

ENSURES OUR LONGEVITY

INTEGRITY

PASSION FOR EXCELLENCE

PARTICIPATIVE DECISION MAKING

CONCERN FOR SOCIETY & ENVIRONMENT

FAIRNESS WITH CARE

TRANSPARENCY

ANNUAL REPORT 2012-13



ENSURES OUR LONGEVITY

Torrent, as a Group, has many decades of existence, though some of its units have greater or fewer. Some of these units have grown organically; while some have been acquired.

The Journey of Torrent...

It all began with the toil of one enterprising individual, Shri U N Mehta, when he ventured on his own to create history in the Indian pharmaceutical industry by implementing successfully the concept of niche marketing. Today's Torrent Pharma, which has evolved from such an extra-ordinary effort, has grown from a one-man enterprise to a group enterprise; from a one-location company to a multi-location company; from a single-product company to a multi-product company and from being so local to being so global.

And for that matter, Torrent Power too has seen itself transitioning from only a cable manufacturer to an integrated power utility; from a bureaucratically managed company to a professionally managed enterprise; from having a single generating station to state-of-the-art generating stations; from huge distribution losses to the lowest distribution losses in the country; from a successful regulated distribution licensee to a successful distribution franchisee as well and from single-state operations to multi-state operations.

Torrent's units have evolved over different time periods to various states of existence and are slowly but surely on the path towards a Sustainable Torrent. Over the years, these units have displayed a powerful drive for growth and advancement while endeavouring to root in the pillar-like well-founded guiding principles in Torrent that are critical and enduring; that are essential and rock solid; and that remain unaffected by changing circumstances.

These strong pillars, the Core Values, which Torrent believes in and constantly strives to build, are: Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Fairness with Care and Transparency.

Each of these Timeless Values, a Pillar of Strength, ENSURES OUR LONGEVITY.

INTEGRITY

When truth is paramount

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

PASSION FOR EXCELLENCE

When best is not enough

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

PARTICIPATIVE DECISION MAKING

Involvement that engenders effectiveness

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

CONCERN FOR SOCIETY & ENVIRONMENT

When every smile matters

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

FAIRNESS WITH CARE

Harnessing equality

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

TRANSPARENCY

Openness that builds enduring trust

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

Corporate Information	02
Notice	03
Directors' Report	08
Management Discussion and Analysis	16
Report on Corporate Governance	29
Independent Auditors' Report on Financial Statements	43
Standalone Financial Statements	48
Independent Auditors' Report on Consolidated Financial Statements	79
Consolidated Financial Statements	80

CORPORATE INFORMATION

Directors	Sudhir Mehta Pankaj Patel Samir Barua Kiran Karnik Keki M. Mistry D. J. Pandian, IAS V. K. Kukreja Samir Mehta Markand Bhatt Murli Ranganathan T. P. Vijayasarithy Jinal Mehta	Executive Chairman Executive Vice Chairman Whole-time Director Whole-time Director Whole-time Director
Audit Committee	Keki M. Mistry Samir Barua Kiran Karnik T. P. Vijayasarithy	Chairman
Shareholders' Grievances Committee	Pankaj Patel Samir Mehta Markand Bhatt	Chairman
Nomination and Remuneration Committee	Kiran Karnik Sudhir Mehta Pankaj Patel	Chairman
Committee of Directors	Samir Mehta Markand Bhatt Murli Ranganathan T. P. Vijayasarithy Jinal Mehta	Chairman
Company Secretary	Srinivas Kotra	
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

NOTICE is hereby given that the Ninth Annual General Meeting of the Shareholders of **TORRENT POWER LIMITED** will be held on Thursday, 25th July, 2013 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, 2013, Statement of Profit and Loss for the year ended on that date and reports of the Auditors and the Directors thereon.
- 2) To declare dividend on equity shares.
- 3) To appoint a Director in place of Shri Keki M. Mistry, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Murli Ranganathan, who retires by rotation and being eligible offers himself for re-appointment.
- 5) To appoint a Director in place of Shri T. P. Vijayasarathy, who retires by rotation and being eligible offers himself for re-appointment.
- 6) 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 re-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.”

By Order of the Board
For Torrent Power Limited

Ahmedabad
29th May, 2013

T. P. Vijayasarathy
Whole-time Director

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 48 hours before the time for holding the aforesaid meeting.
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, 17th June, 2013 to Wednesday, 19th June, 2013 (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, 2005 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.
11. SEBI has, vide its circular no. CIR/MRD/DP/10/2013 dated March 21, 2013, directed all companies whose securities are listed on the Stock Exchanges, to use any of RBI approved electronic mode of payment for distribution of dividends or other cash benefits to the investors. The Company has requested those members whose bank mandate details are incomplete, vide its letter dated 17th May, 2013, to update the bank mandate with their Depository Participant for dematerialised shares or M/s. Sharepro Services (India) Private Limited, Registrar and Transfer Agents for their physical shares, to enable the Company to make arrangements for electronic credit of dividend or other cash benefits whenever such payments are due.

EXPLANATORY STATEMENT

Item No. 3

Shri Keki M. Mistry 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 Keki M. Mistry, 58, Vice Chairman and CEO of Housing Development Finance Corporation Limited (HDFC), is a renowned professional in the housing finance sector with over three decades of experience in Banking and Financial Services sector.

As a part of HDFC's management team, Shri Mistry has played a critical role in the successful transformation of HDFC into India's leading integrated financial services conglomerate by facilitating the formation of companies including HDFC Bank, HDFC Asset Management Company, HDFC Standard Life Insurance Company and HDFC ERGO General Insurance Company.

Shri Mistry has been consultant to Commonwealth Development Corporation (CDC) in Thailand, Mauritius, Caribbean Islands and Jamaica, guiding CDC to review and evaluate the operations of mortgage financial institutions in these countries. He has also been consultant to the Mauritius Housing Company and Asian Development Bank.

Some of the recognitions of Shri Keki M. Mistry are:

- Declared as the Best CFO in the Financial Services category by the Institute of Chartered Accountants of India for 2008.
- Conferred the 'Best Performing CFO in the Financial Services Sector' award for three consecutive years (2006, 2007 and 2008) and 'CFO of the Year' award for 2008 by CNBC TV18.
- Selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asia money (2008).
- Enlisted among the '25 Best Managers' in the Annual Survey by Smart Manager magazine in 2005.

Shri Mistry's innovative strategy was recognized by the International Finance Review Asia, which awarded HDFC's Floating Rate Note deal as 'India Capital Markets Deal of the Year - 2002'.

Shri Keki M. Mistry is Chairman of the Audit 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.	Housing Development Finance Corporation Limited	-
2.	Bombay Stock Exchange Limited	-
3.	HDFC Bank Limited	-
4.	HDFC Asset Management Company Limited	• Audit Committee - Member
5.	HDFC Standard Life Insurance Company Limited	• Audit Committee - Member
6.	HDFC ERGO General Insurance Company Limited	• Audit Committee - Member
7.	Gruh Finance Limited	• Audit Committee - Member • Remuneration Committee - Member
8.	Infrastructure Leasing & Financial Services Limited	• Audit Committee - Member • Share Transfer Committee - Member • Remuneration Committee - Member • Nomination Committee - Member

Sr. No.	Directorship in Companies	Names of Committees
9.	Sun Pharmaceutical Industries Limited	• Audit Committee - Chairman
10.	The Great Eastern Shipping Company Limited	• Audit Committee - Chairman
11.	Greatship (India) Limited	• Audit Committee - Chairman
		• Selection Committee - Chairman
		• Remuneration Committee - Member
12.	Next Gen Publishing Limited	-
13.	Shrenuj & Company Limited	• Audit Committee - Member
14.	HCL Technologies Limited	-

Shri Keki M. Mistry does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Keki M. Mistry 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 Murli Ranganathan is a Whole-time 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 Murli Ranganathan, 58, is a Post Graduate in Industrial Engineering from IIT, Delhi and has further attended Management Development Programmes from IIMs and other leading business schools to hone his management skills.

Shri Murli Ranganathan, with an experience of 34 years, has held many senior level positions in various companies of Torrent Group. He has in-depth knowledge of the power industry and during his tenure, Torrent Power has emerged as one of the best distribution utilities in the country and was awarded the Prime Minister's Gold Shield for outstanding performance in power distribution. Under his leadership, the Company bagged the first urban distribution franchise of Bhiwandi in Maharashtra, which is recognized as the model for franchise based public-private partnership in power distribution.

Shri Murli Ranganathan is also overseeing the distribution franchise operations of Agra. Shri Murli Ranganathan is also overseeing and developing the transmission business of the Company. It is felt that contribution of Shri Murli Ranganathan would help the Company in further improving the transmission and distribution business of the Company.

Shri Murli Ranganathan is a member of the Committee of Directors 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	Torrent Power Bhiwandi Limited	-
2	Torrent Power Grid Limited	• Remuneration Committee - Member

Shri Murli Ranganathan holds 25 equity shares of the Company. He is not related to any Director of the Company.

Shri Murli Ranganathan 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. 5

Shri T. P. Vijayasarathy is a Whole-time 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 T. P. Vijayasarathy, 58, is a Bachelor of Commerce and holds professional qualifications of ICWA and PGDBM-IIM. Shri Vijayasarathy is associated with Torrent Group since 1997. In Torrent Group, Shri Vijayasarathy was involved in the divestment of the 655 MW gas based dual fuel Combined Cycle Power Project and in the setting up of 1147.5 MW SUGEN Mega Power Project. He is presently heading the Corporate function of the Company overseeing Corporate Finance, Accounts, Taxation, Audit, Treasury, Budgeting & MIS, IT, Legal and Secretarial, Human Resources, Corporate Social Responsibility and long term planning functions of the Company.

Shri Vijayasarathy has more than 32 years of experience in the corporate sector. Prior to joining Torrent Group in 1997, Shri Vijayasarathy had worked in Nagarjuna Group and Hindustan Aeronautics Limited in India and also for over 8 years in the Middle East.

Shri Vijayasarathy is a member of Audit Committee and Committee of Directors 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.	Torrent Energy Limited	• Audit Committee - Member
2.	Torrent Pipavav Generation Limited	• Audit Committee - Member
3.	Torrent Power Bhiwandi Limited	-
4.	Torrent Power Services Private Limited	-
5.	Torrent Fincorp Private Limited	-

Shri T. P. Vijayasarathy holds 25 equity shares of the Company. He is not related to any Director of the Company.

Shri T. P. Vijayasarathy 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.

By Order of the Board
For Torrent Power Limited

Ahmedabad
29th May, 2013

T. P. Vijayasarathy
Whole-time Director

Registered Office:

Torrent House,
Off Ashram Road,
Ahmedabad-380009

DIRECTORS' REPORT

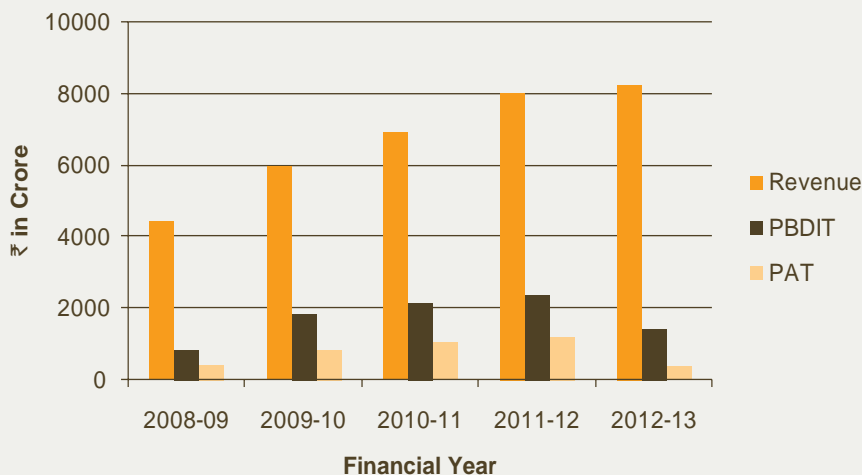
Dear Shareholders,

Your Directors have pleasure in presenting the 9th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2013.

1. HIGHLIGHTS

The key highlights for the Financial Year 2012-13 are:

- Financial performance of the Company:
 - Increase in Revenue by 3.12% to ₹ 8,269.97 Crore
 - Decrease in PBDIT by 38.94% to ₹ 1,439.15 Crore
 - Decrease in PAT by 68.89% to ₹ 384.96 Crore



- The erstwhile Ahmedabad Electricity Company Limited (AEC), the merged constituent of the Company, currently comprising AMGEN Power Plant and Ahmedabad Distribution, has completed 100 years of successful operations.
- The 382.5 MW Combined Cycle gas based power plant, an expansion of SUGEN Mega Power Plant (UNOSUGEN) has been put into commercial operation on 4th April, 2013. Usage of expensive LNG for commissioning gas requirements and limited realization of infirm power therefrom at CERC rates put pressure on costs.
- Operations at SUGEN were adversely impacted due to domestic gas deficit mainly on account of reduced output of gas from RIL's KG-D6 basin.
- Reduced supply of power from SUGEN and AMGEN to the Company's regulated distribution business at Ahmedabad and Surat, due to decline in domestic gas availability and its unwillingness to off-take such power based on expensive LNG, necessitated purchase of short term power; the cost of which could only be partially recovered.
- 2.71 Mn CERs were issued to SUGEN during the year. Gross CER income of ₹ 44.99 Crore has been earned by SUGEN by selling 0.77 Mn CERs during the year. CER prices have fallen from ~ ₹ 3.77 per CER in March 2012 to ~ ₹ 0.32 per CER in March 2013.
- The 110 MW coal based F station, part of AMGEN, has been successfully updated to 121 MW and synchronised with the grid on 30th April, 2013.

- Hon'ble Gujarat Electricity Regulatory Commission (GERC) has issued two tariff orders for Ahmedabad Distribution and Surat Distribution as follows:
 - i. Order dated 2nd June, 2012 for FY 2012-13 allowing tariff hike of 10 paise per kWh i.e. ~ 2% for all consumers, except BPL & Agricultural consumers, effective from 1st June, 2012; and
 - ii. Order dated 16th April, 2013 for FY 2013-14 allowing average tariff hike of 29.5 paise per kWh i.e. ~ 6% for all consumers, except BPL consumers, effective from 1st April, 2013.
- T&D loss in Ahmedabad and Surat distribution circles reduced to 6.52% in FY 2012-13 as against 6.84% in FY 2011-12; one of the lowest in the country. AT&C loss at Agra reduced to 51.26% in FY 2012-13 from 54.33% in FY 2011-12. AT&C loss at Bhiwandi has increased to 21.68% in FY 2012-13 as against 17.85% in FY 2011-12 due to decline in the collection efficiency pursuant to agitation by the power loom consumers against the tariff hike.
- SUGEN has been awarded the prestigious "2012 Sword of Honour" by the British Safety Council, U.K. in recognition of its exemplary performance in health and safety management.
- IMS Re-Certification has been granted to SUGEN covering ISO 9001:2008 (Quality Management System), ISO 50001:2011 (Energy Management System), ISO 14001:2004 (Environment Management System) and BS OHSAS 18001:2007 (Occupational Health and Safety Management System) for a period of three years.
- IMS Certification has been granted to AMGEN and to the Corporate office of the Company, covering ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007.

2. FINANCIAL RESULTS

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

(₹ in Crore)

Particulars	For the year ended on 31 st March, 2013	For the year ended on 31 st March, 2012
Total Income	8,269.97	8,019.66
Profit before Depreciation, Interest and Tax	1,439.15	2,357.10
Depreciation	407.93	365.88
Interest	408.48	311.97
Profit before Tax	622.74	1,679.25
Current Tax	126.15	338.94
Deferred Tax	111.17	105.26
(Excess) / Shortfall in provision for Taxation for earlier years	0.46	(2.41)
Profit After Tax	384.96	1,237.46
Add: Balance brought forward	1,241.68	862.12
Balance available for appropriation	1,626.64	2,099.58
Appropriations		
Transfer to Contingency Reserve	1.00	1.00
Transfer to Debenture Redemption Reserve	23.81	-
Transfer to General Reserve	28.87	500.00
Dividends		
Interim Dividend	-	141.73
Dividend Distribution Tax on Interim Dividend	-	22.99
Proposed Dividend	94.49	165.35
Dividend Distribution Tax on Proposed Dividend	16.06	26.83
Total Dividend	94.49	307.08
Total Dividend Distribution Tax	16.06	49.82
Balance carried to Balance Sheet	1,462.41	1,241.68

3. DIVIDEND

The Company, as a policy, endeavours 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, on 29th May, 2013, recommended dividend of 20% i.e. ₹ 2.00 per equity share (Previous Year ₹ 6.50 per equity share in aggregate) on 47,24,48,308 equity shares of ₹ 10/- each for FY 2012-13, amounting to ₹ 94.49 Crore (Previous Year ₹ 307.08 Crore).

With Dividend Distribution Tax (DDT) of ₹ 16.06 Crore (Previous Year ₹ 49.82 Crore), the total outflow on account of dividend works out to ₹ 110.55 Crore (Previous Year ₹ 356.90 Crore). The distributed profits including DDT are 29% (Previous Year 29%) of annual profits after tax. The aforesaid dividend would be tax free in the hands of the shareholders.

4. FINANCE

During the year, the Company raised long term loans from various Financial Institutions and Banks to the tune of ₹ 1,079.60 Crore (including ₹ 420.60 Crore for UNOSUGEN Project) and issued Non-Convertible Debentures (NCDs) of ₹ 850.00 Crore. The Company liquidated buyers' credit of \$ 41.30 Million during the year. Outstanding amount towards long term loans, NCDs and APDRP loans as on 31st March, 2013 were ₹ 4,919.46 Crore (Previous year ₹ 3,703.95 Crore). A total of ₹ 520.68 Crore (Previous year ₹ 444.17 Crore) were repaid by the Company during the year (excluding liquidation of buyers' credit and refinancing of loan). The Company's long term loans, cash credit and NCDs are rated at AA/Stable by CRISIL, indicating high degree of safety with regard to timely payment of financial obligations. Letters of credit / bank guarantees of the Company is rated A1+ indicating high degree of safety regarding timely discharge of the obligations.

5. UPCOMING PROJECTS

The status on various upcoming projects of the Company and its subsidiaries is as follows:

DGEN MEGA POWER PROJECT

The 1,200 MW Combined Cycle gas based DGEN Mega Power Project at Dahej SEZ, District Bharuch, Gujarat, is being developed by Torrent Energy Limited (TEL), a wholly owned subsidiary of the Company. TEL has been granted status of Co-Developer of Dahej SEZ area by the Ministry of Commerce & Industry and the Project has been granted Provisional Mega Power Status by the Ministry of Power. All major equipments including Gas Turbines, Steam Turbines, Generators, Generator Transformers and Unit Auxiliary Transformers have been received at Site and are under different stages of erection. All three HRSGs and construction of 3 Natural Draft Cooling Towers are at advanced stage of construction. The Construction of 220kV Switchyard and its Control Room has been completed.

The erection work for Petronet LNG Limited-DGEN dedicated gas pipeline has been completed. For connectivity with other sources of gas, TEL has signed Interconnection Facility Agreement with Gujarat State Petronet Limited (GSPL) and work for such connectivity with GSPL grid network is under advanced stage of execution.

The connectivity scheme through 400 kV Double Circuit line from DGEN to Power Grid Corporation of India Limited's Navsari sub-station, being developed by TEL in lieu of Central Transmission Utility (CTU), is under advanced stage of implementation. The 400 kV DGEN-Vadodara line which is part of the Western Region System Strengthening Scheme is being implemented by CTU through a competitive bidding route for which the RfQ process is under way.

The Project has been submitted to United Nations Framework Convention on Climate Change (UNFCCC) for registration under Clean Development Mechanism (CDM).

The DGEN Project has been delayed and based on current status, the Project is expected to be completed by the last quarter of FY 2013-14. There would be a revision in project cost on account of several additional works / items (including gas pipeline, connectivity for power evacuation, higher than expected contribution towards GIDC's water scheme, etc.) and also due to factors beyond the control of the Company (such as forex variation, regulatory, statutory compliances in respect of commissioning gas, etc.).

75 MW WIND POWER PROJECT AT BHUD

The Company had entered into an agreement with ReGen Powertech Pvt. Ltd. for developing, constructing and maintaining the 75 MW Wind Power Project at Bhud, District Sangli, Maharashtra. The project has been delayed as it is yet to receive the necessary forest clearances. It is expected to be commissioned by February 2014.

PIPAVAV PROJECT

The Company is planning the 2,520 MW coal based Super Critical power project at Pipavav, District Amreli, Gujarat through its subsidiary, Torrent Pipavav Generation Limited. Baitarani West Coal block, allocated to Gujarat Power Corporation Limited for this Project and others, was de-allocated in December 2012. The Company has taken up the matter with Government of Gujarat for representing the case to the Government of India. Despite payment of additional compensation to more than 90% of land owners, erstwhile land owners opposed the work on the site and the work was suspended.

