as on 31st March, 2012 was 2.74 lacs (Previous Year 2.88 lacs). The reduction in consumers was mainly on account of weeding out of 37,000 fictitious consumers; though 23,000 consumers were added during FY 2011-12. The peak system demand for this distribution area was 383 MW during FY 2011-12, which was marginally higher as against 381 MW in the Previous Year.

OVERALL SALES

The overall sales in FY 2011-12 were at 14,983 MUs as against 14,512 MUs during the previous year, registering a growth of 3.25% during the year. The Company earned gross income of ₹324.99 Crores from sale of CERs during the year, of which ₹ 3.30 crores is payable to the beneficiaries in accordance with CERC guidelines. However, the average rate of CERs dipped from 13 Euros in first quarter of FY 2011-12 to around 4 Euros in March 2012. There was overall reduction in generation of both the generating units viz. SUGEN and AMGEN on account of planned shutdown, reduction in domestic gas availability and inability of beneficiaries to off take power using LNG, which is expensive.

Though the GERC Multi Year Tariff Regulations provide for post tax return of 14% on equity, which is lower than that stipulated by the National Tariff Policy as well as certain SERCs, the regulated business comprising Ahmedabad and Surat could not realize even such lower rate of return. Stiffer operating trajectories in normative parameters, despite continuous efficiency improvements particularly in T&D losses, other stringent normative stipulations, etc. in the MYT Regulations for control period FY 2011-12 to FY 2015-16, limitation in automatic

pass through of increase in fuel and power purchase costs and consequent postponement of such recovery including to true up stage impact adversely the financial performance of our regulated business. The above do not augur well for the long term interests of our regulated business unless the normative parameters are pragmatic to provide for continued viability of regulated business. Though Hon'ble APTEL orders on tariff and UI have brought in some relief; the cumulative regulatory gap is on the increase year after year.

Due to initial years of Agra operations, the AT&C losses as well as the operating expenses are high which have led to the unit's losses in the FY 2011-12 also; though reduced from FY 2010-11 levels. Operations are expected to stabilize in FY 2012-13 with improved network augmentation, LT network undergrounding, better meter reading efficiency and reduction in AT&C losses.

Needless to mention that increasing operational efficiency both in generation and distribution have contributed to the overall improvement in performance despite decreased short term power demand and related fuel and transmission constraints.

Interest costs for the Company increased during the year on account of routine capital expenditure incurred at Distribution units for improved efficiency and performance and the increase in interest rates.

In this context the overall;

- PBDIT increased by **9.66%** from ₹ 2148.22 Crore to ₹ **2355.82** Crore
- Depreciation decreased by **6.82%** from ₹ 392.68 Crore to ₹ **365.88** Crore
- Interest decreased by **5.03%** from ₹ 327.15 Crore to ₹ **310.69** Crore
- PBT increased by **17.56%** from ₹ 1428.39 Crore to ₹ **1679.25** Crore
- PAT increased by **16.11%** from ₹ 1065.72 Crore to ₹ **1237.46** Crore

6. UPCOMING PROJECTS

The Company is geared to expand its capacities through various upcoming projects which are as follows:-

● UNOSUGEN

The Company is developing UNOSUGEN Project, a 382.5 MW gas based combined cycle power plant adjacent to its existing SUGEN plant, for which the EPC Contract has been awarded to Siemens. All the main plant equipment has arrived at site. All owners inputs required under EPC contract have been provided except gas connectivity, for which GTA has been signed with GSPL. This project is expected to meet about 278 MW additional demand of Ahmedabad and Surat Distribution. Long term PPA has been signed with PTC India Limited for sale of 35 MW. Connectivity Transmission scheme comprising LILO of 400 kV SUGEN TPS – Pirana (PGCIL) one ckt at Generation Switchyard of UNOSUGEN has been approved by the Central Transmission Utility and the work is in progress.

● DGEN MEGA POWER PROJECT

1200 MW gas based DGEN Mega Power Project (Combined Cycle Power Project) at Dahej SEZ is being developed by Torrent Energy Limited (wholly owned subsidiary of the Company). It has been granted status of Co-Developer of Dahej SEZ area by Ministry of Commerce & Industry and Provisional Mega Power Status by Ministry of Power. Power Train Components of all three units have been manufactured. All major components

of Heat Recovery Steam Generators (HRSGs) and Balance of Plant have reached site and erection work is going on in full swing. Non-EPC works and due owner's inputs under the EPC contract are almost complete.

The Project has been granted Connectivity scheme through 400 kV Double Circuit line with triple snowbird conductor from DGEN Generating Station to PGCIL's Navsari Sub-station, which is being implemented by Torrent Energy Limited itself. Long Term Open Access has also been granted for 1200 MW of Power (400 MW for Western Region, 400 MW for Northern Region and 400 MW for Torrent Power Limited – Ahmedabad), for which the Western Region System Strengthening Scheme comprising 400 kV DGEN-Vadodara line and 220kV Navsari – Bhestan line is proposed to be awarded through competitive bidding route by the Central Transmission Utility.

- **PIPAVAV PROJECT**

The Company is setting up 3x840 MW Super critical coal-based power project at Pipavav village in Amreli District of Gujarat through SPV Torrent Pipavav Generation Limited. Additional compensation, as per consent settlement approved by Gujarat High Court, has been paid to more than 80% of land owners and payment of such compensation to balance landowners is in process. In spite of this, the Company is facing difficulties in taking possession of the land. Terms of Reference (ToR) for Baitarni West Coal mine allocated to the Project have been approved by MoEF and Environment Impact Assessment (EIA) study is under preparation.

- **WIND POWER PROJECT AT BHUD**

The Company has entered into agreement with ReGen Powertech Pvt. Ltd. for developing, constructing and maintaining the 75 MW Wind Power Project at Bhud, Dist. Sangli, Maharashtra.

- **UP SANDILA**

The Company has signed the MoU with Government of Uttar Pradesh for development of 1,320 MW Coal Based Power Plant at Sandila, Dist. Hardoi, Uttar Pradesh. Long term Power Purchase Agreement (PPA) has been signed with U. P. Power Corporation Limited (UPPCL) for sale of 90% of Power which has been approved by Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC). Terms of Reference (ToR) have been approved by MoEF in August, 2011 and Environmental Impact Assessment (EIA) study has been completed in December, 2011.

7. FINANCE

During the year, the Company raised long-term loans from various Financial Institutions and Banks to the tune of ₹ 1081.19 Crores, bridge loan of ₹ 50 crores and buyer's credit of ₹ 193.42 Crores. Further from Loan Facility Agreements of Rs 1283 Crores for UNOSUGEN project with KfW (Germany), Infrastructure Development Finance Company Limited, State Bank of India and Bank of Baroda, the Company has availed ₹ 646.19 Cr. The term loans including working capital loans and APDRP Loans outstanding as on 31st March, 2012 were ₹ 3703.95 Crores (Previous Year ₹ 3059.50 Crores). During the year, bridge loan of ₹ 225 Cr drawn for UNOSUGEN was repaid. The Company has repaid an amount of ₹ 444.17 Crores (Previous Year ₹ 417.75 Crores) towards long term loans including loan under APDRP. The Company's long-term debt paper and cash credit are rated AA/Stable by CRISIL. This indicates high degree of safety with regard to timely payment of financial obligations. For letters of credit / bank guarantees, the Company is rated A1+ indicating high degree of safety regarding timely payment of the instrument.

8. RISKS AND CONCERNS OF THE COMPANY

Significant risks impacting the Company include;

- Availability of fuel is not a major issue though domestic availability is currently limited. Further, high cost of fuel is one of the main issues faced by the Company. Generation cost at AMGEN is increasing because of GCV based pricing for domestic coal, increasing cost of imported coal and depreciation of Indian Rupee. Freight cost of coal is also expected to go up in FY 2012-13 on account of increased railway freight by 24% in Railway Budget 2012. While imported RLNG is adequately available, its cost continues to be high and currently unaffordable.
- As regards the capacity charge, GERC MYT Regulations 2011 stipulate O&M expenditure without linkage to MVA served and with escalation at rate lower than the inflation rate and also interest on working capital norms have been tightened. Though, FPPPA formula allows pass through of rate increase in fuel cost upto 10 paise/Kwh in a quarter automatically and beyond that with specific approval of Hon'ble GERC, the same does not provide for pass through of mix variance. The normative targets for a year are based on previous year's achievements and are a shifting target. These measures do not abode well for the health of the Distribution sector.
- Availability of land for new power generation projects and sub-stations/corridors in the city area for Power Distribution is a cause of concern. Further, ensuring safety and stability of distribution networks in the cities is a challenge.
- Success stories of some of the Distribution Franchisee operations are tempting many operators to quote very high purchase tariff in recent bids making the basic concept of distribution franchisee unviable.
- The Company also bears the risk of adequate availability of technical personnel, which it proposes to overcome through pro-active recruitment and training.

9. INTERNAL CONTROL SYSTEMS

The Company has an adequate system of Internal Control aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. Independent firms of Chartered Accountants are appointed as auditors for conduct of the internal audit function. Besides the Company has its own in-house audit function, which conducts routine audit of activities. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee.

10. INFORMATION TECHNOLOGY

SAP is operational at SUGEN, AMGEN and Ahmedabad Distribution. SAP was implemented at Surat distribution on 1st September, 2011 and is operational.

11. HUMAN RESOURCES

Development initiatives for human assets in the areas of consumer orientation, self and organizational development, team building managerial effectiveness and up-gradation of technical skills etc. are continuously undertaken by the Company for improving the value of and contribution by its human assets.

The programme titled 'Learning Adventures' on Sustainability of Organizations was organized at Ranikhet for

our select senior most management team. This deserves a special mention for its unique format.

Staff strength as on 31st March 2012 was 7184. (as on 31st March, 2011, 7184).

12. SUBSIDIARIES

The Company has three subsidiary companies namely, Torrent Power Grid Limited, Torrent Energy Limited and Torrent Pipavav Generation Limited.

During the year, Torrent Power Grid Limited received Tariff Order for its first phase and has filed petition for determination of tariff for second and third phases of the Project with Hon'ble CERC pursuant to the provisions of CERC (Terms and Conditions of Tariff) Regulations, 2009. Torrent Energy Limited besides developing the 1,200 MW gas based DGEN Mega Power Project (a Combined Cycle Power Project) at Dahej SEZ also distributed 55.70 MUs to SEZ units during FY 2011-12 (PY 32.25 MUs). Torrent Pipavav Generation Limited is developing the 2,520 MW coal based Pipavav Project in phases at Pipavav village in Amreli District of Gujarat.

13. ENVIRONMENT, HEALTH AND SAFETY

The Company accords the highest priority to Environment, Health and Safety. The initiatives in this context include:

- Fully commissioned first Wind Power Plant of 49.6 MW at Lalpur (Gujarat),
- Process of setting up another 75 MW wind power project at Bhud (Maharashtra)
- "URJA DWEEP" at SUGEN, an unique complex based solely on Green power comprising
 - SWADHAR - a complete medical centre to cater to healthcare of the locals,
 - JARUL - a residential colony of 48 apartments for technicians, and
 - Bio Gas plant which will assist in waste disposal in the surroundings and support the household gas and electricity requirement of Swadhar and Jarul.
- In line with its philosophy of highest importance to safety in its various operations and in an effort to create more awareness at the work place about safety and compliance of safety norms so as to avoid accidents at the workplace as also to substantially compensate the personnel and their families who have been adversely affected by accidents, the "Conviction for Safety" policy has been implemented by the Company which is first of its kind in the country. Safety campaigns and public awareness programs have also been enhanced.
- Agreement executed for purchase of solar power (5 MW) from Roof top Programme launched in Gandhinagar by Govt. of Gujarat.
- 5 Star rating by British Safety Council for Health and Safety Management System for SUGEN Mega Power Plant.
- Adoption of safety improvement measures including undergrounding of overhead lines, replacement of old oil type switchgears with SF6 switchgears, replacement of old relays with protective relays and providing DTC fencing and earthing.

14. CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR initiatives are highly influenced by the philosophies of its group Founder Chairman, Shri U N Mehta. He firmly believed that it is the responsibility of every member of the society to give back for all the good that the society has bestowed upon him. The Company continues to make focused efforts for fulfilling its Corporate Social Responsibility, with the thrust areas being education, health & sanitation and public awareness.

During the year, the Company was involved in the following CSR activities:

- Shiksha Setu, the programme spread over 5 years for Teaching Learning Enhancement in all 20 project schools covering approx. 2700 students in FY 2011-12 which comprise four components viz.
 - Low Stakes Learning Assessment of students
 - Post-Assessment Analysis Workshop.
 - Continuous Teachers' Support Programme.
 - Individualized ICT-based learning support.
- Completion of Sharda Mandir School project for the children of Indrad Village.
- Shardashish Scholarship Programme which provided scholarship support to 46 meritorious students from economically weak background.

15. DIRECTORS

Shri D.J. Pandian, IAS, Shri V.K. Kukreja and Shri Jinal Mehta were appointed as Additional Directors during the year under review. They hold office up to the commencement of ensuing Annual General Meeting. Shri K. Sridhar has resigned from the Board since the last Annual General Meeting. The Board places on record its appreciation for the valuable services rendered by him during his tenure as Director of the Company.

Shri Pankaj Patel and Shri Kiran Karnik retire by rotation and being eligible, they have offered themselves for re-appointment.

For your perusal, a brief resume of the Directors being appointed / re-appointed and other relevant details are given in the Explanatory Statement to the Notice convening the Annual General Meeting. The Board of Directors recommends their appointment / re-appointment.

16. CORPORATE GOVERNANCE

The governance philosophy of the Company rests on five basic principles viz. protection of rights and interests of shareholders, equality in treatment of all shareholders, disclosure of timely and accurate information, strategic guidance and effective monitoring by the Board and accountability of the Board to the Company and its shareholders.

This report deals with the matters stipulated for the Management Discussion and Analysis Report. A report on Corporate Governance also forms part of the Annual Report. Certificate of the Auditors regarding compliance with the Corporate Governance code is also attached to the Annual Report.

17. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company retire at the

ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate regarding their eligibility for re-appointment as Statutory Auditors of the Company, pursuant to Section 224(1B) of the Companies Act, 1956.

Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

18. COST AUDITORS

M/s. Kirit Mehta and Co., Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for FY 2011-12. Cost audit report for FY 2010-11 was filed on 26th September, 2011 (within the prescribed time limit).

19. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, in relation to the financial statements for FY 2011-12, the Board of Directors states that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profits for the year ended 31st March, 2012;
3. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The financial statements have been prepared on a going concern basis.

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

The details relating to technology absorption, foreign exchange earnings and outgo prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 ("the Rules") are given in the Annexure to and forms part of this report. As the Company is not a scheduled industry, details in respect of conservation of energy pursuant to the said Rules are not furnished.

21. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary of the Company.

22. APPRECIATION AND ACKNOWLEDGEMENTS

The Directors are pleased to place on record their appreciation for the continued guidance and support received from the Central Government, Government of Gujarat, Government of Maharashtra, Government of Uttar Pradesh, Central Electricity Regulatory Commission, Central Electricity Authority, Gujarat Electricity

Regulatory Commission, Maharashtra Electricity Regulatory Commission, Uttar Pradesh Electricity Regulatory Commission, Western Region Power Committee, National Load Dispatch Centre, Regional Load Dispatch Center, State Load Dispatch Centre, Gujarat Urja Vikas Nigam Limited, Gujarat Energy Transmission Corporation Ltd, Gujarat Energy Development Agency, Chief Electrical Inspector (Gujarat), Maharashtra State Electricity Distribution Company Limited, Maharashtra State Electricity Transmission Company Limited, Maharashtra Energy Development Agency, Power Grid Corporation of India Limited, Gujarat Power Corporation Limited, Uttar Pradesh Power Corporation Limited, Dakshinanchal Vidyut Vitran Nigam Limited, Dakshin Gujarat Vij Company Limited, Uttar Gujarat Vij Company Limited, Indian Railways, Gas suppliers and transporters including Reliance Industries Limited, Indian Oil Corporation Limited, GAIL (India) Limited, Reliance Gas Transportation Infrastructure Limited, Gujarat State Petronet Limited and Petronet LNG Limited, Coal Suppliers including South Eastern Coalfields Limited, Siemens India Limited and Siemens AG, Power Exchange India, India Energy Exchange, Financial Institutions, and Banks including Bank of Baroda, Canara Bank, HDFC Bank, IDBI Bank, IDFC Limited, Life Insurance Corporation of India, KfW IPEX Bank, Power Finance Corporation, Punjab National Bank, State Bank of India and UCO Bank. The Board recognizes the contribution of the esteemed consumers to the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them better. The Board would also like to express its sincere appreciation for the commitment and contribution of all its employees. The Board also thanks its shareholders for their unstinted support.

