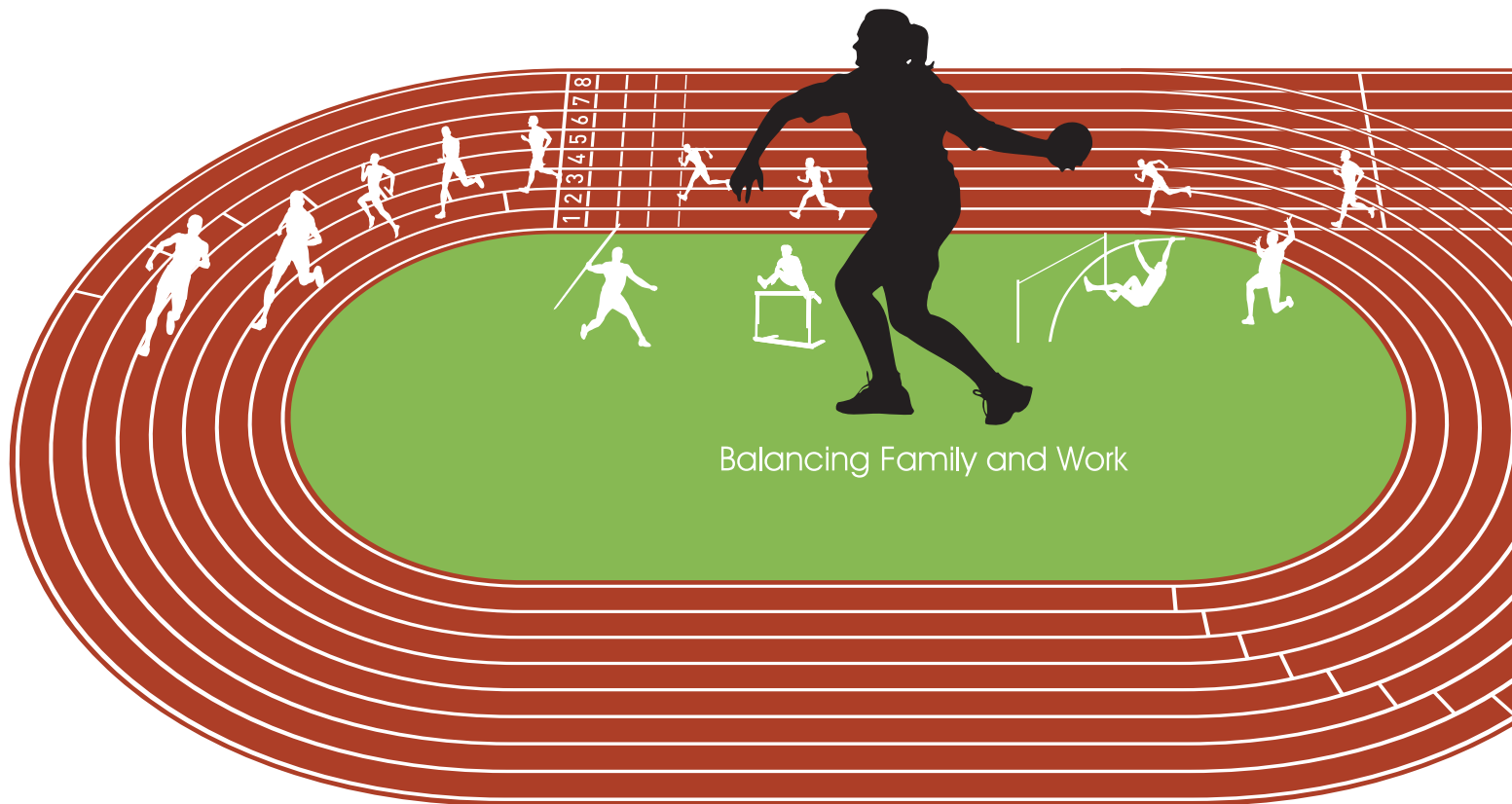


Family First



Balancing Family and Work

Annual Report 2013-14



Family First



At Torrent, we strongly believe in placing the **Family First**. A woman, akin to a discus-thrower, balances her life filled with challenges at home and work, to reach her ultimate goals - both personal and professional. Torrent endeavours to provide a conducive work environment so that women at Torrent can achieve the desired work-life balance.

Family First

Woman personifies sacrifice, support and versatility. She puts others before self - be it family, friends or colleagues – truly sacrificial; she is ever-supporting but remains behind the scenes – a great support system; she handles both home and work with ease – versatility at its best.

Like a discus-thrower moving in rhythm with perfect balance and strength to achieve a farther distance, a woman balances her personal and professional life with sacrifice, support and versatility enabling her to achieve the goals and well-being of her family.

Torrent strongly believes that a woman may not be able to work stress - free and contribute to the organisation at the cost of her family, happiness and comfort. Hence, with the philosophy of placing the 'Family First', it endeavours to provide a facilitative, encouraging and enhancing work environment to enable her achieve the work-life balance.

Besides giving priority to gender diversity, encouraging her greater participation and understanding her requirements in detail, from her as well as from other organisations in the world, Torrent has evolved a policy framework accommodating her needs to perform various roles in the organisation and has initiated plans to implement it.

It is difficult to enumerate all her qualities and generally manifested personality traits which primarily culminate in her sacrifice, support and versatility.

Torrent salutes this persona of woman.

The Policy Framework

Facilitation



Extended maternity leave, half-day working with full pay during pre-natal and post-natal phases and periodic medical check-ups inter-alia, pave the way for women at Torrent to address their special needs.

Encouragement



Targeted increase in strength in defined time period, opportunities for second career, recruitment and advancement without gender bias, among others, provide impetus for greater participation of women at Torrent.

Enhancement



Emphasis on career planning of eligible women employees, appropriate functional and / or managerial trainings and assignment of specific projects enable enrichment of women's role at Torrent.

INDEX

Corporate Information	1
Notice	2
Directors' Report	21
Management Discussion and Analysis	30
Report on Corporate Governance	39
Independent Auditors' Report on Financial Statements	53
Standalone Financial Statements	58
Independent Auditors' Report on Consolidated Financial Statements	89
Consolidated Financial Statements	90

CORPORATE INFORMATION

Directors	Sudhir Mehta Pankaj Patel Samir Barua Kiran Karnik Keki M. Mistry D. J. Pandian, IAS R. Ravichandran Samir Mehta Markand Bhatt Jinal Mehta	Executive Chairman
Audit Committee	Keki M. Mistry Samir Barua Kiran Karnik Jinal Mehta	Chairman
Stakeholders Relationship Committee	Pankaj Patel Samir Mehta Markand Bhatt	Chairman
Nomination and Remuneration Committee	Kiran Karnik Sudhir Mehta Pankaj Patel D. J. Pandian, IAS	Chairman
Committee of Directors	Samir Mehta Markand Bhatt Jinal Mehta	Chairman
Corporate Social Responsibility Committee	Samir Barua Samir Mehta Jinal Mehta	
Executive Director - Corporate Affairs & CFO	T. P. Vijayasathy	
Company Secretary	Srinivas Kotra	
Auditors	Deloitte Haskins & Sells	Chartered Accountants
Registered Office	Torrent House, Off Ashram Road, Ahmedabad-380009 CIN: L31200GJ2004PLC044068 Telephone: (079) 2658 5090, 2658 3060 Fax: (079) 2658 2326 E-mail: cs@torrentpower.com	
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 Tenth Annual General Meeting of the Shareholders of **TORRENT POWER LIMITED** will be held on Monday, 28th July, 2014 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 Financial Statements of the Company for the year ended 31st March, 2014, including Audited Balance Sheet as at 31st March, 2014 and the 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 Samir Mehta (holding DIN: 00061903), whose period of office is not liable to determination by retirement of directors by rotation and who, pursuant to the applicable provisions of the Companies Act, 2013, is liable to retire by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, 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.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri R. Ravichandran (holding DIN: 06737497), who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 read with Article 160 (b) of the Articles of Association of the Company and who holds office till the commencement of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, and Clause-49 of the Listing Agreement, Shri Pankaj Patel (holding DIN: 00131852), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, and Clause-49 of the Listing Agreement, Shri Samir Barua (holding DIN: 00211077), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, and Clause-49 of the Listing Agreement, Shri Kiran Karnik (holding DIN: 00542951), Director of the Company, whose period of office is liable to determination by retirement of

directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, and Clause-49 of the Listing Agreement, Shri Keki M. Mistry (holding DIN: 00008886), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, and Clause-49 of the Listing Agreement, Smt. Renu Challu (holding DIN: 00157204), in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years effective from the conclusion of this Annual General Meeting.”

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

“RESOLVED THAT pursuant to the provisions under Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force (the “Act”) and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Jinal Mehta (holding DIN: 02685284) as Whole-time Director of the Company on the following terms and conditions:

Sr. No.	Particulars	Details
1.	Period of Appointment	: 5 years effective from 5 th April, 2014.
2.	Salary	: ₹9,12,000 (Rupees Nine Lacs Twelve Thousand Only) per month effective from 5 th April, 2014.
3.	Perquisites and Benefits	: Will be allowed as under:
	(I)	(i) The Company shall provide him a fully furnished accommodation. If he is not provided accommodation by the Company, the Company shall pay House Rent Allowance at the rate of 20% of the Salary.
		(ii) The Company shall pay the premium on Personal Accident Insurance Policy as per the Rules of the Company.
		(iii) The Company shall pay premium on medical insurance for self and family as per the Rules of the Company.
		(iv) The Company shall reimburse annual fees for two clubs.
	(II)	(i) The Company shall provide a car with driver for official and personal use.
		(ii) The Company shall provide telephones at his residence, the cost of which shall be borne by the Company.
	(III)	(i) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(ii) Company's contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company.

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the “Act”), consent of the Company be and is hereby accorded to the appointment of Shri Varun Mehta, a relative of Shri Sudhir Mehta, Executive Chairman, Shri Samir Mehta, Executive Vice Chairman and Shri Jinal Mehta, Whole-time Director in the Company on the terms and conditions as stated below:

Sr. No.	Particulars	Details
1.	Effective Date	: From 1 st August, 2014
2.	Designation	: Assistant General Manager or such designation as is appropriate for the functions assigned from time to time.
3.	Remuneration	: Shri Varun Mehta shall be paid the following remuneration:
	A. Salary	: ₹1,30,000 (Rupees One Lac Thirty Thousand Only) per month. Salary may be increased within the range of ₹1,30,000 per month to ₹2,90,000 per month, in such increments as may be decided by the Board or Committee thereof, from time to time.
	B. Performance Pay	: The Company shall pay, in addition to Salary, Performance Pay at a rate not exceeding 40% of the Salary, payable monthly, quarterly or annually, as may be decided by the Board or Committee thereof, from time to time, upon his being designated as General Manager or above.
	C. Perquisites and Benefits	: In addition to salary, he will be allowed perquisites and benefits as under:
		(i) HRA, conveyance, compensatory allowance, car allowance, other allowances and incentive as applicable to other employees as per the prevailing rules and policies of the Company.
		(ii) Company's contribution to the Provident Fund will be as per applicable laws and rules of the Company.
		(iii) Company's contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company.
		(iv) The Company shall pay premium on personal accident insurance policy as per the rules of the Company.