6. SUBSIDIARIES

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

Torrent Power Grid Limited on 22nd April, 2013 received the final Tariff Order for its second phase of 400 kV D/c transmission line from SUGEN to a point near Gandhar and LILO of one circuit of existing Gandhar (Jhanor) - Dehgam line. The tariff order for third phase of the said Project is awaited.

Torrent Energy Limited, as aforementioned, besides developing the 1,200 MW gas based DGEN Mega Power Project at Dahej SEZ also distributed 66.48 MUs to Dahej SEZ units as a licensee during FY 2012-13 (Previous Year 55.70 MUs).

Torrent Pipavav Generation Limited is involved in the 2,520 MW coal based Super Critical Pipavav Project at Pipavav village in Amreli District of Gujarat.

7. DIRECTORS

Shri Keki M. Mistry, Shri Murli Ranganathan and Shri T. P. Vijayasathy retire by rotation and being eligible, have offered themselves for re-appointment.

For your perusal, a brief resume of the Directors being 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 re-appointment.

The Central Government has, vide its letter dated 18th February, 2013, conveyed its approval for the increase in the number of Directors from 12 to 15, subject to the condition that the increase has to be given effect to within a period of one year, failing which the approval shall lapse.

8. CORPORATE GOVERNANCE

The Corporate 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 & effective monitoring by the Board and accountability of the Board to the Company and its shareholders.

As stipulated by Clause-49 of the Listing Agreement, the Management Discussion and Analysis Report and Report on Corporate Governance form part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in Clause-49 of the Listing Agreement is also appended to the Annual Report.

9. 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. The Board of Directors recommends their re-appointment.

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

10. COST AUDITORS

M/s. Kirit Mehta and Co., Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for FY 2012-13. Cost audit report for FY 2011-12 was filed on 31st January, 2013 (within the prescribed time limit) pursuant to Section 233B of the Companies Act, 1956.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, in relation to the financial statements for FY 2012-13, the Board of Directors states that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. 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, 2013 and of the profits for the year ended 31st March, 2013;
- iii. 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
- iv. The financial statements have been prepared on a going concern basis.

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

The details relating to technology absorption and foreign exchange earnings & 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 form part of this Annual Report. As the Company is not a scheduled industry, details in respect of conservation of energy pursuant to the said Rules are not furnished.

13. 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 Annual Report. However, 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.

14. 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, Appellate Tribunal for Electricity, Central Electricity Regulatory Commission, Central Electricity Authority, Petroleum and Natural Gas Regulatory Board, Gujarat Electricity Regulatory Commission, Maharashtra Electricity Regulatory Commission, Uttar Pradesh Electricity Regulatory Commission, Power Grid Corporation of India Limited, National Load Dispatch Centre, Regional Load Dispatch Centres, State Load Dispatch Centres, Regional Power Committees, Chief Electrical Inspector (Gujarat), Gujarat Energy Development Agency, Gujarat Urja Vikas Nigam Limited, Dakshin Gujarat Vij Company Limited, Uttar Gujarat Vij Company Limited, Gujarat Energy Transmission Corporation Limited, Gujarat Power Corporation Limited, Ahmedabad Municipal Corporation, Surat Municipal Corporation, Chief Electrical Inspector (Maharashtra), Maharashtra Energy Development Agency, Maharashtra State Electricity Distribution Company Limited, Maharashtra State Electricity Transmission Company Limited, Bhiwandi Nizampura Municipal Corporation, Chief Electrical Inspector (Uttar Pradesh), Dakshinanchal Vidyut Vitran Nigam Limited, Paschimanchal Vidyut Vitran Nigam Limited, Poorvanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Uttar Pradesh Power Transmission Company Limited, Uttar Pradesh Power Corporation Limited, Agra Nagar Nigam, PTC India Limited, MP Power Management Company Limited, India Energy Exchange, Power Exchange India Limited, Siemens India Limited and Siemens AG, Coal Suppliers and Transporters including South Eastern Coalfields Limited and 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, Petronet LNG Limited, Bharat Petroleum Corporation Limited and Hazira LNG Private Limited, Financial Institutions including HDFC Limited, IDFC Limited, Life Insurance Corporation of India and Power Finance Corporation; Banks including Canara Bank, HDFC Bank, IDBI Bank, KfW IPEX Bank GmbH, Kotak Mahindra Bank, Punjab National Bank, State Bank of India, UCO Bank and Security Trustees including IDBI Trusteeship Services Limited and SBICAP Trustee Company Limited. 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 sincere appreciation for the commitment and contribution of all its employees. The Board also thanks the Company's shareholders for their unstinted support.

For and on behalf of the Board of Directors

Ahmedabad
29th May, 2013

Sudhir Mehta
Chairman

FORM B: ANNEXURE TO DIRECTORS' REPORT

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 2012-13. However, some activities carried out through indigenous sources resulted in significant improvement in the performance of the system.

a. Generating Station

AMGEN

- The new store infrastructure is constructed with transparent roof sheets and turbo ventilator fans to conserve the electrical energy used in lighting & ventilation
- Phase wise replacement of aged and conventional HPSV fixtures with energy efficient LED fixtures to conserve electrical energy being consumed in plant area lighting system

b. Transmission and Distribution

Ahmedabad distribution

- Up-rating of the existing 66kV outdoor sub-station to 132kV GIS sub-station
- The existing capacity of 132 kV Nicol-2 to Nicol-1 upgraded by using Aluminum Conductor Composite Core (ACCC) Conductor in place of ACSR Conductor
- SCADA System fully extended to 132kV and 66kV sub-stations, which has made them unmanned sub-stations

2. Benefits derived as a result of above R&D initiatives

The benefits derived as a result of the above initiatives in the Generation, Transmission and Distribution areas are as under:

a. Generating Station

AMGEN

- Energy conservation
- Reduced air borne pollution

b. Transmission and Distribution

Ahmedabad distribution

- Upgrading to 132kV GIS sub-station will enable saving space
- Up-rating of 132kV transmission line using ACCC Conductor will increase the power carrying capacity of the transmission line and increase the system reliability
- Reduction in operation cost and faster restoration in case of system exigency

3. Future Plan of Action

- Renovation and Modernisation of E station for capacity enhancement and energy saving
- Renovation and Modernisation of ESP at E station for reduction in stack emission
- Introduction of EHV GIS equipments for 400 kV sub stations at Ahmedabad
- Full extension of SCADA system for better control covering all 33 kV sub-stations at Agra

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

- Renovation and Modernisation of F station ESP at AMGEN
- Aged 6.6 kV Switchgear panels at D and F stations replaced at AMGEN
- Implementation of PLC based load relief scheme to take care of load balancing of generation, supply points and transmission line. 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

- Better availability and safety
- Better Control
- With implementation of PLC based logic scheme during system exigency, the Company will be able to minimize the load shedding as per the margins available resulting into better network operation and management.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	(₹ in Crore)
Foreign Exchange Earned	
a) Gross CER Income	44.99
Foreign Exchange Used (Actual Basis)	
a) Import of Capital Goods	121.14
b) Import of Fuel, Components, Stores and Spare parts	162.79
c) Traveling, Subscriptions and Others	3.87

For and on behalf of the Board of Directors

Ahmedabad
29th May, 2013

Sudhir Mehta
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY AND POWER SECTOR

1. ECONOMY

Indian policy makers, in FY 2012-13, found themselves in the midst of a challenging task - managing growth-inflation dynamics. After a strong economic performance until FY 2010-11, the Indian GDP growth rate slipped to 6.2% in FY 2011-12 and then to 9 year low of 5.0% in FY 2012-13. Inflationary pressures remained persistent, despite headline inflation easing to 7.8% in FY 2012-13 from the high of 9% over the last two years.

The major challenges of low growth and high inflation are significantly impacted by high twin deficits viz. Current Account Deficit (CAD) and Fiscal Deficit (FD).

CAD, which is the difference between the outflow and inflow of foreign currency, is expected to touch a record high of 5.0% for FY 2012-13. The high volume of gold imports coupled with sharp increase in its prices and high international oil prices, contributed to the high import bill and widening of the trade deficit. Further, import demand has gone up over the years due to consumption led growth and lower domestic production. Higher foreign investment income outflow also put pressure on CAD. On the other hand, global slowdown and internal uncertainties led to decline in a) exports b) overseas remittances and c) fresh foreign inflows. All this led to eventual depreciation of rupee which consequently impacted inflation.

Furthermore, India's expansionary fiscal policy (increase in government spending) to fight the 2008 global financial crisis led to a dramatic deterioration in the country's fiscal situation. Government spending in the form of several social programmes (particularly the MNREGA) and the high fuel, fertilizer and food subsidy outgo has strained the government's budget position, causing the overall fiscal deficit to widen from 2.5% in FY 2007-08 to 5.1% in FY 2012-13. Since India's high fiscal deficit and interest on such deficits is funded primarily by domestic banks/financial institutions and other non-financial institutions, it dampened investment activity on account of reduced availability of credit for private firms. This ultimately reduced domestic savings and consequently investments. Such dampening of investment activities adversely affected the production leading to lower GDP growth rate. This also led to supply side constraints and consequently high inflation. High inflation and low growth feed on each other in a vicious circle.

Standard & Poor's recent affirmation of negative outlook on India and warning about further chances of downgrade once again have brought forth the hard fact that Indian economy is still not out of woods. There is a fairly high risk of slippages of estimates for FY 2013-14; be it GDP growth rate of 6.0%, inflation at 5.5%, fiscal deficit at 4.8% or CAD below 5.0%.

2. INFRASTRUCTURE

The growth rate of eight core infrastructure industries reduced to 2.6% during FY 2012-13 from 5.0% in FY 2011-12. The decline was mainly on account of negative growth witnessed in the production of natural gas and fertilizers. Allocation of natural resources on the basis of arbitrary policies also plagued the sector.

Foreign direct investors have been deterred by the poor investment climate in India and vexing tax issues. Also, banks have started adopting restrictive approach for infrastructure lending. Domestic savings have fallen by 6.0% over the years due to high consumption and lower GDP growth. The result of these was lesser investments.

Many positive steps proposed in the Union Budget 2013 are expected to give fillip to the infrastructure sector. These include introduction of Infrastructure Debt Funds allowing low-cost long term debt and credit enhancement for infrastructure projects, tax free bonds of ₹ 50,000 Crore and announcement of Projects encompassing industrial corridors, smart cities and ports. The setting up of the Cabinet Committee on Investment (CCI) is another welcome step

to remove bottlenecks and quicken the pace of implementation. For attracting foreign investments, the Government took key policy measures of increased FDI limits in some sectors as well as increased FII limits for Government and Corporate bonds.

3. POWER SECTOR SCENARIO

Apart from being impacted by lower GDP growth in FY 2012-13, Indian Power Sector was also impacted by fuel non-availability and dismal financial health of Discoms.

Per capita annual consumption of electricity in India remains significantly low at ~ 880 kWh for FY 2011-12 and more than one third of the country’s population does not have access to electricity. This provides great opportunity for massive investment in the power sector to overcome such energy poverty.

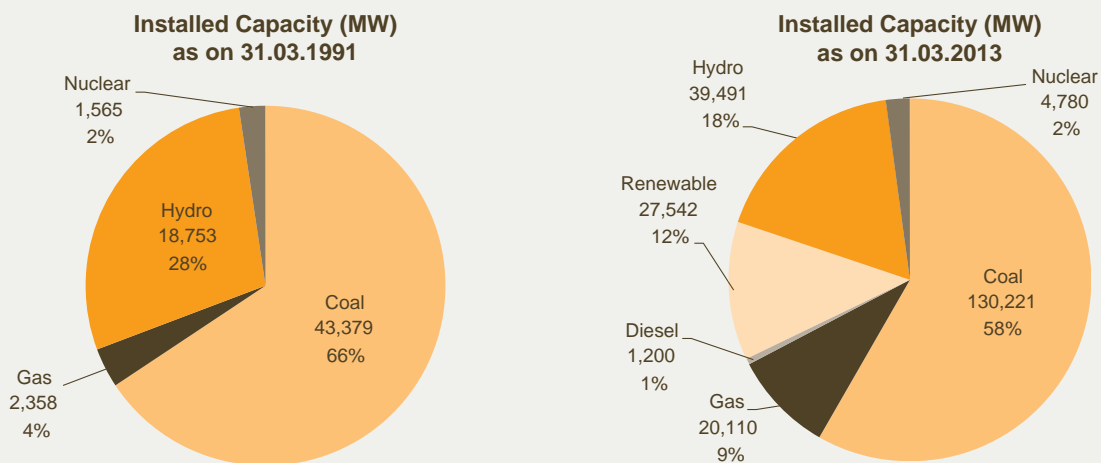
A) DEMAND SUPPLY SCENARIO

The demand-supply gap remains high, with energy deficit escalating from 8.5% in FY 2011-12 to 8.7% in FY 2012-13. However, peak power deficit showed marked improvement from 11.1% in FY 2011-12 to 9.0% in FY 2012-13. Shortages of this magnitude can significantly constrain industrial activity and restrict economic growth of any country.

The western region of the country faced energy deficit of 3.3% and peak power deficit of 1.5% during FY 2012-13. However, in the State of Gujarat, both energy and peak deficits were almost NIL at 0.2% and 0.3% respectively.

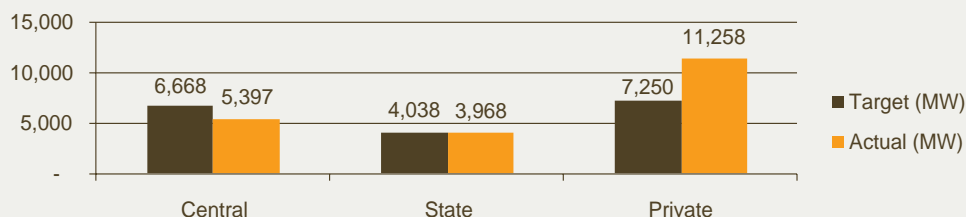
B) GENERATION

India has been one of the fastest growing markets for new power generation capacity addition since 1990s and is currently the fifth largest power generator in the world. For the last 22 years, the country has shown a cumulative annual growth rate (CAGR) of 5.7% in its annual power generation capacity; from ~66 gigawatt (GW) in 1991 to over 223 GW in 2013. The fuel wise breakup of the installed capacity as on 31st March, 1991 and 31st March, 2013 (shown below) depicts the shift from hydro to renewables, leaving thermal sources viz. coal and gas, at the same level except for inter-se shift between them.



Power Generation capacity addition (excluding renewables) of 20,623 MW for FY 2012-13 surpassed the set target of 17,956 MW.

Installed Capacity Addition during FY 2012-13



While the Central and the State sectors have failed to achieve their targeted installed capacity addition for FY 2012-13, the Private sector has exceeded its target by 55%. Moreover, almost half of the capacity addition of 88,000 MW projected for the 12th Plan is expected to come from the private sector.

The actual generation of 912 BUs for the year however, has not moved in the same direction as the capacity addition with respect to the target of 930 BUs. The overall Plant Load Factor (PLF) of thermal power plants has dropped from 72% in FY 2011-12 to 67% in FY 2012-13 mainly due to fuel shortages viz. coal and gas.

Delays in obtaining Environmental & Forest clearances and Land acquisition continue to ail the coal production. The PLF of coal based power plants during FY 2012-13 has dropped to 70% from 74% in FY 2011-12. Ministry of Coal (MoC) has estimated production of 795 million tonnes (MT) of coal at the end of 12th Plan at a CAGR of 8% which is much higher than the actual CAGR of 4.6% achieved in the 11th Plan. Of this, 615 MT has been envisaged to come from Coal India Limited (CIL). Government has also de-allocated 13 mines due to the failure of allottees to develop the blocks within stipulated timeline. Out of total 143 Fuel Supply Agreements (FSAs) to be signed by CIL, only 60 FSAs have been concluded. These FSAs are reported to be not bankable. An overall capacity of ~25,000 MW which includes ~13,000 MW domestic coal based capacity and ~12,000 MW imported coal based capacity remains vulnerable due to domestic coal shortfall and fuel price risk exposure respectively.

RIL's KG-D6 gas fields, which once had hit a peak production of 69.43 mmscmd continued to dwindle throughout the year resulting in reduced supplies and finally dropped to less than 16 mmscmd culminating in no supplies from March 2013 for the 25 power plants that have been allocated gas from the said fields. The PLF of gas based plants plummeted from 60% in FY 2011-12 to 40% in FY 2012-13. As of March 2013, the gas based installed capacity was running at a reduced PLF of ~28%. The non-availability of affordable gas has resulted into shutting down of aggregate capacity of 5,200 MW and has further stranded 984 MW commissioned capacity and 8,385 MW capacity nearing completion. Domestic shortfalls can be met by imported Liquefied Natural Gas (LNG) but there is reluctance in its use due to its current high prices.

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

1. A high-level Power Sector Advisory Group has been constituted by the Ministry of Power (MoP) under the Chairmanship of Union Minister of State (Independent charge) – MoP to resolve the issues faced by the power sector.
2. Government of India (GoI) has approved an overall levy of 21% duty on import of power generation equipments.
3. The Central Electricity Regulatory Commission (CERC) (Unscheduled Interchange charges and related matters) Regulations, 2012 has introduced fuel specific Unscheduled Interchange (UI) Cap rates for injection of infirm power, for generating units, during testing and commissioning before Commercial Operation Date of units.

4. The first Ultra Mega Power Project of India, at Mundra, Gujarat has been commissioned.
5. The MoC has issued draft guidelines for allocation of coal blocks through competitive bidding.
6. Proposals for gas allocation of new gas finds of 10 mmscmd from (Oil and Natural Gas Corporation Limited (ONGC) & Gujarat State Petroleum Corporation Limited (GSPC)) and diversion of 6 mmscmd from non-core sectors exclusively to power sector and for according equal priority to Power and Fertilizer sectors in allocation of all domestic gas are under active consideration of GoI.
7. Exemption from basic customs duty has been extended to LNG and Natural Gas imported by two PSUs, namely, GAIL NTPC Joint Venture (JV) and Petronet LNG Ltd. for supply to a generating company, thereby marginally reducing the cost of generation.
8. The Gujarat High Court has quashed the Gujarat Green Cess Act, 2011 and the Rules framed there under.
9. Highlights of the Budget 2013 related to power generation sector:
 - a. Section 80IA benefit for claiming 100% deduction of profits has been extended up to 31st March, 2014.
 - b. The basic customs duty (BCD) on steam coal has been increased to 2% from earlier 0% and also countervailing duty (CVD) has been increased to 2% from 1%. The import duties on both steam coal and bituminous coal have been equalized.
 - c. The government will expedite clearance for stalled oil and gas blocks awarded in the previous New Exploration and Licensing Policy rounds.
 - d. The natural gas pricing policy will be reviewed and uncertainties regarding pricing will be removed.
 - e. Coal freight has been hiked by 5.7%.

C) TRANSMISSION

Huge investment is required in the transmission segment to facilitate the transfer of the massive growth in India's generation capacity to the demand centres. The need for significant expansion and strengthening of transmission network was reiterated by the massive grid failure faced by the country in July 2012, which affected 600 Mn people for several hours. Various measures have been taken to avoid such grid collapses in future.

The 12th Plan envisages an addition of about 1,07,440 ckm of transmission lines and 2,70,000 MVA of AC transformer capacity of which 17,107 ckm transmission lines and 63,665 MVA of AC transformer capacity were added in FY 2012-13. During 12th Plan period inter-regional transmission links of 37,800 MW, either associated with generation projects or as system strengthening schemes have been planned and the inter-regional transmission capacity at the end of 12th Plan is expected to be 65,550 MW.

With 765 kV High Voltage line from Raichur (Karnataka) to Sholapur (Maharashtra) expected to be completed by July 2014, the southern grid, which is presently operating in isolation, will be synchronized to the National grid. This will help in utilizing scarce natural resources optimally by transferring power from resource centric regions to load centric regions. Further, this will facilitate trading of power across regions.

High capacity lines of 800 kV and 1200 kV are of great relevance to reduce land requirement and transmission losses. The sector is now focusing on modernizing the transmission infrastructure with technologies such as smart grid and synchronization of the intermittent generation from renewable energy resources with the grid.

On the regulatory front, Hon'ble CERC has narrowed down the grid frequency bandwidth for charging additional UI charges by 0.2 Hz from 49.5 Hz - 50.2 Hz to 49.7 Hz - 50.2 Hz for ensuring better grid discipline and stability.

D) DISTRIBUTION

The present power distribution set-up caters to nearly 200 Mn consumers with a connected load of about 400 GW that places the country among the largest electricity consumer bases in the world.