For and on behalf of the Board of Directors

Ahmedabad
11th May, 2012

Sudhir Mehta
Chairman

RESEARCH AND DEVELOPMENT (R&D)

1.	Specific areas in which R&D was carried out by the Company
	The Company per se did not carry out any basic R & D work during FY 2011-12. However some activities carried out through indigenous sources resulted in significant improvement in the performance of the system.
	a. Generating Stations
	<ul style="list-style-type: none"> ● In some boiler feed pumps and bore wells one impeller removed from each pump/bore well to reduce the pumping power. ● Additional sprinkling system put in operation at tiplers and coal stock yard area to reduce dust.
	b. Transmission and Distribution
	<ul style="list-style-type: none"> ● Covering the switchyard gentry structure with Net in EHV Sub Stations. ● Introduction of Nitrogen Fire fighting system in power transformers.
2.	Benefits derived as a result of above R&D initiatives
	The benefits derived as a result of the above R&D initiatives in the Generation, Transmission and Distribution areas are as under:
	a. Generating Stations
	<ul style="list-style-type: none"> ● Energy conservation ● Reduction in air born pollution
	b. Transmission and Distribution
	<ul style="list-style-type: none"> ● Covering the EHV Switchyard with Net will help in eliminating electrocution of living creatures and reduce EHV outages. ● Nitrogen fire fighting system will help extinguish fire in case of internal power transformer failure. ● Enhancement of Safety
3.	Future Plan of Action
	<ul style="list-style-type: none"> ● E & F station refurbishment for energy saving. ● ESP up rating at E & F station for reduction in stack emission. ● Extending Automation to all EHV Sub Stations. ● Introduction of EHV GIS Equipments for various 132 – 400 kV sub stations.
4.	Expenditure on R&D
	No expenditure has been incurred as the above involved improvement in operating practice only

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts made towards technology absorption, adaptation and innovation
	<ul style="list-style-type: none"> Up gradation of D station Generator Desk control system with DCS system leading to First AMGEN generator synchronized through DCS. Implementation of PLC based load relief scheme which will take care of loading of Generation, supply points and transmission lines. In case of any contingency, load shedding can be done as per pre-decided priority to balance the system
2.	Benefits derived as a result of the above efforts
	<ul style="list-style-type: none"> Better operational control With implementation of PLC based logic scheme during system exigency the Company will be in a position to shed minimal load as per the margins available resulting into better network operation and management.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	(₹ in Crores)
Foreign Exchange Earned	
a) Gross CER Income	324.99
Foreign Exchange Used (Actual Basis)	
a) Import of Capital Goods	401.11
b) Import of Fuel, Components, Stores and Spare parts	250.74
c) Traveling, Subscriptions and Others	5.37

For and on behalf of the Board of Directors

Ahmedabad
11th May, 2012

Sudhir Mehta
Chairman

Corporate governance is globally recognised as a key component for superior long term performance of every corporate entity.

Adaptation to changing times is the key to corporate growth and long term survival. Continuous improvement is necessary in the governance practices as well. Better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase public understanding of the key activities and policies of the organisation. Indian corporates have adopted better governance practices and are opting for increased transparency and disclosures. This has been augmented by regulatory authorities introducing and improving governance practices for Indian corporates over the last decade.

Company's Philosophy on Corporate Governance

The Company recognises that transparency, disclosure, financial control and accountability are the pillars of a good system of corporate governance. While the Corporate Governance Code of the Listing Agreement prescribes a framework for governance of a business in corporate framework, the Company's philosophy is to develop the desired framework and institutionalise the spirit it entails. The Company tries to achieve higher governance standards by ingraining values, ethics, integrity and transparency in every aspect of its business. This will lay the foundation for further development of superior governance practices.

1. BOARD OF DIRECTORS

The Board of Directors as of the date of this report comprises twelve Directors of which six Directors are Independent Non-Executive Directors. Composition of the Board is in conformity with the provisions of the Code.

The Board of Directors met five times during the year on 4th May, 2011, 29th July, 2011, 19th October, 2011, 21st January, 2012 and 13th March, 2012.

Composition of the Board and other related details are given below:

Name of the Director	Category	No. of Directorship Held *	No. of Board Committees of which Member/ Chairman *	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Shri Sudhir Mehta, Executive Chairman	Promoter and Executive Director	4	1 (Chairman) 1 (Member)	5	5	Yes
Shri S. K. Barua	Independent Non-Executive Director	6	7 (Member)	5	4	Yes
Shri Kiran Karnik	Independent Non-Executive Director	1	-	5	5	Yes
Shri Keki M. Mistry	Independent Non-Executive Director	13	3 (Chairman) 6 (Member)	5	4	Yes
Shri Pankaj Patel	Independent Non-Executive Director	10	2 (Chairman) 1 (Member)	5	5	Yes
Shri K. Sridhar (a)	Independent Non-Executive Director Nominee of LIC (a shareholder)	-	-	2	2	Yes

Name of the Director	Category	No. of Directorship Held *	No. of Board Committees of which Member/ Chairman *	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Shri Samir Mehta	Promoter and Executive Director	2	1 (Chairman) 1 (Member)	5	5	Yes
Shri Markand Bhatt	Promoter and Executive Director	2	2 (Member)	5	5	Yes
Shri Murli Ranganathan	Promoter and Executive Director	1	-	5	5	Yes
Shri T. P. Vijayasarathy	Promoter and Executive Director	4	2 (Member)	5	5	Yes
Shri D. J. Pandian, IAS (b)	Independent Non-Executive Director Nominee of Govt. of Gujarat (a shareholder)	14	-	4	1	N.A.
Shri V. K. Kukreja (c)	Independent Non-Executive Director Nominee of LIC (a shareholder)	-	-	3	2	N.A.
Shri Jinal Mehta (d)	Promoter and Non-Executive Director	1	-	3	3	N.A.

(a) Shri K. Sridhar resigned from the Board of Directors effective from 31st July, 2011.

(b) Shri D. J. Pandian, IAS was appointed as an Additional Director effective from 29th July, 2011.

(c) Shri V. K. Kukreja was appointed as an Additional Director effective from 19th October, 2011.

(d) Shri Jinal Mehta was appointed as an Additional Director effective from 19th October, 2011.

* These details exclude directorship / Committee membership held in the Company as well as in the private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956. Details of committee membership comprise membership/ chairmanship of Audit Committee and Shareholders'/ Investors' Grievances Committee.

Shri Kiran Karnik and Shri Pankaj Patel are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment. Shri D. J. Pandian, IAS, Shri V. K. Kukreja and Shri Jinal Mehta have been appointed as Additional Directors during the year and hold office till commencement of the ensuing Annual General Meeting. Brief resume and other relevant details of the Directors proposed to be appointed/ re-appointed are given in the Explanatory Statement annexed to the Notice of the Annual General Meeting. Shri Sudhir Mehta and Shri Samir Mehta are related to each other. Shri Jinal Mehta is son of Shri Sudhir Mehta. None of the other Directors are related inter-se.

The Board meetings are normally held in Ahmedabad. The Board meets at least once in a quarter with gap between two meetings not exceeding four months. The Board agenda and other explanatory notes are circulated to the Directors in advance. Senior executives are invited to attend the Board meetings as and when required.

2. AUDIT COMMITTEE

Major terms of reference of the Committee include overseeing the financial reporting process, review of the financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of the statutory auditors to the Board of Directors and review of adequacy of internal control systems and internal audit function. Composition and terms of reference of the Audit Committee are in compliance with the provisions of Clause-49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, four meetings of the Audit Committee were held on 4th May, 2011, 29th July, 2011, 19th October, 2011 and 21st January, 2012. Composition of the Committee as on 31st March, 2012 and details of attendance of the members at the Committee meetings during the year are given below:

Name of the Director	Category of Directorship	Qualification	No. of meetings attended
Shri Keki M. Mistry, Chairman	Independent Non-Executive Director	C.A., C.P.A. (USA)	4
Shri S. K. Barua	Independent Non-Executive Director	M. Tech.- IIT, Kanpur, Ph. D. (Management)-IIM, Ahmedabad	4
Shri Kiran Karnik	Independent Non-Executive Director	Honours in Physics from Bombay University, PGDBM-IIM, Ahmedabad	4
Shri K. Sridhar (a)	Independent Non-Executive Director	Bachelor of Laws, Post Graduate in Economics	2

(a) Shri K. Sridhar has ceased to be a member of the Audit Committee effective from 31st July, 2011 on his resignation as a Director.

The Board has, at its meeting held on 11th May, 2012, re-constituted the Committee by appointing Shri T. P. Vijayasathy as a member of the Committee.

The Company Secretary acts as Secretary to the Committee. The Committee meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and senior executives of the Company as appropriate on invitation.

3. SHAREHOLDERS' GRIEVANCES COMMITTEE

The Shareholders' Grievances Committee reviews shareholder grievances and related requests received from the shareholders. Members of the Committee are Shri Pankaj Patel, Chairman, Shri Samir Mehta and Shri Markand Bhatt. Shri Rajiv Shah, Company Secretary is the Compliance Officer and acts as Secretary to the Committee.

The Committee met 4 times during the year to review redressal of the shareholder grievances. Powers to approve share transfers and related requests have been delegated by the Committee to senior officials of the Company for expeditious disposal of the shareholders' requests and complaints.

The Company received 112 complaints during the year and they were attended to within a reasonable period. No complaint was pending as on 31st March, 2012. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2012 beyond 30 days for processing.

4. MANAGERIAL REMUNERATION

Independent Non-Executive Directors (INEDs)

1. INEDs are compensated for their services to the Company by way of commission. Shareholders have approved payment of commission to the INEDs in accordance with and upto the limit laid down under the provisions of the Companies Act, 1956.

2. Within the ceiling, the Chairman of the Board of Directors has the power to decide the commission to be paid to each INED. The commission is determined on the basis of participation at the Board and Committee meetings. Apart from payment of commission, there were no other pecuniary relations or transactions with INEDs.

Details of remuneration paid to the Directors for the year 2011-12 are as under:

(₹ in Lacs)

Name of the Director	Sitting Fees	Salary & Perquisites #	Commission	Total
Shri Sudhir Mehta [§]	Nil	0.71	950.00 ^	950.71
Shri S. K. Barua	Nil	Nil	10.00	10.00
Shri Kiran Karnik	Nil	Nil	12.00	12.00
Shri Keki M. Mistry	Nil	Nil	10.50	10.50
Shri Pankaj Patel	Nil	Nil	11.50	11.50
Shri K. Sridhar	Nil	Nil	4.50 *	4.50
Shri Samir Mehta [§]	Nil	Nil	750.00 ^	750.00
Shri Markand Bhatt [§]	Nil	1253.59	Nil	1253.59
Shri Murli Ranganathan [§]	Nil	501.72	50.00	551.72
Shri T. P. Vijayasarathy [§]	Nil	251.03	Nil	251.03
Shri D. J. Pandian, IAS	Nil	Nil	3.03 *	3.03
Shri V. K. Kukreja	Nil	Nil	3.36 *	3.36
Shri Jinal Mehta	Nil	Nil	Nil	Nil
Total	Nil	2007.05	1804.89	3811.94

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

Includes salary, house rent allowance, contribution to Provident/ Gratuity/ Superannuation Funds and approved allowances/ perquisites. Directors have not been granted any stock options during the year.

^ Commission as approved by the Board so that the total remuneration does not exceed 5% of the net profits.

* Commission of Shri K. Sridhar and Shri V. K. Kukreja (nominees of LIC) shall be paid to Life Insurance Corporation of India. Commission of Shri D. J. Pandian, IAS (nominee of the Government of Gujarat) shall be paid to the Government of Gujarat.

Nomination and Remuneration Committee

Major terms of reference of the Committee include evaluating and recommending the composition of the Board of Directors and Committees thereof, considering and recommending the appointment of Non-Executive Directors, determining the process of evaluating the effectiveness of individual Directors and the Board as a whole, evolving principles, criteria and the basis of remuneration policy and considering and recommending the appointment and remuneration of Whole-time Directors and Managing Directors of the Company.

Present members of the Committee are Shri Kiran Karnik, Chairman, Shri Pankaj Patel and Shri Sudhir Mehta. During the year under review, two meetings of the Committee were held on 4th May, 2011 and 19th October, 2011 which were attended to by all the members.

Shareholding of Non-Executive Directors

None of the Non-Executive Directors holds any shares of the Company.

5. GENERAL BODY MEETINGS

Details of annual general meetings held by the Company during the last three years are given below:

Meeting	Date	Time	Venue	No. of special resolutions passed
5 th AGM	30 th July, 2009	9.30 a.m.	H. T. Parekh Convention Centre, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
6 th AGM	31 st July, 2010	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
7 th AGM	29 th July, 2011	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	3

Special resolutions mentioned above were passed by show of hands. During the year, shareholders approved amendment of the Objects Clause of the Memorandum of Association of the Company and commencement of new business pursuant to the provisions of Section 17 and 149(2A) of the Companies Act, 1956, respectively by passing special resolutions through Postal Ballot. Shri Rajesh Parekh, Practising Company Secretary conducted the Postal Ballot. Details of voting pattern are given below:

Sr. No.	Particulars	Special Resolution for amendment of the Objects Clause of the Memorandum of Association of the Company		Special Resolution for Commencement of New Business	
		No. of Postal Ballot forms	No. of Shares	No. of Postal Ballot forms	No. of Shares
1.	Total postal ballot forms received	1,785	32,86,71,256	1,785	32,86,71,256
2.	Less : Invalid postal ballot forms	144	1,51,996	182	2,33,918
3.	Net valid postal ballot forms	1,641	32,85,19,260	1,603	32,84,37,338
4.	Postal ballot forms with assent for the resolution	1,607	32,82,33,525	1,561	32,81,43,445
5.	Postal ballot forms with dissent for the resolution	34	20,961	42	27,862

Note: Some shareholders have submitted postal ballot forms for lesser number of shares than held by them. The postal ballot exercise was conducted in compliance with the applicable provisions of Section 192A of the Companies Act, 1956 and rules made thereunder.

6. DISCLOSURES

Legal Compliances

The Company has formalised a system for legal compliances applicable to the Company. Status of legal compliances and steps taken to rectify non-compliances, if any, are placed to the Board of Directors at its meetings.

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

CEO/CFO Certification

Shri Samir Mehta, Executive Vice Chairman and Shri T. P. Vijayasathy, Director of the Company give annual certificate on financial reporting and internal controls to the Board in terms of Clause-49 of the Listing Agreement. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Clause-41 of the Listing Agreement.

Code of Business Conduct

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

Whistle Blower Policy

The Company believes in conducting its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all the employees to raise concerns about any misconduct or unacceptable practice. The Company has adopted a Whistle Blower Policy through which the Company seeks to provide a mechanism for the employees to disclose any unethical behaviour, improper practices and wrongful conduct taking place in the Company for appropriate action. The Policy inter alia provides access to the Chairman of the Audit Committee. Confidentiality of those reporting violations is maintained without any discrimination.

Policy on protection of employees against Sexual Harassment at Work Place

The Company is committed to creating a healthy and conducive working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment in implicit or explicit form. The Company firmly believes that all employees of the Company have the right to be treated with dignity independent of caste / creed / community / gender. The Company has, therefore, adopted a policy for protection of employees against sexual harassment at work place and for redressal of complaints relating thereto.

Related Party Transactions

Transactions with the Related Parties are disclosed in Note no. 43 of the Notes to the Financial Statements of the Company for FY 2011-12. Transactions entered into by the Company with the Related Parties during the year were placed to the Audit Committee for review. Adequate care was taken to ensure that potential conflict of interest did not harm the interests of the Company at large.

Compliance with the Corporate Governance Code

The Company has complied with all the mandatory requirements laid down by the Corporate Governance Code. The non-mandatory requirements complied with have been disclosed at the relevant places.

7. COMMUNICATION TO SHAREHOLDERS

During the year, quarterly unaudited financial results with Limited Review Report and annual audited financial results of the Company with Auditors' Report thereon were submitted to the stock exchanges on their approval by the Board of Directors. The results were published in Hindu Business Line (English) and Loksatta-Jansatta (Gujarati) newspapers. The Company's website www.torrentpower.com also displays the official news releases in addition to the financial results.