Sr. No.	Particulars	Details
	(v)	The Company shall provide him furnished residential accommodation, if the rules of the location of his posting provides for the same.
	(vi)	The Company shall pay premium on medical insurance for self and family as per the rules of the Company.
	(vii)	Gratuity shall be payable as per applicable laws and rules of the Company.
	(viii)	Entitlement for leave and its accumulation and encashment as per the rules of the Company.
	(ix)	Such appointment shall not be considered as a break in his service in the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine, modify, consolidate and/or revise the terms and conditions of the appointment of Shri Varun Mehta, including designation and remuneration within the above limits, in any manner from time to time and to delegate all or any of the powers conferred herein to any Committees of Directors or any Officer(s) of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the “Act”), the consent of the Company be and is hereby accorded to the appointment of Shri Aman Mehta, a relative of Shri Sudhir Mehta, Executive Chairman, Shri Samir Mehta, Executive Vice Chairman and Shri Jinal Mehta, Whole-time Director, in the Company on the terms and conditions stated below :

Sr. No.	Particulars	Details
1.	Effective Date	: From 1 st August, 2014
2.	Designation	: Assistant Manager or such designation as is appropriate for the functions assigned from time to time.
3.	Remuneration	: Shri Aman Mehta shall be paid the following remuneration:
	A. Salary	: ₹22,900 (Rupees Twenty Two Thousand Nine Hundred Only) per month. Salary may be increased within the range of ₹22,900 per month to ₹1,20,000 per month, in such increments as may be decided by the Board or Committee thereof, from time to time.
	B. Perquisites and Benefits	: In addition to salary, he will be allowed perquisites and benefits as under:
	(i)	HRA, conveyance, compensatory allowance, other allowances and incentive as applicable to other employees as per the prevailing rules and policies of the Company.
	(ii)	Company’s contribution to the Provident Fund will be as per applicable laws and rules of the Company.
	(iii)	Company’s contribution to Pension/ Superannuation Fund will be as per applicable laws and rules of the Company.
	(iv)	The Company shall pay premium on personal accident insurance policy as per the rules of the Company.
	(v)	The Company shall provide him furnished residential accommodation, if the rules of the location of his posting provides for the same.
	(vi)	The Company shall pay premium on medical insurance for self and family as per the rules of the Company.
	(vii)	Gratuity shall be payable as per applicable laws and rules of the Company.
	(viii)	Entitlement for leave, its accumulation and encashment as per the rules of the Company.
	(ix)	Such appointment shall not be considered as a break in his service.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised, to determine, modify, consolidate and/or revise the terms and conditions of appointment of Shri Aman Mehta, including designation and remuneration within the above limits, in any manner from time to time and to delegate all or any of the powers conferred herein to any Committees of Directors or any Officer(s) of the Company.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force (the “Act”), M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 be paid the remuneration of ₹8,40,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of Audit.

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

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

“RESOLVED THAT in supersession of special resolution adopted at the Seventh Annual General Meeting of the Company held on 29th July, 2011 and pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including statutory modification(s) or re-enactment thereof for the time being in force (the “Act”) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the payment of commission to the Directors (other than the Managing Directors, Whole-time Directors or Manager) of the Company for a period of five years effective from 1st April, 2014, as may be determined by the Board of Directors of the Company or Committee thereof authorised for this purpose; for each of financial year at a rate such that the total remuneration to Directors (other than the Managing Directors, Whole-time Directors or Manager) does not exceed percentage limits of the net profits of the Company as specified in the Act, calculated in accordance with Section 198 read with Section 197 and any other applicable provisions of the Act.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Act and subject to such approvals as may be necessary, in case of absence or inadequacy of profits in any financial year, the Directors (other than the Managing Directors, Whole-time Directors or Manager) shall be paid such remuneration as approved by the Board of Directors of the Company or a Committee thereof authorised for this purpose, for such financial year.

RESOLVED FURTHER THAT the above commission shall be in addition to sitting fees and reimbursement of expenses being paid/ payable to them for attending the meetings of the Board of Directors of the Company or any Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors.”

By Order of the Board
For Torrent Power Limited

Ahmedabad
12th May, 2014

Srinivas Kotra
Company Secretary

Registered Office:

Torrent House,
Off Ashram Road,
Ahmedabad-380009

CIN: L31200GJ2004PLC044068
Tel. No. +91-79-26585090, 26583060
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 10TH ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A 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.

A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

- 2 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, 16th June, 2014 to Wednesday, 18th June, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared, and for the AGM.
- 4 The Statement pursuant to Section 102 of the Companies Act, 2013 and Clause-49 of the Listing Agreement is annexed hereto and forms part of this Notice.
- 5 The Company has transferred unclaimed dividends for the financial year ended 31st March, 2006 and unclaimed interim dividend for the financial year ended 31st March, 2007 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.
- 6 The Companies Act 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.
- 7 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.
- 8 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.
- 9 Annual Report of the Company has been uploaded on website of the Company; www.torrentpower.com.
- 10 All documents referred to in the accompanying notice and the statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 AM to 6.30 PM) on all working days, except Saturday upto and including the date of Annual General Meeting of the Company.
- 11 Electronic copy of the Notice of the 10th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members as on the cut-off date i.e. 14th June, 2014 and whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members, as on the cut-off date, and who have not registered their email address, physical copies of the Notice of the 10th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Voting through electronic means:

- I. In compliance with the provisions of Section 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and in further pursuance to the revised Clause 35B of the Listing Agreement effective with immediate effect from vide Circular No. CFD/ Policy Cell/ 2/ 2014 dated 17th April, 2014 issued by the Securities and Exchange Board of India (SEBI), the Company is pleased to provide members facility to exercise their right to vote at the 10th Annual General Meeting by electronic means and business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail of the facility at his/her discretions, subject to compliance with the instruction for e-voting.
 - II. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company may order a poll on his own motion in terms of Section 109 of the Companies Act, 2013 for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Shri Samir Mehta (holding DIN: 00061903) is a Promoter Director of the Company and has been associated with the Company since its inception. He was appointed as Executive Vice-Chairman of the Company at the Seventh Annual General Meeting held on 29th July, 2011 for a period of five years effective from 1st August, 2010, and not liable to determination by retirement of directors by rotation. By virtue of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation. Being eligible, he offers himself for re-appointment. His re-appointment is proposed under Section 152 of the Companies Act, 2013 and he shall be liable to retire by rotation.

Shri Samir Mehta, 50, holds Masters in Business Management. Under his leadership, the Company ranked amongst the best run power utilities in the country and has won accolades from all quarters for its excellent operational capabilities. His characteristic zeal to focus on the key intricacies of business operations ensured that the Company constantly improved its performance in all efficiency parameters-strong project management, high plant availability, reduction in transmission and distribution losses, better reliability indices, etc. His contemporary outlook and innovative ideas, have helped shape the HR, finance and general management spheres of the Company.

Shri Samir Mehta is the Chairman of the Committee of Directors and a member of the Corporate Social Responsibility Committee and Stakeholders Relationship 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 Committee
1.	Torrent Pharmaceuticals Limited	<ul style="list-style-type: none">Securities Transfer and Stakeholders Relationship Committee - MemberCommittee of Directors - Member
2.	Torrent Energy Limited	<ul style="list-style-type: none">Audit Committee - Chairman
3.	Torrent Private Limited	-
4.	Diamond Infrastructure Private Limited	-

Shri Samir Mehta holds 6,125 equity shares of the Company.

Shri Samir Mehta is related to Shri Sudhir Mehta and Shri Jinal Mehta. Shri Samir Mehta, Shri Sudhir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.

The Board recommends the resolution for your approval as an ordinary resolution.

Item No. 5

Shri R. Ravichandran (holding DIN: 06737497), a nominee director of Life Insurance Corporation of India (LIC) (a shareholder), was appointed as an Additional Director by the Board of Directors on 29th October, 2013. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 160(b) of the Articles of Association of the Company, he holds the office of Director till the commencement of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 alongwith the requisite deposit from a shareholder proposing the candidature of Shri R. Ravichandran for appointment as a Director of the Company.

Shri R. Ravichandran, 59, is a Chartered Accountant with nearly 28 years of post-qualification experience. He possesses in depth knowledge of finance, accounts, audit etc. He currently holds charge as the Principal, Zonal Training Centre, LIC, Hyderabad and is responsible for imparting training to the employees and agents belonging to the Chairman's Club and Zonal Manager's Club of LIC in various disciplines. In his earlier assignments with LIC, he has headed Estates and Office Services (Zonal Office, Chennai), Personnel and Industrial relations (Zonal Office, Calcutta) and Finance and Accounts department (Zonal Office, Chennai).

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

The Board recommends the resolution at Item No. 5 of the Notice, in relation to appointment of Shri R. Ravichandran as a Director, for your approval as an ordinary resolution.

Shri R. Ravichandran is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Shri Pankaj Patel (holding DIN: 00131852) is an Independent Non-Executive Director (“INED”) of the Company. He joined the Board of Directors of the Company in September, 2006.

Shri Pankaj Patel, 61, holds a Masters in Pharmaceuticals and Pharmaceutical Technology. Shri Pankaj Patel spearheads Zydus Cadila, one of India’s leading pharmaceutical groups and a global healthcare company with operations in more than 50 countries worldwide. Zydus is the only Indian pharma company to launch its own patented NCE – Lipaglyn, the world’s first drug to be approved for the treatment of diabetic dyslipidemia. The Zydus group was one amongst the top five companies worldwide at the FT Arcelor Mittal Boldness in Business Awards 2014 in the Developing Markets category. The group was declared as the ‘Emerging Company of the Year’ by the Economic Times Awards for Corporate Excellence in 2010.

Shri Pankaj Patel was conferred the India Innovator Award 2013 by CNBC and he was awarded the Ernst & Young Entrepreneur of the Year Award in the Life Sciences category. He is also actively involved in various educational institutions and is on the advisory committees and academic councils of several educational institutions.

Shri Pankaj Patel is the Chairperson of the Board of Governors of the Indian Institute of Science Education and Research, IISER, Kolkata. He is a Member of the Board of Governors and also the Chairman of the Finance Committee of the Indian Institute of Management, Ahmedabad. He is also currently a member of the Governing Board of The Ahmedabad University, Chairman of School of Life Sciences, Ahmedabad University and Member of the Board of Management of the Narsee Monjee Institute of Management Studies.

Shri Pankaj Patel is the Chairman of the Federation of Indian Chamber of Commerce & Industry (FICCI), Gujarat State and he is Executive Chairman of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute and GCS medical college.

Shri Pankaj Patel is currently the Chairman of the Stakeholders Relationship Committee and a member of the Nomination and Remuneration Committee of the Board 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.	Cadila Healthcare Limited	<ul style="list-style-type: none"> • Shareholders’ Grievances Committee - Member • Share Transfer Committee - Chairman
2.	Zydus Wellness Limited	<ul style="list-style-type: none"> • Remuneration Committee - Member
3.	Nirma Limited	-
4.	Zydus Hospitals and Healthcare Research Private Limited	-
5.	Zydus Infrastructure Private Limited	-
6.	Pripan Investment Private Limited	-
7.	Cadmach Machinery Company Private Limited	-
8.	Mabs Biotech Private Limited	-
9.	Cadila Laboratories Private Limited	-
10.	Western Ahmedabad Effluent Conveyance Company Private Limited	-
11.	Zydus Takeda Healthcare Private Limited	-
12.	Zydus Hospitals (Rajkot) Private Limited	-
13.	Zydus Hospitals (Vadodara) Private Limited	-
14.	Bayer Zydus Pharma Private Limited	-
15.	Torrent Energy Limited	-

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

Shri Pankaj Patel retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Pankaj Patel being eligible and offering himself for appointment, is proposed to be appointed, pursuant to the recommendations of Nomination and Remuneration Committee to the Board as an Independent Director for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019 and he shall not be liable to retire by rotation. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Shri Pankaj Patel fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Pankaj Patel as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Pankaj Patel as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 6, in relation to appointment of Shri Pankaj Patel as an Independent Director, for your approval as an ordinary resolution.

Shri Pankaj Patel is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

Shri Samir Barua (holding DIN: 00211077) is an Independent Non-Executive Director (“INED”) of the Company. He joined the Board of Directors of the Company in January, 2008.

Shri Samir Barua, 62 is M. Tech. (IIT, Kanpur) in Industrial Engineering and Operations Research and holds Ph.D. in Management (IIM, Ahmedabad). He is presently the Professor at Indian Institute of Management, Ahmedabad. He joined the faculty at IIM, Ahmedabad in 1980. He served as Director, IIM, Ahmedabad from November 2007 to March 2013. His academic and professional pursuit spans several disciplines and functional areas in management that include capital markets, portfolio theory, international finance, operations research and decision sciences, corporate strategy and corporate governance.

Shri Samir Barua has taught courses at IIM, Ahmedabad and has been visiting faculty to academic institutions in several countries. He has taught extensively in national and international executive training programmes.

Shri Samir Barua has co-authored two books and has authored over 200 papers/ articles, which have been published/ presented in national and international publications and conferences. He has also authored over 60 case studies in management. He has been consultant to several public and private organisations and has been associated with Indian financial sector for over two decades.

Shri Samir Barua has been associated with policy making in the country. He has prepared policy papers for the Finance Minister, Government of India, the Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI). He has served as member on several policy making committee constituted by the Ministry of Finance, the Ministry of Information and Broadcasting, the Ministry of Human Resource and Development and the Ministry of Petroleum and Natural Gas, Government of India. He has also served on advisory committee of the RBI and SEBI.