It assumes great significance as the segment has a direct impact on the sector's commercial viability. Despite manifold initiatives including unbundling of SEBs (trifurcation of State Electricity Boards (SEBs) into power generation, transmission and distribution companies), establishment of State Electricity Regulatory Commissions (SERCs), Restructured Accelerated Power Development and Reforms Programme and engagement of franchisees, the progress in distribution reform has been difficult and slower than originally expected.

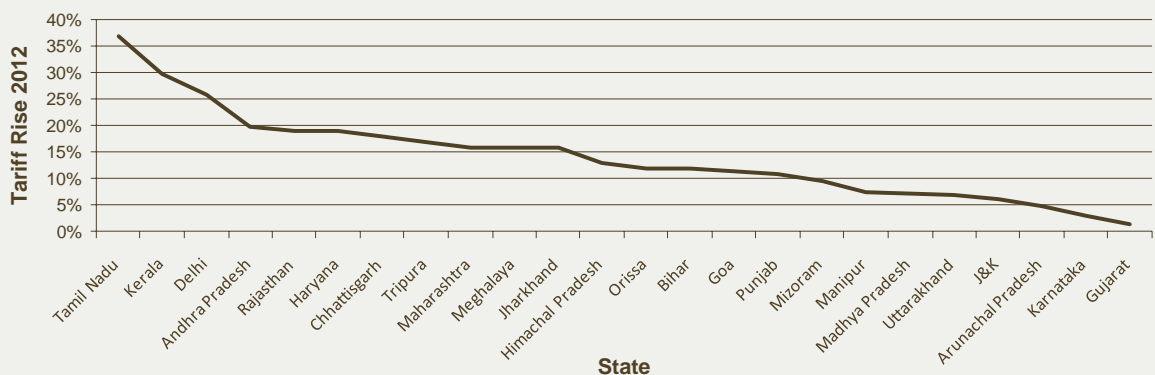
The financial health of State Discoms has become a matter of grave concern considering the fact that their losses have reached an alarming level of ₹ 2 trillion, equivalent to ~ 2% of GDP.

The major factors responsible for under performance of Discoms are as follows:

- Absence of timely tariff revisions and increasing fuel costs leading to increased gap between Average Cost of Supply and Average Revenue Realized. Many states have not revised their tariffs in the last 5-6 years and some for over a decade resulting in huge regulatory assets.
- AT&C losses in India at ~ 28% are higher as compared to world average of 5-10%. In some states, the AT&C losses are as high as 60%. The commercial losses which are a pre-dominant part of AT&C losses are mainly due to low metering efficiency, thefts and collection deficiency.
- In many cases, unbundling of SEBs was limited to operational and technical segregation. As a result, these unbundled companies lack operational efficiency.
- According to internationally-accepted benchmarks, an equal investment ratio should be maintained between power generation and T&D, which is not the case in India, where a major chunk of investment is directed towards power generation.

Measures for addressing concerns of distribution segment, though not exhaustive include:

1. Reasonable tariff rise in the year 2012 in most of the States (as shown below).



2. Increasing metering efficiency, proper energy accounting & auditing and improving billing & collection efficiency.
3. The MoP in October 2012, announced a scheme for Financial Restructuring of State Discoms. Till date, ten states have evinced their prima facie interest in the said scheme.

4. The government launched an annual credit rating mechanism for State Discoms to enable bank lending and help improve their performance, in which the utilities will be graded on a scale of six, from A+ to C. In the first rating exercise, four Discoms from Gujarat received top ratings.

E) RENEWABLE ENERGY (RE)

The total installed capacity reached 27,542 MW as on 31st March, 2013 with Wind Power at 19,051 MW (69%) being the largest component and Solar Power at 1,686 MW (6%).

Wind Power installation registered steep de-growth of 47% (from 3,197 MW in FY 2011-12 to 1,699 MW in FY 2012-13) due to withdrawal of Accelerated Depreciation, expiry of Generation Based Incentive (GBI) and delays associated with project approvals. Hon'ble CERC with a view to strengthen the REC market, wherein recently supply exceeded demand manifold, has extended the validity of RECs from 365 days to 730 days from the date of its issuance; for RECs issued on or after 1st November, 2011.

Factors such as poor financial condition of Discoms, absence of vibrant REC market, lack of incentives, high capital investment & low returns and delays in project approvals prevent Wind Power Projects from realizing their true potential.

Solar Power installations registered a steep growth of 81% (from 932 MW in March 2012 to 1,686 MW in March 2013) under various supportive central and state policies. Under the National Solar Mission, GoI has announced the Phase-II of Jawaharlal Nehru National Solar Mission with a target of 10,000 MW installations during the 12th Plan. Further, Ministry of New and Renewable Energy (MNRE) released draft guidelines for setting up of 750 MW Grid Solar PV power projects under Viability Gap Funding scheme, wherein 30% of the project cost will be financed by MNRE. Many states have also announced various policy measures to promote solar power generation. However, nascent technology, lack of on-ground experience of developers and higher per unit cost of generation present formidable challenges for meaningful participation of solar power in overall energy basket.

In order to improve the acceptability of Wind and Solar Power in the grid, Hon'ble CERC has issued an order directing implementation of Renewable Regulatory Fund mechanism w.e.f. 1st July, 2013, wherein the wind and solar generators shall be responsible for forecasting their generation.

To spur investment in the renewable energy sector, the following were announced in the Union Budget 2013:

1. Re-introduction of the GBI for Wind Power Projects, with allocation of ₹ 800 Crore; and
2. Low interest bearing funds from the National Clean Energy Fund to Indian Renewable Energy Development Agency to on-lend to viable renewable energy projects.

F) POWER TRADING

An effective power market is yet to develop in India, where currently just 11% of the total generated electricity in the country is traded in short term power market comprising of Bilateral Segment, UI & the Power Exchanges (IEX and PXIL).

Of the total generation of 912 BUs in FY 2012-13, 99 BUs of power were traded through short term power market, the composition of which is as follows:

Bilateral	Power Exchanges	UI
51,157 MUs	23,024 MUs	24,759 MUs

Power Exchanges have shown remarkable growth of 55% rising from 14,822 MUs in FY 2011-12 to 23,024 MUs in FY 2012-13. Further, power traded through UI Mechanism has shown a drop of 11% as compared to FY 2011-12 whereby the volume declined from 27,758 MUs in FY 2011-12 to 24,759 MUs in FY 2012-13 due to UI frequency band reduction by Hon'ble CERC. Hon'ble CERC is in the process of introducing the concept of ancillary services for reducing dependence of utilities on UI.

The share of trading segment is expected to remain low owing to various constraints including fuel deficit, fuel allocation for long term arrangements only, transmission capacity constraints, limited implementation of open access, poor utility finances and trading margin cap. To promote competitive procurement of electricity by Distribution Licensees for their short term demand, MoP issued bidding guidelines in May 2012.

G) RISKS AND CONCERNS – INDUSTRY

The power sector is facing a myriad of challenges and setbacks in India. Some of the key issues and concerns are mentioned below:

- Generating companies are exposed to significantly increased fuel supply risks. As a result, dependence on open market purchases and fuel imports, which are comparatively costlier, is increasing. Besides this, gas, unlike coal, is not considered to be a good of special importance and hence is subject to higher levies. All these factors put an upward pressure on cost of power generation.
- On one hand, costlier fuel constrains the potential generators from offering competitive tariffs for bulk power and on the other, there is reluctance by Discoms to sign Power Purchase Agreements (PPA) at higher tariffs. Given that such long term PPA with Discoms is a pre-requisite for domestic coal linkage/signing FSA with CIL and for priority in gas allocation, the generators are caught in a chicken and egg syndrome.
- Most of the competitively bid projects awarded through a transparent process have turned unviable. Despite the recent CERC orders on compensatory tariffs to compensate increased cost on account of change in foreign law, the risk still remains.
- The overall efficiency and skill of domestic sub-contractors in delivering timely and quality jobs is a continuing issue.
- Land acquisition and other clearances including environment and forest, water linkage, Right of Way (RoW), 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.
- Default risks pertaining to state-owned distribution utilities continue to remain significantly high, on account of inadequacy of tariffs, inability to control distribution loss levels within regulatory norms as well as inadequate subsidy support from State Governments. This limits the progress in strengthening and augmenting state networks and reduces bankability of projects.
- Power sector financing is another area of concern. Most of the banks, particularly public sector banks, are about to clock their maximum exposure limit in the power sector. Non-availability of fuel and weak financial health of Discoms have led to increasing NPAs in power sector in bank books which further restricts the growth of the sector.
- Success stories of some of the Distribution Franchisee operations have tempted many operators to quote very high purchase tariff in recent bids, thereby making the basic concept of distribution franchisee unviable.

H) FUTURE OUTLOOK AND OPPORTUNITIES

Indian power sector is currently in a transition phase wherein it faces evolution from a controlled environment to a competitive market driven regime. Certain measures to heal the ailing power sector both announced and in the works are as follows:

- Considerations of change in priority of allocation of domestic gas as well as pooling price of imported and domestic gas are welcome moves. With massive shale gas reserves in US & China and Japan ready to re-start its nuclear plants, the LNG prices are anticipated to get rationalized and ultimately drop. India's long term imported LNG supply contracts, upcoming LNG regasification capacities and a total of ~24,000 km existing plus upcoming natural gas pipelines would ensure adequate supply and flow of gas across the nation. Also, with the new supplies coming from ONGC & GSPC and Reliance revamping its KG-D6 basin, the current domestic shortfalls are expected to reduce considerably.
- The restructuring of CIL, as reported, would step up its production and enable it to meet at least 65% of the linkage quantity to the power projects. The de-allocated blocks are likely to be re-allocated through competitive bidding route, which will ensure transparency.
- The MoP is working on a peaking power policy for gas that will encourage Discoms to invite bids from generation utilities for meeting power shortages during peak consumption hours which will help the stranded gas based projects to sell peak power based on LNG.
- Private sector participation in transmission is inevitable and therefore going ahead, we may see development of more projects through Public Private Partnerships/JVs. Development of smart grids will reduce the T&D losses and prevent blackouts.
- In the context of reasonable tariff hikes and Fuel & Power Purchase Cost adjustment (FPPCA) allowance in 2011 and 2012 by SERCs subsequent to ruling by Hon'ble Appellate Tribunal for Electricity (APTEL), Power sector expects more Regulatory support in quantum of tariff hikes, the manner in which regulatory assets are proposed to be recovered, timelines in terms of filing the tariff petitions and finalization of tariff orders.
- The approval of Debt Restructuring Scheme for Discoms by Cabinet Committee of Economic Affairs, GOI is a welcome step. The follow up measures which are part of this scheme to ensure that the current situation does not recur are noteworthy and include a) commitment to the performance linked measures (particularly annual tariff revision, pass-through of FPPCA on quarterly basis & reduction in distribution loss levels) and b) timely cash collections from government departments as well as timely subsidy receipt from State Governments.

REVIEW OF COMPANY 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.

A) GENERATION:

i. SUGEN Mega Power Plant near Surat

The 1147.5 MW gas based SUGEN Mega Power Plant is located near Surat in Gujarat. During the year, SUGEN achieved a higher Plant Availability Factor (PAF) of 94.32% (Previous Year - 89.29%) due to major Hot Gas Path Inspections carried out in previous year. PLF reduced to 41.21% (Previous Year - 75.99%) due to decline and ultimate stoppage of domestic gas supply from RIL's KG-D6 basin and reluctance of beneficiaries to off-take power based on expensive LNG. Consequently, it dispatched 4,018 MUs (Previous Year - 7,430 MUs).

The Company has filed an appeal objecting to the applicability of Provisional Initial Tariff Order issued by Petroleum & Natural Gas Regulatory Board in September 2012 for high pressure gas grid of GSPL with retrospective effect from November 2008. Hon'ble APTEL passed an Interim Order on 19th February, 2013, as per which GSPL would raise bills only from date of grant of authorization i.e. 27th July, 2012 till the time the appeal of the Company is pending.

The 382.5 MW gas based power plant - an expansion of SUGEN Mega Power Plant (UNOSUGEN), has been put into commercial operation on 4th April, 2013. This project is expected to meet 278 MW demand of Ahmedabad and Surat Distribution under a long term arrangement. Long term PPA for 35 MW capacity has been executed with MP Power Management Company through PTC India Limited for which in-principle open access approval has been obtained. Tariff petition has been filed with Hon'ble CERC with Project Cost of ₹ 1,858 Crore. The Project has been submitted to United Nations Framework Convention on Climate Change (UNFCCC) for registration under Clean Development Mechanism (CDM).

ii. **AMGEN in Ahmedabad**

The erstwhile Ahmedabad Electricity Company Limited (AEC), the merged constituent of the Company, has completed 100 years of successful operations. The generating unit, now known as AMGEN has an installed capacity of 500 MW, of which 400 MW is coal based and 100 MW is gas based. The uprating of F station to 121 MW from existing 110 MW has been completed and the station has been synchronized with the Grid on 30th April, 2013.

During the year, AMGEN achieved PAF of 89.62% (Previous Year - 95.38%), PLF of 67.84% (Previous Year - 77.80%) and dispatched 2,698 MUs (Previous Year - 3,128 MUs). PAF was lower as compared to the previous year due to F station uprating during the year whereas PLF was lower mainly due to non-availability of domestic gas and application of merit order dispatch.

iii. **Wind Power Plant at Lalpur**

The 49.6 MW Lalpur Wind Power Plant, in Jamnagar, Gujarat has completed first year of its operations in March 2013. The Plant achieved PAF of 96.49% and dispatched 106 MUs during the year. The Project has been registered under CDM with UNFCCC.

B) DISTRIBUTION:

i. **Ahmedabad and Surat**

The sales were higher at 9,300 MUs in FY 2012-13 as against 8,804 MUs during the previous year, registering a growth of 5.64%. T&D loss reduced marginally to 6.52% in FY 2012-13 from 6.84% during the previous year and is one of the lowest in the country. The consumer base for both the areas as on 31st March, 2013 was 22.08 lacs (Previous Year - 21.56 lacs). The overall peak system demand for Ahmedabad was 1,300 MW in FY 2012-13 as compared to 1,309 MW in Previous Year. The overall peak system demand for Surat was 569 MW in FY 2012-13 as compared to 554 MW in Previous Year. To cater to the shortage following the unwillingness to off-take LNG based power available from SUGEN and AMGEN (due to reduction in domestic gas supply), which is expensive and also the increased demand of Ahmedabad and Surat, the Company entered into various RTC & Peak short term power purchase agreements for FY 2012-13 and FY 2013-14.

GERC (Multi Year Tariff) Regulations provide for truing up of previous years expenses and revenue based on audited accounts vis-à-vis the approved Annual Revenue Requirement. The tariff order for FY 2012-13 was issued by Hon'ble GERC allowing a tariff hike of 10 paise per kWh (~ 2%) for all consumers, except BPL and agricultural

consumers, on 2nd June, 2012 for Ahmedabad & Surat Distribution effective from 1st June, 2012. The tariff order for FY 2013-14 has also been issued by Hon'ble GERC on 16th April, 2013 for Ahmedabad & Surat Distribution allowing an average tariff hike of 29.5 paise per kWh (~ 6%) for all consumers, except BPL consumers, effective from 1st April, 2013.

The Company has not been fully successful in its efforts to meet its Renewable Purchase Obligation for FY 2012-13 mainly due to supply constraints and other factors beyond the control of the Company. Consequently, the Company has filed a petition with Hon'ble GERC to revise the minimum percentage target to actuals for purchase from renewable energy sources for FY 2012-13.

ii. Bhiwandi

The sales were higher at 2,833 MUs in FY 2012-13 as against 2,636 MUs during the Previous Year, registering a growth of 7.46%. The AT&C loss was higher at 21.68% in FY 2012-13 as against 17.85% during the Previous Year. The consumer base as on 31st March, 2013 was 2.52 lacs (Previous Year - 2.39 lacs). The peak system demand for Bhiwandi was 560 MVA during FY 2012-13, which was marginally higher than 544 MVA in the Previous Year. Pursuant to revision of tariff by MSEDCL in August 2012 and consequent wide spread agitation against increased costs by power loom consumers, Collection Efficiency has reduced from 99.33% in FY 2011-12 to 94.97% in FY 2012-13, which in turn has affected AT&C losses.

iii. Agra

The sales were higher at 1,125 MUs in FY 2012-13 as against 1,054 MUs during the Previous Year, registering a growth of 6.74%. The AT&C loss was lower at 51.26% in FY 2012-13 as against 54.33% during the Previous Year. The consumer base as on 31st March, 2013 was 3.04 lacs (Previous Year - 2.74 lacs). The peak system demand for Agra was 431 MVA during FY 2012-13, which was higher than 383 MVA in the Previous Year.

C) OVERALL RESULTS:

The overall sales in FY 2012-13 were at 14,009 MUs as against 14,983 MUs during the previous year, registering a decline of 6.5%, mainly on account of meagre short term power sales due to domestic gas non-availability. During the year, there was substantial reduction in generation in both the generating units viz. SUGEN and AMGEN mainly on account of reduction in availability of domestic gas and unwillingness of beneficiaries to off-take power using expensive LNG. The Company earned gross income of ₹ 44.99 Crore (Previous Year - ₹ 324.99 Crore) from sale of CERs, of which ₹ 3.54 Crore is payable to beneficiaries in accordance with CERC guidelines. The average price plunged from ~ ₹ 3.77 per CER in March 2012 to ~ ₹ 0.32 per CER in March 2013.

Though GERC (Multi Year Tariff) Regulations provide for 14% post-tax return on equity, which is lower than that stipulated by the Tariff Policy as well as certain SERCs, the regulated distribution business comprising Ahmedabad and Surat could not realize even cost of energy supplied during the year despite increase in tariff in FY 2012-13. Limitation in pass through of power purchase costs due to change of mix and consequent postponement of such recovery to true up stage has impacted profits and cashflows of FY 2012-13 significantly.

The overall performance in Bhiwandi was better due to increased volumes and tariff hike. However, the stiff resistance against the tariff hike (net of subsidy) impacted the collection efficiency of the unit.

Despite improvement in AT&C loss, though not in line with expectations, and tariff hike in October 2012, Agra, incurred increased losses in its third year of operations. Operations are expected to improve in FY 2013-14 with network augmentation, LT network undergrounding, better meter reading efficiency and increased collection efficiency.

Depreciation, during the year, increased mainly due to routine capital expenditure incurred at Distribution units for meeting load growth, efficiency improvement and safety requirements.

Deferred Tax increased marginally due to impact of additional depreciation of 20% on Plant and Machinery capitalized during FY 2012-13.

In this context the overall;

- PBDIT decreased by 38.94% from ₹ 2,357.10 Crore to ₹ 1,439.15 Crore
- Depreciation increased by 11.49% from ₹ 365.88 Crore to ₹ 407.93 Crore
- Interest increased by 30.94% from ₹ 311.97 Crore to ₹ 408.48 Crore
- PBT decreased by 62.92% from ₹ 1,679.25 Crore to ₹ 622.74 Crore
- PAT decreased by 68.89% from ₹ 1,237.46 Crore to ₹ 384.96 Crore.

RISKS AND CONCERNS – COMPANY

Significant risks and concerns of the Company are enumerated below:

- Non-availability of domestic gas is one of the major issues faced by the Company for its gas based generating plants of SUGEN and AMGEN. Though LNG is adequately available, the unwillingness of long term buyers to off-take power based on high cost LNG leads to lower capacity utilization of the power plants and shutdown of units. The running of units on low PLF and non-operation for prolonged period is detrimental for the efficient running of such high performing and sensitive turbines.
- The Company's regulated distribution business at Ahmedabad and Surat has been successful in maintaining one of the lowest T&D and AT&C losses in the country for the past many years and also supplies quality and uninterrupted power in its licensed areas. Yet it does not get due recognition or incentives for its efficient operations in the current regulatory framework. This framework is investment unfriendly and limits the pass through of increase in fuel & power purchase costs on account of change in mix and REC cost. This leads to postponement of its recovery to true-up stage thereby creating a negative cashflow in the regulated distribution business. The accrual of carrying cost on such deferred recovery, which is the legitimate claim of Discoms, is also not allowed to the Company on the basis that GERC (Multi Year Tariff) Regulations do not provide for the same. Despite these immense hurdles, regulated distribution business of the Company has been successful in meeting the increased demand of Ahmedabad and Surat so far, without any load shedding.
- Availability of land for new power generation projects and sub-stations/corridors in the city area for power distribution and RoW for transmission projects are matters of concern.
- Safety of Company's employees and public at large having access to the widespread distribution network of the Company, particularly as regards the overhead network, is a serious concern for which the Company is taking all possible mitigation measures.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of Internal Controls 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. The observations and recommendations following such audit, for improvement of the business operations and their implementation are reviewed by the Audit Committee.