8. GENERAL SHAREHOLDER INFORMATION

8th Annual General Meeting

Date	Tuesday, 24 th July, 2012
Time	9.30 a.m.
Venue	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015

Tentative financial calendar for the year 2012-13

Financial year	1 st April, 2012 – 31 st March, 2013
First quarter results	Last week of July, 2012
Second quarter results	Last week of October, 2012
Third quarter results	Last week of January, 2013
Results for the year end	Last week of May, 2013

Date of Book Closure

Monday, 18th June, 2012 to Wednesday, 20th June, 2012 (both days inclusive).

Dividend payment date

The proposed dividend, if approved at the ensuing Annual General Meeting, will be distributed on or after 30th July, 2012, within the statutory time limit.

Listing on stock exchanges and security codes

Stock Exchange	Security Code
Bombay Stock Exchange Limited (BSE)	532779
National Stock Exchange of India Limited (NSE)	TORNTPOWER

Annual listing fees for the year 2012-13 have been paid to the stock exchanges.

Market price data

Closing market price of equity shares on 31st March, 2012 was ₹ 201.75 on BSE and NSE.

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

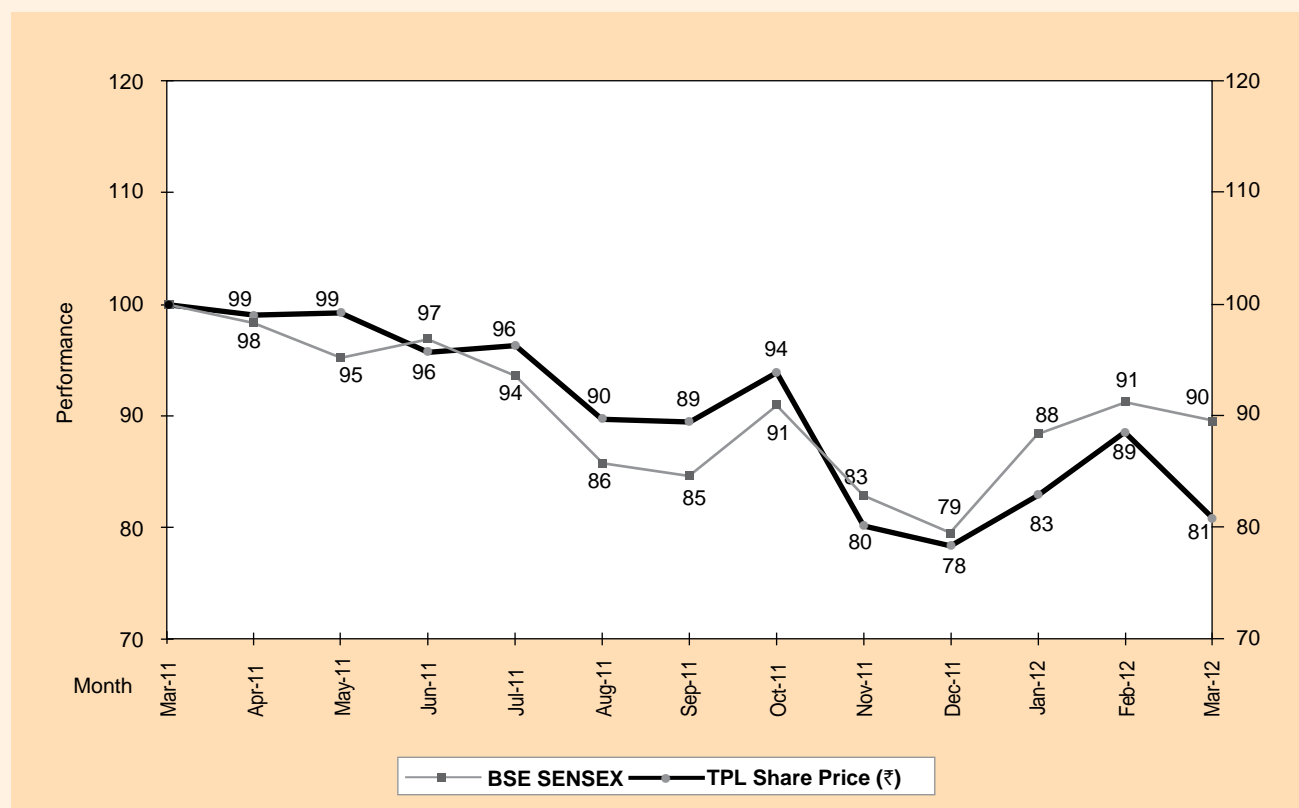
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2011	273.40	241.80	4,17,774	273.00	242.65	7,49,597
May, 2011	259.95	236.25	3,76,639	259.85	235.20	6,86,890
June, 2011	266.70	229.05	4,05,423	266.80	228.50	8,98,605
July, 2011	255.00	233.15	4,04,583	255.50	229.00	11,18,925
August, 2011	245.90	200.25	4,70,594	246.00	200.40	17,41,560
September, 2011	249.90	213.05	6,77,404	248.70	211.25	14,29,099
October, 2011	242.90	217.00	5,95,567	243.00	201.00	15,27,569
November, 2011	236.00	195.05	9,26,725	236.90	194.00	8,06,071
December, 2011	208.85	183.10	2,15,395	207.00	163.00	5,13,933
January, 2012	230.00	196.20	4,49,276	230.00	194.10	18,71,315
February, 2012	252.70	207.55	23,73,792	252.90	207.10	58,14,678
March, 2012	223.50	198.05	5,89,485	223.75	197.75	11,04,637

Performance of equity share price of the Company vis-à-vis BSE Sensex is as under:

Month	TPL Share Price at BSE (₹)*	BSE Sensex*	Relative Index for comparison purpose	
			TPL share price	BSE Sensex
March, 2011	249.55	19,445.22	100.00	100.00
April, 2011	247.00	19,135.96	98.98	98.41
May, 2011	247.70	18,503.28	99.26	95.16
June, 2011	238.95	18,845.87	95.75	96.92
July, 2011	240.40	18,197.20	96.33	93.58
August, 2011	223.90	16,676.75	89.72	85.76
September, 2011	223.30	16,453.76	89.48	84.62
October, 2011	234.25	17,705.01	93.87	91.05
November, 2011	200.10	16,123.46	80.18	82.92
December, 2011	195.65	15,454.92	78.40	79.48
January, 2012	207.00	17,193.55	82.95	88.42
February, 2012	220.85	17,752.68	88.50	91.30
March, 2012	201.75	17,404.20	80.85	89.50

* Closing data on the last day of the month. Closing share price and BSE Sensex of 31st March, 2011 have been taken as the basis for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s BSE Sensex



Distribution of shareholding as on 31st March, 2012

By size of shareholding

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
001 to 500	44,593	73.90	57,42,335	1.21
501 to 1000	8,191	13.57	53,86,738	1.14
1001 to 2000	3,279	5.43	46,66,328	0.99
2001 to 3000	1,407	2.33	35,39,835	0.75
3001 to 4000	675	1.12	23,56,531	0.50
4001 to 5000	510	0.85	23,19,386	0.49
5001 & above	1,687	2.80	44,84,37,155	94.92
Total	60,342	100.00	47,24,48,308	100.00

By category of shareholders

Sr. No.	Category	No. of Shares held on 31 st March, 2012	% of Shareholding
1	Promoters	24,94,61,993	52.80
2	Governor of Gujarat with Gujarat State Investments Limited	5,39,28,671	11.41
3	Life Insurance Corporation of India	4,33,65,318	9.18
4	GIC and subsidiaries	3,13,76,615	6.64
5	Mutual Funds	2,78,72,992	5.90
6	FIs	1,16,10,978	2.46
7	Nationalised Banks	4,73,835	0.10
8	Others	5,43,57,906	11.51
	Total	47,24,48,308	100.00

Dematerialisation of shares

Equity shares of the Company can be traded in dematerialised form only by all investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE813H01021.

As on 31st March, 2012, 95.78% of the equity shares have been dematerialised.

Share transfer system

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

Share transfers are taken up for approval at least once in a fortnight and the transferred securities are despatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Shareholders' Grievances Committee at its next meeting.

Outstanding GDRs / ADRs / Warrants / any other convertible instruments

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

Registered office

Torrent House, Off Ashram Road, Ahmedabad-380009

Plant locations

1. SUGEN, Off National Highway No. 8, Taluka Kamrej, District Surat-394155
2. Sabarmati, Ahmedabad-380005
3. Vatva, Ahmedabad-382445

Distribution Divisions

1. Electricity House, Lal Darwaja, Ahmedabad-380001
2. Torrent House, Station Road, Surat-395003
3. Old Agra Road, Anjur Phata, Bhiwandi-421302
4. 6, Raghunath Nagar, Suresh Plaza Market, Opp. Sanjay Place, M. G. Road, Agra-282002

Compliance Officer

Rajiv Shah,
Company Secretary,
Torrent Power Limited,
Torrent House,
Off Ashram Road,
Ahmedabad-380009

Telephone : 079-2658 3060, 2658 5090
Fax : 079-2658 2326
E-mail : rajivshah@torrentpower.com
Website : www.torrentpower.com

Registrar & Share Transfer Agent

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

Sharepro Services (India) Private Limited,
Unit – Torrent Power Limited,
13 A-B, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road,
Sakinaka, Andheri (East),
Mumbai-400072
Telephone : (022) 6772 0300 / 6772 0347
Fax : (022) 2859 1568 / 2850 8927
E-mail : sharepro@shareproservices.com

For and on behalf of the Board

Ahmedabad
11th May, 2012

Sudhir Mehta
Executive Chairman

Certificate of Compliance with the Code of Business Conduct

To,
The Shareholders,
Torrent Power Limited

Torrent Power Limited has in place a Code of Business Conduct (the “Code”) for its Board of Directors and senior management personnel. I report that the Board of Directors has received affirmation on compliance with the Code from the members of the Board and senior management of the Company for the year under review.

Ahmedabad
11th May, 2012

Sudhir Mehta
Executive Chairman

TO THE MEMBERS OF
TORRENT POWER LIMITED

We have examined the compliance of conditions of corporate governance by **TORRENT POWER LIMITED** for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of the corporate governance as stipulated in the said Clause. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No.35701

Ahmedabad
11th May, 2012

Financial Statements 2011-12

To the Members of
TORRENT POWER LIMITED

1. We have audited the attached Balance Sheet of **TORRENT POWER LIMITED** ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Ahmedabad
11th May, 2012

Gaurav J. Shah
Partner
(Membership No. 35701)

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business / activities / results clause (x), (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified over a period of three years by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, discrepancies noticed on such verification have been properly dealt with in the books of account. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
 - (c) The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of the Company's inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Transactions during the year exceeding the value of Rupees Five lacs in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. No such transactions have been recorded in the said register in respect of sale of electricity as the Company is of the view that such transactions, being for cash at prevailing market prices, do not require to be entered in the register maintained under Section 301 of the Companies Act, 1956.

- (vii) According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made thereafter.
- (viii) In our opinion, the internal audit functions carried out during the year by an entity of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material dues in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax / VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ in crores)
Customs Act, 1962	Custom Duty on Higher Assessment Value	Supreme Court of India, New Delhi	2005-06	0.28
Customs Act, 1962	Custom Duty on Higher Assessment Value	Commissioner of Appeal, Jamnagar	2004-05	0.07
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	Sales Tax Appellate Tribunal, Calicut	2001-02	0.20
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	Sales Tax Appellate Tribunal, Andhra Pradesh	1993-94 & 1994-95	0.20
Income Tax Act, 1961	Demand of Tax	Gujarat High Court	A.Y. 2001-02	0.12
Income Tax Act, 1961	Demand of Tax	Income Tax Appellate Tribunal	A.Y.2005-06	9.91
Income Tax Act, 1961	Demand of Tax	CIT Appeals	A.Y. 2006-07 & 2009-10	1.90

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (xii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvi) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xvii) The Company has not issued any debentures during the year.
- (xviii) The Company has not raised money by public issue during the year.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year except in case of theft of electricity reported by the vigilance department of the Company, the amount for which is not ascertainable.

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

Ahmedabad
11thMay, 2012

Gaurav J. Shah
Partner
(Membership No. 35701)

BALANCE SHEET

AS AT 31ST MARCH, 2012

(₹ in crores)

	Note	As at 31st March, 2012	As at 31st March, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,275.43	4,314.68
		<u>5,747.88</u>	<u>4,787.13</u>
Non-current liabilities			
Long term borrowings	4	3,183.27	2,429.35
Deferred tax liability (Net)	39	463.55	358.29
Other long term liabilities	5	93.98	3.68
Long-term provisions	6	86.95	103.41
		<u>3,827.75</u>	<u>2,894.73</u>
Current liabilities			
Short-term borrowings	7	-	185.96
Trade payables	8	658.40	744.41
Other current liabilities	9	1,354.84	1,154.58
Short-term provisions	6	239.84	330.93
		<u>2,253.08</u>	<u>2,415.88</u>
		<u>11,828.71</u>	<u>10,097.74</u>
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		7,078.17	6,603.21
Intangible assets		17.96	11.02
Capital work-in-progress		1,334.18	374.46
Intangible assets under development		3.04	10.07
		<u>8,433.35</u>	<u>6,998.76</u>
Non-current investments	11	1,044.86	855.81
Long-term loans and advances	12	95.39	154.66
Other non-current assets	13	0.66	0.66
		<u>9,574.26</u>	<u>8,009.89</u>
Current assets			
Current investments	14	225.38	108.35
Inventories	15	299.55	263.44
Trade receivables	16	645.96	503.75
Cash and bank balances	17	573.42	925.61
Short-term loans and advances	12	207.67	178.84
Other current assets	18	302.47	107.86
		<u>2,254.45</u>	<u>2,087.85</u>
		<u>11,828.71</u>	<u>10,097.74</u>
Significant accounting policies	1		
Other notes forming part of financial statements	24 to 45		

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2012

		(₹ in crores)	
	Note	Year ended 31st March, 2012	Year ended 31st March, 2011
Income			
Revenue from operations	19	7,917.82	6,828.28
Other income	20	101.84	102.20
Total revenue		<u>8,019.66</u>	<u>6,930.48</u>
Expenses			
Electrical energy purchased		2,282.72	1,474.21
Employee benefits expense	21	241.59	273.25
Operation and other expenses	22	3,139.53	3,034.80
Finance costs	23	310.69	327.15
Depreciation and amortization expense		384.44	414.40
Transfer from service line contribution, APDRP grant and others		(18.56)	(21.72)
		<u>365.88</u>	<u>392.68</u>
Total expenses		<u>6,340.41</u>	<u>5,502.09</u>
Profit before tax		1,679.25	1,428.39
Tax expenses			
Current tax		338.94	284.79
Deferred tax		105.26	99.35
Short / (excess) provision of current tax for earlier years		(2.41)	(21.47)
		<u>441.79</u>	<u>362.67</u>
Profit after tax		<u>1,237.46</u>	<u>1,065.72</u>
Basic and diluted earnings per share of face value of ₹ 10/- each (in ₹)	40	26.19	22.56
Significant accounting policies	1		
Other notes forming part of financial statements	24 to 45		

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Cash flow from operating activities		
Net profit before tax	1,679.25	1,428.39
Adjustments for :		
Depreciation and amortization	365.88	392.68
Provision of earlier years written back	(34.80)	(154.28)
Provisions for doubtful debts no longer required	(4.69)	(41.36)
Loss on sale of fixed assets	19.33	8.24
Profit on sale of fixed assets	(0.34)	(0.21)
Provision for bad debt	24.80	65.41
Finance cost	310.69	327.15
Interest Income	(70.61)	(67.70)
Operating profit before working capital changes	2,289.51	1,958.32
Movement in working capital:		
Increase / (decrease) in trade payables	(86.03)	251.45
Increase / (decrease) in long-term provisions	(16.46)	22.11
Increase / (decrease) in short-term provisions	2.94	(35.75)
Increase / (decrease) in other current liabilities	62.62	92.75
Increase / (decrease) in other long-term liabilities	19.53	(113.78)
Decrease / (increase) in trade receivables	(162.32)	(62.49)
Decrease / (increase) in inventories	(36.10)	(94.56)
Decrease / (increase) in long-term loans and advances	(4.34)	(0.75)
Decrease / (increase) in short-term loans and advances	(28.83)	(44.40)
Decrease / (increase) in other current assets	(194.69)	(30.18)
Decrease / (increase) in other non-current assets	-	0.05
Cash generated from operations	1,845.83	1,942.77
Taxes paid	(310.55)	(247.58)
Net cash flow from operating activities	1,535.28	1,695.19
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(1,678.67)	(713.25)
Long-term loans and advances for capital assets	63.61	(144.87)
Sale of fixed assets	1.68	3.56
Purchase of non-current investments	(189.05)	(677.45)
Sale of non-current investments	-	0.05
Sale of current investments	2.60	5.00
Redemption of bank deposits (having maturity more than three months)	177.98	498.88
Interest received	70.72	67.77
Net cash used in investing activities	(1,551.13)	(960.31)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,274.59	100.00
Proceeds from short-term borrowings	50.00	185.96
Repayment of long-term borrowings	(440.36)	(414.80)
Repayment of short-term borrowings	(235.96)	-
Repayment of APDRP loan	(3.82)	(2.95)
Repayment of fixed deposits	-	*
Service line contribution	99.49	86.55
Interim dividend and corporate dividend tax paid	(164.72)	-
Dividend and corporate dividend tax paid	(299.44)	(164.49)
Finance cost paid	(317.68)	(335.91)
Net cash used in financing activities	(37.90)	(545.64)
Net (decrease) / increase in cash and cash equivalents	(53.75)	189.24
Cash and cash equivalents as at beginning of the year	850.91	661.67
Cash and cash equivalents as at end of the year	797.16	850.91
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash on hand	0.76	0.96
Cheques / Drafts on hand	2.90	2.20
With banks		
On current account	93.87	72.89
On deposit account	470.45	668.70
On unpaid dividend account	5.31	2.75
Current investments (investments in mutual funds)	223.87	103.41
	797.16	850.91

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement".
 3. Finance cost paid is exclusive of and purchase of fixed assets is inclusive of finance cost capitalised ₹ 82.26 crores.
 (Previous Year - ₹ 12.98 crores)

As per our attached report of even date

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

Gaurav J. Shah
 Partner

Ahmedabad, 11th May, 2012

Samir Mehta
 Executive Vice Chairman

T P Vijayasathy
 Whole Time Director

Rajiv Shah
 Company Secretary

Ahmedabad, 11th May, 2012

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis for preparation of financial statements:**

The Financial statements have been prepared and presented to comply in all material respects with relevant provisions of the Companies Act, 1956 and notified accounting standards by Companies Accounting Standards Rules, 2006 (as amended). The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India. Accounting policies have been followed consistently except as stated specifically.