Shri Samir Barua is a member of the Audit Committee and Corporate Social Responsibility 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.	IOT Infrastructure and Energy Services Limited	• Audit Committee – Member
2.	Axis Bank Limited	• Audit Committee – Member
3.	Axis Capital Limited	-
4.	Oil and Natural Gas Corporation Limited	• Audit and Ethic Committee – Member • Shareholders’/Investors’ Grievances Committee - Member

Shri Samir Barua does not hold any shares of the Company. He is not related to any Director of the Company.

Shri Samir Barua retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Samir Barua being eligible and offering himself for appointment, is proposed to be appointed, pursuant to the recommendations of Nomination and Remuneration Committee to the Board, as an Independent Director for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019 and he shall not be liable to retire by rotation. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Shri Samir Barua fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Samir Barua as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Samir Barua as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 7, in relation to appointment of Shri Samir Barua as an Independent Director, for your approval as an ordinary resolution.

Shri Samir Barua is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

Shri Kiran Karnik (holding DIN: 00542951) is an Independent Non-Executive Director (“INED”) of the Company. He joined the Board of Directors of the Company in July, 2009.

Shri Kiran Karnik, 67, a Post-Graduate from IIM, Ahmedabad also holds an Honours Degree in Physics from Bombay University. He was the President of NASSCOM and has been the guiding force for the Indian IT industry. He has also been instrumental in promoting India's technology strength to the world.

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

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

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

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

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

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

Sr. No.	Directorship in Companies
1.	Media Lab Asia
2.	Oxfam India
3.	Aujas Networks Private Limited
4.	IKP Investment Management Company Private Limited
5.	Sasken Communication Technologies Limited
6.	Center for Dialogue and Reconciliation

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

Shri Kiran Karnik's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Kiran Karnik being eligible and offering himself for appointment, is proposed to be appointed, pursuant to the recommendations of Nomination and Remuneration Committee to the Board, as an Independent Director for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019 and he shall not be liable to retire by rotation. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Shri Kiran Karnik fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Kiran Karnik as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Kiran Karnik as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 8, in relation to appointment of Shri Kiran Karnik as an Independent Director, for your approval as an ordinary resolution.

Shri Kiran Karnik is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

Shri Keki M. Mistry (holding DIN: 00008886) is an Independent Non-Executive Director ("INED") of the Company. He joined the Board of Directors of the Company in January, 2010.

Shri Keki M. Mistry, 59, 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 Keki M. 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 Keki M. 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 Keki M. 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 the 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.	HDFC Bank Limited	-
3.	HDFC Asset Management Company Limited	• Audit Committee – Member
4.	HDFC Standard Life Insurance Company Limited	• Audit Committee – Member
5.	HDFC ERGO General Insurance Company Limited	• Audit Committee – Member
6.	Gruh Finance Limited	• Audit Committee – Member • Remuneration Committee – Member
7.	Sun Pharmaceutical Industries Limited	• Audit Committee – Chairman
8.	The Great Eastern Shipping Company Limited	• Audit Committee – Chairman
9.	Greatship (India) Limited	• Audit Committee – Chairman • Remuneration Committee – Member
10.	Next Gen Publishing Limited	-
11.	Shrenuj & Company Limited	• Audit Committee – Member
12.	Bombay Stock Exchange Limited	-
13.	HCL Technologies Limited	• Audit Committee – Member

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's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Shri Keki M. Mistry being eligible and offering himself for appointment, is proposed to be appointed, pursuant to the recommendations of Nomination and Remuneration Committee to the Board, as an Independent Director for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019 and he shall not be liable to retire by rotation. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Shri Keki M. Mistry fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Keki M. Mistry as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Keki M. Mistry as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 9, in relation to appointment of Shri Keki M. Mistry as an Independent Director, for your approval as an ordinary resolution.

Shri Keki M. Mistry is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

Smt. Renu Challu (holding DIN: 00157204), 62, is a Gold Medalist in MA Economics and is an Associate of the Indian Institute of Bankers. She has served in the State Bank of India Group for about 39 years and her stellar career culminated in her being the Deputy Managing Director of Corporate Strategy and New Businesses.

Some of her path breaking initiatives in her entire career of more than 39 years are captured below:

- Identified, developed and implemented new business areas as member of the Corporate Management Committee of SBI,
- Recorded the highest ROE amongst large banks in India as on March 2011 through technology and BPR initiatives, HR development programmes, employee motivation, repositioning of the Bank through rebranding exercise and innovative outdoor visibility,
- At SBI DFHI, launched the 1st country-wide web based platform with two way quotes for liquid scrips, to enable retail customers to trade in G-Secs,
- At SBI, Bhopal, launched Cyber Treasury with Madhya Pradesh and Chhattisgarh Governments (through e-challans), which has been replicated by other State Governments.
- At SBI, Lucknow, reduced turnaround time to 3 weeks for credit sanctions,
- At SBI Corporate Centre, taken technology initiatives like the 1st one million online ATM cards, internet banking, Maestro Debit Card, etc.

While focusing on such path breaking initiatives, she has continued to play an inestimable role in the illustrious growth of the organisations she worked with. Various awards and recognitions were received by State Bank of Hyderabad under her leadership.

Details of her directorship in other companies are given below. She is not a member of any committee in other companies.

Sr. No.	Directorship in Companies
1.	Dhanush Infotech Private Limited
2.	SMS Infrastructure Limited

Smt. Renu Challu does not hold any shares of the Company. She is not related to any Director of the Company.

A notice has been received from a member proposing her candidature for the office of Independent Director of the Company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Smt. Renu Challu, is proposed to be appointed, pursuant to the recommendations of Nomination and Remuneration Committee to the Board, as an Independent Director of the Company to hold office for a term of three consecutive years effective from the conclusion of this Annual General Meeting.

In the opinion of the Board, Smt. Renu Challu fulfils the conditions as specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Smt. Renu Challu as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Smt. Renu Challu as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 10, in relation to appointment of Smt. Renu Challu as an Independent Director of the Company, for your approval as an ordinary resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause-49 of the Listing Agreement with the Stock Exchanges.

Item No.11

Shri Murli Ranganathan, who resigned as Whole-time Director of the Company from 31st March, 2014 was in-charge of the distribution and transmission business of the Company. To fill this void, the Board of Directors of the Company had, at its meeting held on 4th April, 2014, approved the appointment of Shri Jinal Mehta, Non-Executive Director (holding DIN: 02685284) as Whole-time Director of the Company for a period of five years effective from 5th April, 2014, subject to the approval of shareholders in the ensuing AGM.

Shri Jinal Mehta, 31, has done his Bachelor of Business Studies (BBS) and Master of Business Administration (MBA) from University of Technology Sydney (UTS), Sydney, Australia. He gained more than 7 years of experience in the power sector. Shri Jinal Mehta was involved in the operations of 1147.5 MW SUGEN Mega Power Project as its COO and in the implementation of 382.5 MW SUGEN Expansion (i.e. SUGEN 40). He subsequently supervised the project implementation of DGEN Mega Power Project (1200 MW) and was discharging the role of the Director and CEO of Torrent Energy Limited, a wholly-owned subsidiary of Torrent Power Limited until 31st March, 2014 and continues to be its Non-Executive Director. Shri Jinal Mehta is handling the distribution and transmission functions of the Company from 5th April, 2014.

Shri Jinal Mehta is a member of the Audit Committee, Corporate Social Responsibility 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 Committee
1.	Torrent Private Limited	-
2.	Torrent Energy Limited	-
3.	Torrent Power Grid Limited	<ul style="list-style-type: none"> • Audit Committee – Member • Remuneration Committee – Member

Shri Jinal Mehta holds 8,000 shares in the Company. He is son of Shri Sudhir Mehta, Executive Chairman and a relative of Shri Samir Mehta, Executive Vice-Chairman.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Shri Jinal Mehta as a Whole-time Director. Accordingly, the Board recommends the resolution at Item No. 11, in relation to appointment of Shri Jinal Mehta as a Whole-time Director, for your approval as an ordinary resolution.

Shri Jinal Mehta is related to Shri Sudhir Mehta and Shri Samir Mehta. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 12

It is proposed to appoint Shri Varun Mehta in the Company as Assistant General Manager or at such designation as is appropriate for the functions assigned from time to time.

Shri Varun Mehta, aged 26, has done his Masters of Business Administration from INSEAD, France and Singapore. He had earlier completed his B. Sc. (with Honours) in Management from The University of Warwick, UK and International Baccalaureate Diploma from United World College of South East Asia, Singapore.

Shri Varun Mehta possesses more than 4 years of experience and exposure in the Company. Brief details of his experience are given below:

- led the entire team for implementation of renewable energy business plan of the Company.
- played a vital role in the negotiation, finalization and implementation of the 49.6 MW Wind Power Project at Lalpur, Gujarat.
- implemented the 49.6 MW Wind Power Project at Lalpur, Gujarat, and has ensured timely construction of ₹280 Crore Gujarat Wind project in accordance with corporate quality, health, safety and environment guidelines.
- successfully led the efforts which culminated in the execution of the agreement for the 75 MW Maharashtra wind project entailing investment of ₹520 Crore.

Pursuant to the recommendations of Audit Committee of the Board, the Board had, at its meeting held on 12th May, 2014, recommended the appointment of Shri Varun Mehta on the terms and conditions as mentioned in the resolution at Item No. 12 of the Notice.

Information in compliance with Section 188 of the Companies Act, 2013 and Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

(a) **Name of the Related Party:** Shri Varun Mehta

(b) **Name of the Director or Key Managerial Personnel who is related, if any:**

- (i) Shri Sudhir Mehta, Executive Chairman
- (ii) Shri Samir Mehta, Executive Vice Chairman
- (iii) Shri Jinal Mehta, Whole-time Director

(c) **Nature of Relationship:** Shri Varun Mehta is son of Shri Sudhir Mehta, Executive Chairman, nephew of Shri Samir Mehta, Executive Vice Chairman and brother of Shri Jinal Mehta, Whole-time Director.

(d) **Nature, material terms, monetary value and particulars of the contract or arrangement:**

Shri Varun Mehta is proposed to be appointed at an office or place of profit in the Company. Particulars of terms and conditions for appointment of Shri Varun Mehta are mentioned in the resolution at Item No.12 of the Notice. Copy of the draft letter for appointment of Shri Varun Mehta as Assistant General Manager setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

(e) **Any other information relevant or important for the members to take a decision on the proposed resolution:**

Shri Varun Mehta, to start with, will be associated with SUGEN Mega Power Project handling its administrative and human resources functions. Moreover, as aforesaid in the brief resume, Shri Varun Mehta possesses 4 years of experience. In past, his contribution to the Company, particularly in the renewable energy department has been of value to the Company. He has done his post graduate in management from a reputed institute (INSEAD France and Singapore). In view of his qualification, experience and roles and responsibilities currently contemplated, it is proposed to designate Shri Varun Mehta as Assistant General Manager. Going forward, Shri Varun Mehta shall handle the functions as assigned to him by the Unit-in-charge of the Unit in which he is posted from time to time and accordingly, he will be given such designation as is appropriate for the functions assigned.

Based on the employment statistics of INSEAD 2012 MBA Graduates having work experience varying from 1 – 8 years, INSEAD Graduates in India receive salary in the range of ₹20,00,000 to ₹65,44,200 per annum with a mean salary of ₹34,80,500 and median salary of ₹30,00,000. Hence, it can be broadly inferred that an average salary of ₹30-35 lacs per annum is provided to the person having an average experience of approx. 5 years.

Therefore, it is proposed to appoint Shri Varun Mehta at a salary range of ₹1,30,000 per month to ₹2,90,000 per month plus perquisites and other benefits as applicable which, in aggregate, at the starting level works out to ₹30 lacs per annum. His annual increments will be as determined by the Board of Directors (or the Committees / Officers so authorised) within the aforesaid salary range.

The Board recommends the resolution at Item No. 12, in relation to the appointment of Shri Varun Mehta at an office or place of profit in the Company, for your approval. Shri Varun Mehta is a 'related party' within the meaning of Section 2 (76) of the Companies Act, 2013, and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

Shri Varun Mehta is related to Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

Item No. 13

It is proposed to appoint Shri Aman Mehta in the Company as Assistant Manager or at such designation as is appropriate for the functions assigned from time to time.