INFORMATION TECHNOLOGY

SAP is operational at SUGEN, AMGEN, Ahmedabad Distribution, Surat Distribution and Renewables.

Further, new state-of-art Data Center has been established at Naranpura (Ahmedabad), enabling real time near-site Disaster Recovery at existing Data Center at AMGEN Power Plant.

Also, real time technical data collection of EHV substations and its on-line display at Central Control room was launched at Agra to enhance and empower business operations.

HUMAN RESOURCES

To enhance the effectiveness & efficiency of human resources, the Company during the year undertook focused recruitment & induction of management trainees as well as lateral hires in middle & upper management levels and up-gradation of technical & customer management skills. The performance management area also received requisite attention at individual as well as organizational level. On the industrial relations front, the Company enjoyed a cordial rapport during the year.

The Company makes efforts to bring together (including through webcast), all the employees across all locations as well as the Senior Management team, on various occasions. Such occasions during FY 2012-13 were:

1. **Independence Day 2012** – The Vice Chairman, addressed all the employees on the theme of “Understanding Past, Interpreting Present and Decoding Future” in the context of Torrent Group’s businesses.
2. **Founder’s Day 2013** – The employees of Torrent paid homage to the legendary and visionary founder Chairman, Shri U N Mehta. Also, two employees selected from across the group were awarded the “Torrentian” title for their dedication, commitment and contribution in the overall development of the organization and the society.
3. **Republic Day 2013** – The Chairman in his address on the theme “Unity in Diversity”, solicited views from all employees on significantly important organizational matters including Core Values and steps needed to achieve equal involvement and participation of both genders at all levels.

Human resources strength as on 31st March, 2013 was 7,077 vis-a-vis 7,184 as on 31st March, 2012.

ENVIRONMENT, HEALTH AND SAFETY

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

- The prestigious “2012 Sword of Honour” award by the British Safety Council, U.K. to SUGEN in recognition of its exemplary performance in health and safety management
- Certifications at SUGEN, AMGEN and Corporate Office of the Company as below:
 - IMS Re-Certification to SUGEN covering ISO 9001:2008, ISO 50001:2011, ISO 14001:2004 and BS OHSAS 18001:2007 for a period of three years
 - Accreditation certificates to Shardashish Township at SUGEN covering ISO 14001:2004 and BS OHSAS 18001:2007
 - IMS certification to AMGEN as well as Corporate Office covering ISO 9001: 2008, ISO 14001:2004 and BS OHSAS 18001:2007
- Station modernization work at F station of AMGEN Power Plant for enhancing the installed capacity from 110 MW to 121 MW and reducing greenhouse gas emissions

- Electro Static Precipitator modification at F station of AMGEN Power Plant to reduce the emission of suspended particulate matter
- Adoption of safety improvement measures including undergrounding of overhead lines at Bhiwandi & Agra, replacement of old oil type switchgears with SF6 switchgears, replacement of old relays with protective relays and provision of DTC fencing and earthing
- Adoption of an Environment Policy at the Company level
- Development of Mangroves in an area of ~ 50 hectares in the coastal region near the DGEN project

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Concern for Society and Environment is a deeply rooted core value of the Company. As a part of its CSR, the Company makes concentrated efforts in the fields of Community Health care, Sanitation and Hygiene, Education and Knowledge Enhancement and Societal Care and Concern.

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

- A Healthcare Centre called 'SWADHAR', to cater to the healthcare needs of locals from neighbouring villages, was dedicated during the year to the community residing around the SUGEN Plant. 3,071 patients have been treated at SWADHAR since its inception. Various awareness sessions on Oral Hygiene & Anti-natal Awareness and health camps were conducted for residents of nearby villages of SUGEN.
- Medical Treatment and Monetary Support was extended to chronic patients from weaker sections of society around the SUGEN plant.
- Supplementary nutrition support programme of providing milk to children in Anganwadis in Kamrej Taluka of Surat District.
- Shiksha Setu – Teaching Learning Enhancement Programme in its second year included more than 3,400 students and more than 150 teachers as beneficiaries. Outcomes included increase in attendance, 10% learning level improvement and enhanced learning interest in ICT based adaptive tool.
- Design of new building for high school comprising 24 class rooms, science & computer lab, library, administrative block, assembly & dining hall, kitchen area, sports complex, etc. for accommodating 1,500 students of class 9 - 12 at Chhapi village in Gujarat was completed.
- Reconstruction of school at Memadpur involving renovation of existing school building and construction of new facilities including assembly hall and utility facility, the work of which is in progress.
- Besides, the Company has also made donations to the tune of ₹ 2.62 Crore (Previous Year - ₹ 3.93 Crore) to various organizations involved in Education, Healthcare, providing Relief to disaster victims and Promotion of social harmony & nationalism.

CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

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 stakeholders understanding of the key activities and policies of the organisation. Indian corporates have adopted better governance practices and are opting for increased transparency and disclosures. According to a report on Corporate Governance, India has been ranked in the seventh place in terms of corporate governance score in Asia Pacific region. Endeavour on the part of the government to improve the same is discernible. This has been augmented by regulatory authorities introducing and improving governance practices for Indian corporates over the last decade.

The Companies Bill, 2012 has included several core principles of Corporate Governance in the Bill itself. In addition, SEBI has brought out a consultative paper to revise Corporate Governance requirements for listed companies, in order to align itself with the proposed changes in Companies Bill and also to incorporate other best practices. The concepts of credit rating of corporate governance, inspection for verifying the compliance, penalties for non-compliance have been suggested under the above consultative paper to strengthen the compliances related to Corporate Governance. In March 2012, Ministry of Corporate Affairs constituted a committee to formulate policy document on Corporate Governance. In September 2012 the Committee submitted policy document, specifying seventeen guiding principles on Corporate Governance. It is important that these Principles are studied, analyzed & debated and preparatory work is done for their implementation.

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 ('Code') 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.

The disclosure requirements of Corporate Governance under Clause-49 of the Listing Agreements with the Stock Exchanges are given below:

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 four times during the financial year 2012-13 on 11th May, 2012, 24th July, 2012, 27th October, 2012 and 28th January, 2013.

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)	4	4	Yes
Shri Pankaj Patel	Independent Non-Executive Director	5	1 (Member)	4	3	No
Shri Samir Barua	Independent Non-Executive Director	5	5 (Member)	4	4	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 Kiran Karnik	Independent Non-Executive Director	1	-	4	4	Yes
Shri Keki M. Mistry	Independent Non-Executive Director	14	3 (Chairman) 6 (Member)	4	4	Yes
Shri D. J. Pandian, IAS	Independent Non-Executive Director Nominee of Govt. of Gujarat (a shareholder)	14	-	4	2	No
Shri V. K. Kukreja	Independent Non-Executive Director Nominee of LIC (a shareholder)	1	-	4	3	Yes
Shri Samir Mehta	Promoter and Executive Director	2	1 (Chairman) 1 (Member)	4	4	Yes
Shri Markand Bhatt	Promoter and Executive Director	2	2 (Member)	4	4	Yes
Shri Murli Ranganathan	Promoter and Executive Director	2	-	4	4	Yes
Shri T. P. Vijayarathy	Promoter and Executive Director	3	2 (Member)	4	4	Yes
Shri Jinal Mehta	Promoter and Non-Executive Director	1	-	4	4	Yes

(*) For the purpose of considering the number of directorships and committee membership, all public limited companies other than the Company, whether listed or not, are included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act are excluded. Details of committee membership comprise only membership/chairmanship of Audit Committee and Shareholders'/ Investors' Grievances Committee.

Shri Keki M. Mistry, Shri Murli Ranganathan and Shri T. P. Vijayarathy are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment. Brief resume and other relevant details of the Directors proposed to be 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 atleast 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/re-appointment and remuneration of the statutory auditors to the Board of Directors and review of adequacy and performance of statutory auditors, internal control systems and internal audit function apart from the mandatory reviews specified under Clause-49 of the Listing Agreement. 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 11th May, 2012, 24th July, 2012, 27th October, 2012 and 28th January, 2013. Composition of the Committee as on 31st March, 2013 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 Samir 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 T. P. Vijayasarathy (*)	Whole-time Director	ICWA, PGDBM - IIM	3

(*) Shri T. P. Vijayasarathy was appointed as a member of the Audit Committee by the Board at its meeting held on 11th May, 2012.

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 Srinivas Kotra, 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 48 complaints during the year and they were attended to within a reasonable period. No complaint was pending as on 31st March, 2013. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2013 beyond 15 days for processing.

4. MANAGERIAL REMUNERATION

A. Remuneration Policy

The remuneration of Directors is approved by the shareholders at the General Meetings of the Company. The annual remuneration to the Executive Directors is recommended by the Nomination and Remuneration Committee and the same is ratified by the Board within the limits approved by the Shareholders. Remuneration to the Executive Directors is paid by way of salary, perquisites and other benefits and performance incentives including commission.

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. The Chairman of the Board of Directors has been authorized in General Meeting to decide the commission to be paid to each INED within such limits as may be applicable. The commission is determined on the basis of number of Board and Committee meetings attended. Apart from payment of commission, there were no other pecuniary relations or transactions with INEDs.

B. 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 the appointment and remuneration of Whole-time Directors and Managing Directors of the Company and recommending the same to the Board of 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, three meetings of the Committee were held on 11th May, 2012, 26th October, 2012 and 28th January, 2013 which were attended to by all the members.

C. Details of remuneration paid to the Directors for the financial year 2012-13 are as under:

(₹ in Lac)

Name of the Director	Sitting Fees	Salary & Perquisites #	Commission	Total
Shri Sudhir Mehta [§]	Nil	2.75	Nil	2.75
Shri Pankaj Patel	Nil	Nil	15.50	15.50
Shri Samir Barua	Nil	Nil	22.00	22.00
Shri Kiran Karnik	Nil	Nil	23.50	23.50
Shri Keki M. Mistry	Nil	Nil	22.00	22.00
Shri D. J. Pandian, IAS*	Nil	Nil	8.00	8.00
Shri V. K. Kukreja*	Nil	Nil	12.00	12.00
Shri Samir Mehta [§]	Nil	Nil	Nil	Nil
Shri Markand Bhatt [§]	Nil	1,567.00	Nil	1,567.00
Shri Murli Ranganathan [§]	Nil	600.58	Nil	600.58
Shri T. P. Vijayasarathy [§]	Nil	360.58	Nil	360.58
Shri Jinal Mehta	Nil	Nil	Nil	Nil
Total	Nil	2,530.91	103.00	2,633.91

§ 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 of Shri V. K. Kukreja (nominee of LIC) is paid to Life Insurance Corporation of India. Commission of Shri D. J. Pandian, IAS (nominee of the Government of Gujarat) is paid to the Government of Gujarat.

On 31st March, 2013, Shri Murli Ranganathan and Shri T. P. Vijayasathy were paid ₹ 431.07 lacs and ₹ 233.25 lacs respectively towards retiral benefits comprising gratuity and leave encashment (including that of financial year 2012-13) as per Company's policy.

D. Shareholding of Non-Executive Directors

Shri Jinal Mehta holds 8,000 equity shares in the Company. None of the other 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
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
8 th AGM	24 th July, 2012	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2

Special resolutions mentioned above were passed by show of hands. No resolution was passed through Postal Ballot during the year under review. The Postal Ballot exercise shall be conducted in compliance with the applicable provisions of Section 192A of the Companies Act, 1956 and rules made thereunder, as and when required.

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

As a responsible Corporate Citizen, the Company has always endeavoured to conduct its business in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture where it is safe for all the employees to voice concerns about any misconduct, illegal activity, fraud or abuse of company assets. The Company had adopted a “Whistle Blower Policy” from 1st October, 2011, through which the Company has institutionalized a mechanism for the employees to disclose any unethical behaviour, improper practice and wrongful conduct taking place in the Company for suitable action. The Policy, by design, provides access to the Chairman of the Audit Committee if the Whistle Blower is not satisfied with the outcome of investigation by the CEO/CFO and the same is ensured. Confidentiality of Whistle Blowers is maintained without any discrimination.

Policy on protection of employees against Sexual Harassment at Work Place

The Company is committed to create a healthy and conducive work 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

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 43 to the Standalone Financial Statements, forming part of the Annual Report. 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 comprises formation of Remuneration Committee and adoption of Whistle Blower Policy.

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

9th Annual General Meeting

Date	Thursday, 25 th July, 2013
Time	9.30 a.m.
Venue	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015

Tentative financial calendar for the year 2013-14

Financial year	1 st April, 2013 - 31 st March, 2014
First quarter results	Last week of July 2013
Second quarter results	Last week of October 2013
Third quarter results	Last week of January 2014
Results for the year end	Last week of May 2014

Date of Book Closure

Monday, 17th June, 2013 to Wednesday, 19th June, 2013 (both days inclusive)

Dividend payment date

The proposed dividend, if approved at the ensuing Annual General Meeting, will be distributed on or after 31st July, 2013, 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 2013-14 have been paid to the stock exchanges.

Market price data

Closing market price of equity shares on 31st March, 2013 was ₹ 139.75 on BSE and ₹ 138.15 on NSE.

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

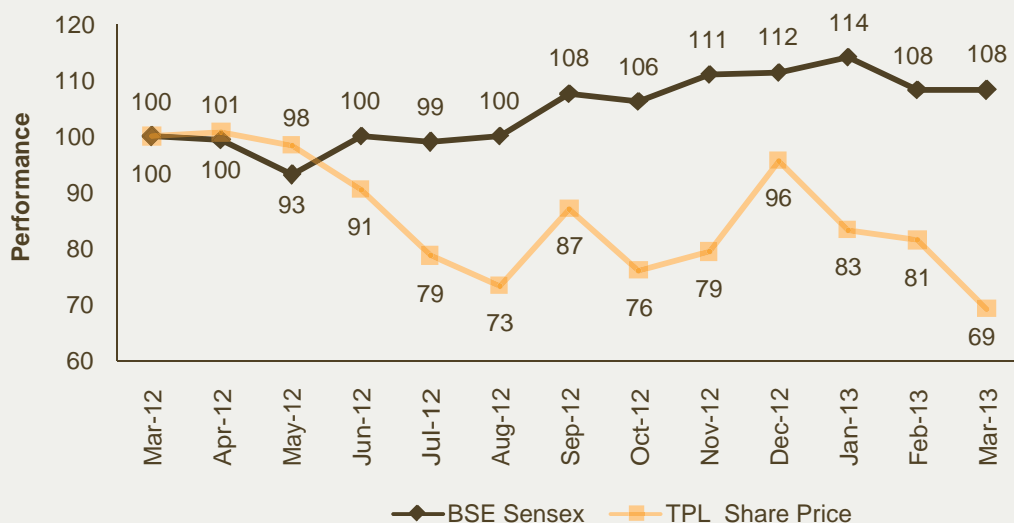
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2012	217.65	195.15	11,42,642	219.70	191.55	6,29,427
May, 2012	206.00	185.00	6,60,590	206.75	184.85	16,15,193
June, 2012	198.85	176.00	4,07,264	199.00	176.00	7,71,954
July, 2012	185.90	152.50	6,34,827	188.20	153.00	23,87,314
August, 2012	160.80	146.00	5,61,769	161.00	147.00	11,55,010
September, 2012	183.90	147.00	76,88,738	183.85	147.55	1,18,19,277
October, 2012	179.00	152.55	10,01,835	179.20	152.45	25,16,606
November, 2012	169.00	153.60	10,03,263	169.00	153.45	14,05,186
December, 2012	196.35	161.00	51,87,765	196.75	161.00	64,07,811
January, 2013	198.00	166.50	13,55,397	199.90	166.05	90,45,935
February, 2013	179.80	162.00	5,81,196	180.50	161.50	19,45,008
March, 2013	174.00	137.10	4,56,677	174.05	135.60	21,44,995

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, 2012	201.75	17,404.20	100.00	100.00
April, 2012	203.25	17,318.81	100.74	99.51
May, 2012	198.55	16,218.53	98.41	93.19
June, 2012	182.85	17,429.98	90.63	100.15
July, 2012	158.70	17,236.18	78.66	99.03
August, 2012	148.05	17,429.56	73.38	100.15
September, 2012	175.75	18,762.74	87.11	107.81
October, 2012	153.40	18,505.38	76.03	106.33
November, 2012	160.25	19,339.90	79.43	111.12
December, 2012	193.35	19,426.71	95.84	111.62
January, 2013	168.20	19,894.98	83.37	114.31
February, 2013	164.35	18,861.54	81.46	108.37
March, 2013	139.75	18,835.77	69.27	108.23

* Closing data on the last day of the month. Closing share price and BSE Sensex of 31st March, 2012 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, 2013

By size of shareholding

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
001 to 500	47,634	75.07	62,56,108	1.32
501 to 1000	8,284	13.05	54,61,612	1.16
1001 to 2000	3,339	5.26	47,40,917	1.00
2001 to 3000	1,391	2.19	35,05,268	0.74
3001 to 4000	645	1.02	22,57,271	0.48
4001 to 5000	504	0.79	22,94,576	0.49
5001 & above	1,665	2.62	44,79,32,556	94.81
Total	63,462	100.00	47,24,48,308	100.00

By category of shareholders

Sr. No.	Category	No. of Shares held on 31 st March, 2013	% of Shareholding
1	Promoters	25,24,59,993	53.44
2	Governor of Gujarat with Gujarat State Investments Limited	5,39,28,671	11.41
3	Life Insurance Corporation of India	4,33,38,349	9.17
4	GIC and subsidiaries	3,15,04,732	6.67
5	Mutual Funds	2,13,45,698	4.52
6	FII's	1,01,74,215	2.15
7	Nationalised Banks	4,73,835	0.10
8	Others	5,92,22,815	12.54
	Total	47,24,48,308	100.00

Dematerialisation and Liquidity 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, 2013, 95.91% 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 atleast once in a fortnight and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the 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

Srinivas Kotra,
Company Secretary,
Torrent Power Limited,
Torrent House,
Off Ashram Road,
Ahmedabad-380009

Telephone : 079-2658 3060, 2658 5090

Fax : 079-2658 2326

E-mail : srinivaskotra@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
29th May, 2013

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
29th May, 2013

Sudhir Mehta
Executive Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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, 2013 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)

Ahmedabad
29th May, 2013

Hemendra L. Shah
Partner
(Membership No. 33590)

Financial Statements 2012-13

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TORRENT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date ; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Ahmedabad
29th May, 2013

Hemendra L. Shah
Partner
(Membership No. 33590)

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) 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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
 - (c) The fixed assets disposed off 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.
- (ii) 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.
- (iii) 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.
- (iv) 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 weakness in such internal control system.
- (v) 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 *prima facie* 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.