1.2 Use of estimates:

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

1.3 Capital receipts:

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

1.4 Fixed assets:

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

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

1.5 Impairment of fixed assets:

Fixed assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an assets' net selling price and value in use.

1.6 Borrowing costs:

Borrowing costs comprising interest, finance charges etc. to the extent related / attributed to the qualifying assets, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use. Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

1.7 Depreciation and amortisation:

- (i) Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution & APDRP grant received.
- (iii) In respect of fixed assets pertaining to Ahmedabad Generation, Ahmedabad Distribution and Surat Distribution, depreciation is provided on straight line method at the rates as per CERC regulations as applicable in the year of addition.

- (iv) In respect of assets pertaining to Agra, Bhiwandi and Kanpur Distribution Circles, depreciation is provided on straight line method at the rates mentioned below, as provided in the Distribution Franchise Agreement which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Transformers, Switch Gears & Equipment	7.84%
Meters	12.77%
Distribution Systems - Overhead	7.84%
- Underground	5.27%
Others	7.84%
Vehicles	33.40%
Electrical fittings, Apparatus, Furniture Fixtures, Communication equipment and Office equipment	12.77%

- (v) In respect of assets pertaining to SUGEN, depreciation is provided on straight line method considering the rates as provided in Appendix III of the CERC (Terms and Conditions of Tariff) Regulation 2009.
- (vi) In respect of assets pertaining to Windmill (Jamnagar), depreciation is provided on straight line method at the rates mentioned in CERC order issued on 'Determination of the tariff for procurement of power by distribution licensees from Wind Energy Generators and other commercial issues'.
- (vii) Leasehold land is amortized over the lease period.
- (viii) Computer software costs are amortised over its useful life which is estimated at 3 years.

1.8 Investments:

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

1.9 Inventories:

Inventories of stores, spare parts, coal, fuel and loose tools are valued at weighted average cost and net realizable value whichever is lower.

1.10 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as unbilled revenue.
- (ii) Gross proceeds from CER is recognized when all the significant risks and rewards of ownership of CER have been passed to the buyer, usually on delivery of the CER.
- (iii) Dividend is accounted when the right to receive payment is established.
- (iv) Interest on overdue receivables of energy bills, insurance, coal and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.

1.11 Transactions in foreign currency:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.

- (iv) Any income or expense on account of exchange difference either on settlement or on transaction of revenue in nature, is recognized in the statement of profit and loss.

1.12 Retirement and other employee benefits:

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

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

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

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

1.13 Taxation:

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

1.14 Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a probable present obligation and outflow of resources as a result of past events.

Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the notes. Contingent assets are neither recognized nor disclosed in financial statements.

NOTE 2 : SHARE CAPITAL

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Authorised		
2,000,000,000 equity shares of ₹10/- each	2,000.00	2,000.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, subscribed and paid up		
472,448,308 equity shares of ₹10/- each	472.45	472.45
	<u>472.45</u>	<u>472.45</u>

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

	(in crores)	
	No. of shares As at 31st March, 20 12	No. of shares As at 31st March, 2011
At the beginning of the year	47.24	47.24
Issued during the year	-	-
Outstanding at the end of the year	<u>47.24</u>	<u>47.24</u>

2 249,448,986 equity shares (249,322,865 equity shares as at 31st March, 2011) of ₹ 10/- each fully paid up are held by holding company - Torrent Private Limited.

3 Terms/ Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividend amount per share recognized as distributions to equity shareholders is ₹ 6.50 per equity share during the year ended 31st March, 2012 (Previous year ₹ 5.50 per equity share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at		As at	
	31st March, 2012		31st March, 2011	
	No. of shares (in crores)	% holding	No. of shares (in crores)	% holding
Torrent Private Limited	24.94	52.80%	24.93	52.77%
Gujarat State Investment Limited	4.69	9.92%	4.69	9.92%
Life Insurance Corporation of India	4.34	9.18%	4.42	9.35%

NOTE 3 : RESERVES AND SURPLUS

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Capital reserves		
Service line contributions		
As per last balance sheet	305.46	237.36
Add: Received during the year	99.49	86.55
	<u>404.95</u>	<u>323.91</u>
Less: Transfer to statement of profit and loss	15.74	18.45
	<u>389.21</u>	<u>305.46</u>
Grant in Aid under Accelerated Power Development and Reform Programme		
As per last balance sheet	46.02	49.25
Less: Transfer to statement of profit and loss	2.74	3.23
	<u>43.28</u>	<u>46.02</u>
Statutory reserves		
Contingency reserve		
As per last balance sheet	60.49	61.10
Add: Transfer from statement of profit and loss	1.00	1.00
	<u>61.49</u>	<u>62.10</u>
Less: Loss on sale of Investments	0.82	1.61
	<u>60.67</u>	<u>60.49</u>
Tariffs and dividends control reserve		
As per last balance sheet	11.59	11.59
Consumer benefit reserve		
As per last balance sheet	-	-
Add: Transfer from general reserve	44.82	-
	<u>44.82</u>	<u>-</u>
Other reserves		
General reserve		
As per last balance sheet	3,029.00	2,629.00
Add: Transfer from statement of profit and loss	500.00	400.00
Less: Transfer to consumer benefit reserve	44.82	-
	<u>3,484.18</u>	<u>3,029.00</u>
Surplus in the statement of profit and loss		
As per last balance sheet	862.12	499.40
Add: Profit after tax for the year	1,237.46	1,065.72
	<u>2,099.58</u>	<u>1,565.12</u>
Less : Appropriations		
Transfer to contingency reserve	1.00	1.00
Transfer to general reserve	500.00	400.00
Interim dividend	141.73	-
Corporate dividend tax on interim dividend	22.99	-
Proposed dividend	165.35	259.85
Corporate dividend tax on proposed dividend	26.83	42.15
Total appropriations	<u>857.90</u>	<u>703.00</u>
Net surplus in the statement of profit and loss	<u>1,241.68</u>	<u>862.12</u>
	<u>5,275.43</u>	<u>4,314.68</u>

NOTE 4 : LONG-TERM BORROWINGS

(₹ in crores)

	Non-current		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Secured loans				
Term loans				
From banks	1,767.35	1,357.99	373.22	286.02
From financial institutions	1,175.09	1,020.15	143.64	154.35
	<u>2,942.44</u>	<u>2,378.14</u>	<u>516.86</u>	<u>440.37</u>
Unsecured loans				
Term loans				
From Government of India under Accelerated Power Development and Reform Programme	47.39	51.21	3.82	3.82
Buyers' credit from banks	193.44	-	-	-
	<u>240.83</u>	<u>51.21</u>	<u>3.82</u>	<u>3.82</u>
	<u>3,183.27</u>	<u>2,429.35</u>	<u>520.68</u>	<u>444.19</u>
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	520.68	444.19
	<u>3,183.27</u>	<u>2,429.35</u>	<u>-</u>	<u>-</u>

Of the above :

1. Amount of term loans of ₹ 3459.30 crores (31st March, 2011 ₹ 2818.51 crores) from financial institutions and banks are secured by way of first pari passu charge by way of mortgage created / to be created and hypothecation over the entire fixed assets, present and future of the Company and second pari passu charge by way of hypothecation over entire current assets, present and future of the Company.
2. The future annual repayment obligations on principal amount for the above long-term borrowings are as under:

Financial year	₹ in crores	Financial year	₹ in crores
2012-2013	520.68	2020-2021	45.32
2013-2014	576.28	2021-2022	38.24
2014-2015	436.39	2022-2023	38.24
2015-2016	446.44	2023-2024	13.79
2016-2017	446.44	2024-2025	12.66
2017-2018	440.37	2025-2026	10.39
2018-2019	394.65	2026-2027	6.70
2019-2020	277.36		

NOTE 5 : OTHER LONG-TERM LIABILITIES

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Trade payables	19.75	0.01
Sundry payables	74.23	3.67
	<u>93.98</u>	<u>3.68</u>

NOTE 6 : PROVISIONS

	(₹ in crores)			
	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits (note 32)				
Provision for gratuity and other funds	19.34	40.08	17.27	14.29
Provision for leave encashment	67.61	63.33	3.48	3.79
	<u>86.95</u>	<u>103.41</u>	<u>20.75</u>	<u>18.08</u>
Other provisions				
Provision for taxation (Net of advance tax and TDS)	-	-	26.33	0.34
Provision for indirect tax	-	-	0.58	10.51
Proposed dividend	-	-	165.35	259.85
Provision for corporate dividend tax	-	-	26.83	42.15
	<u>-</u>	<u>-</u>	<u>219.09</u>	<u>312.85</u>
	<u>86.95</u>	<u>103.41</u>	<u>239.84</u>	<u>330.93</u>

NOTE 7 : SHORT-TERM BORROWINGS

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Secured loans	-	-
Cash credit from banks	-	-
Unsecured loans		
Loan from financial institutions	-	175.00
Buyers' credit from banks	-	10.96
	<u>-</u>	<u>185.96</u>
	<u>-</u>	<u>185.96</u>

Of the above :

Working capital facilities from banks are secured by way of first pari passu charge by way of hypothecation over the entire current assets, present and future of the Company and second pari passu charge by way of mortgage created / to be created and hypothecation over entire fixed assets, present and future of the Company.

NOTE 8 : TRADE PAYABLES

	(₹ in crores)	
	As at	As at
	31st March, 2012	31st March, 2011
Trade payables for goods and services (note 30)	658.40	744.41
	<u>658.40</u>	<u>744.41</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	(₹ in crores)	
	As at	As at
	31st March, 2012	31st March, 2011
Current maturities of long-term debt (note 4)	520.68	444.19
Interest accrued but not due on loans and security deposit	13.93	20.91
Investor education and protection fund shall be credited by the following*:		
Unpaid / Unclaimed dividend	5.31	2.74
Other payables		
Credit balances of consumers	40.67	34.82
Service line and security deposits from consumers	500.65	469.53
Consumers' benefit account	12.01	12.01
Deposits	5.16	3.76
Statutory dues	10.56	14.72
Sundry payables	245.87	151.90
	<u>1,354.84</u>	<u>1,154.58</u>

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

NOTE 11 : NON-CURRENT INVESTMENT

(₹ in crores)

	No. of units As at 31st March, 2012	No. of units As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Trade investments (valued at cost unless stated otherwise)				
Investment in equity instruments (unquoted)				
Associates				
Tidong Hydro Power Limited				
Equity shares of ₹ 10/- each fully paid up	24,500	24,500	0.02	0.02
AEC Cements & Constructions Limited				
Equity shares of ₹ 10/- each fully paid up	611,500	611,500	0.61	0.61
Less: Provision for diminution in value of investment			<u>0.61</u>	<u>0.61</u>
			0.02	0.02
Investment in subsidiaries (unquoted)				
Torrent Power Grid Limited				
Equity shares of ₹ 10/- each fully paid up (18,000,000 equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited)	66,600,000	66,600,000	66.60	66.60
Torrent Energy Limited				
Equity shares of ₹ 10/- each fully paid up (451,630,500 equity shares pledged as security in respect of the term loan provided to Torrent Energy Limited)	919,050,000	730,000,000	919.05	730.00
Torrent Pipavav Generation Limited				
Equity shares of ₹ 10/- each fully paid up	47,500,000	47,500,000	<u>57.50</u>	<u>57.50</u>
			<u>1,043.15</u>	<u>854.10</u>
			<u>1,043.17</u>	<u>854.12</u>
Other investments (valued at cost unless stated otherwise)				
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			<u>1.69</u>	<u>1.69</u>
			<u>1.69</u>	<u>1.69</u>
			<u>1,044.86</u>	<u>855.81</u>
Aggregate amount of quoted investments			1.69	1.69
Aggregate amount of unquoted investments			<u>1,043.17</u>	<u>854.12</u>
			<u>1,044.86</u>	<u>855.81</u>
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			1.63	1.64

NOTE 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in crores)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Capital advances	89.62	153.23	-	-
Deposits	-	-	2.86	2.88
Loans and advance to related parties				
Considered good	-	-	62.52	14.34
Considered doubtful	-	-	3.30	3.60
	-	-	65.82	17.94
Less : Provision for doubtful advance to related parties	-	-	3.30	3.60
	-	-	62.52	14.34
Advances recoverable in cash or in kind or for value to be received				
Considered good	4.77	0.43	139.16	158.26
Considered doubtful	-	-	4.87	8.78
	4.77	0.43	144.03	167.04
Less : Provision for doubtful advances	-	-	4.87	8.78
	4.77	0.43	139.16	158.26
Other loans and advances				
Balances with government authority	1.00	1.00	0.14	0.17
Prepaid expenses	-	-	2.99	3.19
	1.00	1.00	3.13	3.36
	<u>95.39</u>	<u>154.66</u>	<u>207.67</u>	<u>178.84</u>

NOTE 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Non-current bank balance (note 17)	0.66	0.66
	<u>0.66</u>	<u>0.66</u>

NOTE 14 : CURRENT INVESTMENT

(₹ in crores)				
	No. of units As at 31st March, 2012	No. of units As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Investment in government securities (quoted)				
12.00% Uttar Pradesh State loan			-	0.02
			0.02	0.02
Investment in mutual funds (unquoted)				
Birla Sun Life Cash Plus (of ₹ 100 each)	5,858,127	2,829,656	99.43	44.25
ICICI Prudential Liquid Plan (of ₹ 100 each)	6,298,345	-	99.44	-
Kotak Floater Short Term (of ₹ 10 each)	-	14,448,150	-	23.13
LIC MF Liquid Fund (of ₹ 10 each)	-	20,168,872	-	36.03
SBI Premier Liquid Fund (of ₹ 1000 each)	88,991	-	15.00	-
Tata Liquid SHIP (of ₹ 1000 each)	50,517	-	10.00	-
[Aggregate NAV of Investments in mutual funds ₹ 225.50 crores (31st March, 2011 - ₹ 103.76 crores)]			223.87	103.41
Contingency reserve investments (quoted)				
11.50% GOI Bond - 2011			-	0.10
6.85% GOI Bond - 2012			1.51	1.51
11.25% ICICI Bank Ltd. - 2016		250	-	3.29
3.00% Calcutta Port Trust Debentures			-	0.01
12.00% IFCI - 2012		50	-	0.01
			1.51	4.92
			225.38	108.35
Aggregate amount of quoted investments			1.51	4.94
Aggregate amount of unquoted investments			223.87	103.41
			225.38	108.35
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			1.51	4.11
			1.51	4.11

NOTE 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in crores)		
	As at 31st March, 2012	As at 31st March, 2011
Coal, oil, stores and spares	299.22	263.14
Loose tools	0.33	0.30
	299.55	263.44