Shri Aman Mehta, aged 22, has done his graduation in B.A. Economics from Boston University, Boston MA and International Baccalaureate Diploma from United World College of South East Asia, Singapore. He was earlier an intern with the Company in Renewable Energy Department during summer 2010.

Shri Aman Mehta is currently associated with Torrent Energy Limited, a wholly-owned subsidiary of the Company as a Management Trainee.

Pursuant to the recommendations of Audit Committee of the Board, the Board had, at its meeting held on 12th May, 2014, recommended the appointment of Shri Aman Mehta on the terms and conditions as mentioned in the resolution at Item No. 13 of the Notice.

Information in compliance with Section 188 of the Companies Act, 2013 and Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

- (a) **Name of the Related Party:** Shri Aman Mehta
- (b) **Name of the Director or Key Managerial Personnel who is related, if any:**
 - (i) Shri Sudhir Mehta, Executive Chairman
 - (ii) Shri Samir Mehta, Executive Vice Chairman
 - (iii) Shri Jinal Mehta, Whole-time Director
- (c) **Nature of Relationship:** Shri Aman Mehta is son of Shri Samir Mehta, Executive Vice Chairman, nephew of Shri Sudhir Mehta, Executive Chairman and cousin of Shri Jinal Mehta, Whole-time Director.
- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:**

Shri Aman Mehta is proposed to be appointed at an office or place of profit in the Company. Particulars of terms and conditions for appointment of Shri Aman Mehta at an office or place of profit are mentioned in the resolution at Item No.13 of the Notice. Copy of the draft letter for appointment of Shri Aman Mehta as Assistant Manager setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

(e) **Any other information relevant or important for the members to take a decision on the proposed resolution:**

Shri Aman Mehta will be initially, inter alia, be involved in the following at Ahmedabad distribution operations of the Company:

- Working with Customer Services team to formulate and implement a comprehensive plan to enhance overall customer experience.
- Collaborating with IT department to roll out e-bill services for consumers which would be environment friendly and also help save printing cost.
- Planning a mass awareness campaign for online services.
- Planning the redevelopment of the Naranpura Zonal Office as the headquarters for Ahmedabad distribution operations and bringing improvements in identified areas in general administration.

Moreover, Shri Aman Mehta will be completing approx. 10 months of his association with Torrent Energy Limited, a wholly owned subsidiary company as Management Trainee by 1st August, 2014. As per the HR policies, on completion of approx. 1 year successfully, a Management trainee is designated as Assistant Manager. Accordingly, it is proposed to designate Shri Aman Mehta as Assistant Manager initially. Going forward, Shri Aman Mehta shall handle the functions as assigned to him by the Unit-in-charge of the Unit in which he is posted from time to time and accordingly, he will be given such other designation as is appropriate for the functions assigned.

Shri Aman Mehta is proposed to be paid salary in the range of ₹22,900 per month to ₹1,20,000 per month plus perquisites and other benefits as applicable which, in aggregate, at the starting level works out to ₹5.5 Lacs per annum (equivalent to that applicable to Management Trainee confirmed as Assistant Manager as per company policy). His annual increments will be as determined by the Board of Directors (or the Committees / Officers so authorised) within the aforesaid salary range.

The Board recommends the resolution at Item No. 13, in relation to the appointment of Shri Aman Mehta at an office or place of profit in the Company, for your approval. Shri Aman Mehta is a 'related party' within the meaning of Section 2 (76) of the Companies Act, 2013, and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

Shri Aman Mehta is related to Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta. Shri Sudhir Mehta, Shri Samir Mehta and Shri Jinal Mehta are, therefore, deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

Item No. 14

The Board of Directors of the Company at their meeting held on 25th January, 2014 appointed M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company, pursuant to the applicable provisions of the erstwhile Companies Act, 1956 and rules made thereunder, to audit cost accounts/records of the Company for the FY 2014-15 at a remuneration of ₹8,40,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit, subject to the approval of Central Government.

Section 148(3) of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 provides ratification of shareholders in payment of remuneration to the Cost Auditors. In accordance with the above provisions, the Board recommends the payment of remuneration of ₹8,40,000/- plus applicable taxes and reimbursements of out of pocket expenses to M/s. Kirit Mehta & Co., Cost Auditors of the Company for the FY 2014-15, for the approval of shareholders as an ordinary resolution.

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

Item No. 15

The shareholders have, at the 7th Annual General Meeting of the Company held on 29th July, 2011, approved by way of Special Resolution under Section 309 of the erstwhile Companies Act, 1956, the payment of remuneration by way of

commission to the Independent Non-Executive Directors of the Company for a period of 5 years effective from 1st October, 2011 and authorised the Executive Chairman to determine the commission for each financial year at a rate not exceeding 1% of net profits of the Company.

Section 197 of the Companies Act, 2013, inter alia, provides that a company may pay remuneration to its directors (other than the Managing Directors, Whole-time Directors or Manager), by way of commission, if the Company by a resolution authorises such payment. Clause 49 of the Listing Agreement also provides that all fees/commission, if any, paid to the Directors (other than the Managing Directors, Whole-time Directors or Manager) shall be fixed by the Board of Directors and shall require previous approval of the shareholders in a general meeting.

It is proposed now to pay commission to all Directors (other than the Managing Directors, Whole-time Directors or Manager) of the Company instead of only the Independent Directors of the Company as per the aforesaid resolution of shareholders approved on 29th July, 2011. Also, Independent Director has been defined for the first time in the Companies Act, 2013 and excludes nominee director.

In this context, it is proposed to take a fresh resolution of the shareholders for payment of commission to the Directors (other than the Managing Directors, Whole-time Directors or Manager) for a period of five years effective from 1st April, 2014 as may be determined by the Board of Directors or a Committee thereof authorised for this purpose for each financial year at a rate such that the total remuneration does not exceed percentage limits of the net profits of the Company as specified in the Act, calculated in accordance with Section 197, read with Section 198, and any other applicable provisions of the Act.

In case of absence or inadequacy of profits in any financial year, the Directors (other than the Managing Directors, Whole-time Directors or Manager) shall be paid such remuneration as approved by the Board of Directors of the Company or a Committee thereof authorised for the purpose for such financial year, subject to such approvals as may be necessary.

The Board recommends the resolution at Item No. 15, in relation to payment of remuneration to Directors (other than the Managing Directors, Whole-time Directors or Managers), for your approval as an ordinary resolution.

Shri Pankaj Patel, Shri Samir Barua, Shri Kiran Karnik, Shri Keki M. Mistry, Shri D.J. Pandian, IAS and Shri R. Ravichandran being Non-Executive Directors of the Company, are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution.

Ahmedabad
12th May, 2014

By Order of the Board
For Torrent Power Limited

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

Srinivas Kotra
Company Secretary

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

DIRECTORS' REPORT

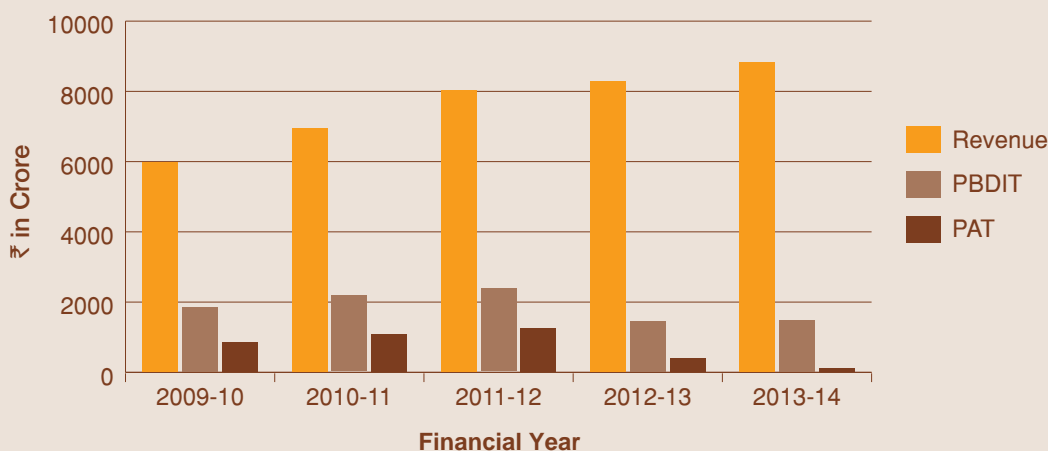
Dear Shareholders,

Your Directors' present the 10th Annual Report of the Company together with the Audited Accounts for the Financial Year (FY) ended 31st March, 2014.

1. HIGHLIGHTS

The key highlights for the FY 2013-14 are:

- Financial performance of the Company:
 - Increase in Revenue by 6.62% to ₹8,817.46 Crore
 - Increase in PBDIT by 1.32% to ₹1,458.14 Crore
 - Decrease in PAT by 75.36% to ₹94.84 Crore



- Hon'ble Central Electricity Regulatory Commission (CERC) has issued final tariff order for SUGEN 40 (an expansion of SUGEN Mega Power Plant) on 6th December, 2013. Pending adoption of this tariff by Hon'ble Gujarat Electricity Regulatory Commission (GERC), the recovery of this cost by the regulated distribution business is in abeyance.
- The 110 MW coal based E station, part of AMGEN, has been successfully updated to 121 MW and synchronised with the grid on 21st October, 2013.
- The continued non-availability of domestic gas including from KG-D6 basin has adversely impacted the operations at SUGEN and has resulted into non-operation of SUGEN 40 and Vatva plant of AMGEN.
- Reduced supply of power from Company's gas based plants to its regulated distribution business at Ahmedabad and Surat, due to decline in domestic gas availability and its unwillingness to off-take power based on expensive LNG, necessitated purchase of short term power. The resultant additional cost could not be recovered fully for a good part of the year, despite a correction in the Fuel and Power Purchase Price Adjustment (FPPPA) mechanism providing for pass through of mix variance.
- Hon'ble GERC vide its orders dated 29th April, 2014 on the petitions of the Company for Mid-term Review of Business Plan for FY 2014-15 and FY 2015-16 along with petitions for True up of FY 2012-13 and Tariff Determination for FY 2014-15 allowed increase in tariff for Ahmedabad Distribution and Surat Distribution by average 44 paise per kWh (7.5%), which after reduction of positive difference between incremental base power purchase rate and base FPPPA is ~29 paise per kWh. This increase is effective from 1st May, 2014 and is not applicable to BPL consumers, Agricultural consumers & Residential consumers using electricity up to 50 units per month.

- Hon'ble Appellate Tribunal for Electricity (APTEL) has allowed carrying cost on regulatory gap for the regulated distribution business of the Company considering it as a legitimate claim and has also confirmed the ruling of Hon'ble GERC in favour of the Company to revise RPO for FY 2010-11 at the actual level of compliance.
- Transmission & Distribution (T&D) loss in Ahmedabad and Surat distribution circles has marginally increased to 6.54% in FY 2013-14 against 6.52% in FY 2012-13; one of the lowest in the country. Aggregate Technical & Commercial (AT&C) loss at Agra reduced to 43.47% in FY 2013-14 from 51.26% in FY 2012-13. AT&C loss at Bhiwandi has increased to 22.68% in FY 2013-14 as against 21.68% in FY 2012-13 pursuant to continuation of agitation by the powerloom consumers against the tariff hike.
- Open access has adversely impacted the sales growth of Company's Ahmedabad license area to the tune of 323 MUs in FY 2013-14.
- DGEN and SUGEN 40 have been successfully registered with United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM).
- SUGEN 40 has been integrated with the Integrated Management System (IMS) certification of SUGEN covering ISO 9001:2008, ISO 50001:2011, ISO 14001:2004 and BS OHSAS 18001:2007.
- AMGEN was certified for ISO 50001:2011 (Energy Management System) and the same was integrated with IMS.