- (vi) 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.
- (vii) In our opinion, the internal audit functions carried out during the year by entities of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) 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 made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 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, 2013 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved (₹ in Crore)
Customs Act, 1962	Custom Duty on Higher Assessment Value	Supreme Court of India, New Delhi	2005-06	0.28
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	Andhra Pradesh High Court, Hyderabad	1993-94 & 1994-95	0.20
Tamil Nadu General Sales Tax Act	Sales Tax on Works Contracts	Asst. Commissioner of Commercial Tax, Tuticorin	1989-90 & 1990-91	0.47
Income Tax Act, 1961	Demand of Tax	Gujarat High Court	A.Y.1999-00 & 2001-02	4.37
		Income Tax Appellate Tribunal	A.Y. 2005-06	9.91
		CIT Appeals	A.Y. 2006-07 & 2010-11	0.87

- (x) The Company does not have accumulated losses as at 31st March, 2013 and has not incurred cash losses during the financial year ended as on that date or in the immediately preceding financial year.
- (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, financial institutions and debenture holder.
- (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) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 850 debentures of ₹ 1 Crore each. The Company has a created charge in respect of the debentures worth ₹ 550 Crore and is in process of creating a charge for the balance debentures worth ₹ 300 Crore.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) 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 other than 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
(Firm Registration No. 117365W)

Ahmedabad
29th May, 2013

Hemendra L. Shah
Partner
(Membership No. 33590)

BALANCE SHEET

AS AT 31ST MARCH, 2013

(₹ in Crore)

	Note	As at 31 st March, 2013	As at 31 st March, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,617.84	5,275.43
		6,090.29	5,747.88
Non-current liabilities			
Long-term borrowings	4	4,492.58	3,183.27
Deferred tax liabilities (Net)	39	574.72	463.55
Other long term liabilities	5	718.36	508.30
Long-term provisions	6	65.64	86.95
		5,851.30	4,242.07
Current liabilities			
Short-term borrowings	7	-	-
Trade payables	8	632.09	676.39
Other current liabilities	9	971.29	924.00
Short-term provisions	6	140.18	239.44
		1,743.56	1,839.83
		13,685.15	11,829.78
Assets			
Non-current assets			
Fixed assets			
	10		
Tangible assets		7,262.76	7,078.17
Intangible assets		14.86	17.96
Capital work-in-progress		2,072.02	1,334.18
Intangible assets under development		2.65	3.04
		9,352.29	8,433.35
Non-current investments	11	1,389.13	1,044.86
Long-term loans and advances	12	106.83	97.39
Other non-current assets	13	0.52	0.66
		10,848.77	9,576.26
Current assets			
Current investments	14	323.70	225.38
Inventories	15	244.28	299.55
Trade receivables	16	730.89	645.96
Cash and bank balances	17	1,096.37	573.42
Short-term loans and advances	12	214.83	206.74
Other current assets	18	226.31	302.47
		2,836.38	2,253.52
		13,685.15	11,829.78
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Note	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Income			
Revenue from operations	19	8,129.87	7,915.61
Other income	20	140.10	104.05
Total revenue		<u>8,269.97</u>	<u>8,019.66</u>
Expenses			
Electrical energy purchased		3,552.89	2,282.72
Employee benefits expense	21	249.00	241.71
Operation and other expenses	22	3,028.93	3,138.13
Finance costs	23	408.48	311.97
Depreciation and amortization expense		432.04	384.44
Transfer from service line contribution, APDRP grant and others		(24.11)	(18.56)
		407.93	365.88
Total expenses		<u>7,647.23</u>	<u>6,340.41</u>
Profit before tax		622.74	1,679.25
Tax expenses			
Current tax		126.15	338.94
Deferred tax		111.17	105.26
Short / (excess) provision of current tax for earlier years		0.46	(2.41)
		237.78	441.79
Profit after tax		<u>384.96</u>	<u>1,237.46</u>
Basic and diluted earnings per share of face value of ₹ 10 each (in ₹)	40	8.15	26.19
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Cash flow from operating activities		
Net profit before tax	622.74	1,679.25
Adjustments for:		
Depreciation and amortization	407.93	365.88
Provision of earlier years written back	(18.93)	(34.80)
Provisions for doubtful debts no longer required	(46.25)	(0.48)
Provisions for doubtful advances no longer required	(5.07)	(4.21)
Loss on sale of fixed assets	11.52	19.34
Profit on sale of fixed assets	(1.48)	(0.34)
Provision for doubtful debts	51.92	24.80
Finance cost	408.48	311.97
Interest income	(74.59)	(70.61)
Operating profit before working capital changes	1,356.27	2,290.80
Movement in working capital:		
Increase / (decrease) in trade payables	(44.29)	(68.04)
Increase / (decrease) in long-term provisions	(21.31)	(16.46)
Increase / (decrease) in short-term provisions	9.28	2.54
Increase / (decrease) in other current liabilities	45.66	76.70
Increase / (decrease) in other long-term liabilities	282.35	(17.10)
Decrease / (increase) in trade receivables	(90.60)	(166.53)
Decrease / (increase) in inventories	55.27	(36.10)
Decrease / (increase) in long-term loans and advances	-	(5.87)
Decrease / (increase) in short-term loans and advances	(1.81)	(23.69)
Decrease / (increase) in other current assets	76.37	(194.69)
Cash generated from operations	1,667.19	1,841.56
Taxes paid	(154.14)	(310.55)
Net cash flow from operating activities	1,513.05	1,531.01
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(1,328.76)	(1,672.64)
Long-term loans and advances for capital assets	(9.44)	63.15
Sale of fixed assets	4.68	1.67
Purchase of non-current investments	(345.96)	(189.05)
Sale of current investments	1.50	2.60
Investments in bank deposits (having maturity more than three months)	(700.37)	-
Redemption of bank deposits (having maturity more than three months)	-	177.98
Redemption in bank deposits (having maturity more than twelve months)	0.14	-
Interest received	74.38	70.72
Net cash used in investing activities	(2,303.83)	(1,545.57)

CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Cash flow from financing activities		
Proceeds from long-term borrowings	2,386.32	1,274.59
Proceeds from short-term borrowings	-	50.00
Repayment of long-term borrowings	(1,166.99)	(440.36)
Repayment of short-term borrowings	-	(235.96)
Repayment of APDRP loan	(3.82)	(3.82)
Service line contribution	91.83	99.49
Dividend paid	(191.38)	(464.16)
Finance cost paid	(404.46)	(318.97)
Net cash generated from / (used) in financing activities	711.50	(39.19)
Net (decrease) / increase in cash and cash equivalents	(79.28)	(53.75)
Cash and cash equivalents as at beginning of the year	797.16	850.91
Cash and cash equivalents as at end of the year	717.88	797.16
See accompanying notes forming part of the financial statements		
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash on hand	1.09	0.76
Cheques / Drafts on hand	1.87	2.90
With banks		
On current account	98.74	93.87
On deposit account	288.06	470.45
On unpaid dividend account	6.11	5.31
Cash and cash equivalents (note 17)	395.87	573.29
Current investments (investments in mutual funds) (note 14)	322.01	223.87
	<u>717.88</u>	<u>797.16</u>
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 ₹ 120.16 Crore. (Previous year ₹ 82.26 Crore)		
4. Proceeds and Repayment of long-term borrowings includes refinance of loan of ₹ 337.98 Crore and conversion of buyers' credit into term loan of ₹ 312.15 Crore.		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of 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:

Tangible fixed assets:-

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

Intangible assets:-

Certain computer software costs are capitalized and recognized as Intangible assets based on materiality, accounting prudence and significant benefits expected to flow 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 and others.
- (iii) In respect of fixed assets pertaining to AMGEN, Ahmedabad Distribution and Surat Distribution, depreciation is provided on straight line method at the rates as per CERC regulations as applicable in the year of addition.
- (iv) In respect of assets pertaining to Agra, 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) Regulations, 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 Cash and cash equivalents:

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

1.10 Inventories:

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

1.11 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as unbilled revenue. Further, in view of the uncertainties involved in the recoverability of truing-up adjustment claims, the Company accounts for the same as and when realized.
- (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.

1.12 Transactions in foreign currency:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the period end are restated at period end rates.
- (iii) Non-monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation of revenue in nature, is recognized in the statement of profit and loss.

1.13 Retirement and other employee benefits:

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

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

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

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

1.14 Taxation:

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

1.15 Earnings per share:

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

1.16 Provisions, contingent liabilities and contingent assets:

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

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

1.17 Leases:

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

NOTE - 2 : SHARE CAPITAL

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012		
Authorised				
2,00,00,00,000 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				
47,24,48,308 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 :				
	No. of shares As at 31 st March, 2013	No. of shares As at 31 st March, 2012		
At the beginning of the year	47,24,48,308	47,24,48,308		
Issued during the year	-	-		
Outstanding at the end of the year	<u>47,24,48,308</u>	<u>47,24,48,308</u>		
2 25,24,38,986 equity shares (24,94,48,986 equity shares as at 31 st March, 2012) of ₹ 10 each fully paid up are held by holding company - Torrent Private Limited.				
3 Terms / Rights attached to equity shares:				
<p>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, except in case interim dividend.</p> <p>Dividend amount per share recognized as distributions to equity shareholders is ₹ 2.00 per equity share during the year ended 31st March, 2013 (Previous year : ₹ 6.50 per equity share).</p> <p>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.</p>				
4 Details of shareholders holding more than 5% shares in the Company:				
Name of the Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of shares	% holding	No. of shares	% holding
Torrent Private Limited	25,24,38,986	53.43%	24,94,48,986	52.80%
Gujarat State Investment Limited	4,68,71,621	9.92%	4,68,71,621	9.92%
Life Insurance Corporation of India	4,33,38,349	9.17%	4,33,65,318	9.18%

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Capital reserves		
Service line contributions		
As per last balance sheet	389.21	305.46
Add: Received during the year	91.83	99.49
	481.04	404.95
Less: Transfer to statement of profit and loss	21.11	15.74
	459.93	389.21
Grant in Aid under Accelerated Power Development and Reform Programme (APDRP)		
As per last balance sheet	43.28	46.02
Less: Transfer to statement of profit and loss	2.71	2.74
	40.57	43.28
Debenture redemption reserve		
As per last balance sheet	-	-
Add: Transfer from statement of profit and loss	23.81	-
	23.81	-
Statutory reserves		
Contingency reserve		
As per last balance sheet	60.67	60.49
Add: Transfer from statement of profit and loss	1.00	1.00
	61.67	61.49
Less: Loss on sale of Investments	0.01	0.82
	61.66	60.67
Tariffs and dividends control reserve		
As per last balance sheet	11.59	11.59
Consumer benefit reserve		
As per last balance sheet	44.82	-
Add: Transfer from general reserve	33.25	44.82
	78.07	44.82
Other reserves		
General reserve		
As per last balance sheet	3,484.18	3,029.00
Add: Transfer from statement of profit and loss	28.87	500.00
Less: Transfer to consumer benefit reserve	33.25	44.82
	3,479.80	3,484.18
Surplus in the statement of profit and loss		
As per last balance sheet	1,241.68	862.12
Add: Profit after tax for the year	384.96	1,237.46
	1,626.64	2,099.58
Less: Appropriations		
Transfer to contingency reserve	1.00	1.00
Transfer to general reserve	28.87	500.00
Transfer to debenture redemption reserve	23.81	-
Interim dividend	-	141.73
Corporate dividend tax on interim dividend	-	22.99
Proposed dividend	94.49	165.35
Corporate dividend tax on proposed dividend	16.06	26.83
Total appropriations	164.23	857.90
Net surplus in the statement of profit and loss	1,462.41	1,241.68
	5,617.84	5,275.43

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

	Non-current		Current maturities		
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012	
Secured loans					
Non Convertible Debentures					
10.35% Series 1	550.00	-	-	-	
10.10% Series 2A, 2B & 2C	300.00	-	-	-	
	<u>850.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Term loans					
From banks	2,344.98	1,767.35	310.02	373.22	
From financial institutions	1,254.03	1,175.09	113.04	143.64	
	<u>3,599.01</u>	<u>2,942.44</u>	<u>423.06</u>	<u>516.86</u>	
Buyers' credit from banks	-	193.44	-	-	
	<u>4,449.01</u>	<u>3,135.88</u>	<u>423.06</u>	<u>516.86</u>	
Unsecured loans					
Term loans:					
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	43.57	47.39	3.82	3.82	
	<u>43.57</u>	<u>47.39</u>	<u>3.82</u>	<u>3.82</u>	
	<u>4,492.58</u>	<u>3,183.27</u>	<u>426.88</u>	<u>520.68</u>	
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	426.88	520.68	
	<u>4,492.58</u>	<u>3,183.27</u>	<u>-</u>	<u>-</u>	
Of the above :					
1	Amount of Term Loans of ₹ 4,022.07 Crore (31 st March, 2012 ₹ 3,459.30 Crore) from financial institutions and banks and Non Convertible Debenture of ₹ 850.00 Crore (31 st March, 2012 ₹ Nil) are secured / to be secured by way of first pari passu charge by way of mortgage 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	Buyers' credit from banks are given based on letter of undertaking given by the banker to the term loan, which undertaking is secured by the charge stated in one above.				
3	The future annual repayment obligations on principal amount for the above long-term borrowings are as under:				
Financial year	Term Loans	Non Convertible Debentures	Financial year	Term Loans	Non Convertible Debentures
2013-2014	426.88	-	2020-2021	178.00	-
2014-2015	496.20	-	2021-2022	173.00	283.33
2015-2016	478.52	-	2022-2023	167.28	283.33
2016-2017	478.52	-	2023-2024	145.52	283.34
2017-2018	478.52	-	2024-2025	134.32	-
2018-2019	473.52	-	2025-2026	51.16	-
2019-2020	379.19	-	2026-2027	8.83	-

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Trade payables	191.50	19.75
Other payables		
Security deposits from consumers	524.65	413.86
Payables on purchase of fixed assets	1.32	73.62
Sundry payables	0.89	1.07
	<u>718.36</u>	<u>508.30</u>

NOTE - 6 : PROVISIONS

(₹ in Crore)

	Long-term		Short-term	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Provision for employee benefits (note 31)				
Provision for gratuity	-	19.34	13.76	16.87
Provision for leave encashment	65.64	67.61	8.95	3.48
	<u>65.64</u>	<u>86.95</u>	<u>22.71</u>	<u>20.35</u>
Other provisions				
Provision for taxation (net of advance tax and TDS)	-	-	-	26.33
Provision for indirect tax (charged to rates and taxes)	-	-	6.92	0.58
Proposed dividend	-	-	94.49	165.35
Provision for corporate dividend tax	-	-	16.06	26.83
	<u>-</u>	<u>-</u>	<u>117.47</u>	<u>219.09</u>
	<u>65.64</u>	<u>86.95</u>	<u>140.18</u>	<u>239.44</u>

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Secured loans		
Cash credit from banks	-	-
	-	-
	-	-
	<u>-</u>	<u>-</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 Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Trade payables for goods and services (note 29)	632.09	676.39
	<u>632.09</u>	<u>676.39</u>

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Current maturities of long-term debt (note 4)	426.88	520.68
Interest accrued but not due on loans and security deposit	17.94	13.93
Investor education and protection fund shall be credited by the following * :		
Unpaid / Unclaimed dividend	6.11	5.31
Other payables		
Credit balances of consumers	44.32	40.77
Service line and security deposits from consumers	102.47	86.79
Consumers' benefit account	12.01	12.01
Deposits	4.39	5.47
Statutory dues	14.88	10.56
Payables on purchase of fixed assets	244.88	135.62
Sundry payables	97.41	92.86
	<u>971.29</u>	<u>924.00</u>

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

NOTE - 10 : FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1 st April, 2012	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2013	As at 1 st April, 2012	For the year	Deductions during the year	As at 31 st March, 2013	As at 31 st March, 2013	As at 31 st March, 2012
I. Tangible assets											
Land											
(a) Freehold	147.74	85.78	-	-	233.52	-	-	-	-	233.52	147.74
(b) Leasehold	45.96	0.96	-	-	46.92	3.02	0.54	-	3.56	43.36	42.94
Buildings	777.13	35.39	0.22	-	812.30	88.44	30.58	0.02	119.00	693.30	688.69
Railway siding	2.34	-	-	-	2.34	0.44	0.04	-	0.48	1.86	1.90
Plant and machinery											
(a) Steam station	2,849.59	1.20	-	-	2,850.79	531.65	141.90	-	673.55	2,177.24	2,317.94
(b) Others including switchgears and transformers	2,520.69	176.16	21.75	3.06	2,678.16	587.35	135.44	9.63	713.16	1,965.00	1,933.34
Transmission and distribution systems											
(a) Overhead	455.45	32.69	0.26	0.70	488.58	122.66	26.97	0.05	149.58	339.00	332.79
(b) Underground	1,933.05	270.32	1.29	3.58	2,205.66	432.43	71.77	0.37	503.83	1,701.83	1,500.62
Electrical fittings and apparatus	58.62	2.07	0.09	0.01	60.61	14.10	3.85	0.04	17.91	42.70	44.52
Furniture and fixtures	23.90	1.54	-	-	25.44	7.78	1.77	-	9.55	15.89	16.12
Office equipments	65.63	5.01	0.10	-	70.54	27.65	6.33	0.03	33.95	36.59	37.98
Vehicles	23.35	2.70	3.50	-	22.55	9.76	2.67	2.35	10.08	12.47	13.59
Total (I)	8,903.45	613.82	27.21	7.35	9,497.41	1,825.28	421.86	12.49	2,234.65	7,262.76	7,078.17
II. Intangible assets											
Software (Acquired)	31.28	7.08	-	-	38.36	13.32	10.18	-	23.50	14.86	17.96
Total (II)	31.28	7.08	-	-	38.36	13.32	10.18	-	23.50	14.86	17.96
Total (I+II)	8,934.73	620.90	27.21	7.35	9,535.77	1,838.60	432.04	12.49	2,258.15	7,277.62	
Previous Year	8,080.69	878.90	32.95	8.09	8,934.73	1,466.46	384.44	12.30	1,838.60		7,096.13
III. Capital work-in-progress										2,072.02	1,334.18
IV. Intangible assets under development										2.65	3.04
										9,352.29	8,433.35

Notes:

- Adjustments during the year include borrowing costs of ₹ 7.35 Crore (Previous year ₹ 8.09 Crore) and Capital work-in-progress includes borrowing costs of ₹ 112.81 Crore (Previous year ₹ 74.17 Crore) incurred during the year, which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".
- Capital work-in-progress include pre-operative expenditure of ₹ 165.12 Crore (Previous year ₹ 11.99 Crore) (note 27).
- The Company has leased a portion of its land to AEC Cements & Constructions Limited.
- Land includes freehold land amounting to ₹ 0.04 Crore (31st March, 2012 ₹ 0.04 Crore) and leasehold land amounting to ₹ 17.54 Crore (31st March, 2012 ₹ 17.15 Crore) for which documentations are in progress.
- Freehold land includes pro rata cost of land amounting to ₹ 23.78 Crore (31st March, 2012 ₹ 23.78 Crore) owned jointly in equal proportion with, a Company under same management, Torrent Pharmaceuticals Limited.
- Freehold land includes pro rata cost of land amounting to ₹ 83.16 Crore (31st March, 2012 ₹ Nil) and Building includes pro rata cost of building amounting to ₹ 0.25 Crore (31st March, 2012 ₹ Nil) owned jointly in 70:30 proportion with, a Company under same management, Torrent Pharmaceuticals Limited.

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2013	No. of units As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
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	6,11,500	6,11,500	0.61	0.61
Less: Provision for diminution in value of investment			0.61	0.61
			<u>0.02</u>	<u>0.02</u>
Investment in subsidiaries (unquoted)				
Torrent Power Grid Limited				
Equity shares of ₹ 10 each fully paid up	6,66,00,000	6,66,00,000	66.60	66.60
(2,70,00,000 (31 st March, 2012 - 1,80,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited)				
Torrent Energy Limited				
Equity shares of ₹ 10 each fully paid up	1,26,40,20,000	91,90,50,000	1,264.02	919.05
(57,96,50,700 (31 st March, 2012 - 45,16,30,500) equity shares pledged as security in respect of the term loan provided to Torrent Energy Limited)				
Torrent Pipavav Generation Limited				
Equity shares of ₹ 10 each fully paid up	4,75,00,000	4,75,00,000	57.50	57.50
			<u>1,388.12</u>	<u>1,043.15</u>
			<u>1,388.14</u>	<u>1,043.17</u>
Non trade investments (valued at cost unless stated otherwise)				
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			-	1.69
8.28% GOI Bond - 2032			0.99	-
			<u>0.99</u>	<u>1.69</u>
			<u>1,389.13</u>	<u>1,044.86</u>
Aggregate amount of quoted investments			0.99	1.69
Aggregate amount of unquoted investments			1,388.14	1,043.17
			<u>1,389.13</u>	<u>1,044.86</u>
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			1.01	1.63

NOTE - 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Capital advances	99.53	90.09	-	-
Deposits	1.88	1.88	26.90	1.73
Loans and advance to related parties				
Considered good	-	-	71.73	62.52
Considered doubtful	-	-	3.10	3.30
	-	-	74.83	65.82
Less: Provision for doubtful advance to related parties	-	-	3.10	3.30
	-	-	71.73	62.52
Advances recoverable in cash or in kind or for value to be received				
Considered good	4.42	4.42	111.40	139.36
Considered doubtful	-	-	-	4.87
	4.42	4.42	111.40	144.23
Less: Provision for doubtful advances	-	-	-	4.87
	4.42	4.42	111.40	139.36
Other loans and advances				
Advance tax & tax deducted at source (Net of provision for income tax)	-	-	1.21	-
Balances with government authority	1.00	1.00	0.14	0.14
Prepaid expenses	-	-	3.45	2.99
	1.00	1.00	4.80	3.13
	106.83	97.39	214.83	206.74

NOTE - 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Non-current bank fixed deposits (note 17)	0.52	0.66
	0.52	0.66

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2013	No. of units As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Investments in mutual funds (unquoted)				
Birla Sun Life Cash Plus (of ₹ 100 each)	48,53,054	58,58,127	91.02	99.43
IDFC Cash Fund - Plan C - Super IP - Growth (of ₹ 1,000 each)	7,26,421	-	103.38	-
ICICI Prudential Liquid Plan (of ₹ 100 each)	-	62,98,345	-	99.44
Kotak Liquid fund (of ₹ 10 each)	1,51,896	-	36.00	-
SBI Magnum Insta Cash Fund - Liquid Floater (of ₹ 1,000 each)	1,24,686	-	25.00	-
SBI Premier Liquid Fund (of ₹ 1,000 each)	3,62,273	88,991	66.61	15.00
Tata Liquid SHIP (of ₹ 1,000 each)	-	50,517	-	10.00
[Aggregate NAV of investments in mutual funds ₹ 322.88 Crore (31 st March, 2012 - ₹ 225.50 Crore)]			322.01	223.87
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			1.69	-
6.85% GOI Bond - 2012			-	1.51
			1.69	1.51
			323.70	225.38
Aggregate amount of quoted investments			1.69	1.51
Aggregate amount of unquoted investments			322.01	223.87
			323.70	225.38
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			1.65	1.51