NOTE 16 : TRADE RECEIVABLES

		(₹ in crores)	
		As at	As at
		31st March, 2012	31st March, 2011
Debits outstanding for a period exceeding six months from due date			
Secured	- Considered good	5.22	8.68
Unsecured	- Considered good	20.80	13.25
	- Considered doubtful	<u>57.38</u>	<u>20.63</u>
		83.40	42.56
Other debts			
Secured	- Considered good	238.24	189.65
Unsecured	- Considered good	381.70	292.17
	- Considered doubtful	<u>67.55</u>	<u>79.98</u>
		687.49	561.80
Less: Provision for doubtful debts		124.93	100.61
		<u>645.96</u>	<u>503.75</u>

NOTE 17 : CASH AND BANK BALANCES

		(₹ in crores)			
		Non-current		Current	
		As at	As at	As at	As at
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Cash and cash equivalents					
Balances with banks					
	Balance in current accounts	-	-	93.87	72.89
	Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	470.45	668.70
	On unpaid dividend accounts	<u>-</u>	<u>-</u>	<u>5.31</u>	<u>2.75</u>
				569.63	744.34
	Cheques, drafts on hand	-	-	2.90	2.20
	Cash on hand	<u>-</u>	<u>-</u>	<u>0.76</u>	<u>0.96</u>
				573.29	747.50
Other bank balances					
	Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	0.13	178.11
	Balance in fixed deposit accounts (remaining maturity for more than twelve months)	0.66	0.66	-	-
		<u>0.66</u>	<u>0.66</u>	0.13	178.11
	Amount disclosed under non-current asset (note 13)	<u>(0.66)</u>	<u>(0.66)</u>	-	-
		-	-	<u>573.42</u>	<u>925.61</u>

NOTE 18 : OTHER CURRENT ASSETS

		(₹ in crores)	
		As at	As at
		31st March, 2012	31st March, 2011
Interest accrued on investments		0.11	0.21
Unbilled revenue		302.36	107.65
		<u>302.47</u>	<u>107.86</u>

NOTE 19 : REVENUE FROM OPERATIONS

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Revenue from power supply	7,445.78	6,537.79
Other operating income		
Street lighting maintenance contracts	5.21	6.05
Hire of meters	43.73	41.37
Provision of earlier years written back	34.80	154.28
Provision for doubtful debt no longer required	4.69	41.36
Recovery of bad debts	9.04	3.20
Insurance claim receipt	0.95	0.04
Income from CERs	321.69	2.96
Miscellaneous income	51.93	41.23
	<u>472.04</u>	<u>290.49</u>
	<u>7,917.82</u>	<u>6,828.28</u>

NOTE 20 : OTHER INCOME

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest income		
On deposits	58.49	56.90
From consumers	10.80	9.61
Contingency reserve investments	0.43	1.04
Others	0.89	0.15
	<u>70.61</u>	<u>67.70</u>
Miscellaneous income	11.74	13.46
Profit on sale of fixed assets	0.34	0.21
Profit on sale of current investments	19.03	20.11
Net gain/ (loss) on foreign currency transactions	0.12	0.72
	<u>101.84</u>	<u>102.20</u>

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Salaries, wages and bonus	316.37	286.55
Contribution to provident and other funds	13.91	12.84
Employees welfare expenses	8.91	9.88
Gratuity and leave encashment	17.42	64.18
	<u>356.61</u>	<u>373.45</u>
Less : Allocated to capital works, repairs and other relevant revenue accounts	115.02	100.20
	<u>241.59</u>	<u>273.25</u>

NOTE 22 : OPERATION AND OTHER EXPENSES

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Fuel	2,427.26	2,329.73
Consumption of stores and spares	203.50	204.98
Rent and hire charges	5.52	4.22
Repairs to		
Buildings	11.33	7.61
Plant and machinery	238.49	214.17
Others	7.88	6.31
	<u>257.70</u>	<u>228.09</u>
Insurance	14.73	16.13
Rates and taxes	8.59	5.27
Green cess	4.53	-
Miscellaneous expenses	135.50	125.97
Discount for prompt payment of bills	47.48	47.12
Loss on sale of fixed assets	19.33	8.24
Commission to non executive directors	0.55	0.47
Auditors remuneration	0.62	0.51
Legal, professional and consultancy fees	10.32	7.64
Donations	16.68	23.34
Bad debts written off	10.59	23.04
Provision for bad debts	24.80	65.41
	<u>3,187.70</u>	<u>3,090.16</u>
Less : Allocated to capital works, repairs and other relevant revenue accounts	48.17	55.36
	<u>3,139.53</u>	<u>3,034.80</u>

NOTE 23 : FINANCE COST

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest expense		
Term loans	287.05	304.43
Working capital loan	0.05	0.07
Security deposits from consumers	22.44	20.69
Others	0.46	0.90
Other borrowing cost	0.69	1.06
	<u>310.69</u>	<u>327.15</u>

OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS (NOTE 24 TO 45)

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
24. Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	612.19	1,077.60
Other commitments :		
Financial commitment by way of equity contribution in subsidiary company Torrent Energy Ltd.	855.82	1,044.87

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
25. Contingent liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	121.08	60.46
(ii) Disputed income-tax matters	21.04	23.45
(iii) Disputed sales-tax matters	0.02	0.21
(iv) Disputed custom duty matters	0.44	0.44
(v) Disputed stamp duty matters	0.37	0.26

26. Accounting policy concerning depreciation in respect of assets of Ahmedabad Generation, Ahmedabad Distribution and Surat Distribution has been changed during the year from higher of rates as per Appendix III of CERC Regulation 2009 or rates prescribed under Schedule XIV to the Companies Act 1956 to rates applicable in the year of addition as per CERC Tariff Regulations in context of circular no. 51/23/2011-CL-III dated 31st May, 2011 issued by Ministry of Corporate Affairs with effect from 1st April, 2011. Depreciation for the year is lower by ₹ 60.12 crores and profit for the year is higher by ₹ 60.12 crores on account of such changes.

27. **The Company has given loans and advances to its subsidiary companies and associate company as under**

(₹ in crores)

Name of Company	Maximum amount outstanding during the year	As at 31st March, 2012	As at 31st March, 2011
Subsidiary Companies			
Torrent Energy Limited	70.52	23.34	13.77
Torrent Pipavav Generation Limited	38.87	38.87	-
		<u>62.21</u>	<u>13.77</u>
Associate Company			
AEC Cements & Constructions Limited	3.60	3.30	3.60
		<u>3.30</u>	<u>3.60</u>

(a) Other than above, the Company has not given any loans or advances in the nature of loan to any of its subsidiaries and associates or firms / companies, in which Directors are interested.

(b) There are no loans where either repayment schedule is not prescribed or repayment is scheduled beyond seven years. Loans given to above companies are interest free.

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

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Pre-operative expenditure		
Opening balance	4.14	0.30
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	1.81	0.58
Repairs and maintenance	0.07	-
Miscellaneous expenses	0.15	0.99
Legal, professional and consultancy fees	4.11	2.02
Registration, filing and legal fees	1.73	0.04
Traveling expenses	0.09	0.21
Vehicle hiring charges	0.05	-
Security trusteeship service expenses	0.01	-
Printing, stationary, postage and telephone	*	-
Upfront fees	0.25	-
Finance cost	0.62	-
Advertisement expenses	0.09	-
Total expenditure incurred during the year	8.98	3.84
Less : capitalized during the year	1.13	-
Grand total	11.99	4.14

29. (i) The Company uses forward contracts to hedge its certain risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange contract as at 31st March, 2012 is ₹ Nil (Previous year ₹ 7.68 crores).
- (ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2012 is as under

(in crores)

	Currency	As at 31st March, 2012	As at 31st March, 2011
Loan	USD	8.55	0.25
Interest payable	USD	0.03	*
Trade payable	USD	2.14	0.43
Trade payable	EURO	1.04	0.10
Trade receivable	EURO	0.27	-

(*) 4,680 USD

30. Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under MSMED Act, 2006 is ₹ 2.73 crores (Previous year ₹ 1.49 crores). Interest paid or payable under MSMED Act, 2006 during the year is ₹ 0.03 crores (Previous year ₹ Nil).
31. Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight-line basis.

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

32. Employee benefits

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

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

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

(₹ in crores)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Leave encashment	Gratuity	Leave encashment	Gratuity
a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Obligations at the beginning of the year	66.74	169.55	54.78	124.62
Current service cost	7.61	9.05	12.36	8.89
Interest cost	4.95	13.72	4.07	10.08
Actuarial (gain) / loss	(4.60)	(1.17)	1.39	37.17
Liabilities of outgoing employees	-	-	-	(0.12)
Benefits paid	(4.01)	(14.54)	(5.86)	(11.09)
Obligations at the end of the year	70.69	176.61	66.74	169.55
b. Reconciliation of opening and closing balances of the fair value of plan assets:				
Plan assets at the beginning of the year, at fair value	-	115.52	-	94.50
Expected return on plan assets	-	10.97	-	9.98
Actuarial gain / (loss)	-	1.26	-	(0.10)
Contributions	-	27.19	-	22.35
Liabilities of transferred employees	-	-	-	(0.12)
Benefits paid	-	(14.54)	-	(11.09)
Plan assets at the end of the year, at fair value	-	140.40	-	115.52
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	70.69	176.61	66.74	169.55
Plan assets at the end of the year, at fair value	-	140.40	-	115.52
Liability recognized in balance sheet as at 31st March, 2012	70.69	36.21	66.74	54.03
d. Cost for the year:				
Current service cost	7.61	9.05	12.36	8.89
Interest cost	4.95	13.72	4.07	10.08
Expected return on plan assets	-	(10.97)	-	(9.98)
Net actuarial (gain) / loss	(4.60)	(2.43)	1.39	37.27
Net cost – included in note 21 of the statement of profit and loss	7.96	9.37	17.82	46.26
e. Investment details of plan assets:				
Contributions to fund the obligations under the gratuity plan are made to Life Insurance Corporation of India, who has invested the funds substantially in the government securities.				
f. Assumptions:				
Interest rate	8.50%	8.50%	8.09%	8.09%
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31st March, 2012)	-	9.50%	-	9.50%

g. Note:

The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.

Past four years data for defined benefit obligation and fair value of plan:

(₹ in crores)

	2007-08	2008-09	2009-10	2010-11
Present value of defined benefit obligations at the end of the period (independent actuary)	171.19	195.73	179.40	236.29
Fair value of plan assets at the end of the year	63.78	77.36	94.50	115.52
Net assets / (liability) at the end of year	(107.41)	(118.37)	(84.90)	(120.77)

33. Auditors remuneration

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Audit fees	0.43	0.30
Tax audit fees	0.04	0.03
Other services – certificates etc.	0.14	0.17
Reimbursement of expenses	0.01	0.01
	<u>0.62</u>	<u>0.51</u>

34. C.I.F. value of imports

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Components, stores, fuel and spare parts	250.74	70.75
Capital goods	401.11	181.26

35. Expenditure in foreign currency

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Subscription	0.06	0.13
Travelling	0.51	0.56
Professional and consultation fees	0.11	0.41
Others	4.69	0.03
	<u>5.37</u>	<u>1.13</u>

36. Earnings in foreign currency

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Gross proceeds from carbon credits	324.99	2.96
	<u>324.99</u>	<u>2.96</u>

Gross proceeds of carbon credits (CERs) from SUGEN amount to ₹ 324.99 crores (Previous year ₹ 2.96 crores) out of which ₹ 3.30 crores is provided as sharable with long term beneficiaries in accordance with Central Electricity Regulatory Commission (CERC) regulation dated 19th January 2009.

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

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ in crores	%	₹ in crores	%
Imported	612.02	23.26	424.25	16.74
Indigenous	2,018.74	76.74	2,110.46	83.26
	<u>2,630.76</u>	<u>100.00</u>	<u>2,534.71</u>	<u>100.00</u>

38. Quantitative information

	Year ended 31st March, 2012	Year ended 31st March, 2011
Units supplied (million kWh)	14,983	14,512
Units procured (million kWh)	6,890	5,586

39. Deferred tax

(₹ in crores)

	As at 31st March, 2012		As at 31st March, 2011	
	Asset	Liability	Asset	Liability
Depreciation		495.89		417.04
Provision for gratuity and superannuation	11.47		16.75	
Leave encashment	17.11		17.03	
Provision for doubtful debts	-		21.37	
Municipal taxes	3.15		2.91	
Provision for works contract	0.40		0.41	
Provision for wages and bonus	0.15		0.21	
Provision for short term leave	0.06		0.07	
	<u>32.34</u>	<u>495.89</u>	<u>58.75</u>	<u>417.04</u>
Net deferred tax (asset) liability		<u>463.55</u>		<u>358.29</u>

40. Earnings per share

	Year ended 31st March, 2012	Year ended 31st March, 2011
Profit after tax (₹ in crores)	1,237.46	1,065.72
No. of equity shares (in crores)	47.24	47.24
Basic and diluted earnings per share (₹)	26.19	22.56

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

42. Capitalization of exchange differences

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

In accordance with the amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to ₹ 23.07 crores (Previous year ₹ Nil) to the cost of Capital work in progress / plant and equipments.

43. Related party disclosures

(₹ in crores)

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Subsidiary		Key management personnel		Relatives of key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
A) Nature of Transactions																
Purchase of materials	1.75	1.75	-	-	159.54	114.60	-	-	-	-	-	-	-	-	161.29	116.35
AEC Cement & Const. Co. Ltd.	1.75	1.75	-	-	-	-	-	-	-	-	-	-	-	-	1.75	1.75
Torrent Cables Ltd	-	-	-	-	159.20	114.26	-	-	-	-	-	-	-	-	159.20	114.26
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.34	0.34	-	-	-	-	-	-	-	-	0.34	0.34
Sale of power	-	-	-	-	-	-	0.11	32.22	-	-	-	-	-	-	0.11	32.22
Torrent Energy Ltd.	-	-	-	-	-	-	0.11	32.22	-	-	-	-	-	-	0.11	32.22
Services received	-	-	-	-	3.88	0.53	27.81	24.53	-	-	-	-	1.55	2.67	33.24	27.73
Torrent Power Grid Ltd.	-	-	-	-	-	-	27.81	24.53	-	-	-	-	-	-	27.81	24.53
Torrent Cables Ltd.	-	-	-	-	3.88	0.53	-	-	-	-	-	-	-	-	3.88	0.53
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	1.23	1.84	1.23	1.84
Munjjal Bhatt Associates	-	-	-	-	-	-	-	-	-	-	-	-	0.23	0.65	0.23	0.65
Jinal Mehta	-	-	-	-	-	-	-	-	-	-	-	-	-	0.16	-	0.16
Varun Mehta	-	-	-	-	-	-	-	-	-	-	-	-	0.09	0.02	0.09	0.02
Shared expenditure	-	-	-	-	-	0.16	3.40	2.80	-	-	-	-	-	-	3.40	2.96
Torrent Energy Ltd.	-	-	-	-	-	-	3.40	2.80	-	-	-	-	-	-	3.40	2.96
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	3.04	2.01	-	-	-	-	-	-	3.04	2.01
Torrent Pharma Gmbh., Germany	-	-	-	-	-	-	0.36	0.79	-	-	-	-	-	-	0.36	0.79
Managerial remuneration	-	-	-	-	-	-	0.16	-	-	-	-	-	-	-	-	0.16
Sudhir Mehta (Chairman)	-	-	-	-	-	-	-	-	37.58	28.45	-	-	-	-	37.58	28.45
Samir Mehta (Executive Vice Chairman)	-	-	-	-	-	-	-	-	9.51	7.50	-	-	-	-	9.51	7.50
Markand Bhatt (Whole Time Director)	-	-	-	-	-	-	-	-	7.50	6.00	-	-	-	-	7.50	6.00
Murli Ranganathan (Whole Time Director)	-	-	-	-	-	-	-	-	12.54	10.02	-	-	-	-	12.54	10.02
T P Vijayasathy (Whole Time Director)	-	-	-	-	-	-	-	-	5.52	4.01	-	-	-	-	5.52	4.01
Donation	-	-	-	-	-	-	-	-	2.51	0.92	-	-	-	-	2.51	0.92
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	-	4.95	8.35	4.95	8.35
U.N.Mehta Institute of Cardiology and Research Centre	-	-	-	-	-	-	-	-	-	-	-	-	4.95	4.35	4.95	4.35
Contribution to funds (net)	-	-	16.20	15.07	-	-	-	-	-	-	-	-	-	-	-	4.00
TPL (Ahmedabad) Gratuity Trust	-	-	10.95	11.13	-	-	-	-	-	-	-	-	-	-	-	-
TPL (Ahmedabad) Superannuation Fund	-	-	2.00	1.68	-	-	-	-	-	-	-	-	-	-	-	-
TPL (Surat) Gratuity Trust	-	-	1.68	1.61	-	-	-	-	-	-	-	-	-	-	-	-
TPL (Surat) Superannuation Fund	-	-	0.55	0.60	-	-	-	-	-	-	-	-	-	-	-	-
TPL (SUGEN) Gratuity Trust	-	-	0.69	(0.21)	-	-	-	-	-	-	-	-	-	-	-	-
TPL (SUGEN) Superannuation Fund	-	-	0.33	0.26	-	-	-	-	-	-	-	-	-	-	-	-
Share application money	-	-	-	-	-	-	189.05	-	-	-	-	-	-	-	189.05	-
Torrent Energy Ltd.	-	-	-	-	-	-	189.05	-	-	-	-	-	-	-	189.05	-