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, 2014	For the year ended on 31 st March, 2013
Total Income	8,817.46	8,269.97
Profit before Depreciation, Interest and Tax	1,458.14	1,439.15
Depreciation	534.52	407.93
Interest	677.18	408.48
Profit before Tax	246.44	622.74
Current Tax	33.50	126.15
Deferred Tax	124.62	111.17
(Excess) / Shortfall in provision for Taxation for earlier years	(6.52)	0.46
Profit After Tax	94.84	384.96
Add: Balance brought forward	1,462.41	1,241.68
Balance available for appropriation	1,557.25	1,626.64
Appropriations		
Transfer to Contingency Reserve	1.00	1.00
Transfer to Debenture Redemption Reserve	23.81	23.81
Transfer to General Reserve	--	28.87
Dividend		
Proposed Dividend	23.62	94.49
Dividend Distribution Tax on Proposed Dividend	4.02	16.06
Balance carried to Balance Sheet	1,504.80	1,462.41

3. DIVIDEND

The Company, as a policy, endeavours to distribute approx. 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 12th May, 2014, recommended dividend of 5% i.e. ₹0.50 per equity share (Previous Year ₹2.00 per equity share) on 47,24,48,308 equity shares of ₹10/- each for FY 2013-14, amounting to ₹23.62 Crore (Previous Year ₹94.49 Crore).

With Dividend Distribution Tax (DDT) of ₹4.02 Crore (Previous Year ₹16.06 Crore), the total outflow on account of dividend works out to ₹27.64 Crore (Previous Year ₹110.55 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 under review, the Company raised long term loans from various Financial Institutions and Banks to the tune of ₹1,698.74 Crore (including ₹198.74 Crore for SUGEN 40). Outstanding amount towards long term loans, NCDs and APDRP loans as on 31st March, 2014 was ₹6,148.96 Crore (Previous Year ₹4,919.46 Crore). An amount of ₹469.24 Crore (Previous Year ₹520.68 Crore) was repaid by the Company during the year. The Company's long term loans, cash credit and NCDs are rated at AA/Negative by CRISIL, indicating high degree of safety with regard to timely servicing of financial obligations. Letters of credit / bank guarantees of the Company is rated A1+ indicating very strong degree of safety regarding timely servicing of the financial obligations.

5. UPCOMING PROJECTS

The status on DGEN Mega Power Project is as follows:-

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 DGEN Project has been granted Provisional Mega Power Status by the Ministry of Power. The Project has been successfully registered with UNFCCC under CDM on 9th July, 2013 w.e.f. 29th December, 2012.

The Project is expected to be completed in the second quarter of FY 2014-15. The original Project Cost along with additional works undertaken viz. transmission system, dedicated gas pipeline, gas receiving station, augmenting water supply system, dedicated effluent disposal line and reactor bay in the switchyard amounts to ₹5,724 Crore. However, the Project Cost is expected to be ₹6,503 Crore on completion, additionally due to factors beyond the control of the Company including increase in forex rates, commissioning fuel, IDC etc. Project completion has been delayed and as per EPC Contract clause on damages, the Company has received ₹506 Crore towards Liquidated Damages for delay, from Siemens India and Siemens AG. This has enabled the Company to reduce the Project Cost to ₹5,997 Crore.

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 is yet to receive tariff order for Phase III of the power evacuation facilities for SUGEN.

Torrent Energy Limited besides developing the 1,200 MW gas based DGEN Mega Power Project at Dahej SEZ, District Bharuch, Gujarat also distributed 85.07 MUs to Dahej SEZ units during FY 2013-14 (Previous Year 66.48 MUs) as a distribution licensee.

Coal based Project being developed by Torrent Pipavav Generation Limited in phases at Pipavav village in Amreli District of Gujarat is currently stalled due to non co-operation from erstwhile land owners.

7. COMPOSITE SCHEME OF AMALGAMATION

The Board in its meeting on 29th October, 2013 had accorded its approval to carry out a Study and thereby evolve a suitable and optimum business model along with desirable capital structure for the power sector operations of the Torrent Group covering, inter alia, the possibility of appropriate re-organisation including merger, demerger, forward / backward integration, sale of any division, etc.

Based on the outcome of the Study, the amalgamation of Torrent Energy Limited and Torrent Cables Limited with the Company along with appropriate re-organisation of consolidated long-term financing arrangements was found to be a suitable and optimum business model for the power sector operations of the Torrent Group.

Torrent Energy Limited, wholly owned subsidiary of Torrent Power Limited is engaged in the similar business as that of Torrent Power Limited and Torrent Cables Limited is one of the major suppliers of power cables for the power transmission and distribution activities of Torrent Power Limited as well as Torrent Energy Limited. Besides, these companies being part of the Torrent Group, in view of similar business of Torrent Energy Limited and Torrent Power Limited and complementary business relationship between Torrent Cables Limited on one hand and Torrent Energy Limited & Torrent Power Limited on the other hand, it is proposed to consolidate the activities of the Torrent Cables Limited, Torrent Energy Limited and Torrent Power Limited by way of amalgamation. The proposed amalgamation is expected to benefit all the three companies and their stakeholders in terms of synergies of operations, higher integration, concentrated management focus, increased shareholders' value and enhanced reputation of Torrent Group.

In this regard, a composite scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited (Scheme) under the provisions of Sections 391-394 of the Companies Act, 1956 including the share exchange ratio was recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th May, 2014. The Appointed Date of the Scheme is 1st April, 2014. The Share exchange ratio determined by the valuer, M/s. Price Waterhouse & Co. LLP, Chartered Accountants and the fairness opinion provided by M/s IDFC Securities Limited, Merchant Bankers, on the same, is as under:

- Every shareholder holding 20 (Twenty) fully paid up equity shares of ₹10/- each of Torrent Cables Limited, shall be entitled to receive 19 (Nineteen) fully paid up equity shares of ₹10/- each of Torrent Power Limited.
- Since Torrent Energy Limited is a wholly owned subsidiary of Torrent Power Limited, the investment of the Company in Torrent Energy Limited shall stand cancelled.

The Scheme is conditional upon, inter alia, various regulatory and other necessary approvals and sanctions from the lenders on re-organisation of consolidated long term financing arrangements on such terms and conditions as may be acceptable to the Board.

8. HUMAN RESOURCES

Committed and motivated employees are one of the most important assets for the Company. The Company is committed towards excellence in action through development and administration of opportunities for its employees that helps attract, retain and develop a diverse workforce.

Performance management area is also given prime attention. Contribution of each individual employee in the organization's growth is evaluated and their efforts are rewarded. The Company is committed towards creating a healthy, conducive and safe working environment. During the year, there were significant areas of achievement around processes and policy development. Continuous efforts were taken to implement Gender Diversity initiatives, undertaken by the Company, in various areas to ensure enhanced representation of women employees. On the industrial front, the Company continued to strengthen cordial industrial relations during the year.

The Company has taken special initiatives to communicate more with its employees and to foster unity on occasions like Independence Day, Republic Day and Founders' Day.

The Company has a diverse workforce of 6,800 as on 31st March, 2014 vis-à-vis 7,077 as on 31st March, 2013.

9. 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 Healthcare, Sanitation & Hygiene, Education & Knowledge Enhancement and Social Care & Concern. During the year, the Company was involved in following CSR activities taken up on its own or along with other Torrent Group Companies:

On its own

- The Company continued to cater to the needs of locals (as of date 9,500 patients) from surrounding 26 tribal villages around SUGEN through SWADHAR, the Medical Centre. SWADHAR is equipped to provide treatment for general ailments and in specialities such as obstetrics, gynaecology and paediatrics. Various awareness sessions on oral hygiene, adolescent health, anti-natal health and communicable diseases as well as health camps were conducted for residents of nearby villages and contract workers of SUGEN.
- Various initiatives like cleanliness drives, distribution of dustbins etc. have been undertaken at villages surrounding SUGEN to create general awareness and a hygienic environment.
- Constructed 4 classrooms and 2 toilet blocks as part of expansion work at Akhakhol School near SUGEN.

At Group level

- Shiksha Setu – Teaching Learning Enhancement Programme in its third year included more than 4,800 students and more than 200 teachers as beneficiaries. Outcomes included increase in participation of parents in parents-teachers meetings especially in rural areas, 55% cumulative learning level improvement over baseline year, enhanced learning interest in ICT based adaptive tool and improvement in attendance. 523 employee volunteers participated in the project activities during the year.
- Construction work is in progress for 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.
- Reconstruction activities at Memadpur school were completed during the year which included renovation of existing school building and construction of new facilities including assembly hall and utility facility.
- A survey of 1,769 households was conducted by 154 employee volunteers to understand women health issues and child health aspects, in order to conceptualize and design a community healthcare programme in the vicinity of Sabarmati area in Ahmedabad.

Besides the above, the Company has also made donations to the tune of ₹1.77 Crore (Previous Year – ₹2.62 Crore) to various organizations involved in education, healthcare, providing relief to disaster victims and promotion of social welfare, harmony and nationalism.

In line with the provisions of the Companies Act, 2013 and rules made thereunder, a CSR Committee has been formed by the Board of Directors. The Board of Directors at their meeting held on 12th May, 2014 approved the CSR Policy as recommended by the CSR Committee which includes, inter alia, the CSR activities falling under the purview of Schedule VII of the Companies Act, 2013.

10. ENVIRONMENT, HEALTH AND SAFETY

The Company accords the highest priority to Environment, Health and Safety. The developments during the FY 2013-14 in this context include:

SUGEN 40 integrated with IMS certification of SUGEN covering ISO 9001:2008, ISO 50001:2011, ISO 14001:2004 and BS OHSAS 18001:2007.

Renovation and Modernisation (R&M) work completed at E and F stations at AMGEN. The increased efficiency on account of such R&M work will result into reduction of greenhouse gases. Electro Static Precipitators (ESPs) were modified at E station of AMGEN to reduce the emission of suspended particulate matter.

AMGEN is certified for Energy Management System ISO 50001:2011 (EnMS) from August 2013.

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.

11. DIRECTORS

Shri T P Vijayasarathy and Shri Murli Ranganathan, Whole-time Directors have resigned from the Board with effect from 25th January, 2014 and 31st March, 2014 respectively.

Shri V K Kukreja, Nominee Director of LIC of India resigned from the Board w.e.f. 22nd August, 2013.

The Board places on record its appreciation for the valuable services rendered by Shri Murli Ranganathan, Shri T P Vijayasarathy and Shri V K Kukreja during their tenure as Directors of the Company.

LIC of India has nominated Shri R Ravichandran as its nominee in place of Shri V K Kukreja and the Company has appointed him as an Additional Director on the Board w.e.f 29th October, 2013 till the commencement of ensuing Annual General Meeting (AGM). It is proposed to appoint him as a Nominee Director, liable to retire by rotation, with effect from the ensuing AGM i.e. 28th July, 2014.

Subsequent to the notification of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Pankaj Patel, Shri Samir Barua, Shri Kiran Karnik and Shri Keki Mistry are proposed to be appointed as Independent Directors for a term of five consecutive years starting from 1st April, 2014 and ending on 31st March, 2019. Smt. Renu Challu is also proposed to be appointed as Independent Director for a period of three consecutive years w.e.f. ensuing AGM on 28th July, 2014.

Shri Jinal Mehta has been appointed as Whole-time Director for a period of 5 consecutive years effective from 5th April, 2014.

Shri Samir Mehta, Executive Vice Chairman, retires by rotation and being eligible, has offered himself for re-appointment.

For your perusal, a brief resume of the Directors being appointed / re-appointed and other relevant details are given in the Explanatory Statement to the Notice convening the AGM. The Board of Directors recommends their appointment / re-appointment for the approval of the shareholders at the ensuing AGM.

12. 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 and 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 & 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 annexed to the Directors' Report.

13. AUDITORS AND AUDITORS' REPORT

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

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

14. COST AUDITORS

M/s. Kirit Mehta and Co., Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for FY 2013-14. Cost audit report for FY 2012-13 was filed on 30th September, 2013 with the Central Government (within the prescribed time limit) pursuant to Section 233B of the Companies Act, 1956.

15. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, in relation to the financial statements for FY 2013-14, 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, 2014 and of the profits for the year ended 31st March, 2014;
- 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.

16. 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 (Rules) are given in the Annexure to and form part of this Report. As the Company is not a scheduled industry, details in respect of conservation of energy pursuant to the said Rules are not furnished.

17. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of this Report. 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.

18. APPRECIATION AND ACKNOWLEDGEMENTS

The Board of Directors is pleased to place on record their appreciation for the continued guidance and support received from the Government of India, the State Governments, the Central and State Electricity Regulatory Commissions / Authorities, the National, Regional and State Load Dispatch Centres, Regional Power Committees, Chief Electrical Inspectors of Gujarat, Uttar Pradesh and Maharashtra, State Energy Developers, State Discoms, National and State Transmission Companies, the Corporation and Municipal authorities of the areas of Company's operation, EPC Contractors, Fuel Suppliers and Transporters, Power Exchanges, Banks, Financial Institutions and Security Trustees. The Board is thankful to the Shareholders, Auditors, Consultants, Vendors, Service Providers, Insurers and all its Employees for their unstinted support and contribution. The Board also recognizes the contribution of the esteemed Consumers to the growth of the Company and takes this opportunity to pledge the Company's commitment to serve them better.