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Coal, oil, stores and spares	243.88	299.22
Loose tools	0.40	0.33
	244.28	299.55

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Debts outstanding for a period exceeding six months from due date		
Secured - Considered good	5.86	5.22
Unsecured - Considered good	26.20	20.80
- Considered doubtful	32.85	57.38
	64.91	83.40
Other debts		
Secured - Considered good	280.90	238.24
Unsecured - Considered good	417.93	381.70
- Considered doubtful	97.76	67.55
	796.59	687.49
Less: Provision for doubtful debts	130.61	124.93
	<u>730.89</u>	<u>645.96</u>

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Cash and cash equivalents				
Balances with banks				
Balance in current accounts	-	-	98.74	93.87
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	288.06	470.45
On unpaid dividend accounts	-	-	6.11	5.31
	-	-	392.91	569.63
Cheques, drafts on hand	-	-	1.87	2.90
Cash on hand	-	-	1.09	0.76
	-	-	395.87	573.29
Other bank balances				
Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	700.50	0.13
Balance in fixed deposit accounts (remaining maturity for more than twelve months)	0.52	0.66	-	-
	0.52	0.66	700.50	0.13
Amount disclosed under non-current assets (note 13)	(0.52)	(0.66)	-	-
	-	-	1,096.37	573.42

NOTE - 18 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Interest accrued on investments	0.32	0.11
Unbilled revenue	225.99	302.36
	<u>226.31</u>	<u>302.47</u>

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Revenue from power supply	7,879.20	7,445.78
Other operating income		
Street lighting maintenance contracts	6.10	5.21
Hire of meters	45.47	43.73
Provision of earlier years written back	18.93	34.80
Provision for doubtful debts no longer required	46.25	0.48
Provision for doubtful advances no longer required	5.07	4.21
Recovery of bad debts	7.03	9.04
Insurance claim receipt	2.68	0.95
Income from Certified Emission Reduction (CERs)	41.45	321.69
Income from Renewable Energy Certificate & Generation Based Incentive	11.25	0.74
Miscellaneous income	66.44	48.98
	<u>250.67</u>	<u>469.83</u>
	<u>8,129.87</u>	<u>7,915.61</u>

NOTE - 20 : OTHER INCOME

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest income from		
Deposits	57.95	55.48
Consumers	14.30	10.80
Contingency reserve investments	0.16	0.43
Others	2.18	3.90
	<u>74.59</u>	<u>70.61</u>
Miscellaneous income	31.89	13.95
Profit on sale of fixed assets	1.48	0.34
Profit on sale of current investments	31.56	19.03
Net gain / (loss) on foreign currency transactions	0.58	0.12
	<u>140.10</u>	<u>104.05</u>

NOTE - 21 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Salaries, wages and bonus	314.41	314.87
Contribution to provident and other funds	16.36	15.41
Employees welfare expenses	10.97	9.10
Gratuity and leave encashment	20.63	17.35
	<u>362.37</u>	<u>356.73</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	113.37	115.02
	<u>249.00</u>	<u>241.71</u>

NOTE - 22 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Fuel	2,245.85	2,427.26
Consumption of stores and spares	230.41	204.20
Rent and hire charges	5.85	5.52
Repairs to		
Buildings	8.90	11.33
Plant and machinery	202.93	238.55
Others	7.32	7.88
	<u>219.15</u>	<u>257.76</u>
Insurance	14.13	14.59
Rates and taxes	19.55	13.12
Miscellaneous expenses	137.06	133.47
Discount for prompt payment of bills	39.77	47.48
Loss on sale of fixed assets	11.52	19.34
Commission to non executive directors	1.03	0.55
Auditors remuneration	0.62	0.62
Legal, professional and consultancy fees	13.71	10.32
Donations	22.25	16.68
Bad debts written off	63.90	10.59
Provision for doubtful debts	51.92	24.80
	<u>3,076.72</u>	<u>3,186.30</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	47.79	48.17
	<u>3,028.93</u>	<u>3,138.13</u>

NOTE - 23 : FINANCE COST

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest expense		
Term loans	329.26	287.05
Non convertible debentures	29.74	-
Working capital loan	0.03	0.05
Security deposits from consumers	42.03	22.44
Others	1.54	0.46
Other borrowing cost	5.88	1.97
	<u>408.48</u>	<u>311.97</u>

OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
24. Estimated amount of contracts remaining to be executed on capital accounts (Net of Advances)	670.72	612.19
Other commitments :		
Financial commitment by way of equity contribution in subsidiary company Torrent Energy Ltd.	510.85	855.82

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
25. Contingent Liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	110.64	121.08
(ii) Disputed income-tax matters	31.48	21.04
(iii) Disputed sales-tax matters	-	0.02
(iv) Disputed custom duty matters	0.28	0.44
(v) Disputed stamp duty matters	0.37	0.37
(vi) Claims not acknowledged as debt	1.45	-
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.		

26. The Company has given Loans and Advances to its subsidiary companies and associate company as under

(₹ in Crore)

Name of Company	Maximum amount outstanding during the year	As at 31 st March, 2013	As at 31 st March, 2012
Subsidiary Companies			
Torrent Energy Limited	25.92	23.15	23.34
Torrent Pipavav Generation Limited	48.58	48.58	38.87
		<u>71.73</u>	<u>62.21</u>
Associate Company			
AEC Cements & Constructions Limited	3.30	3.10	3.30
		<u>3.10</u>	<u>3.30</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.			

27. Capitalization of expenditure incurred during the year is as under:

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Pre-operative expenditure		
Opening balance	11.99	4.14
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	1.68	1.81
Repairs and maintenance	-	0.07
Miscellaneous expenses	1.12	0.15
Legal, professional and consultancy fees	2.67	4.11
Registration, filing and legal fees	0.01	1.73
Traveling expenses	0.09	0.09
Vehicle hiring charges	0.01	0.05
Security trusteeship service expenses	0.01	0.01
Printing, stationery, postage and telephone	-	*
Upfront fees	0.93	0.25
Finance cost	0.35	0.62
Advertisement expenses	0.12	0.09
Commissioning gas and power	179.08	-
Total expenditure incurred during the year	186.07	8.98
Less: Capitalized during the year	-	1.13
Less: Sale of infirm power	32.94	-
Grand total	165.12	11.99

28. (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, 2013 is ₹ Nil (Previous year ₹ Nil).

(ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2013 is as under :

(in Crore)

	Currency	As at 31 st March, 2013	As at 31 st March, 2012
Loan	USD	5.21	8.55
Interest payable	USD	0.01	0.03
Trade payable	USD	0.09	0.56
Capital Liability	USD	1.55	1.58
Trade payable	EURO	0.35	1.04
Trade receivable	EURO	-	0.27

29. Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under MSMED Act, 2006 is ₹ 1.73 Crore (Previous Year ₹ 2.73 Crore). Interest paid or payable under MSMED Act, 2006 during the year is ₹ 0.01 Crore (Previous year ₹ 0.03 Crore).

30. The Company's significant leasing arrangements are in respect of residential flats, office premises, plant and machinery and equipment's 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.

31. Employee benefits

The 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 Crore)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	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	70.69	176.61	66.74	169.55
Current service cost	6.07	9.62	7.61	9.05
Interest cost	5.35	15.01	4.95	13.72
Actuarial (gain) / loss	(1.43)	0.63	(4.60)	(1.17)
Benefits paid directly by employer	-	(18.02)	-	-
Benefits paid	(6.82)	(0.54)	(4.01)	(14.54)
Obligations at the end of the year	73.86	183.31	70.69	176.61
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	-	140.40	-	115.52
Expected return on plan assets	-	12.05	-	10.97
Actuarial gain / (loss)	-	2.64	-	1.26
Contributions	-	15.00	-	27.19
Benefits paid	-	(0.54)	-	(14.54)
Plan assets at the end of the year, at fair value	-	169.55	-	140.40
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	73.86	183.31	70.69	176.61
Plan assets at the end of the year, at fair value	-	169.55	-	140.40
Liability recognized in balance sheet as at 31st March, 2013	73.86	13.76	70.69	36.21
d. Cost for the year:				
Current service cost	6.07	9.62	7.61	9.05
Interest cost	5.35	15.01	4.95	13.72
Expected return on plan assets	-	(12.05)	-	(10.97)
Net actuarial (gain) / loss	(1.43)	(2.01)	(4.60)	(2.43)
Net cost – included in note 21 of the statement of profit and loss	9.99	10.57	7.96	9.37

(₹ in Crore)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012		
	Leave encashment	Gratuity	Leave encashment	Gratuity	
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	8.00%	8.00%	8.50%	8.50%	
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 st March, 2013)	-	8.70%	-	9.50%	
g. Actual return on plan assets		14.69		12.23	
h. Expected Contribution for next year		13.76		16.87	
i. Note:					
The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.					
j. Current year and past four years data for defined benefit obligation and fair value of plan					
	2008-09	2009-10	2010-11	2011-12	2012-13
Present value of defined benefit obligations at the end of the period (independent actuary)	195.73	179.40	236.29	247.30	257.17
Fair value of plan assets at the end of the year	77.36	94.50	115.52	140.40	169.55
Net assets / (liability) at the end of year	(118.37)	(84.90)	(120.77)	(106.90)	(87.62)

32. Auditors remuneration

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Audit fees	0.41	0.38
Tax audit fees	0.04	0.04
Other services – certificates etc.	0.09	0.13
Reimbursement of expenses	0.01	0.01
For service tax	0.07	0.06
	<u>0.62</u>	<u>0.62</u>

33. C.I.F. value of imports

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Components, stores, fuel and spare parts	162.79	250.74
Capital goods	121.14	401.11

34. Expenditure in foreign currency

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Subscription	0.08	0.06
Traveling	0.50	0.51
Professional and consultation fees	0.22	0.11
Others	3.07	4.69
	<u>3.87</u>	<u>5.37</u>

35. Earnings in foreign currency

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Gross proceeds from carbon credits	44.99	324.99
	<u>44.99</u>	<u>324.99</u>

Gross proceeds of carbon credits (CERs) from SUGEN amount to ₹ 44.99 Crore (Previous year ₹ 324.99 Crore) out of which ₹ 3.54 Crore (Previous year ₹ 3.30 Crore) is provided as sharable with long term beneficiaries in accordance with Central Electricity Regulatory Commission (CERC) (Terms and Conditions of Tariff) regulation dated 19th January 2009.

36. Certified Emission Reduction (CER)

	As at 31 st March, 2013	As at 31 st March, 2012
No. of CERs Inventory	18,89,635	475
No. of CERs under certification	875,379	-
Depreciation and operating & maintenance costs@	-	-

@ Depreciation and other maintenance cost is not ascertainable.
Inventories of CERs are valued at cost or market price whichever is lower.

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

	Year ended 31 st March, 2013		Year ended 31 st March, 2012	
	₹ in Crore	%	₹ in Crore	%
Imported	562.63	22.72	612.02	23.26
Indigenous	1,913.63	77.28	2,019.44	76.74
	<u>2,476.26</u>	<u>100.00</u>	<u>2,631.46</u>	<u>100.00</u>

38. Quantitative information

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Units supplied (million kWh)	14,009	14,983
Units procured (million kWh)	9,672	6,890

39. Deferred tax

(₹ in Crore)

	As at 31 st March, 2013		As at 31 st March, 2012	
	Asset	Liability	Asset	Liability
Depreciation		599.13		495.89
Provision for gratuity and superannuation	4.14		11.47	
Leave encashment	20.14		17.11	
Municipal taxes	-		3.15	
Provision for works contract	-		0.40	
Provision for wages and bonus	0.13		0.15	
Provision for short term leave	-		0.06	
	24.41	599.13	32.34	495.89
Net deferred tax (asset) / liability		574.72		463.55

40. Earnings per share

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Profit after tax (₹ in Crore)	384.96	1,237.46
No. of equity shares	47,24,48,308	47,24,48,308
Basic and diluted earnings per share (₹)	8.15	26.19

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 ₹ 22.98 Crore (Previous year: ₹ 23.07 Crore) to the cost of Capital work in progress / plant and equipments.

43. Related party disclosures

(₹ in Crore)

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Subsidiaries		Key management personnel		Enterprises controlled by key management personnel/ Relatives of key management personnel		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
A) Nature of Transactions														
Purchase of materials	1.91	1.75	-	-	138.74	159.54	-	-	-	-	-	-	140.65	161.29
AEC Cements & Constructions Ltd.	1.91	1.75	-	-	-	-	-	-	-	-	-	-	1.91	1.75
Torrent Cables Ltd	-	-	-	-	138.46	159.20	-	-	-	-	-	-	138.46	159.20
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.28	0.34	-	-	-	-	-	-	0.28	0.34
Sale of power	-	-	-	-	-	-	-	0.11	-	-	-	-	-	0.11
Torrent Energy Ltd.	-	-	-	-	-	-	-	0.11	-	-	-	-	-	0.11
Interest income	-	-	-	-	-	-	-	0.25	-	-	-	-	0.25	-
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	0.25	-	-	-	-	0.25	-
Services Received	-	-	-	-	0.58	3.88	-	27.81	-	1.82	1.55	-	2.40	33.24
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	27.81	-	-	-	-	-	27.81
Torrent Cables Ltd.	-	-	-	-	0.58	3.88	-	-	-	-	-	-	0.58	3.88
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	1.55	1.23	-	1.55	1.23
Munjal Bhatt Associates	-	-	-	-	-	-	-	-	-	0.27	0.23	-	0.27	0.23
Varun Mehta	-	-	-	-	-	-	-	-	-	-	0.09	-	-	0.09
Shared expenditure	-	-	-	-	0.41	-	3.11	3.40	-	-	-	-	3.52	3.40
Torrent Energy Ltd.	-	-	-	-	-	-	2.47	3.04	-	-	-	-	2.47	3.04
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	0.64	0.36	-	-	-	-	0.64	0.36
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.35	-	-	-	-	-	-	-	0.35	-
Heumann Pharma GmbH & Co.	-	-	-	-	0.06	-	-	-	-	-	-	-	0.06	-
Managerial remuneration	-	-	-	-	-	-	-	-	25.32	37.58	-	-	25.32	37.58
Sudhir Mehta (Chairman)	-	-	-	-	-	-	-	-	0.03	9.51	-	-	0.03	9.51
Samir Mehta (Executive Vice Chairman)	-	-	-	-	-	-	-	-	-	7.50	-	-	-	7.50
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	-	-	15.67	12.54	-	-	15.67	12.54
Murli Ranganathan (Whole-time Director)	-	-	-	-	-	-	-	-	6.01	5.52	-	-	6.01	5.52
T. P. Vijayarathay (Whole-time Director)	-	-	-	-	-	-	-	-	3.61	2.51	-	-	3.61	2.51
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to funds (net)	-	-	18.85	16.20	-	-	-	-	-	-	-	-	18.85	16.20
TPL (Ahmedabad) Gratuity Trust	-	-	12.93	10.95	-	-	-	-	-	-	-	-	12.93	10.95
TPL (Ahmedabad) Superannuation Fund	-	-	2.39	2.00	-	-	-	-	-	-	-	-	2.39	2.00
TPL (Surat) Gratuity Trust	-	-	1.87	1.68	-	-	-	-	-	-	-	-	1.87	1.68
TPL (Surat) Superannuation Fund	-	-	0.64	0.55	-	-	-	-	-	-	-	-	0.64	0.55
TPL (SUGEN) Gratuity Trust	-	-	0.59	0.69	-	-	-	-	-	-	-	-	0.59	0.69
TPL (SUGEN) Superannuation Fund	-	-	0.43	0.33	-	-	-	-	-	-	-	-	0.43	0.33

43. Related party disclosures (Contd.)

(₹ in Crore)

	Associates		Enterprises controlled by the Company		Holding Company/ enterprises controlled by the holding Company		Subsidiaries		Key management personnel		Enterprises controlled by key management personnel/ Relatives of key management personnel		Total	
	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12
Equity contribution														
Torrent Energy Ltd.	-	-	-	-	-	-	344.97	189.05	-	-	-	-	344.97	189.05
Advance given														
Torrent Energy Ltd.	-	-	-	-	0.02	-	30.10	25.53	-	-	-	-	30.10	25.53
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-
Advance received/recovered														
AEC Cements & Constructions Ltd.	0.20	-	-	-	0.02	-	29.46	22.95	-	-	-	-	29.68	22.95
Torrent Energy Ltd.	0.20	-	-	-	-	-	29.46	22.95	-	-	-	-	0.20	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-
Loan given														
Torrent Power Grid Ltd.	-	-	-	-	-	-	21.18	100.06	-	-	-	-	21.18	100.06
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	7.50	-	-	-	-	-	7.50	-
Torrent Energy Limited	-	-	-	-	-	-	9.07	38.50	-	-	-	-	9.07	38.50
Loan received back														
Torrent Power Grid Ltd.	-	-	-	-	-	-	15.40	57.70	-	-	-	-	15.40	57.70
Torrent Energy Ltd.	-	-	-	-	-	-	7.50	-	-	-	-	-	7.50	-
Sale of fixed assets														
Torrent Pharmaceuticals Ltd	-	-	-	-	0.09	-	7.90	57.70	-	-	-	-	7.90	57.70
Torrent Pharmaceuticals Ltd	-	-	-	-	0.09	-	-	-	-	-	-	-	0.09	-
B) Balance at the end of the period														
Current liability														
AEC Cements & Constructions Ltd.	0.04	0.34	-	-	21.43	27.82	5.54	-	-	-	-	-	21.47	33.70
Torrent Cables Ltd.	0.04	0.34	-	-	-	-	-	-	-	-	-	-	0.04	0.34
Torrent Pharmaceuticals Ltd	-	-	-	-	21.36	27.80	-	-	-	-	-	-	21.36	27.80
Torrent Power Grid Ltd.	-	-	-	-	0.01	0.02	-	-	-	-	-	-	0.01	0.02
Heumann Pharma GmbH & Co.	-	-	-	-	0.06	-	-	5.54	-	-	-	-	-	5.54
TPL (SUGEN) Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equities														
Torrent Power Grid Ltd	0.63	0.63	-	-	-	-	1378.12	1,033.15	-	-	-	-	1378.75	1,033.78
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	66.60	66.60	-	-	-	-	66.60	66.60
Torrent Energy Ltd.	-	-	-	-	-	-	47.50	47.50	-	-	-	-	47.50	47.50
AEC Cements & Constructions Ltd.	0.61	0.61	-	-	-	-	1,264.02	919.05	-	-	-	-	1,264.02	919.05
Tidong Hydro Power Ltd.	0.02	0.02	-	-	-	-	-	-	-	-	-	-	0.61	0.61
Loans & advances														
Torrent Pipavav Generation Ltd.	3.10	3.30	-	-	-	0.31	71.73	62.21	-	-	-	-	74.83	65.82
Torrent Energy Ltd.	-	-	-	-	-	-	48.58	38.87	-	-	-	-	48.58	38.87
AEC Cements & Constructions Ltd.	3.10	3.30	-	-	-	-	23.15	23.34	-	-	-	-	23.15	23.34
Torrent Power Services Pvt. Ltd.	-	-	-	-	-	0.31	-	-	-	-	-	-	3.10	3.30
	-	-	-	-	-	-	-	-	-	-	-	-	-	0.31

43. Related party disclosures (Contd.)

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	<table border="1"> <thead> <tr> <th>Sudhir Mehta Chairman</th> <th>Samir Mehta Executive Vice Chairman</th> <th>Markand Bhatt Whole-time Director</th> <th>Murli Ranganathan Whole-time Director</th> <th>T.P. Vijayasarathy Whole-time Director</th> </tr> </thead> <tbody> <tr> <td>Anita Mehta, Wife Shardaben Mehta, Mother</td> <td>Sapna Mehta, Wife Shardaben Mehta, Mother</td> <td>Nandini Bhatt, Wife Arvindbhai Bhatt, Brother</td> <td>Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father</td> <td>Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother</td> </tr> <tr> <td>Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son</td> <td>Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son</td> <td>Maitiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son</td> <td>Kaushalya Ranganathan, Mother R.Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter</td> <td>Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter</td> </tr> </tbody> </table>	Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murli Ranganathan Whole-time Director	T.P. Vijayasarathy Whole-time Director	Anita Mehta, Wife Shardaben Mehta, Mother	Sapna Mehta, Wife Shardaben Mehta, Mother	Nandini Bhatt, Wife Arvindbhai Bhatt, Brother	Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father	Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother	Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Maitiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son	Kaushalya Ranganathan, Mother R.Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter	Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter
Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murli Ranganathan Whole-time Director	T.P. Vijayasarathy Whole-time Director												
Anita Mehta, Wife Shardaben Mehta, Mother	Sapna Mehta, Wife Shardaben Mehta, Mother	Nandini Bhatt, Wife Arvindbhai Bhatt, Brother	Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father	Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother												
Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Maitiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son	Kaushalya Ranganathan, Mother R.Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter	Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter												
6. Relatives of key management Personnel																
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, Shri Vadgam Mahal Kelavani Mandal															

44. Donation include political contribution as under:-

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
1 Bhartiya Janata Party	6.58	2.00
2 Indian National Congress	3.50	-

45. Previous year figures

Previous year's figures have been restated / recast, wherever necessary, to conform to this year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50,000 are denoted by '*'.