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Subsidiary		Key management personnel		Relatives of key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	
Equity contribution	-	-	-	-	-	-	189.05	677.45	-	-	-	-	-	-	189.05	677.45	
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	-	47.45	-	-	-	-	-	-	-	47.45	
Torrent Energy Ltd.	-	-	-	-	-	-	189.05	630.00	-	-	-	-	-	-	189.05	630.00	
Advance given	-	-	-	-	-	-	25.53	-	-	-	-	-	-	-	25.53	-	
Torrent Energy Ltd.	-	-	-	-	-	-	25.53	-	-	-	-	-	-	-	25.53	-	
Advance received / recovered	-	0.20	-	-	-	-	22.95	-	-	-	-	-	-	-	22.95	0.20	
AEC cement & Const. Co. Ltd.	-	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-	0.20	
Torrent Energy Ltd.	-	-	-	-	-	-	22.95	-	-	-	-	-	-	-	22.95	-	
Loan given	-	-	-	-	-	-	100.06	499.83	-	-	-	-	-	-	100.06	499.83	
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	38.50	1.57	-	-	-	-	-	-	38.50	1.57	
Torrent Energy Ltd.	-	-	-	-	-	-	61.56	498.26	-	-	-	-	-	-	61.56	498.26	
Loan received back	-	-	-	-	-	-	57.70	535.89	-	-	-	-	-	-	57.70	535.89	
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	-	2.49	-	-	-	-	-	-	-	2.49	
Torrent Energy Ltd.	-	-	-	-	-	-	57.70	533.40	-	-	-	-	-	-	57.70	533.40	
Sale of investment	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	0.05	
Torrent Power Bhiwandi Ltd.	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	
B) Balances at the end of the period																	
Current liability	0.34	0.06	-	1.91	27.82	13.31	5.54	4.76	-	-	-	-	-	-	0.02	33.70	20.06
AEC Cements & Construction Ltd.	0.34	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34	0.06
Torrent Cables Ltd.	-	-	-	-	27.80	13.30	-	-	-	-	-	-	-	-	-	27.80	13.30
Torrent Pharmaceuticals Ltd	-	-	-	-	0.02	0.01	-	-	-	-	-	-	-	-	-	0.02	0.01
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02
Torrent Power Grid Ltd.	-	-	-	-	-	-	5.54	4.76	-	-	-	-	-	-	5.54	4.76	
TPL (SUGEN) Superannuation Fund	-	-	-	*	-	-	-	-	-	-	-	-	-	-	*	-	*
TPL (Ahmedabad) Superannuation & Gratuity fund	-	-	-	1.91	-	-	-	-	-	-	-	-	-	-	-	-	1.91
Investment in equities	0.63	0.63	-	-	-	-	1,033.15	844.10	-	-	-	-	-	-	1,033.78	844.73	
Torrent Power Grid Ltd	-	-	-	-	-	-	66.60	66.60	-	-	-	-	-	-	66.60	66.60	
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	47.50	47.50	-	-	-	-	-	-	47.50	47.50	
Torrent Energy Ltd.	-	-	-	-	-	-	919.05	730.00	-	-	-	-	-	-	919.05	730.00	
AEC Cements & Construction Ltd.	0.61	0.61	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.61	
Tidong Hydro Power Ltd.	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02	
Loans & advances	3.30	3.60	-	-	0.31	0.56	62.21	13.77	-	-	-	-	-	-	65.82	17.93	
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	38.87	-	-	-	-	-	-	-	38.87	-	
Torrent Energy Ltd.	-	-	-	-	-	-	23.34	13.77	-	-	-	-	-	-	23.34	13.77	
AEC Cements & Construction Ltd.	3.30	3.60	-	-	-	-	-	-	-	-	-	-	-	-	3.30	3.60	
Torrent Power Services Ltd.	-	-	-	-	0.31	0.56	-	-	-	-	-	-	-	-	0.31	0.56	
Trade receivable	-	-	-	-	-	-	-	2.72	-	-	-	-	-	-	-	2.72	
Torrent Energy Ltd.	-	-	-	-	-	-	-	2.72	-	-	-	-	-	-	-	2.72	

Names of related parties and description of relationship:						
1. Associates	AEC Cements & Constructions Limited, Tidong Hydro Power Limited					
2. Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Energy Limited					
3. Enterprises controlled by the Company	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund					
4. Holding Company / enterprises controlled by the holding Company	Torrent Private Limited, Torrent Pharmaceuticals Limited, Torrent Cables Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Torrent Power Bhiwandi Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratorios Torrent SA de CV, Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals Sikkim, Torrent Pharmaceuticals Dahej, Torrent Fincorp Pvt. Ltd.					
5. Key management personnel	Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murli Ranganathan Whole-time Director	T. P. Vijayasarathy Whole-time Director	
6. Relatives of key management personnel	Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Nandini Bhatt, Wife Arvindbhai Bhatt, Brother Malitiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son	Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father Kaushalya Ranganathan, Mother R.Vijay Kumar, brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter	Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter	
7. Enterprises controlled by key management personnel / relatives of key management personnel	U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited, Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Associates					

44. Donations include political contributions as under

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
1. Bhartiya Janata Party	2.00	3.00
2. Indian National Congress	-	2.30

45. Previous year figures

The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50000 are denoted by '**'.

Signature to Note 1 to 45

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasarathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

Consolidated Financial Statements 2011-12

To the Board of Directors of
TORRENT POWER LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TORRENT POWER LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 23 – "Accounting for Investment in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Ahmedabad
11th May, 2012

Gaurav J. Shah
Partner
(Membership No. 35701)

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2012

(₹ in crores)

	Note	As at 31st March, 2012	As at 31st March, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,288.06	4,306.36
		5,760.51	4,778.81
Minority interest			
		29.80	27.07
Non-current liabilities			
Long-term borrowings	4	4,872.81	2,633.17
Deferred tax liability (Net)	36	464.65	361.41
Other long-term liabilities	5	245.70	31.46
Long-term provisions	6	87.61	104.03
		5,670.77	3,130.07
Current liabilities			
Short-term borrowings	7	-	459.33
Trade payables	8	655.18	743.56
Other current liabilities	9	1,566.75	1,197.99
Short-term provisions	6	238.85	330.82
		2,460.78	2,731.70
		13,921.86	10,667.65
Assets			
Non-current assets			
Fixed assets			
	10		
Tangible assets		7,539.95	7,036.71
Intangible assets		17.96	11.02
Capital work- in-progress		3,442.41	699.84
Intangible assets under development		3.04	10.07
		11,003.36	7,757.64
Goodwill on consolidation	28	10.00	10.00
Non-current investments	11	1.71	1.71
Long-term loans and advances	12	626.81	740.37
Other non-current assets	13	7.38	1.05
		11,649.26	8,510.77
Current assets			
Current investments	14	256.37	162.49
Inventories	15	299.89	263.58
Trade receivables	16	650.24	503.72
Cash and bank balances	17	590.90	953.95
Short-term loans and advances	12	148.16	165.17
Other current assets	18	327.04	107.97
		2,272.60	2,156.88
		13,921.86	10,667.65
Significant accounting policies	1		
Other notes forming part of financial statements	24 to 42		

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasarathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2012

		(₹ in crores)	
	Note	Year ended 31st March, 2012	Year ended 31st March, 2011
Income			
Revenue from operations	19	7,956.26	6,818.32
Other income	20	106.84	104.80
Total revenue		<u>8,063.10</u>	<u>6,923.12</u>
Expenses			
Electrical energy purchased		2,258.29	1,451.79
Employee benefits expense	21	244.39	273.99
Operation and other expenses	22	3,144.03	3,039.59
Finance costs	23	334.95	334.77
Depreciation and amortization expense		402.96	421.52
Transfer from service line contribution, APDRP grant and others		(19.06)	(21.92)
		<u>383.90</u>	<u>399.60</u>
Total expenses		<u>6,365.56</u>	<u>5,499.74</u>
Profit before tax		1,697.54	1,423.38
Tax expenses			
Current tax		341.34	287.04
Deferred tax		103.23	102.16
Short / (Excess) provision of current tax for earlier years		(2.35)	(21.47)
		<u>442.22</u>	<u>367.73</u>
Profit after tax		1,255.32	1,055.65
Minority interest		2.73	1.05
Profit after tax and minority interest		<u>1,252.59</u>	<u>1,054.60</u>
Basic and diluted earnings per share of face value of ₹ 10/- each (in ₹)	37	26.51	22.32
Significant accounting policies	1		
Other notes forming part of financial statements	24 to 42		

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
(₹ in crores)		
Cash flow from operating activities		
Net profit before tax	1,697.54	1,423.38
Adjustments for :		
Depreciation and amortization	383.90	399.60
Provision of earlier years written back	(34.80)	(154.29)
Provisions for doubtful debts no longer required	(4.69)	(41.36)
Loss on sale of fixed assets	19.35	8.24
Profit on sale of fixed assets	(0.34)	(0.21)
Provision for bad debt	24.80	65.41
Finance cost	334.95	334.78
Interest income	(72.92)	(69.83)
Dividend income	(2.17)	(0.47)
Operating profit before working capital changes	2,345.62	1,965.25
Movement in working capital:		
Increase / (decrease) in trade payables	(90.31)	258.04
Increase / (decrease) in long-term provisions	(16.43)	22.44
Increase / (decrease) in short-term provisions	2.92	(35.53)
Increase / (decrease) in other current liabilities	63.80	84.08
Increase / (decrease) in other long-term liabilities	17.04	(85.98)
Decrease / (increase) in trade receivables	(164.71)	(69.93)
Decrease / (increase) in inventories	(36.30)	(94.55)
Decrease / (increase) in long-term loans and advances	(4.36)	(15.84)
Decrease / (increase) in short-term loans and advances	16.99	(78.31)
Decrease / (increase) in other current assets	(218.88)	(30.23)
Decrease / (increase) in other non-current assets	-	0.05
Cash generated from operations	1,915.38	1,919.49
Taxes paid	(313.85)	(249.72)
Net cash flow from operating activities	1,601.53	1,669.77
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(3,085.41)	(1,669.12)
Long-term loans and advances for capital assets	(19.55)	(147.37)
Sale of fixed assets	1.70	3.56
Sale of non-current investments	-	0.05
Sale of current investments	2.60	5.00
Redemption of bank deposits (having maturity more than three months)	188.89	482.44
Interest received	72.61	69.86
Dividend received	2.17	0.47
Net cash used in investing activities	(2,836.99)	(1,255.11)
Cash flow from financing activities		
Proceeds from share issue to minority shareholders	-	2.50
Proceeds from long-term borrowings	2,780.67	179.00
Proceeds from short-term borrowings	50.00	459.33
Repayment of long-term borrowings	(723.91)	(414.80)
Repayment of short-term borrowings	(235.96)	-
Repayment of APDRP loan	(3.82)	(2.95)
Repayment of fixed deposits	-	*
Service line contribution	105.73	87.79
Interim dividend and corporate dividend tax paid	(164.72)	-
Dividend and corporate dividend tax paid	(299.44)	(164.49)
Finance cost paid	(343.76)	(354.19)
Net cash used in financing activities	1,164.79	(207.81)
Net (decrease) / increase in cash and cash equivalents	(70.67)	206.85
Cash and cash equivalents as at beginning of the year	915.08	708.23
Cash and cash equivalents as at end of the year	844.41	915.08
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash on hand	0.78	0.97
Cheques / Drafts on hand	2.90	2.20
With banks		
On current account	98.02	78.90
On deposit account	482.54	672.71
On unpaid dividend account	5.31	2.75
Current investments (investments in mutual funds)	254.86	157.55
	844.41	915.08
2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 "Cash Flow Statement".		
3. Finance cost paid is exclusive of and purchase of fixed assets is inclusive of finance cost capitalised ₹ 204.11 crores (Previous year - ₹ 29.93 crores)		

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayarathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis of preparation of consolidated financial statements:**

The consolidated financial statements have been prepared by consolidating financial statements of the subsidiary Torrent Power Grid Limited, Torrent Pipavav Generation Limited and Torrent Energy Limited with Torrent Power Limited, in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for investments in Associates in the Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India. The Financial statements have been prepared and presented to comply in all material respects with relevant provisions of the Companies Act, 1956 and notified accounting standards by Companies Accounting Standards Rules, 2006 (as amended). These statements have been prepared to meet requirement of Clause 32 of the listing agreement with the stock exchange.

1.2 Principles of consolidation:

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

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

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

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

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

1.3 Other significant accounting policies:

These are set out in the Note 1 under “Significant Accounting Policies” of the financial statements of Torrent Power Limited.

NOTE 2 : SHARE CAPITAL

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Authorised		
2,000,000,000 Equity shares of ₹ 10/- each	2,000.00	2,000.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued, subscribed and paid up		
472,448,308 Equity shares of ₹ 10/- each	472.45	472.45
	<u>472.45</u>	<u>472.45</u>

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year :

(in crores)

	No. of shares As at 31st March, 2012	No. of shares As at 31st March, 2011
At the beginning of the year	47.24	47.24
Issued during the year	-	-
Outstanding at the end of the year	<u>47.24</u>	<u>47.24</u>

2 249,448,986 equity shares (249,322,865 equity shares as at 31st March, 2011) of ₹ 10/- each fully paid up are held by holding company - Torrent Private Limited.

3 Terms / Rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Dividend amount per share recognized as distributions to equity shareholders is ₹ 6.50 per equity share during the year ended 31st March, 2012 (Previous year ₹ 5.50 per equity share).