For and on behalf of the Board of Directors

Ahmedabad
12th May, 2014

Sudhir Mehta
Executive 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 2013-14. However some activities carried out through indigenous sources resulted in significant improvement in the performance of the system.

Generating Stations

SUGEN

- Construction of new store infrastructure with transparent roof sheets and turbo ventilator fans to conserve the electrical energy used in lighting & ventilation;
- Emergency Diesel Generator stack height increased from 9.4 Meter to 11 Meter with in-house resources;

AMGEN

- Implementation of Preferential Operation of energy efficient equipment.
- Phase wise replacement of aged and conventional HPSV fixtures with energy efficient LED fixtures in plant area lighting system to conserve electrical energy.
- Successful completion of Renovation and Modernisation of E & F Generating Stations which has resulted into energy efficiency and capacity enhancement.
- Up gradation of ESP at E & F stations was carried out to reduce stack emission.

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

The benefits derived as a result of the above initiatives in the Generation area are as under:

- Energy conservation
- Reduced air borne pollution

3. Future Plan of Action

Renovation and overhauling work at D station at AMGEN to enhance life, safety, reliability and performance of Boiler

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

- Up gradation of ESP at E & F stations with state of the art EPIC-3 controllers
- Replacement of aged and obsolete 6.6 kV Switchgear panels with state of the art switchgears at E station for better safety and reliability.
- State of the art SCADA system installed to replace obsolete analogue control panels, for effective control and monitoring of 132 kV Switchyard Bays.
- Use of LED lighting system in place of conventional lighting for energy conservation.

2. Benefits derived as a result of the above efforts

- Improvement in equipment performance.
- Reduced air pollution.
- Better availability, reliability and safety.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Description	(₹ in Crore)
Foreign Exchange Earned	
a) Refund of premium	0.32
Foreign Exchange Used (Actual Basis)	
a) Import of Capital Goods	155.28
b) Import of Fuel, Components, Stores and Spare parts	138.81
c) Traveling, Subscriptions and Others	19.51

For and on behalf of the Board of Directors

Ahmedabad
12th May, 2014

Sudhir Mehta
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY AND POWER SECTOR

1. ECONOMY

The Indian economy continued to deal with persistent challenges of high inflation and low growth during FY 2013-14. The surge in inflation particularly in food prices owing primarily to supply side constraints was one of the biggest challenges faced by the Indian economy during the year which affected common man the most. The GDP growth rate recovered marginally from 4.4% in FY 2012-13 to 4.9% in FY 2013-14 owing to revival in agriculture on the back of a steady monsoon and robust growth in financial and business services.

A reason to cheer during the year was the narrowing down of Current Account Deficit (CAD). Rise in exports mainly due to improved growth of developed markets aided by rupee depreciation and reduced gold imports helped in narrowing down the trade deficit. This supplemented by rise in net invisibles ultimately reduced the CAD to 2% during the year. These factors along with increase in FII inflows, in expectation of a stable government, helped the recovery of the exchange rate that breached the level of ₹68 per USD in August 2013 to ₹60 per USD in March 2014.

Fiscal deficit for FY 2013-14 is estimated to be at 4.6% of GDP against 4.9% in FY 2012-13 mainly due to reduction in Plan and Non-Plan revenue expenditure and revenue inflows coming from spectrum auctions, divestments, dividends and advance tax receipts.

Standard & Poor while continuing with the negative outlook on India stated that post election political developments and policy actions could determine the sustainability of its investment grade.

2. INFRASTRUCTURE

The growth in infrastructure sector which consists of eight core industries dropped to 2.6% in FY 2013-14 against 6.5% in FY 2012-13 due to reduction in coal, natural gas and petroleum refinery production; the lowest growth in over a decade. High policy rates, dearer forex and various other bottlenecks have impacted the economies of investment in infrastructure; thus turning many projects into non-performing assets and significantly affecting investment-growth multiplier effect. The new and stricter Land Acquisition Act alongwith non-extension of tax holiday under Section 80IA may further impede the investment climate.

3. POWER SECTOR SCENARIO

The overall slow-down in economy and particularly in infrastructure have led to stagnant electricity demand and decrease in the purchasing power of people, which signifies in a nutshell the critical situation faced by the Indian power sector. Moreover, per capita annual electricity consumption remains significantly low at ~917 kWh for FY 2012-13 and one third of the Indian population remains without access to electricity.

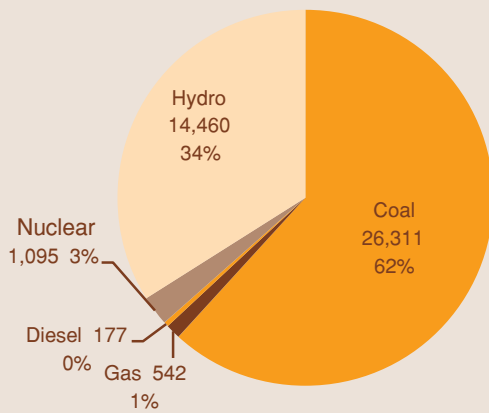
A) DEMAND – SUPPLY GAP

The peak deficit for FY 2013-14 was 4.5% against 9.0% in FY 2012-13 and energy deficit was 4.2% against 8.7% in FY 2012-13. This reduction in deficit is attributed mainly to the fall in industrial demand amid the economic slowdown and partly to the increase in generation capacity.

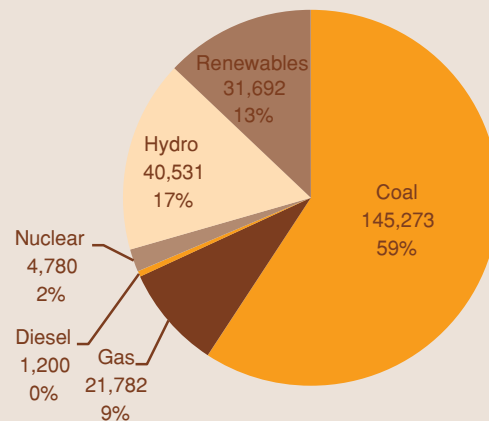
B) GENERATION

From 42.59 GW at the end of 6th Five Year plan (1980-85), the country has raised its installed capacity to 245.26 GW as of March 2014, world's fourth largest. The fuel wise break-up of the installed capacity as shown below depicts that coal has continued to maintain its lion's share whereas hydro has lost almost half of its share to renewables and gas sources.

Installed capacity (MW) as on 31st March, 1985



Installed capacity (MW) as on 31st March, 2014



The 12th Five Year Plan (2012-17) has achieved more than 43% of its target by adding 38 GW (excluding renewables) in the first two years. While Central and State sectors could achieve 43% and 74% of their respective targets, Private sector's achievement stands at 151% of its target for FY 2013-14.

Though the total generation in FY 2013-14 at 967 BU has increased by 55 BU over FY 2012-13, the overall Plant Load Factor (PLF) of thermal power plants has plummeted from 67% in FY 2012-13 to 63% in FY 2013-14. The PLF of coal based plants dropped from 70% in FY 2012-13 to 65% in FY 2013-14 and that of gas based plants from 40% in FY 2012-13 to 25% in FY 2013-14 mainly due to domestic fuel shortages.

CIL has been falling short of its production target due to environmental & legal delays in adding new mines, lack of diligent efforts to ramp up existing ones, lack of railway access etc. FY 2013-14 ended with a coal production of 463 million tonnes (MT) against the target of 482 MT. Amid continuous delays, CIL has so far signed 160 FSAs with power units out of the required 172 FSAs for the capacity of 78,000 MW. Out of the 218 allocated coal blocks, Government has de-allocated 47 blocks either due to surrender by allocattees or due to unsatisfactory progress in coal block development.

The continuing non-supply of domestic gas including from KG-D6 basin has left more than 19,000 MW gas based capacity stranded or operating at a very low PLF. Further, 7,000 MW under advanced stage of construction is stranded for want of gas. Though imported RLNG can be used to meet the domestic gas shortage, its current high price is unaffordable.

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

- Hon'ble CERC has issued CERC (Terms and Conditions of Tariff) Regulations, 2014 for a five year period applicable from 1st April, 2014 wherein many of the incentives for generation have been removed.
- Empowered Group of Ministers, after declining the priority in gas allocation for power sector, has considered allotment of gas for power sector from the new fields of ONGC and GSPC with expected volume of 6-10 mmscmd starting 2016. Further, any gas available after meeting the supply level of 31.5 mmscmd to fertiliser sector in 2014-15 and 2015-16 would be supplied to power sector.
- Government has doubled the domestic gas rate to USD 8.3/mmbtu from 1st April, 2014 based on the Rangarajan Panel's recommendations, which decision has been deferred due to elections.
- Ministry of Power has come out with new Model Power Supply Agreement for Thermal Power Stations to be set up on Design, Build, Finance, Own and Operate basis.

- Hon'ble CERC, in two separate orders, has allowed Tata Power and Adani Power to recover the impact of hike in Indonesian coal price from state discoms in five states. Power utilities of Punjab, Haryana and Rajasthan have filed an appeal before the APTEL on the matter.
- Methodology for coal block auction by competitive bidding has been approved by Cabinet Committee on Economic Affairs (CCEA).
- Excise duty on capital goods has been reduced from 12% to 10% in the Interim Budget 2014.

C) TRANSMISSION

Creation of capacities and deployment of better technology have led to noteworthy development of the transmission segment. There are total 2,91,336 ckm transmission lines and 5,30,546 MVA transformer capacity as on 31st March, 2014. The 12th Plan envisages an addition of about 1,07,440 ckm of transmission lines and 2,70,000 MVA of AC transformer capacity. Out of this 33,855 ckm transmission lines and 1,20,995 MVA of AC transformer capacity were added upto FY 2013-14.

During the year, the Southern Grid was connected to NEWNE Grid through the newly commissioned 765 kV Raichur-Sholapur single circuit transmission line thereby forming 'One Nation-One Grid-One frequency' system and making the Indian power system one of the largest operating synchronous grids in the world. This grid integration will provide relief to the power-starved southern region and will ensure stability, better management and smooth delivery of power to the consumers.

Bottlenecks like delay in environmental & land clearances, RoW issues, disproportionate increase in transmission capacity as compared to generation capacity etc. continue to hamper the segment. However, an investment of USD 35 billion is planned in the transmission segment in order to meet the envisaged generation capacity addition of 88 GW in the 12th Plan.

D) DISTRIBUTION

Distribution segment is plagued by issues like high AT&C losses, moderate tariff hikes and weak financial conditions of discoms. The combined financial losses of all the power discoms at a staggering ₹1.2 trillion has severely constrained investment in distribution segment. Technical losses on account of overloaded network, unbalanced phases, improper planning, unplanned extension of distribution lines and commercial losses due to theft, low meter reading efficiency, billing inaccuracy, etc. have resulted in average AT&C losses of 30% as of October 2013.

The upward pressure on power generation cost on account of high fuel prices and fuel supply deficit is making power tariff rationalisation difficult. Due to consumers' unwillingness to pay for such expensive power and also due to huge AT&C losses, regulators are not able to fully convert this increase in generation cost into tariff hikes. This is increasing the gap between the cost of supply and the revenue realised resulting into huge regulatory assets despite tariff hikes by various SERCs in the range of 4%-29% during FY 2013-14.

The way forward towards addressing some of the above concerns are as under:

- Timely and reasonable tariff hikes by SERCs and reduction in cross-subsidisation would help bail out the discoms from their financial distress. State discoms should encourage workable franchise models in distribution space to come out from vast financial crisis.
- Adequate investments for developing distribution infrastructure, IT-based analytics, energy audit and focus on reducing theft could help in containing the AT&C losses. The Restructured Accelerated Power Development and Reforms Programme is aimed at reducing AT&C losses in the project area to 15% in a period of five years.
- The Financial Restructuring Plan aimed at financing discoms' losses and incentivising them for performance improvement is a welcome step. Eight states have availed the scheme so far.