Signature to Note 1 to 45

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

Consolidated Financial Statements 2012-13

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
TORRENT POWER LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TORRENT POWER LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) 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
- (c) 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
(Firm Registration No. 117365W)

Ahmedabad
29th May, 2013

Hemendra L. Shah
Partner
(Membership No. 33590)

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2013

(₹ in Crore)

	Note	As at 31 st March, 2013	As at 31 st March, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,630.55	5,286.22
		6,103.00	5,758.67
Minority interest		31.75	31.64
Non-current liabilities			
Long-term borrowings	4	6,016.85	4,872.81
Deferred tax liabilities (Net)	33	579.32	464.65
Other long term liabilities	5	739.47	644.74
Long-term provisions	6	66.97	87.61
		7,402.61	6,069.81
Current liabilities			
Short-term borrowings	7	161.76	-
Trade payables	8	633.15	673.17
Other current liabilities	9	2,803.91	1,151.20
Short-term provisions	6	142.24	238.45
		3,741.06	2,062.82
		17,278.42	13,922.94
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		7,733.37	7,539.95
Intangible assets		14.87	17.96
Capital work-in-progress		6,160.42	3,442.41
Intangible assets under development		2.65	3.04
		13,911.31	11,003.36
Goodwill on consolidation	27	10.00	10.00
Non-current investments	11	1.01	1.71
Long-term loans and advances	12	492.37	628.81
Other non-current assets	13	7.17	7.38
		14,421.86	11,651.26
Current assets			
Current investments	14	365.83	256.37
Inventories	15	244.58	299.89
Trade receivables	16	756.06	650.24
Cash and bank balances	17	1,114.18	590.90
Short-term loans and advances	12	145.80	147.24
Other current assets	18	230.11	327.04
		2,856.56	2,271.68
		17,278.42	13,922.94

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Note	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Income			
Revenue from operations	19	8,221.01	7,953.54
Other income	20	143.52	109.56
Total revenue		8,364.53	8,063.10
Expenses			
Electrical energy purchased		3,584.65	2,258.29
Employee benefits expense	21	250.19	244.51
Operation and other expenses	22	3,035.41	3,142.61
Finance costs	23	437.58	336.25
Depreciation and amortization expense		451.90	402.96
Transfer from service line contribution, APDRP grant and others		(24.71)	(19.06)
		427.19	383.90
Total expenses		7,735.02	6,365.56
Profit before tax		629.51	1,697.54
Tax expenses			
Current tax		127.46	341.34
Deferred tax		114.67	103.23
Short / (excess) provision of current tax for earlier years		0.46	(2.35)
		242.59	442.22
Profit after tax		386.92	1,255.32
Minority interest		0.22	2.73
Profit after tax and minority interest		386.70	1,252.59
Basic and diluted earnings per share of face value of ₹ 10 each (in ₹)	34	8.19	26.51
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Cash flow from operating activities		
Net profit before tax	629.51	1,697.54
Adjustments for:		
Depreciation and amortization	427.19	383.90
Provision of earlier years written back	(18.93)	(34.80)
Provisions for doubtful debts no longer required	(46.25)	(0.48)
Provisions for doubtful advances no longer required	(5.07)	(4.21)
Loss on sale of fixed assets	11.55	19.36
Profit on sale of fixed assets	(1.48)	(0.34)
Provision for doubtful debts	51.92	24.80
Finance cost	437.58	336.25
Interest income	(75.48)	(72.92)
Dividend income	(1.59)	(2.17)
Operating profit before working capital changes	1,408.95	2,346.93
Movement in working capital:		
Increase / (decrease) in trade payables	(45.55)	(72.33)
Increase / (decrease) in long-term provisions	(20.64)	(16.43)
Increase / (decrease) in short-term provisions	9.60	2.52
Increase / (decrease) in other current liabilities	60.52	74.05
Increase / (decrease) in other long-term liabilities	293.46	(15.74)
Decrease / (increase) in trade receivables	(105.96)	(168.92)
Decrease / (increase) in inventories	55.31	(36.30)
Decrease / (increase) in long-term loans and advances	(14.60)	(5.89)
Decrease / (increase) in short-term loans and advances	9.56	22.12
Decrease / (increase) in other current assets	96.81	(218.88)
Cash generated from operations	1,747.46	1,911.13
Taxes paid	(156.09)	(313.85)
Net Cash flow from operating activities	1,591.37	1,597.28
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(3,297.82)	(3,216.96)
Long-term loans and advances for capital assets	151.04	117.46
Sale of fixed assets	4.77	1.70
Purchase of non-current investments	(0.99)	-
Sale of current investments	1.50	2.60
Investments in bank deposits (having maturity more than three months)	(698.89)	-
Redemption of bank deposits (having maturity more than three months)	-	188.89
Redemption of bank deposits (having maturity more than twelve months)	0.14	-
Interest received	75.09	72.61
Dividend received	1.59	2.17
Net cash used in investing activities	(3,763.57)	(2,831.53)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Cash flow from financing activities		
Proceeds from long-term borrowings	3,665.62	2,780.67
Proceeds from short-term borrowings	161.76	50.00
Repayment of long-term borrowings	(1,187.35)	(723.91)
Repayment of short-term borrowings	-	(235.96)
Repayment of APDRP loan	(3.82)	(3.82)
Service line contribution	94.04	105.82
Dividend paid	(191.38)	(464.16)
Finance cost paid	(433.57)	(345.06)
Net cash generated from / (used) in financing activities	2,105.30	1,163.58
Net (decrease) / increase in cash and cash equivalents	(66.90)	(70.67)
Cash and cash equivalents as at beginning of the year	844.41	915.08
Cash and cash equivalents as at end of the year	777.51	844.41
See accompanying notes forming part of the consolidated financial statements		
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash on hand	1.11	0.78
Cheques / Drafts on hand	1.87	2.90
With banks		
On current account	115.91	98.02
On deposit account	288.37	482.54
On unpaid dividend account	6.11	5.31
Cash and cash equivalents (note 17)	413.37	589.55
Current investments (investments in mutual funds) (note 14)	364.14	254.86
	<u>777.51</u>	<u>844.41</u>
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 ₹ 424.23 Crore (Previous year ₹ 204.11 Crore).		
4. Proceeds and Repayment of long-term borrowings includes refinance of loan of ₹ 337.98 Crore and conversion of buyers' credit into term loan of ₹ 312.15 Crore.		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of consolidated financial statements:

The consolidated financial statements have been prepared by consolidating financial statements of the 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). 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 Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Authorised		
2,00,00,00,000 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		
47,24,48,308 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 :		
	No. of shares As at 31 st March, 2013	No. of shares As at 31 st March, 2012
At the beginning of the year	47,24,48,308	47,24,48,308
Issued during the year	-	-
Outstanding at the end of the year	<u>47,24,48,308</u>	<u>47,24,48,308</u>
2 25,24,38,986 equity shares (24,94,48,986 equity shares as at 31 st March, 2012) 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, except in case interim dividend.		
Dividend amount per share recognized as distributions to equity shareholders is ₹ 2.00 per equity share during the year ended 31 st March, 2013 (Previous year : ₹ 6.50 per equity share).		
In the Event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
4 Details of shareholders holding more than 5% shares in the Company :		
Name of the Shareholder	As at 31 st March, 2013	As at 31 st March, 2012
	No. of shares % holding	No. of shares % holding
Torrent Private Limited	25,24,38,986 53.43%	24,94,48,986 52.80%
Gujarat State Investment Limited	4,68,71,621 9.92%	4,68,71,621 9.92%
Life insurance Corporation of India	4,33,38,349 9.17%	4,33,65,318 9.18%

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Capital reserves		
Service line contributions		
As per last balance sheet	398.96	309.39
Add: Received during the year	94.04	105.82
	493.00	415.21
Less: Transfer to statement of profit and loss	21.72	16.25
	471.28	398.96
Less: Share of minority	1.73	1.84
	469.55	397.12
Grant in Aid under Accelerated Power Development and Reform Programme (APDRP)		
As per last balance sheet	43.28	46.02
Less: Transfer to statement of profit and loss	2.71	2.74
	40.57	43.28
Debenture redemption reserve		
As per last balance sheet	-	-
Add: Transfer from statement of profit and loss	23.81	-
	23.81	-
Statutory reserves		
Contingency reserve		
As per last balance sheet	60.67	60.49
Add: Transfer from statement of profit and loss	1.00	1.00
	61.67	61.49
Less: Loss on sale of Investment	0.01	0.82
	61.66	60.67
Tariffs and dividends control reserve		
As per last balance sheet	11.59	11.59
Consumer benefit reserve		
As per last balance sheet	44.82	-
Add: Transfer from general reserve	33.25	44.82
	78.07	44.82
Other reserves		
General reserve		
As per last balance sheet	3,484.18	3,029.00
Add: Transfer from statement of profit and loss	28.87	500.00
Less: Transfer to consumer benefit reserve	33.25	44.82
	3,479.80	3,484.18
Surplus in the statement of profit and loss		
As per last balance sheet	1,244.56	849.87
Add: Profit after tax and minority interest for the year	386.70	1,252.59
	1,631.26	2,102.46
Less: Appropriations		
Transfer to contingency reserve	1.00	1.00
Transfer to general reserve	28.87	500.00
Transfer to debenture redemption reserve	23.81	-
Interim dividend	-	141.73
Corporate dividend tax on interim dividend	-	22.99
Proposed dividend	94.49	165.35
Corporate dividend tax on proposed dividend	17.59	26.83
Total appropriations	165.76	857.90
Net surplus in the statement of profit and loss	1,465.50	1,244.56
	5,630.55	5,286.22

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

	Non-current		Current maturities	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Secured loans				
Non convertible debentures				
10.35% Series 1	550.00	-	-	-
10.10% Series 2A, 2B & 2C	300.00	-	-	-
	<u>850.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Term loans				
From banks	3,472.93	2,522.49	330.38	393.58
From financial institutions	1,650.35	1,409.91	113.04	143.64
	<u>5,123.28</u>	<u>3,932.40</u>	<u>443.42</u>	<u>537.22</u>
Buyers' credit from banks	-	893.02	1,424.21	-
	<u>5,973.28</u>	<u>4,825.42</u>	<u>1,867.63</u>	<u>537.22</u>
Unsecured loans				
Term loans				
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	43.57	47.39	3.82	3.82
	<u>43.57</u>	<u>47.39</u>	<u>3.82</u>	<u>3.82</u>
	<u>6,016.85</u>	<u>4,872.81</u>	<u>1,871.45</u>	<u>541.04</u>
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	1,871.45	541.04
	<u>6,016.85</u>	<u>4,872.81</u>	<u>-</u>	<u>-</u>

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Trade payables	191.50	19.75
Others		
Security deposits from consumers	545.76	423.87
Payables on purchase of fixed assets	1.32	200.05
Sundry payables	0.89	1.07
	<u>739.47</u>	<u>644.74</u>

NOTE - 6 : PROVISIONS

(₹ in Crore)

	Long-term		Short-term	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Provision for employee benefits (note 31)				
Provision for gratuity	0.47	19.43	14.20	17.05
Provision for leave encashment	66.50	68.18	9.04	3.51
	66.97	87.61	23.24	20.56
Other provisions				
Provision for taxation (net of advance tax and TDS)	-	-	-	25.13
Provision for indirect tax	-	-	6.92	0.58
Proposed dividend	-	-	94.49	165.35
Provision for corporate dividend tax	-	-	17.59	26.83
	-	-	119.00	217.89
	66.97	87.61	142.24	238.45

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Secured loans		
Buyers' credit from Banks	161.76	-
Cash credit from banks	-	-
	161.76	-

NOTE - 8 : TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Trade payables for goods and services	633.15	673.17
	633.15	673.17

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Current maturities of long-term debt (note 4)	1,871.45	541.04
Interest accrued but not due on loans and security deposit	26.58	18.00
Investor education and protection fund shall be credited by the following * :		
Unpaid / Unclaimed dividend	6.11	5.31
Other payables		
Credit balances of consumers	44.33	40.77
Service line and security deposits from consumers	118.13	86.95
Consumers' benefit account	12.01	12.01
Deposits	4.39	5.47
Statutory dues	16.10	12.00
Payables on purchase of fixed assets	582.40	311.37
Sundry payables	122.41	118.28
	2,803.91	1,151.20

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

NOTE - 10 : FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
	As at 1 st April, 2012	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2013	As at 1 st April, 2012	For the year	Deductions during the year	As at 31 st March, 2013	As at 31 st March, 2013	As at 31 st March, 2012
I. Tangible assets											
Land											
(a) Freehold	154.94	85.78	-	-	240.72	-	-	-	-	240.72	154.94
(b) Leasehold	157.08	0.96	-	-	158.04	11.99	4.25	-	16.24	141.80	145.09
Buildings	792.57	56.39	0.22	-	848.74	88.64	31.41	0.02	120.03	728.71	703.93
Railway siding	2.34	-	-	-	2.34	0.44	0.04	-	0.48	1.86	1.90
Plant and machinery											
(a) Steam Station	2,849.59	1.20	-	-	2,850.79	531.66	141.90	-	673.56	2,177.23	2,317.93
(b) Others including switchgears and transformers	2,544.44	179.39	21.75	3.06	2,705.14	588.47	136.78	9.63	715.62	1,989.52	1,955.97
Transmission and distribution systems											
(a) Overhead	760.77	32.69	0.26	0.70	793.90	146.97	43.09	0.05	190.01	603.89	613.80
(b) Underground	1,963.34	274.54	1.29	3.58	2,240.17	433.61	73.41	0.37	506.65	1,733.52	1,529.73
Electrical fittings and apparatus	58.89	4.05	0.09	0.01	62.86	14.11	3.92	0.04	17.99	44.87	44.78
Furniture and fixtures	25.54	2.38	0.06	-	27.86	7.88	1.90	0.01	9.77	18.09	17.66
Office equipments	67.29	6.91	0.12	-	74.08	27.79	6.56	0.04	34.31	39.77	39.50
Vehicles	24.57	2.71	3.64	-	23.64	9.85	2.78	2.38	10.25	13.39	14.72
Total (I)	9,401.36	647.00	27.43	7.35	10,028.28	1,861.41	446.04	12.54	2,294.91	7,733.37	7,539.95
II. Intangible assets											
Software (Acquired)	31.28	7.09	-	-	38.37	13.32	10.18	-	23.50	14.87	17.96
Total (II)	31.28	7.09	-	-	38.37	13.32	10.18	-	23.50	14.87	17.96
Total (I+II)	9,432.64	654.09	27.43	7.35	10,066.65	1,874.73	456.22	12.54	2,318.41	7,748.24	
Previous Year	8,528.07	926.81	33.02	10.78	9,432.64	1,480.34	406.71	12.32	1,874.73		7,557.91
III. Capital work-in-progress										6,160.42	3,442.41
IV. Intangible assets under development										2.65	3.04
										13,911.31	11,003.36

Notes:

- Adjustments during the year includes borrowing costs of ₹ 7.35 Crore (Previous year ₹ 10.78 Crore) and Capital work-in-progress includes borrowing costs of ₹ 416.88 Crore (Previous year ₹ 193.33 Crore) incurred during the year, which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".
- Capital work-in-progress include Pre-operative expenditure of ₹ 260.65 Crore (Previous year ₹ 61.80 Crore) (note 28).
- The Company has leased a portion of its land to AEC Cements & Constructions Limited.
- Land includes freehold land amounting to ₹ 0.04 Crore (31st March, 2012 ₹ 0.04 Crore) and leasehold land amounting to ₹ 17.54 Crore (31st March, 2012 ₹ 17.15 Crore) for which documentations are in progress.
- Freehold land includes pro rata cost of land amounting to ₹ 23.78 Crore (31st March, 2012 ₹ 23.78 Crore) owned jointly in equal proportion with, a Company under same management, Torrent Pharmaceuticals Limited.
- Freehold land includes pro rata cost of land amounting to ₹ 83.16 Crore (31st March, 2012 ₹ Nil) and Building includes pro rata cost of building amounting to ₹ 0.25 Crore (31st March, 2012 ₹ Nil) owned jointly in 70:30 proportion with, a Company under same management, Torrent Pharmaceuticals Limited.

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2013	No. of units As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
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	6,11,500	6,11,500	0.61	0.61
Less: Provision for diminution in value of investment			0.61	0.61
			0.02	0.02
Non trade investments (valued at cost unless stated otherwise)				
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			-	1.69
8.28% GOI Bond - 2032			0.99	-
			0.99	1.69
			1.01	1.71
Aggregate amount of quoted investments			0.99	1.69
Aggregate amount of unquoted investments			0.02	0.02
			1.01	1.71
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			1.01	1.63

NOTE - 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Capital advances	455.35	606.39	-	-
Deposits	1.90	1.90	26.90	1.74
Loans and advance to related parties				
Considered good	-	-	-	0.31
Considered doubtful	-	-	3.10	3.30
	-	-	3.10	3.61
Less: Provision for doubtful advance to related parties	-	-	3.10	3.30
	-	-	-	0.31
Advances recoverable in cash or in kind or for value to be received				
Considered good	34.12	19.51	112.25	142.04
Considered doubtful	-	-	-	4.87
	34.12	19.51	112.25	146.91
Less: Provision for doubtful advances	-	-	-	4.87
	34.12	19.51	112.25	142.04
Other loans and advances				
Advance tax & tax deducted at source (Net of provision for income tax)	-	-	3.05	-
Balances with government authority	1.00	1.01	0.14	0.14
Prepaid expenses	-	-	3.46	3.01
	1.00	1.01	6.65	3.15
	492.37	628.81	145.80	147.24

NOTE - 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Interest accrued on deposits	0.64	0.16
Non-current bank fixed deposits balance (note 17)	6.53	7.22
	7.17	7.38

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2013	No. of units As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Investment in mutual fund (unquoted)				
Birla Sun Life Cash Plus (of ₹ 100 each)	53,45,194	60,54,388	100.21	102.68
IDFC Cash Fund - Plan C - Super IP - Growth (of ₹ 100 each)	7,26,421	-	103.38	-
IDFC Cash Fund - Plan C - Super IP - Dividend (of ₹ 1,000 each)	71,429	1,21,976	7.14	12.20
ICICI Pru.Inst. Liquid Plan (of ₹ 100 each)	12,18,397	78,51,968	12.19	114.98
Kotak Liquid fund (of ₹ 10 each)	1,51,896	-	36.00	-
SBI Magnum Insta Cash Fund - Liquid Floater (of ₹ 1,000 each)	1,24,686	-	25.00	-
SBI Premier Liquid Fund (of ₹ 1,000 each)	3,62,773	88,991	66.61	15.00
Tata Liquid SHIP (of ₹ 1,000 each)	-	50,517	-	10.00
Tata Liquid SHIP Daily Dividend (of ₹ 1,000 each)	1,22,144	-	13.61	-
[Aggregate NAV of investments in mutual funds ₹ 365.07 Crore (31 st March, 2012 - ₹ 256.61 Crore)]			364.14	254.86
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			1.69	-
6.85% GOI Bond - 2012			-	1.51
			1.69	1.51
			365.83	256.37
Aggregate amount of quoted investments			1.69	1.51
Aggregate amount of unquoted investments			364.14	254.86
			365.83	256.37
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			1.65	1.51

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Coal, oil, stores and spares	244.18	299.56
Loose tools	0.40	0.33
	244.58	299.89

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Debts outstanding for a period exceeding six months from due date		
Secured - Considered good	9.79	9.49
Unsecured - Considered good	43.96	20.81
- Considered doubtful	32.85	57.38
	<u>86.60</u>	<u>87.68</u>
Other debts		
Secured - Considered good	280.90	238.24
Unsecured - Considered good	421.41	381.70
- Considered doubtful	97.76	67.55
	<u>800.07</u>	<u>687.49</u>
Less: Provision for doubtful debts	130.61	124.93
	<u>756.06</u>	<u>650.24</u>