In the Event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4 Details of shareholders holding more than 5% shares in the Company :

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares (in crores)	% holding	No. of shares (in crores)	% holding
Torrent Private Limited	24.94	52.80%	24.93	52.77%
Gujarat State Investment Limited	4.69	9.92%	4.69	9.92%
Life insurance Corporation of India	4.34	9.18%	4.42	9.35%

NOTE 3: RESERVES AND SURPLUS

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Capital reserves		
Service line contributions		
As per last balance sheet	309.39	240.20
Add: Received during the year	<u>105.82</u>	<u>87.84</u>
	415.21	328.04
Less: Transfer to statement of profit and loss	<u>16.25</u>	<u>18.65</u>
	398.96	309.39
Grant in Aid under Accelerated Power Development and Reform Programme		
As per last balance sheet	46.02	49.25
Less: Transfer to statement of profit and loss	<u>2.74</u>	<u>3.23</u>
	43.28	46.02
Statutory reserves		
Contingency reserve		
As per last balance sheet	60.49	61.10
Add: Transfer from statement of profit and loss	<u>1.00</u>	<u>1.00</u>
	61.49	62.10
Less: Loss on sale of Investment	<u>0.82</u>	<u>1.61</u>
	60.67	60.49
Tariffs and dividends control reserve		
As per last balance sheet	11.59	11.59
Consumer benefit reserve		
As per last balance sheet	-	-
Add: Transfer from general reserve	<u>44.82</u>	<u>-</u>
	44.82	-
Other reserves		
General reserve		
As per last balance sheet	3,029.00	2,629.00
Add: Transfer from statement of profit and loss	500.00	400.00
Less: Transfer to consumer benefit reserve	<u>44.82</u>	<u>-</u>
	3,484.18	3,029.00
Surplus in the statement of profit and loss		
As per last balance sheet	849.87	498.27
Add: Profit after tax and minority interest for the year	<u>1,252.59</u>	<u>1,054.60</u>
	2,102.46	1,552.87
Less: Appropriations		
Transfer to contingency reserve	1.00	1.00
Transfer to general reserve	500.00	400.00
Interim dividend	141.73	-
Corporate dividend tax on interim dividend	22.99	-
Proposed dividend	165.35	259.85
Corporate dividend tax on proposed dividend	<u>26.83</u>	<u>42.15</u>
Total appropriations	857.90	703.00
Net surplus in the statement of profit and loss	<u>1,244.56</u>	<u>849.87</u>
	<u>5,288.06</u>	<u>4,306.36</u>

NOTE 4 : LONG-TERM BORROWINGS

(₹ in crores)

	Non-current		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Secured loans				
Term loans				
From banks	2,522.49	1,561.81	393.58	296.20
From financial institutions	1,409.91	1,020.15	143.64	154.35
	<u>3,932.40</u>	<u>2,581.96</u>	<u>537.22</u>	<u>450.55</u>
Unsecured loans				
Term loans				
From Government of India under Accelerated Power Development and Reform Programme	47.39	51.21	3.82	3.82
Buyers' credit from banks	893.02	-	-	-
	<u>940.41</u>	<u>51.21</u>	<u>3.82</u>	<u>3.82</u>
	<u>4,872.81</u>	<u>2,633.17</u>	<u>541.04</u>	<u>454.37</u>
Amount disclosed under the head "Other current liabilities " (note 9)	-	-	541.04	454.37
	<u>4,872.81</u>	<u>2,633.17</u>	<u>-</u>	<u>-</u>

NOTE 5 : OTHER LONG-TERM LIABILITIES

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Trade payables	19.75	0.01
Sundry payables	225.95	31.45
	<u>245.70</u>	<u>31.46</u>

NOTE 6 : PROVISIONS

(₹ in crores)

	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits (note 33)				
Provision for gratuity and other funds	19.43	40.26	17.45	14.50
Provision for leave encashment	68.18	63.77	3.51	3.81
	<u>87.61</u>	<u>104.03</u>	<u>20.96</u>	<u>18.31</u>
Other provisions				
Provision for taxation (net of advance tax and TDS)	-	-	25.13	-
Provision for indirect tax	-	-	0.58	10.51
Proposed dividend	-	-	165.35	259.85
Provision for corporate dividend tax	-	-	26.83	42.15
	<u>-</u>	<u>-</u>	<u>217.89</u>	<u>312.51</u>
	<u>87.61</u>	<u>104.03</u>	<u>238.85</u>	<u>330.82</u>

NOTE 7: SHORT-TERM BORROWINGS

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Secured loans		
Loan from banks	-	273.37
Cash credit from banks	-	-
	<u>-</u>	<u>273.37</u>
Unsecured loans		
Loan from financial institutions	-	175.00
Buyers' credit from banks	-	10.96
	<u>-</u>	<u>185.96</u>
	<u>-</u>	<u>459.33</u>

NOTE 8: TRADE PAYABLES

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Trade payables for goods and services (note 31)	<u>655.18</u>	<u>743.56</u>
	<u>655.18</u>	<u>743.56</u>

NOTE 9: OTHER CURRENT LIABILITIES

	(₹ in crores)	
	As at 31st March, 2012	As at 31st March, 2011
Current maturities of long-term debt (note 4)	541.04	454.37
Interest accrued but not due on loans and security deposit	18.00	23.05
Investor education and protection fund shall be credited by the following*:		
Unpaid / Unclaimed dividend	5.31	2.74
Other payables		
Credit balances of consumers	40.67	34.87
Service line and security deposits from consumers	510.82	478.74
Consumers' benefit account	12.01	12.01
Deposits	5.16	3.76
Statutory dues	12.00	15.67
Sundry payables	421.74	172.78
	<u>1,566.75</u>	<u>1,197.99</u>

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

NOTE 11 : NON-CURRENT INVESTMENT

(₹ in crores)

	No. of units As at 31st March, 2012	No. of units As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Trade investments (valued at cost unless stated otherwise)				
Investment in equity instruments (unquoted) Associates				
Tidong Hydro Power Limited				
Equity shares of ₹ 10/- each fully paid up	24,500	24,500	0.02	0.02
AEC Cements & Constructions Limited				
Equity shares of ₹ 10/- each fully paid up	611,500	611,500	0.61	0.61
Less: Provision for diminution in value of investment			<u>0.61</u>	<u>0.61</u>
			0.02	0.02
Other investments (valued at cost unless stated otherwise)				
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			<u>1.69</u>	<u>1.69</u>
			<u>1.69</u>	<u>1.69</u>
			<u>1.71</u>	<u>1.71</u>
Aggregate amount of quoted investments			1.69	1.69
Aggregate amount of unquoted investments			0.02	0.02
			<u>1.71</u>	<u>1.71</u>
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			1.63	1.64

NOTE 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in crores)

	Non-current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Capital advances	605.92	723.85	-	-
Deposits	0.02	0.02	2.86	2.88
Loans and advance to related parties				
Considered good	-	-	0.31	0.56
Considered doubtful	-	-	3.30	3.60
	-	-	3.61	4.16
Less : Provision for doubtful advance to related parties	-	-	3.30	3.60
	-	-	0.31	0.56
Advances recoverable in cash or in kind or for value to be received				
Considered good	19.86	15.49	141.84	158.33
Considered doubtful	-	-	4.87	8.78
	19.86	15.49	146.71	167.11
Less : Provision for doubtful advances	-	-	4.87	8.78
	19.86	15.49	141.84	158.33
Other loans and advances				
Advance tax and tax deducted at source (Net of provision for income tax)	-	-	-	0.02
Balance with government authority	1.01	1.01	0.14	0.17
Prepaid expense	-	-	3.01	3.21
	1.01	1.01	3.15	3.40
	626.81	740.37	148.16	165.17

NOTE 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Interest accrued on deposits	0.16	0.02
Non-current bank balance (note 17)	7.22	1.03
	7.38	1.05

NOTE 14 : CURRENT INVESTMENTS

(₹ in crores)				
	No. of units As at 31st March, 2012	No. of units As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Investment in government securities (quoted)				
12.00% Uttar Pradesh state loan			-	0.02
Investment in mutual funds (unquoted)				
Birla Sun Life Cash Plus (of ₹ 100 each)	6,054,388	2,829,656	102.68	44.25
Birla Sun Life Cash Manager (of ₹ 100 each)	-	1,467,690	-	14.68
Birla Sun Life Cash Plus-Institutional Premium Growth (of ₹ 100 each)	-	510,967	-	8.00
IDFC Cash Fund - Plan C - Super IP - Dividend (of ₹ 1000 each)	121,976	-	12.20	-
ICICI Pru. Inst. Liquid Plan (of ₹ 100 each)	7,851,968		114.98	-
Kotak Floater Short Term (of ₹ 10 each)	-	14,448,150	-	23.13
Kotak Flexi Debt Scheme (of ₹ 10 each)	-	13,017,024	-	13.08
LIC MF Liquid Fund (of ₹ 10 each)	-	36,910,202	-	54.41
SBI Premier Liq. Fund (of ₹ 1000 each)	88,991	-	15.00	-
Tata Liquid SHIP (of ₹ 1000 each)	50,517	-	10.00	-
[Aggregate NAV of investment in mutual funds ₹ 256.61 crores (31st March, 2011- ₹ 157.92 crores)]			254.86	157.55
Contingency reserve investments(quoted)				
11.50% GOI Bond - 2011			-	0.10
6.85% GOI Bond - 2012			1.51	1.51
11.25% ICICI Bank Ltd. - 2016		250	-	3.29
3.00% Calcutta Port Trust Debentures			-	0.01
12.00% IFCI - 2012		50	-	0.01
			1.51	4.92
			256.37	162.49
Aggregate amount of quoted investments			1.51	4.94
Aggregate amount of unquoted investments			254.86	157.55
			256.37	162.49
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			1.51	4.11
			1.51	4.11

NOTE 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in crores)		
	As at 31st March, 2012	As at 31st March, 2011
Coal, oil, stores and spares	299.56	263.29
Loose tools	0.33	0.29
	299.89	263.58

NOTE 16 : TRADE RECEIVABLES

		(₹ in crores)	
		As at	As at
		31st March, 2012	31st March, 2011
Debts outstanding for a period exceeding six months from due date			
Secured	- Considered good	9.49	11.36
Unsecured	- Considered good	20.81	13.26
	- Considered doubtful	57.38	20.63
		<u>87.68</u>	<u>45.25</u>
Other debts			
Secured	- Considered good	238.24	189.65
Unsecured	- Considered good	381.70	289.45
	- Considered doubtful	67.55	79.98
		<u>687.49</u>	<u>559.08</u>
Less: Provision for doubtful debts		124.93	100.61
		<u>650.24</u>	<u>503.72</u>

NOTE 17 : CASH AND BANK BALANCES

		(₹ in crores)			
		Non - current		Current	
		As at	As at	As at	As at
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Cash and cash equivalents					
Balances with banks					
	Balance in current accounts	-	-	98.02	78.90
	Balance in fixed deposit account (remaining maturity of less than three months)	-	-	482.54	672.71
	On unpaid dividend account	-	-	5.31	2.75
		<u>-</u>	<u>-</u>	<u>585.87</u>	<u>754.36</u>
	Cheques, drafts on hand	-	-	2.90	2.20
	Cash on hand	-	-	0.78	0.97
		<u>-</u>	<u>-</u>	<u>589.55</u>	<u>757.53</u>
Other bank balances					
	Balance in fixed deposit account (remaining maturity for more than three months but less than twelve months)	-	-	1.35	196.42
	Balance in fixed deposit account (remaining maturity for more than twelve months)	7.22	1.03	-	-
		<u>7.22</u>	<u>1.03</u>	<u>1.35</u>	<u>196.42</u>
	Amount disclosed under non current asset (note 13)	(7.22)	(1.03)	-	-
		<u>-</u>	<u>-</u>	<u>590.90</u>	<u>953.95</u>

NOTE 18 : OTHER CURRENT ASSETS

		(₹ in crores)	
		As at	As at
		31st March, 2012	31st March, 2011
Interest accrued on investments			
		0.46	0.31
Unbilled revenue			
		326.58	107.66
		<u>327.04</u>	<u>107.97</u>

NOTE 19 : REVENUE FROM OPERATIONS

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Revenue from power supply	7,483.62	6,527.77
Other operating income		
Street lighting maintenance contracts	5.21	6.05
Hire of meters	43.75	41.38
Provision of earlier years written back	34.80	154.28
Provision for doubtful debt no longer required	4.69	41.36
Recovery of bad debts	9.04	3.20
Insurance claim receipt	0.95	0.04
Income from CERs	321.69	2.96
Miscellaneous income	52.51	41.28
	<u>472.64</u>	<u>290.55</u>
	<u>7,956.26</u>	<u>6,818.32</u>

NOTE 20 : OTHER INCOME

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest income		
On deposits	60.78	59.01
From consumers	10.80	9.61
Contingency reserves investments	0.43	1.04
Others	0.91	0.17
	<u>72.92</u>	<u>69.83</u>
Dividend on current investments	2.17	0.47
Miscellaneous income	11.74	13.46
Profit on sale of fixed assets	0.34	0.21
Profit on sale of current investments	19.55	20.11
Net gain / (loss) on foreign currency transactions	0.12	0.72
	<u>106.84</u>	<u>104.80</u>

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

	(₹ in crores)	
	Year ended 31st March, 2012	Year Ended 31st March, 2011
Salaries, wages and bonus	318.94	287.02
Contribution to provident and other funds	14.03	12.87
Employees welfare expenses	8.95	9.88
Gratuity and leave encashment	17.49	64.42
	<u>359.41</u>	<u>374.19</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	115.02	100.20
	<u>244.39</u>	<u>273.99</u>

NOTE 22 : OPERATION AND OTHER EXPENSES

	(₹ in crores)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Fuel	2,427.26	2,329.73
Consumption of stores and spares	223.77	218.67
Rent and hire charges	5.78	4.36
Repairs to		
Buildings	11.35	7.61
Plant and machinery	240.71	214.54
Others	7.88	6.32
	<u>259.94</u>	<u>228.47</u>
Insurance	14.75	16.13
Rates and taxes	8.60	5.27
Green cess	4.53	-
Miscellaneous expenses	136.96	128.64
Discount for prompt payment of bills	47.48	47.12
Service line charges to GEB for sub-stations	-	1.32
Loss on sale of fixed assets	19.35	8.24
Commission to non executive directors	0.55	0.47
Auditors remuneration	0.74	0.57
Legal, professional and consultancy fees	10.69	7.86
Donations	16.68	23.34
Bad debts written off	10.59	23.04
Provision for bad debts	24.80	65.41
	<u>3,212.47</u>	<u>3,108.64</u>
Less : Allocated to capital works, repairs and other relevant revenue accounts	68.44	69.05
	<u>3,144.03</u>	<u>3,039.59</u>

NOTE 23 : FINANCE COST

	(₹ in crores)	
	Year ended 31st March, 2012	Year Ended 31st March, 2011
Interest expense		
Term loans	310.77	311.72
Working capital loan	0.05	0.07
Security deposits from consumers	22.98	21.02
Others	0.46	0.90
Other borrowing cost	0.69	1.06
	<u>334.95</u>	<u>334.77</u>

OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS (NOTE 24 TO 42)

24. (i) Consolidated financial statements include the financial statements of the parent Company Torrent Power Limited and the following subsidiaries (together referred to as Group):

Name of the Subsidiary	Country of Incorporation	% of Holding
Torrent Power Grid Limited	India	74
Torrent Pipavav Generation Limited	India	95
Torrent Energy Limited	India	100

- (ii) Investment in associates is as under:

Particulars	AEC Cements & Constructions Limited	Tidong Hydro Power Limited
No. of equity shares (nos.)	611,500	24,500
Cost of investment (₹ crores)	0.61	0.02
Percentage holding	43.88%	49.00%

These associates have not been considered for consolidation being not material to the Group.

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
25. Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	2530.24	4017.52

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
26. Contingent liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	121.08	63.57
(ii) Disputed income-tax matters	21.04	23.45
(iii) Disputed sales-tax matters	0.38	0.22
(iv) Disputed custom duty matters	0.44	0.44
(v) Disputed stamp duty matters	0.37	0.26

27. Accounting policy concerning depreciation in respect of assets of Ahmedabad Generation, Ahmedabad Distribution and Surat Distribution has been changed during the year from higher of rates as per Appendix III of CERC Regulation 2009 or rates prescribed under Schedule XIV to the Companies Act 1956 to rates applicable in the year of addition as per CERC Tariff Regulations in context of circular no. 51/23/2011-CL-III dated 31st May, 2011 issued by Ministry of Corporate Affairs with effect from 1st April, 2011. Depreciation for the year is lower by ₹ 60.21 crores and profit for the year is higher by ₹ 60.21 crores on account of such changes.

28. The goodwill has arisen on consolidation of financial statements of the Company with its subsidiaries and represents the difference between the cost to the Company of its investments in Torrent Pipavav Generation Limited and value of Company's investment in equity shares of Torrent Pipavav Generation Limited.

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

(₹ in crores)

	As at 31st March, 2012	As at 31st March, 2011
Pre-operative expenditure		
Opening balance	26.75	3.65
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	13.22	6.40
Rent expenses	2.24	2.07
Repairs and maintenance	0.24	0.10
Insurance	3.06	0.01
Miscellaneous expenses	5.70	4.07
Legal, professional and consultancy fees	4.38	4.54
Registration, filing and legal fees	3.62	0.34
Traveling expenses	0.35	0.51
Vehicle hiring charges	0.13	0.11
Security expenses	0.14	-
Depreciation	3.75	4.30
Rates and taxes	0.08	0.12
Upfront fees	0.25	-
Security trusteeship service expenses	0.01	-
Electricity charges	0.46	0.15
Printing, stationary, postage and telephone	0.12	0.04
Auditors remuneration	-	*
Advertisement	0.10	0.04
Fringe benefit tax	-	*
Finance cost	0.74	*
Land leveling cost	0.02	0.40
Total expenditure incurred during the year	38.61	23.20
Less: capitalized during the year	3.56	0.10
Grand total	61.80	26.75

30. (i) The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange contract as at 31st March, 2012 is ₹ Nil (Previous year ₹ 20.60 crores)
- (ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2012 is as under :

(in crores)

	Currency	As at 31st March, 2012	As at 31st March, 2011
Loan	USD	22.23	0.25
Interest payable	USD	0.10	*
Trade payable	USD	2.14	0.43
Capital liability	USD	4.77	-
Trade payable	EURO	1.04	0.10
Trade receivable	EURO	0.27	-

(*) 4680 USD

31. Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under MSMED Act, 2006 is ₹ 2.73 crores (Previous year ₹ 1.49 crores). Interest has been paid or payable ₹ 0.03 crores under MSMED Act, 2006 during the year. (Previous year ₹ Nil).

32. Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight-line basis.