E) RENEWABLE ENERGY

The total installed capacity of renewable energy stood at 31,692 MW as on 31st March, 2014 with wind power dominating at 21,136 MW. GBI re-introduction with overall cap increased to ₹1 Crore from earlier ₹62 lacs contributed to 2,083 MW wind power installations in FY 2013-14 vis-à-vis 1,699 MW in FY 2012-13, an increase of ~23%. Due to the supportive policies, solar power installations also registered a steep growth of ~28% from 754 MW in FY 2012-13 to 962 MW in FY 2013-14. The installed capacity of solar power was 2,647 MW as on 31st March, 2014.

The commercial mechanism of the Renewable Regulatory Fund scheme has been suspended by Hon'ble CERC. However, the forecasting and scheduling of wind generation has been continued till further orders. The recently signed "Green Energy Corridor Scheme" between India and Germany comprising of both inter-state and intra-state schemes for power evacuation from wind and solar projects in eight states is a welcome step. Other developments like attractive preferential tariff, increasing trend of RPO by various SERCs and increasing interest of IPPs and utilities are positive points for the sector. However, factors like delays in obtaining government approvals, weak financial condition of discoms, lack of proper power evacuation infrastructure, non-extension of tax holiday period under section 80IA of the Income Tax Act, 1961 and absence of vibrant REC market continue to pose challenges.

F) POWER TRADING

Power trading market has been playing an essential role in meeting short-term, seasonal or peaking demand. The segment-wise volume traded during FY 2013-14 is as follows:

Bilateral (traders)	Power Exchanges	UI
53,135 MUs (51%)	30,030 MUs (29%)	21,471 MUs (20%)

The short term transactions have shown a rise of 5.76% from 98,940 MUs in FY 2012-13 to 1,04,636 MUs in FY 2013-14. While Bilateral trade volume has increased by 3.87%, the volume traded through Power Exchanges has increased notably by 30.43% as compared to FY 2012-13. Due to inadequate domestic fuel availability, captive power companies purchased power from exchanges to meet their requirements which boosted the volumes. The trade through UI Mechanism has shown decrease by 13.28% as compared to FY 2012-13 due to the efforts of the regulator to enforce grid discipline by discouraging UI as a market mechanism.

During FY 2013-14, the average price of power transacted through bilateral segment was ₹4.27/kWh and through power exchanges was ₹2.73/kWh. The corresponding values for FY 2012-13 were ₹4.34/kWh and ₹3.57/kWh respectively. The price on exchanges reduced due to oversupply of electricity in the system which remained undrawn due to network congestion and due to inability of the discoms to buy power owing to their poor financial health.

With the Southern Grid integrated to the NEWNE Grid, the power trading market is set to expand and the large price disparity between the southern and the other regions would reduce.

G) RISKS AND CONCERNS OF THE POWER SECTOR

The power sector is going through a rough patch with problems mounting on various fronts. Some of the key risks and concerns are mentioned below:

- Domestic fuel shortages including lack of clarity on availability of domestic fuel especially gas is impacting the power sector adversely.
- The existing domestic gas price of USD 4.2/mmbtu is set to double. Further, gas unlike coal, is subject to higher levies as it is not considered goods of special importance. There has been a significant increase in domestic coal prices in the last couple of years. Also, global coal and gas prices are at a high level. Costlier fuel constrains the potential power producers from offering competitive tariff due to which discoms show

reluctance to sign long term PPA. Signing of PPA being a pre-requisite for domestic fuel linkage / signing FSA, power producers are thus, held in a vicious circle.

- Even as the government pushes ahead with raising the fuel price, discoms, which are already suffering from abysmal health, would be recovering lesser than the costs, unless adequate tariff hikes are provided. This will impact adversely the strengthening and augmenting of distribution networks resulting into high technical losses, unplanned extensions of distribution lines, overloading of the system elements and lack of adequate reactive power support.
- With the introduction of new land acquisition law, land acquisition for new projects is estimated to take much more time and the higher compensation for land would increase the project cost. This is only likely to add to the woes of power project developers that are already struggling with delays in multiple clearances with respect to environment, forest, water linkage, rights of ways (RoW) etc., eventually leading to increased pre-development cycle and cost escalation.
- Unsustainable cross subsidy levels is one of the major issues faced by distribution companies and its elimination is the key to entail cost-reflective tariffs. The open access regime has further constrained the ability to reduce the cross-subsidies.
- The proposal of the power ministry to segregate the Distribution and Supply business may be premature for a sector that is already burdened with high losses.
- The efforts of the government to bring in competition through competitive bidding have been stymied by the highly fluctuating long term fuel prices.
- Limited availability of skilled labour and difficulties in attracting and retaining talent at remote locations remains a challenge for power sector.
- Banks, apart from limiting their exposure, are extremely cautious in lending to the ailing power sector which may further constrain the sector's growth.

H) FUTURE OUTLOOK AND OPPORTUNITIES

Certain developments which may bring a positive impact on the power sector are as follows:

- CCEA's approval of the Rangarajan Committee's formula for domestic gas pricing is likely to incentivize exploration of new indigenous gas resources and further development of existing ones. Also, proposed investments by RIL in its shale gas ventures and for revamping of KG-D6 basin and ONGC's plans to raise its natural gas output by over 53% to 100 mmscmd by FY 2017-18 are expected to augment the domestic gas availability.
- On LNG front, Petronet will receive 1.5 million metric tonnes per annum (mmtpa) from FY 2015-16 under its 20-year long term agreement with Australia and GAIL will source 5.8 mmtpa from U.S. starting 2017. Further, Mozambique has agreed to supply gas in significant quantity from one of its largest fields. With LNG terminal capacities nearly doubling in the near term and increase in the natural gas pipelines infrastructure, adequate supply of gas is expected. Massive shale gas reserves in US & China would help in rationalising global LNG prices.
- The revised limit of 65% (earlier 85%) for tying up installed capacity through competitive bidding under the Mega Power Policy is expected to give fresh lease of life to long-stuck coal-based power projects with a combined capacity of 33,000 MW and investments of more than ₹1.6 trillion.
- The newly announced Case-1 and Case-2 bidding in the context of reasonable compensation for recovery of fuel cost are welcome steps for the power generation segment.
- The Sector provides immense opportunities for several projects through Public Private Partnerships /JVs for capacity creation in generation, transmission and distribution segments.

REVIEW OF COMPANY'S BUSINESS

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

1. GENERATION:

A) SUGEN Mega Power Plant near Surat

The 1,147.5 MW gas based SUGEN Mega Power Plant achieved a higher Plant Availability Factor (PAF) of 98.89% (Previous Year - 94.32%) due to extended scheduled Hot Gas Path Inspection in previous year. PLF reduced to 22.87% (Previous Year - 41.21%) due to non-supply of domestic gas from RIL's KG-D6 basin and reluctance of beneficiaries to off-take power based on expensive LNG. Consequently, it dispatched from its generation, 2,230 MUs (Previous Year - 4,018 MUs).

The Company received a favourable order from APTEL in the appeal filed by it against the applicability of Provisional Initial Tariff Order issued by Petroleum & Natural Gas Regulatory Board. The applicability of Tariff Order would now be from the date of authorization of GSPL's pipeline (i.e. 27th July, 2012) and not from the date of notification of tariff regulations (i.e. 20th November, 2008).

The 382.5 MW gas based SUGEN 40, an expansion of SUGEN, was put into commercial operation on 4th April, 2013. The unit achieved PAF of 99.99%, but its capacity remained unutilised throughout the year owing to non-availability of domestic gas and reluctance of beneficiaries to off-take power based on expensive LNG. Tariff for the said unit has been determined by the Hon'ble CERC based on the Project Cost of ₹1,833 Crore. During the year, the Project was successfully registered with UNFCCC under CDM.

B) AMGEN in Ahmedabad

The AMGEN Power Plant comprises of the 422 MW coal based plant at Sabarmati and 100 MW gas based plant at Vatva. The uprating of E station at Sabarmati to 121 MW from 110 MW was successfully completed and the station was synchronized with the Grid on 21st October, 2013. The 100 MW Vatva gas based plant has not been in operation on account of non-availability of gas throughout the year. Consequently, the Company has decided to retire the Vatva plant.

During the year, AMGEN's coal based plant achieved a PAF of 81.69% (Previous Year – 87.13%), PLF of 74.90% (Previous Year – 81.22%) and dispatched 2,463 MUs (Previous Year - 2,580 MUs). PAF was lower as compared to the previous year due to shut down of E & F stations during the year for uprating whereas PLF was lower additionally due to application of merit order dispatch.

C) Wind Power Plant at Lalpur, Jamnagar

The 49.6 MW Wind power plant achieved PAF of 97.39% (Previous Year - 96.49%) and dispatched 89 MUs (Previous Year - 106 MUs) during the year due to comparatively lower wind.

2. DISTRIBUTION:

A) Ahmedabad and Surat

The sales were lower at 9,235 MUs in FY 2013-14 as against 9,300 MUs during the previous year. The marginal de-growth of 0.71% was mainly on account of reduction in sales due to open access. T&D loss increased marginally to 6.54% in FY 2013-14 from 6.52% during the previous year and is one of the lowest in the country. The consumer base for both the areas as on 31st March, 2014 was 22.76 lacs (Previous Year - 22.08 lacs). The overall peak system demand for Ahmedabad was higher at 1,409 MW in FY 2013-14 as compared to 1,300 MW in the previous year. The overall peak system demand for Surat at 589 MW in FY 2013-14 was higher as compared to 569 MW in the previous year. To cater to the shortage

following the unwillingness to off-take expensive spot LNG based power from its gas based generating stations, due to non-availability of domestic gas, the Company entered into various short-term power purchase agreements for FY 2013-14 and FY 2014-15 and also procured from Power Exchanges.

Following the option provided in GERC (Multi Year Tariff) Regulations, 2011 to seek Mid-term Review of the Business Plan in FY 2013-14, the Company had filed the petitions for its Regulated Business for FY 2014-15 and FY 2015-16 along with petition for True up of FY 2012-13 and Tariff Determination for FY 2014-15. Hon'ble GERC has vide its orders dated 29th April, 2014 allowed an average increase of 44 paise per kWh, which after reduction of positive difference between incremental base power purchase rate and base FPPPA is ~29 paise per kWh.

Despite the genuine efforts made by the Company to meet its Renewable Purchase Obligation (RPO) for FY 2013-14, it has not been fully successful mainly due to supply constraints and other factors beyond the control of the Company. For FY 2012-13, in recognition of the sincere efforts made by the Company, Hon'ble GERC has revised the RPO targets as per actuals. Hon'ble APTEL has also confirmed the ruling of Hon'ble GERC in favour of the Company to revise the RPO for FY 2010-11 at the actual level of compliance.

B) Bhiwandi

The sales were lower at 2,760 MUs in FY 2013-14 as against 2,833 MUs during the previous year, registering de-growth of 2.58% mainly due to the 15 days strike by Powerloom Industry. The AT&C loss was higher at 22.68% in FY 2013-14 as against 21.68% during the previous year as the agitation against tariff hike continued during the year. The consumer base as on 31st March, 2014 was 2.58 lacs (Previous Year - 2.52 lacs). The peak system demand for Bhiwandi was 571 MVA during FY 2013-14, which was marginally higher than 560 MVA in the previous year. Collection Efficiency has improved to 97.30% in FY 2013-14 from 94.97% in FY 2012-13.

C) Agra

The sales were higher at 1,283 MUs in FY 2013-14 as against 1,125 MUs during the previous year, registering a growth of 14.00%. The AT&C loss was lower at 43.47% in FY 2013-14 as against 51.26% during the previous year. The consumer base as on 31st March, 2014 was 3.36 lacs (Previous Year – 3.04 lacs). The peak system demand for Agra was 409 MVA during FY 2013-14, which was lower than 431 MVA in the previous year.

3. OVERALL RESULTS:

The overall sales in FY 2013-14 were at 13,246 MUs as against 14,009 MUs during the previous year registering a de-growth of 5.45%. Sales to various categories of consumers during FY 2013-14 as compared to the previous year are as under:

Category of Consumers	2013-14		2012-13		Growth
	MUs	%	MUs	%	%
Residential	3,485	26%	3,297	24%	5.69%
Commercial	2,323	18%	2,316	17%	0.32%
LTP/LTMD	4,355	33%	4,347	31%	0.19%
HT	2,892	22%	3,084	22%	-6.23%
Others	191	1%	965	7%	-80.22%
Total	13,246	100%	14,009	100%	-5.45%

Growth of 5.69% was registered in residential category due to normal load growth and reduction in T&D losses at Agra. However, de-growth of 6.23% was witnessed in HT category of consumers on account of sales loss due to open access. Others reduced by 80.22% due to absence of short term power sales owing to domestic gas non-availability.