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2013	As at 31 st March, 2012	As at 31 st March, 2013	As at 31 st March, 2012
Cash and cash equivalents				
Balances with banks				
Balance in current accounts	-	-	115.91	98.02
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	288.37	482.54
On unpaid dividend accounts	-	-	6.11	5.31
	-	-	<u>410.39</u>	<u>585.87</u>
Cheques, drafts on hand	-	-	1.87	2.90
Cash on hand	-	-	1.11	0.78
	-	-	<u>413.37</u>	<u>589.55</u>
Other bank balances				
Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	700.81	1.35
Balance in fixed deposit accounts (remaining maturity for more than twelve months)	6.53	7.22	-	-
	<u>6.53</u>	<u>7.22</u>	<u>700.81</u>	<u>1.35</u>
Amount disclosed under non-current assets (note 13)	(6.53)	(7.22)	-	-
	<u>-</u>	<u>-</u>	<u>1,114.18</u>	<u>590.90</u>

NOTE - 18 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Interest accrued on investments	0.37	0.46
Unbilled revenue	229.74	326.58
	<u>230.11</u>	<u>327.04</u>

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Revenue from power supply	7,970.06	7,483.62
Other operating income		
Street lighting maintenance contracts	6.10	5.21
Hire of meters	45.50	43.75
Provision of earlier years written back	18.93	34.80
Provision for doubtful debts no longer required	46.25	0.48
Provision for doubtful advances no longer required	5.07	4.21
Recovery of bad debts	7.03	9.04
Insurance claim receipt	2.68	0.95
Income from Certified Emission Reduction (CERs)	41.45	321.69
Income from Renewable Energy Certificate & Generation Based Incentive	11.25	0.74
Miscellaneous income	66.69	49.05
	<u>250.95</u>	<u>469.92</u>
	<u>8,221.01</u>	<u>7,953.54</u>

NOTE - 20 : OTHER INCOME

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest income from		
Deposits	59.09	57.77
Consumers	14.30	10.80
Contingency reserve investments	0.16	0.43
Others	1.93	3.92
	<u>75.48</u>	<u>72.92</u>
Dividend on current investments	1.59	2.17
Miscellaneous income	32.52	14.46
Profit on sale of fixed assets	1.48	0.34
Profit on sale of current investments	31.87	19.55
Net gain / (loss) on foreign currency transactions	0.58	0.12
	<u>143.52</u>	<u>109.56</u>

NOTE - 21 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Salaries, wages and bonus	315.33	317.44
Contribution to provident and other funds	16.52	15.53
Employees welfare expenses	11.01	9.14
Gratuity and leave encashment	20.70	17.42
	<u>363.56</u>	<u>359.53</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	113.37	115.02
	<u>250.19</u>	<u>244.51</u>

NOTE - 22 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Fuel	2,245.85	2,427.26
Consumption of stores and spares	251.75	224.47
Rent and hire charges	6.16	5.78
Repairs to		
Buildings	8.90	11.35
Plant and machinery	205.78	240.77
Others	7.32	7.88
	<u>222.00</u>	<u>260.00</u>
Insurance	14.17	14.61
Rates and taxes	19.71	13.13
Miscellaneous expenses	139.42	134.91
Discount for prompt payment of bills	40.10	47.48
Loss on sale of fixed assets	11.55	19.36
Commission to non executive directors	1.03	0.55
Auditors remuneration	0.73	0.74
Legal, professional and consultancy fees	14.00	10.69
Donations	22.25	16.68
Bad debts written off	63.90	10.59
Provision for doubtful debts	51.92	24.80
	<u>3,104.54</u>	<u>3,211.05</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	69.13	68.44
	<u>3,035.41</u>	<u>3,142.61</u>

NOTE - 23 : FINANCE COST

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Interest expense		
Term loans	357.27	310.77
Non convertible debentures	29.74	-
Working capital loan	0.03	0.05
Security deposits from consumers	43.07	22.98
Others	1.54	0.46
Other borrowing cost	5.93	1.99
	<u>437.58</u>	<u>336.25</u>

OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 (Unaudited)	Tidong Hydro Power Limited (Audited)
No. of Equity Shares (nos.)	6,11,500	24,500
Cost of Investment (₹ Crore)	0.61	0.02
Percentage holding	43.88%	49.00%
Our share of net assets (₹ Crore)	(0.62)	0.02
Our share of profit / (loss) for the year (₹ Crore)	(0.07)	*
These associates have not been considered for consolidation being not material to the Group.		

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
25. Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	1,265.55	2,530.24

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
26. Contingent Liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	110.64	121.08
(ii) Disputed income-tax matters	31.48	21.04
(iii) Disputed sales-tax matters	4.36	0.38
(iv) Disputed custom duty matters	0.28	0.44
(v) Disputed stamp duty matters	0.37	0.37
(vi) Claims not acknowledged as debt	1.45	-
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.		

27. 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.

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

(₹ in Crore)

	As at 31 st March, 2013	As at 31 st March, 2012
Pre-operative expenditure		
Opening balance	61.80	26.75
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	17.37	13.22
Rent expenses	2.49	2.24
Repairs and maintenance	0.18	0.24
Insurance	0.25	3.06
Miscellaneous expenses	10.31	5.70
Legal, professional and consultancy fees	13.25	4.38
Registration, filing and legal fees	1.87	3.62
Traveling expenses	0.77	0.35
Vehicle hiring charges	0.03	0.13
Security expenses	0.57	0.14
Depreciation	4.32	3.75
Rates and taxes	0.36	0.08
Upfront fees	0.93	0.25
Security trusteeship service expenses	0.01	0.01
Electricity charges	0.42	0.46
Printing, stationary, postage and telephone	0.13	0.12
Advertisement	0.13	0.10
Finance cost	0.80	0.74
Land leveling cost	-	0.02
Commissioning gas and power	179.08	-
Total expenditure incurred during the year	233.27	38.61
Less: sale of infirm power	32.94	-
Less: capitalized during the year	1.48	3.56
Grand total	260.65	61.80

29. (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, 2013 is ₹ Nil (Previous year ₹ Nil)
- (ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2013 is as under :

(in Crore)

	Currency	As at 31 st March, 2013	As at 31 st March, 2012
Loan	USD	34.37	22.23
Interest payable	USD	0.17	0.10
Trade payable	USD	0.09	2.14
Capital liability	USD	5.53	4.77
Trade payable	EURO	0.35	1.04
Trade receivable	EURO	-	0.27

30. 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.

31. 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 and leave Plan as required under AS 15 (revised):

(₹ in Crore)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	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	71.28	177.49	67.20	170.40
Current service cost	6.29	9.79	7.75	9.19
Interest cost	5.38	15.09	4.97	13.80
Actuarial (gain) / loss	(1.28)	1.23	(4.57)	(1.05)
Liabilities of outgoing employees	-	-	(0.03)	(0.30)
Benefits paid directly by employer	-	(18.02)	-	-
Benefits paid	(6.88)	(0.55)	(4.04)	(14.55)
Obligations at the end of the year	74.79	185.03	71.28	177.49
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	-	141.01	-	115.97
Expected return on plan assets	-	12.11	-	11.06
Actuarial gain / (loss)	-	2.69	-	1.22
Contributions	-	15.10	-	27.61
Liabilities of transferred employees	-	-	-	(0.30)
Benefits paid	-	(0.55)	-	(14.55)
Plan assets at the end of the year, at fair value	-	170.36	-	141.01
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	74.79	185.03	71.28	177.49
Plan assets at the end of the year, at fair value	-	170.36	-	141.01
Liability recognized in balance sheet as at 31st March, 2013	74.79	14.67	71.28	36.48

(₹ in Crore)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012		
	Leave encashment	Gratuity	Leave encashment	Gratuity	
d. Cost for the year:					
Current service cost	6.29	9.79	7.75	9.19	
Interest cost	5.38	15.09	4.97	13.80	
Expected return on plan assets	-	(12.11)	-	(11.06)	
Net Actuarial (gain) /loss	<u>(1.28)</u>	<u>(1.46)</u>	<u>(4.57)</u>	<u>(2.27)</u>	
Net Cost – included in note 21 of the statement of profit and loss	10.39	11.31	8.15	9.66	
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	8.00%	8.00%	8.50%	8.50%	
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 st March, 2013)	-	8.70%	-	9.50%	
g. Actual return on plan assets	-	14.80	-	12.28	
h. Expected Contribution for next year	-	14.20	-	17.05	
i. Note:					
The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.					
j. Current year and past four years data for defined benefit obligation and fair value of plan					
	2008-09	2009-10	2010-11	2011-12	2012-13
Present value of defined benefit obligations at the end of the period (independent actuary)	195.76	179.84	237.60	248.77	259.82
Fair value of plan assets at the end of the period	77.37	94.67	115.97	141.01	170.36
Net assets / (liability) at the end of period	(118.39)	(85.17)	(121.63)	(107.76)	(89.46)

32. Auditors remuneration

(₹ in Crore)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Audit fees	0.49	0.46
Tax audit fees	0.06	0.06
Other services – certificates etc.	0.10	0.14
Reimbursement of expenses	0.01	0.01
For service tax	0.07	0.07
	<u>0.73</u>	<u>0.74</u>

33. Deferred tax

(₹ in Crore)

	As at 31 st March, 2013		As at 31 st March, 2012	
	Asset	Liability	Asset	Liability
Depreciation		603.77		511.26
Preliminary expenses	-		0.04	
Provision for gratuity and superannuation	4.17		11.51	
Leave encashment	20.15		17.17	
Municipal taxes	-		3.15	
Provision for works contract	-		0.40	
Provision for wages and bonus	0.13		0.15	
Unabsorbed depreciation	-		14.19	
	24.45	603.77	46.61	511.26
Net deferred tax (asset) / liability		579.32		464.65

34. Earnings per share

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit after tax (net of minority interest) (₹ in Crore)	386.70	1,252.59
No. of equity shares	47,24,48,308	47,24,48,308
Basic and diluted earnings per share (₹)	8.19	26.51

35. The Company's primary business segment is Generation, Distribution & Transmission 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.

36. Related party disclosures

(₹ in Crore)

	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 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12
	A). Nature of Transactions											
Purchase of materials	1.91	1.75	-	141.70	162.69	-	-	-	-	-	143.61	164.44
AEC Cements & Constructions Ltd.	1.91	1.75	-	-	-	-	-	-	-	-	1.91	1.75
Torrent Cables Ltd	-	-	-	141.42	162.35	-	-	-	-	-	141.42	162.35
Torrent Pharmaceuticals Ltd.	-	-	-	0.28	0.34	-	-	-	-	-	0.28	0.34
Services received	1.52	1.32	-	1.26	4.02	-	-	-	1.86	1.55	4.64	6.89
Torrent Cables Ltd.	-	-	-	1.26	4.02	-	-	-	-	-	1.26	4.02
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	1.59	1.23	1.23	1.59	1.23
Munjal Bhatt & Associates	-	-	-	-	-	-	-	0.27	0.23	0.23	0.27	0.23
Varun Mehta	-	-	-	-	-	-	-	-	0.09	0.09	-	0.09
Power Grid Corporation of India Ltd.	1.52	1.32	-	-	-	-	-	-	-	-	1.52	1.32
Bills Raised	69.77	-	-	-	-	-	-	-	-	-	69.77	-
Power Grid Corporation of India Ltd.	69.77	-	-	-	-	-	-	-	-	-	69.77	-
Shared expenditure	-	-	-	0.41	-	-	-	-	-	-	0.41	-
Torrent Pharmaceuticals Ltd.	-	-	-	0.35	-	-	-	-	-	-	0.35	-
Heumann Pharma Gmbh & Co.	-	-	-	0.06	-	-	-	-	-	-	0.06	-
Managerial remuneration	-	-	-	-	-	27.34	39.03	27.34	39.03	-	27.34	39.03
Sudhir Mehta (Chairman)	-	-	-	-	-	0.03	9.51	0.03	9.51	-	0.03	9.51
Samir Mehta (Executive Vice Chairman)	-	-	-	-	-	-	7.50	-	-	-	-	7.50
Markand Bhatt (Whole-time Director)	-	-	-	-	-	15.67	12.54	15.67	12.54	-	15.67	12.54
Murli Ranganathan (Whole-time Director)	-	-	-	-	-	6.01	5.52	6.01	5.52	-	6.01	5.52
T. P. Vijayarathay (Whole-time Director)	-	-	-	-	-	3.61	2.51	3.61	2.51	-	3.61	2.51
R. C. Singh	-	-	-	-	-	0.15	0.37	0.15	0.37	-	0.15	0.37
R. P. Raith	-	-	-	-	-	0.18	-	0.18	-	-	0.18	-
Deepak Dalal	-	-	-	-	-	-	0.77	-	-	-	-	0.77
Jinal Mehta	-	-	-	-	-	1.69	0.31	1.69	0.31	-	1.69	0.31
Donation	-	-	-	-	-	-	-	-	8.90	5.75	8.90	5.75
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	5.40	4.95	5.40	4.95
Shree Vaadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	3.50	0.80	3.50	0.80
Contribution to funds (net)	-	19.02	16.77	-	-	-	-	-	-	-	19.02	16.77
TPL (Ahmedabad) Gratuity Trust	-	12.93	10.95	-	-	-	-	-	-	-	12.93	10.95
TPL (Ahmedabad) Superannuation Fund	-	2.39	2.00	-	-	-	-	-	-	-	2.39	2.00
TPL (Surat) Gratuity Trust	-	1.87	1.68	-	-	-	-	-	-	-	1.87	1.68
TPL (Surat) Superannuation Fund	-	0.64	0.55	-	-	-	-	-	-	-	0.64	0.55

36. Related party disclosures (Contd.)

(₹ in Crore)

	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 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12	Year ended 31.03.13	Year ended 31.03.12
TPL (SUGEN) Gratuity Trust	-	-	0.59	0.69	-	-	-	-	-	-	0.59	0.69
TPL (SUGEN) Superannuation Fund	-	-	0.43	0.33	-	-	-	-	-	-	0.43	0.33
TPG Superannuation Fund	-	-	0.05	-	-	-	-	-	-	-	0.05	-
TEL Gratuity Trust	-	-	0.12	0.42	-	-	-	-	-	-	0.12	0.42
TEL Superannuation Fund	-	-	-	0.15	-	-	-	-	-	-	-	0.15
Advance Given	-	-	-	-	0.02	-	-	-	-	-	0.02	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.02	-	-	-	-	-	0.02	-
Advance Recovered	0.20	-	-	-	0.02	-	-	-	-	-	0.22	-
AEC cement & Constructions Ltd.	0.20	-	-	-	-	-	-	-	-	-	0.20	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.02	-	-	-	-	-	0.02	-
Sale of Fixed Assets	-	-	-	-	0.09	-	-	-	-	-	0.09	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.09	-	-	-	-	-	0.09	-
B) Balances at the end of the year												
Current liability	0.08	1.33	-	-	21.50	30.01	-	-	-	-	21.58	31.34
AEC Cements & Constructions Ltd.	0.04	0.34	-	-	-	-	-	-	-	-	0.04	0.34
Torrent Cables Ltd.	-	-	-	-	21.43	29.99	-	-	-	-	21.43	29.99
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.01	0.02	-	-	-	-	0.01	0.02
Power Grid Corporation of India Ltd.	0.04	0.99	-	-	-	-	-	-	-	-	0.04	0.99
TPL (SUGEN) Superannuation Fund	-	-	*	*	-	-	-	-	-	-	*	*
Heumann Pharma GmbH & Co.	-	-	-	-	0.06	-	-	-	-	-	0.06	-
Investment in equities	24.03	24.03	-	-	-	-	-	-	-	-	24.03	24.03
AEC Cements & Constructions 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	3.10	3.30	-	-	-	0.31	-	-	-	-	3.10	3.61
AEC Cements & Constructions Ltd.	3.10	3.30	-	-	-	-	-	-	-	-	3.10	3.30
Torrent Power Services Private Ltd.	-	-	-	-	-	0.31	-	-	-	-	-	0.31
Trade Receivable	21.24	-	-	-	-	-	-	-	-	-	21.24	-
Power Grid Corporation of India Ltd.	21.24	-	-	-	-	-	-	-	-	-	21.24	-

36. Related party disclosures (Contd.)

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 Philippines Inc., Torrent Pharma Australia 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.					
4.	Key management personnel	<table border="1"> <tr> <td>Sudhir Mehta Chairman</td> <td>Samir Mehta Executive Vice Chairman</td> <td>Markand Bhatt Whole-time Director</td> <td>Murlil Ranganathan Whole-time Director</td> <td>T. P. Vijayasarathy Whole-time Director</td> </tr> </table>	Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murlil Ranganathan Whole-time Director	T. P. Vijayasarathy Whole-time Director
Sudhir Mehta Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murlil Ranganathan Whole-time Director	T. P. Vijayasarathy Whole-time Director			
5.	Relatives of key management personnel	<table border="1"> <tr> <td>Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son</td> <td>Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son</td> <td>Nandini Bhatt, Wife Arvinbhai Bhatt, Brother Maltiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjil Bhatt, Son Gunjan Bhatt, Son</td> <td>Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father Kaushalya Ranganathan, Mother R. Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter</td> <td>Lalitha Vijayasarathy, Wife T.P. Sanjayasarathy, Brother Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayasarathy, Daughter</td> </tr> </table>	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 Arvinbhai Bhatt, Brother Maltiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjil 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
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 Arvinbhai Bhatt, Brother Maltiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjil 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, Shri Vadgam Mahal Kelavani Mandal.					

37. Donations include political contributions as under:

(₹ in Crore)

		Year ended 31 st March, 2013	Year ended 31 st March, 2012
1	Bhartiya Janata Party	6.58	2.00
2	Indian National Congress	3.50	-

38. 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 Crore)

1	Name of Subsidiary Company	Torrent Power Grid Limited	Torrent Pipavav Generation Limited	Torrent Energy Limited
2	Financial year ended on	31 st March, 2013	31 st March, 2013	31 st March, 2013
3	Capital	90.00	50.00	1,264.02
4	Reserves	13.00	2.02	4.50
5	Total assets	326.00	100.73	4,626.37
6	Total liabilities	326.00	100.73	4,626.37
7	Details of investment (except in case of investment in subsidiaries)	9.19	-	32.95
8	Turnover	49.29	-	41.56
9	Profit / (loss) before taxation	6.44	(0.10)	0.42
10	Provision for taxation (including deferred tax)	4.05	*	0.76
11	Profit / (loss) after taxation	2.39	(0.10)	(0.34)
12	Proposed dividend	9.00	-	-

39. Previous year figures

Previous year's figures have been restated / recast, wherever necessary, to conform to this year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50,000 are denoted by "**".

Signature to Notes 1 to 39

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 29th May, 2013

Samir Mehta
Executive Vice Chairman

T P Vijayasathy
Whole-time Director

Srinivas Kotra
Company Secretary

Ahmedabad, 29th May, 2013

TORRENT POWER LIMITED

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009

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 soft copy of the Annual Report containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those shareholders who have registered their e-mail addresses for the purpose.

Your Company implemented the Green Initiative in the year 2011 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 2012-13 and other communications in the Financial Year 2013-14 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

T. P. Vijayasathy
Director

17th June, 2013

..... 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:

.....Tear Here

TORRENT POWER LIMITED

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009



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 9th Annual General Meeting of the Company to be held on Thursday, 25th July, 2013 at 9.30 a.m. and at any adjournment thereof.

Signed this day of 2013

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, 2013.

..... Tear Here

TORRENT POWER LIMITED

Regd. Office: Torrent House, Off Ashram Road, Ahmedabad-380 009



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 9th Annual General Meeting of the Company being held at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 on Thursday, 25th July, 2013 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.



Tear Here

BOOK - POST

To,

If undelivered, please return to:

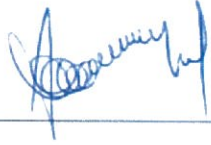





TORRENT POWER LIMITED

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

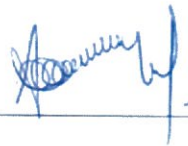

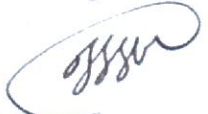
Form A

(Covering Letter of the Annual Report to be filed with the Stock Exchange)

1.	Name of the Company	Torrent Power Limited
2.	Annual Stand-alone Financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director  • CFO  • Audit Committee Chairman  <p>Refer our Audit Report dated May 29, 2013 on the standalone financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No 117365W)</p>  (Hemendra L. Shah) (Partner) (Membership No. 33590) Ahmedabad, May 29, 2013	

Form A

(Covering Letter of the Annual Report to be filed with the Stock Exchange)

1.	Name of the Company	Torrent Power Limited
2.	Annual Consolidated Financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
	To be signed by-	
	<ul style="list-style-type: none">• CEO/Managing Director	 _____
	<ul style="list-style-type: none">• CFO	 _____
	<ul style="list-style-type: none">• Audit Committee Chairman	 _____
5.		Refer our Audit Report dated May 29, 2013 on the consolidated financial statements of the Company
	<ul style="list-style-type: none">• Auditor of the Company	For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No 117365W)  (Hemendra L. Shah) (Partner) (Membership No. 33590) Ahmedabad, May 29, 2013