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

33. **Employee benefits**

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

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

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

(₹ in crores)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Leave encashment	Gratuity	Leave encashment	Gratuity
a. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Obligations at the beginning of the year	67.20	170.40	54.87	124.97
Current service cost	7.75	9.19	12.71	9.00
Interest cost	4.97	13.80	4.08	10.11
Actuarial (gain) / loss	(4.57)	(1.05)	1.40	37.56
Liabilities of outgoing employees	(0.03)	(0.30)	-	-
Benefits paid	(4.04)	(14.55)	(5.86)	(11.24)
Obligations at the end of the year	71.28	177.49	67.20	170.40
b. Reconciliation of opening and closing balances of the fair value of plan assets:				
Plan assets at the beginning of the year, at fair value	-	115.97	-	94.67
Expected return on plan assets	-	11.06	-	10.01
Actuarial gain / (loss)	-	1.22	-	(0.11)
Contributions	-	27.61	-	22.64
Liabilities of transferred employees	-	(0.30)	-	-
Benefits paid	-	(14.55)	-	(11.24)
Plan assets at the end of the year, at fair value	-	141.01	-	115.97
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	71.28	177.49	67.20	170.40
Plan assets at the end of the year, at fair value	-	141.01	-	115.97
Liability recognized in balance sheet as at 31st March, 2012	71.28	36.48	67.20	54.43
d. Cost for the year:				
Current service cost	7.75	9.19	12.71	9.00
Interest cost	4.97	13.80	4.08	10.11
Expected return on plan assets	-	(11.06)	-	(10.01)
Net Actuarial (gain) / loss	(4.57)	(2.27)	1.40	37.67
Net cost – included in note 21 of the statement of profit and loss	8.15	9.66	18.19	46.77
e. Investment details of plan assets:				
Contributions to fund the obligations under the gratuity plan are made to Life Insurance Corporation of India, who has invested the funds substantially in the government securities.				
f. Assumptions:				
Interest rate	8.50%	8.50%	8.09%	8.09%
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31st March, 2012)	-	9.50%	-	9.50%
g. Note:				
The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.				

Past four years data for defined benefit obligation and fair value of plan

(₹ in crores)

	2007-08	2008-09	2009-10	2010-11
Present value of defined benefit obligations at the end of the period (independent actuary)	171.19	195.76	179.84	237.60
Fair value of plan assets at the end of the period	63.78	77.37	94.67	115.97
Net assets / (liability) at the end of period	(107.41)	(118.39)	(85.17)	(121.63)

34. Auditors remuneration

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Audit fees	0.51	0.34
Tax audit fees	0.06	0.03
Other services – certificates etc.	0.16	0.19
Reimbursement of expenses	0.01	0.01
	<u>0.74</u>	<u>0.57</u>

35. Earnings in foreign currency

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Gross proceeds from carbon credits	324.99	2.96
	<u>324.99</u>	<u>2.96</u>

Gross proceeds of carbon credits (CERs) from SUGEN amount to ₹ 324.99 crores (Previous year ₹ 2.96 crores) out of which ₹ 3.30 crores is provided as sharable with long term beneficiaries in accordance with Central Electricity Regulatory Commission (CERC) regulation dated 19th January 2009.

36. Deferred tax

(₹ in crores)

	As at 31st March, 2012		As at 31st March, 2011	
	Asset	Liability	Asset	Liability
Depreciation		511.26	-	420.32
Preliminary expenses	0.04		-	
Provision for gratuity and superannuation	11.51		16.91	
Leave encashment	17.11		17.03	
Provision for doubtful debts	-		21.37	
Municipal taxes	3.15		2.91	
Provision for works contract	0.40		0.41	
Provision for wages and bonus	0.15		0.21	
Unabsorbed depreciation	14.19		-	
Provision for short term leave encashment	0.06		0.07	
	<u>46.61</u>	<u>511.26</u>	<u>58.91</u>	<u>420.32</u>
Net deferred tax (asset) / liability		<u>464.65</u>		<u>361.41</u>

37. Earnings per share

	Year ended 31st March, 2012	Year ended 31st March, 2011
Profit after tax (net of minority interest) (₹ in crores)	1,252.59	1,054.60
No. of equity shares (in crores)	47.24	47.24
Basic and diluted earnings per share (₹)	26.51	22.32

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

39. Related party disclosure

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
A). Nature of Transactions												
Purchase of materials	1.75	1.75	-	-	162.69	125.85	-	-	-	-	164.44	127.60
AEC Cement & Const. Co. Ltd.	1.75	1.75	-	-	-	-	-	-	-	-	1.75	1.75
Torrent Cables Ltd.	-	-	-	-	162.35	125.51	-	-	-	-	162.35	125.51
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.34	0.34	-	-	-	-	0.34	0.34
Services received	1.32	5.36	-	-	4.02	2.13	-	-	1.55	2.67	6.89	10.16
Torrent Cables Ltd.	-	-	-	-	4.02	2.13	-	-	-	-	4.02	2.13
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	1.23	1.84	1.23	1.84
Munjil Bhatt & Associates	-	-	-	-	-	-	-	-	0.23	0.65	0.23	0.65
Jinal Mehta	-	-	-	-	-	-	-	-	-	0.16	-	0.16
Varun Mehta	-	-	-	-	-	-	-	-	0.09	0.02	0.09	0.02
Power Grid Corporation of India Limited	1.32	5.36	-	-	-	-	-	-	-	-	1.32	5.36
Shared expenditure	-	-	-	-	-	0.16	-	-	-	-	-	0.16
Torrent Pharma GmbH., Germany	-	-	-	-	-	0.16	-	-	-	-	-	0.16
Managerial remuneration	-	-	-	-	-	-	39.03	28.86	-	-	39.03	28.86
Sudhir Mehta (Chairman)	-	-	-	-	-	-	9.51	7.50	-	-	9.51	7.50
Samir Mehta (Executive Vice Chairman)	-	-	-	-	-	-	7.50	6.00	-	-	7.50	6.00
Markand Bhatt (Whole Time Director)	-	-	-	-	-	-	12.54	10.02	-	-	12.54	10.02
Murli Ranganathan (Whole Time Director)	-	-	-	-	-	-	5.52	4.01	-	-	5.52	4.01
T P Vijayarathy (Whole Time Director)	-	-	-	-	-	-	2.51	0.92	-	-	2.51	0.92
R. C Singh	-	-	-	-	-	-	0.37	0.41	-	-	0.37	0.41
Deepak Dalal	-	-	-	-	-	-	0.77	-	-	-	0.77	-
Jinal Mehta	-	-	-	-	-	-	0.31	-	-	-	0.31	-
Donation	-	-	-	-	-	-	-	-	4.95	8.35	4.95	8.35
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	4.95	4.35	4.95	4.35
U.N.Mehta Institute of Cardiology and Research Centre	-	-	-	-	-	-	-	-	-	4.00	-	4.00
Contribution to funds (net)	-	-	16.77	15.49	-	-	-	-	-	-	16.77	15.49
TPL (Ahmedabad) Gratuity Trust	-	-	10.95	11.14	-	-	-	-	-	-	10.95	11.14
TPL (Ahmedabad) Superannuation Fund	-	-	2.00	1.68	-	-	-	-	-	-	2.00	1.68
TPL (Surat) Gratuity Trust	-	-	1.68	1.61	-	-	-	-	-	-	1.68	1.61
TPL (Surat) Superannuation Fund	-	-	0.55	0.60	-	-	-	-	-	-	0.55	0.60
TPL (SUGEN) Gratuity Trust	-	-	0.69	(0.21)	-	-	-	-	-	-	0.69	(0.21)
TPL (SUGEN) Superannuation Fund	-	-	0.33	0.26	-	-	-	-	-	-	0.33	0.26
TPG Gratuity Trust	-	-	-	0.31	-	-	-	-	-	-	-	0.31

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
TPG Superannuation Fund	-	-	-	0.03	-	-	-	-	-	-	-	0.03
TEL Gratiuity Trust	-	-	0.42	-	-	-	-	-	-	-	0.42	-
TEL Superannuation Fund	-	-	0.15	0.07	-	-	-	-	-	-	0.15	0.07
Advance recovered	-	0.20	-	-	-	-	-	-	-	-	-	0.20
AEC cement & Const. Co. Ltd.	-	0.20	-	-	-	-	-	-	-	-	-	0.20
B) Balances at the end of the year												
Current liability	1.33	0.06	*	1.91	30.01	14.12	-	-	-	0.02	31.34	16.11
AEC Cements & Construction Ltd.	0.34	0.06	-	-	-	-	-	-	-	-	0.34	0.06
Torrent Cables Ltd.	-	-	-	-	29.99	14.11	-	-	-	-	29.99	14.11
Torrent Pharmaceuticals Ltd	-	-	-	-	0.02	0.01	-	-	-	-	0.02	0.01
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	0.02	-	0.02
Power Grid Corporation of India Ltd.	0.99	-	-	-	-	-	-	-	-	-	0.99	-
TPL (SUGEN) Superannuation fund	-	-	*	*	-	-	-	-	-	-	*	*
TPL (Ahmedabad) Superannuation & Gratiuity fund	-	-	-	1.91	-	-	-	-	-	-	-	1.91
Investment in equities	24.03	24.03	-	-	-	-	-	-	-	-	24.03	24.03
AEC Cements & Construction Ltd.	0.61	0.61	-	-	-	-	-	-	-	-	0.61	0.61
Tidong Hydro Power Ltd.	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02
Power Grid Corporation of India Ltd.	23.40	23.40	-	-	-	-	-	-	-	-	23.40	23.40
Loans and advances	3.30	3.60	-	-	0.31	0.56	-	-	-	-	3.61	4.16
AEC Cements & Construction Ltd.	3.30	3.60	-	-	-	-	-	-	-	-	3.30	3.60
Torrent Power Services Ltd.	-	-	-	-	0.31	0.56	-	-	-	-	0.31	0.56

Names of related parties and description of relationship

1.	Associates	AEC Cements & Constructions Limited, Tidong Hydro Power Limited, Power Grid Corporation of India Limited				
2.	Enterprises controlled by the Company	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, TEL Gratuity Trust, TEL Superannuation Fund				
3.	Holding Company / enterprises controlled by the holding Company	Torrent Private Limited, Torrent Pharmaceuticals Limited, Torrent Cables Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Torrent Power Bhiwandi Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratorios Torrent SA de CV, Torrent Pharma Canada Inc., Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Fincorp Pvt. Ltd., Torrent Pharmaceuticals Sikkim, Torrent Pharmaceuticals Dahej				
4.	Key management personnel	Sudhir Mehta Executive Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murli Ranganathan Whole-time Director	T. P. Vijayasarathy Whole-time Director
5.	Relatives of key management personnel	Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Nandini Bhatt, Wife Arvindbhai Bhatt, Brother Matriben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjal Bhatt, Son Gunjan Bhatt, Son	Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father Kaushalya Ranganathan, Mother R.Vijay Kumar, brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter	Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter
6.	Enterprises controlled by key management personnel / relatives of key management personnel	U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited, Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Associates				

40. Donations include political contributions as under

(₹ in crores)

	Year ended 31st March, 2012	Year ended 31st March, 2011
1 Bhartiya Janata Party	2.00	3.00
2 Indian National Congress	-	2.30

41. The Department of Company Affairs has granted general exemption to all companies vide its circular no 2 of 2011 dated 8th February, 2011 from the applicability of the provisions contained in sub-section (1) of Section 212 of the Companies Act, 1956, relating to the statements to be attached in respect of the subsidiary companies, with the financial statements of the Company. The Department of Company Affairs has directed all companies to provide the summarized financial details of each subsidiary whilst granting exemption. The details required are provided herewith.

Shareholders interested in obtaining the statement of Company's interest in the subsidiaries or stand-alone financial statements of the subsidiaries may obtain it by writing to the Company Secretary.

The annual accounts of subsidiary companies are available for inspection by any investor at the registered office of the Company and on its website www.torrentpower.com.

Summarized statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

(₹ in crores)

1	Name of subsidiary company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Energy Limited
2	Financial Year ended on	31st March, 2012	31st March, 2012	31st March, 2012
3	Capital	90.00	50.00	919.05
4	Reserves	21.56	2.12	2.82
5	Total assets	343.26	91.08	2,770.90
6	Total liabilities	343.26	91.08	2,770.90
7	Details of investment (except in case of investment in subsidiaries)	3.25	Nil	27.74
8	Turnover	52.03	Nil	33.20
9	Profit / (loss) before taxation	9.76	1.30	2.46
10	Provision for taxation (including deferred tax)	(0.50)	0.06	0.86
11	Profit / (loss) after taxation	10.26	1.24	1.60
12	Proposed dividend	Nil	Nil	Nil

42. Previous year figures

The Company prepares and presents its financial statements as per Schedule VI to the Companies Act, 1956, as applicable to it from time to time. In view of revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statements for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped / re-classified to conform to the current year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50000 are denoted by '*'.

Signature to Note 1 to 42

As per our attached report of even date

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

Gaurav J. Shah
Partner

Ahmedabad, 11th May, 2012

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole Time Director

Rajiv Shah
Company Secretary

Ahmedabad, 11th May, 2012

Dear Shareholders,

Sub: Green Initiative in Corporate Governance - Electronic mode of service of documents

The Ministry of Corporate Affairs (MCA) has taken the Green Initiative in the Corporate Governance by allowing paperless compliances by the companies through electronic mode. MCA has issued circulars dated 21st April, 2011 and 29th April, 2011 *interalia* allowing companies to serve documents including Annual Reports, etc. to the shareholders through electronic mode.

Clause 32 of the Listing Agreement as amended provides that the Company shall send softcopy of the Annual Report containing its Balance Sheet, Profit & Loss Account and Directors' Report to all those shareholders who have registered their e-mail addresses for the purpose.

Your Company implemented the Green Initiative last year and effected electronic delivery of the Annual Report for the Financial Year 2010-11 to the shareholders who had provided e-mail addresses. In continuation of the said initiative, the Company proposes to send Annual Report for the Financial Year 2011-12 and other communications in the Financial Year 2012-13 and thereafter to the shareholders in electronic form in lieu of the paper form.

We request you to indicate your preference for receiving Annual Reports and other documents henceforth in electronic form i.e. through e-mail, in lieu of paper form, by providing the details in the table below. If you are holding the shares in physical form, you may send the details to our Share Transfer Agent either through post at the address given in the table or through e-mail to sharepro@shareproservices.com. If you are holding the shares in demat form, you may kindly provide the details to your Depository Participant. Apart from your e-mail address, we also request you to provide your contact details to facilitate faster communication in future. We also request you to intimate changes in your e-mail address/ contact details as and when they change, to the Share Transfer Agent/ Depository Participant, as applicable.

The above-referred documents including Annual Report would also be made available on the Company's website: www.torrentpower.com.

As a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the said documents upon receipt of a requisition from you, at any time.

We take this opportunity to thank you for your help in implementing the e-governance initiative of the Government.

Thanking you,

Yours faithfully,

For Torrent Power Limited

Rajiv Shah
 Company Secretary
 12th June, 2012

..... Tear Here

For Physical Shares	For Demat Shares
To, Sharepro Services (India) Private Limited Unit: Torrent Power Limited 13 A-B, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072	To,

I/ We request you to send me/ us Annual Reports and all other documents/ communications henceforth in electronic form i.e. through e-mail. Relevant details for communication are given below:

Name of Shareholder	
Folio No. or Client ID/ DP ID	
E-mail Address	
Contact No.	Mobile No. Landline No.

Signature: _____

Name of Shareholder: _____

TORRENT POWER LIMITED

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



PROXY FORM

For Demat Shares

For Physical Shares

DP ID	REGD. FOLIO NO.
CLIENT ID	NO. OF SHARES HELD

I / We _____ of _____ in the district of _____ being a member / members of Torrent Power Limited hereby appoint Shri / Smt. _____ of _____ in the district of _____ or failing him Shri / Smt. _____ of _____ in the district of _____ as my / our proxy to vote for me / us on my / our behalf at the 8th Annual General Meeting of the Company to be held on Tuesday, 24th July, 2012 at 9.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature:

**Affix
15 paise
Revenue
Stamp**

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member of the Company.
3. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company at Torrent House, Off Ashram Road, Ahmedabad-380009 latest by 9.30 a.m. on 23rd July, 2012.



TORRENT POWER LIMITED

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



ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For Physical Shares

DP ID	REGD. FOLIO NO.
CLIENT ID	NO. OF SHARES HELD

Full name of the member attending _____

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 8th Annual General Meeting of the Company being held at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 on Tuesday, 24th July, 2012 at 9.30 a.m.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Energising Through Renewables



(On the cover) 49.6 MW Wind Power Plant at Lalpur in Jamnagar District.

BOOK - POST

To,

If undelivered, please return to:



TORRENT POWER LIMITED

Torrent House, Off Ashram Road, Ahmedabad, India - 380 009
Telephone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326
www.torrentpower.com