During the year, there was substantial reduction in generation at its gas based generating stations mainly on account of non-availability of domestic gas and unwillingness of beneficiaries to off-take power using expensive LNG.

Though GERC (Multi Year Tariff) Regulations, 2011 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 of the Company could not realize even cost of energy supplied during the year despite increase in tariff in FY 2013-14 and correction in the FPPPA mechanism in the later part of the year. TPL-D purchased power through bi-lateral agreements and also from power exchanges owing to lower availability of power from its gas based generating stations which resulted into additional power purchase cost. TPL-D was unable to recover such additional costs fully for a good part of the year resulting into postponement of such recovery to true up stage. Also, pending adoption of the Hon'ble CERC determined tariff of SUGEN 40 by Hon'ble GERC, recovery of its cost is in abeyance. These have impacted profits and cashflows of regulated distribution business for FY 2013-14 significantly.

The overall performance in Bhiwandi deteriorated due to increase in the T&D losses. Slowing down of vigilance activities owing to the continuing agitations against the tariff hike has impacted T&D losses significantly.

Agra has shown reduction of 7.79% in AT&C losses during the year due to the continuing efforts in the areas of network augmentation, LT network undergrounding, better meter reading efficiency and increased collection efficiency.

Capitalisation pursuant to commissioning of SUGEN 40 and uprating of E & F stations at AMGEN led to increase in depreciation and interest cost (net of treasury income).

The impact of additional capitalisation on depreciation during FY 2013-14 has resulted into the increase in deferred tax.

The Company did not sell any CERs (Previous Year – ₹44.99 Crore) on account of low prices of CERs.

In this context the overall;

- PBDIT increased by 1.32% from ₹1,439.15 Crore to ₹1,458.14 Crore
- Depreciation increased by 31.03% from ₹407.93 Crore to ₹534.52 Crore
- Interest increased by 65.78% from ₹408.48 Crore to ₹677.18 Crore
- PBT decreased by 60.43% from ₹622.74 Crore to ₹246.44 Crore
- PAT decreased by 75.36% from ₹384.96 Crore to ₹94.84 Crore.

4. RISKS AND CONCERNS – COMPANY

Significant risks and concerns of the Company are enumerated below:

- Non-availability of domestic gas continues to be the most challenging issue faced by the Company for its gas based generating plants. Unwillingness of long term buyers to off-take power based on high cost LNG is a matter of concern which 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.

- CERC Tariff Regulations 2014-19 will put pressure on revenues of the Company's gas based power plants mainly due to change in parameters for incentive computation from PAF to PLF, sharing of financial gains on account of controllable parameters with beneficiaries and reduction in auxiliary consumption norm.
- The Company's regulated distribution business 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. Though the regulator has approved correction in the FPPPA mechanism to address the issue of power purchase mix, the full recovery of the increased costs is getting delayed. Further the issue of non-pass through of REC costs (to fulfill RPO obligation) through the FPPPA mechanism continue to burden these businesses. All these issues lead to postponement of recovery of said costs up to true-up stage thereby increasing the negative cash flow in the regulated distribution business. Though the accrual of carrying cost on such deferred recovery is not allowed as GERC (Multi Year Tariff) Regulations, 2011 do not provide for it; APTEL has, during the year, issued the judgement in favour of the Company considering it as the legitimate claim of discoms which is under consideration by Hon'ble GERC. Despite these immense hurdles, regulated distribution business of the Company has been successful in meeting the demand of Ahmedabad and Surat so far, without any load shedding.
- In the context of various bottlenecks being faced by the Company in fulfilment of RPO targets, the upward revision in the RPO targets from FY 2014-15 onwards by Hon'ble GERC would be a matter of concern.
- 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 also 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.

5. 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.

6. 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 provides 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 Act, 2013 was enacted on August 30, 2013 which provides for a major overhaul in the Corporate Governance norms for all companies. The rules pertaining to Corporate Governance were notified on March 27, 2014 and were made applicable to all listed and specified class of companies.

SEBI has made amendments to Clause 49 of the listing agreement with an objective to align with the provisions of the Companies Act, 2013, adopt best practices on corporate governance and make the corporate governance framework more effective. These new requirements, which will come into effect from October 1, 2014, rest on a principle based framework and is a quantum leap from more of a rule based framework that existed earlier. This will enable corporate governance requirements being complied with not just in letter but also in spirit.

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 ten 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 2013-14 on 29th May, 2013, 25th July, 2013, 29th October, 2013 and 25th January, 2014.

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	4	1 (Member)	4	4	Yes
Shri Samir Barua	Independent Non-Executive Director	4	4 (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	13	3 (Chairman) 6 (Member)	4	3	Yes
Shri D. J. Pandian, IAS	Independent Non-Executive Director Nominee of Govt. of Gujarat (a shareholder)	19	-	4	3	No
Shri V. K. Kukreja ^(#)	Independent Non-Executive Director Nominee of LIC (a shareholder)	1	-	2	2	Yes
Shri R. Ravichandran ^(§)	Independent Non-Executive Director Nominee of LIC (a shareholder)	Nil	Nil	2	2	-
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	Nil	Nil	4	4	Yes
Shri T. P. Vijayasarathy ^(^)	Promoter and Executive Director	3	2 (Member)	4	4	Yes
Shri Jinal Mehta ^(\$\$)	Promoter and Non-Executive Director	2	1 (Member)	4	4	Yes

(#) Shri V. K. Kukreja resigned from the Board of Directors effective from 22nd August, 2013.

(§) Shri R. Ravichandran was appointed as an Additional Director effective from 29th October, 2013.

(^) Shri T. P. Vijayasarathy resigned from the Board of Directors effective from 25th January, 2014.

(@) Shri Murli Ranganathan resigned from the Board of Directors effective from 31st March, 2014.

(\$\$) Shri Jinal Mehta was appointed as Whole-time Director effective from 5th April, 2014.

(*) 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 Samir Mehta is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, he has offered himself for re-appointment. Shri R. Ravichandran has been appointed as an Additional Director during the year and

he holds office till commencement of the ensuing Annual General Meeting. The Board had, at its meeting held on 12th May, 2014 recommended to the Shareholders the appointment of Smt. Renu Challu as new Independent Non-Executive Director at the ensuing Annual General Meeting. Brief resume and other relevant details of the Directors proposed to be appointed/re-appointed are given in the Explanatory Statement annexed to the Notice of the Annual General Meeting. Shri Sudhir Mehta and Shri Samir Mehta are related to each other. Shri Jinal Mehta is son of Shri Sudhir Mehta. None of the other Directors are related inter-se.

The Board meetings are normally held in Ahmedabad. The Board meets 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.

The Company has revised the terms of reference of Audit Committee to align it with the requirements of the Companies Act, 2013.

During the year under review, four meetings of the Audit Committee were held on 29th May, 2013, 25th July, 2013, 29th October, 2013 and 25th January, 2014. Composition of the Committee as on 31st March, 2014 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)	3
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. Vijayasathy ^(§§)	Whole-time Director	ICWA, PGDBM – IIM	4
Shri Jinal Mehta ^(^^)	Promoter and non-executive Director	MBA (International Business and Finance) - University of Technology Sydney (UTS), Australia	-

(§§) Shri T. P. Vijayasathy has ceased to be a member of the Audit Committee effective from 25th January, 2014 on his resignation as Whole-time Director and Director of the Company.

(^^) Shri Jinal Mehta was appointed as a member of the Audit Committee by the Board at its meeting held on 25th January, 2014. He was appointed as Whole-time Director effective from 5th April, 2014.

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 21 complaints during the year and they were attended to within a reasonable period. No complaint was pending as on 31st March, 2014. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st March, 2014 beyond 15 days for processing.

The Shareholders' Grievances Committee has been renamed as Stakeholders Relationship Committee and the scope of the Committee has been enhanced by including all the Stakeholders.

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.

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.

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 29th May, 2013, 29th October, 2013 and 25th January, 2014, which were attended to by all the members.

The Company has reconstituted the Nomination and Remuneration Committee by inducting Shri D.J. Pandian, IAS as a member to align with the provisions of the Companies Act, 2013.

C. Details of remuneration paid to the Directors for the financial year 2013-14 are as under:

(₹ in Lacs)

Name of the Director	Sitting Fees	Salary & Perquisites #	Commission	Total
Shri Sudhir Mehta [§]	Nil	3.68	Nil	3.68
Shri Pankaj Patel	Nil	Nil	19.50	19.50
Shri Samir Barua	Nil	Nil	22.00	22.00
Shri Kiran Karnik	Nil	Nil	23.50	23.50
Shri Keki M. Mistry	Nil	Nil	16.50	16.50
Shri D. J. Pandian, IAS*	Nil	Nil	12.00	12.00
Shri V. K. Kukreja*	Nil	Nil	8.00	8.00
Shri R. Ravichandran*	Nil	Nil	8.00	8.00
Shri Samir Mehta [§]	Nil	Nil	Nil	Nil
Shri Markand Bhatt [§]	Nil	6.06	Nil	6.06

Name of the Director	Sitting Fees	Salary & Perquisites #	Commission	Total
Shri Murli Ranganathan [§]	Nil	536.00	Nil	536.00
Shri T. P. Vijayasathy [§]	Nil	252.00	Nil	252.00
Shri Jinal Mehta	Nil	Nil	Nil	Nil
Total	Nil	797.74	109.50	907.24

§ 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) and Shri R. Ravichandran (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.

D. Shareholding of Non-Executive Directors

Shri Jinal Mehta holds 8000 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
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
9 th AGM	25 th July, 2013	9:30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1

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, Executive Director (Corporate Affairs) 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.

The Company has revised the Whistle Blower Policy to widen the scope as per the requirements of Companies Act, 2013.

Policy on protection of women against Sexual Harassment at Work Place

The Company is committed to create a healthy and conducive working environment that enables women at work place to function without fear of sexual harassment in implicit or explicit form. Further, the Company considers sexual harassment as a gross misconduct and in line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and Rules made thereunder, the Company has framed a "Policy on protection of women against sexual harassment at work place" with effect from 1st March, 2014 in supersession of the earlier policy of the Company in this regards. The new Policy intends to establish a more robust mechanism for prevention and redressal of complaints of sexual harassment and thus seeks to provide protection to women against sexual harassment at work place.

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. 45 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. MEANS OF COMMUNICATION

During the year, quarterly unaudited financial results with Limited Review Report and annual audited financial results of the Company with Auditors' Report thereon were submitted to the stock exchanges upon their approval by the Board of Directors. The Company publishes its financial results in one English daily newspaper having nationwide circulation

i.e. Hindu Business Line or Indian Express & Financial Express and in one regional newspaper i.e. Loksatta - Jansatta or Financial Express (Gujarati Edition). The Company's website www.torrentpower.com also displays the official news releases in addition to the financial results.

8. GENERAL SHAREHOLDER INFORMATION

10th Annual General Meeting

Date	Monday, 28 th July, 2014
Time	9:30 a.m.
Venue	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015

Tentative financial calendar for the year 2014-15

Financial year	1 st April, 2014 – 31 st March, 2015
First quarter results	Last week of July, 2014
Second quarter results	First week of November, 2014
Third quarter results	Last week of January, 2015
Results for the year end	Last week of May, 2015

Date of Book Closure

Monday, 16th June, 2014 to Wednesday, 18th June, 2014 (both days inclusive)

Dividend payment date

The proposed dividend, if approved at the ensuing Annual General Meeting, will be distributed on or after 2nd August, 2014, within the statutory time limit.

Listing on stock exchanges and security codes

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

Annual listing fees for the year 2014-15 have been paid to the stock exchanges.

Market price data

Closing market price of equity shares on 31st March, 2014 was ₹ 93.65 on BSE and ₹ 94.00 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, 2013	152.00	137.35	6,89,478	151.25	136.65	14,52,352
May, 2013	142.70	126.00	27,80,891	142.55	125.80	28,30,145
June, 2013	134.45	105.00	4,62,566	134.65	104.50	18,73,945
July, 2013	114.60	74.20	5,60,802	114.90	74.00	12,43,629
August, 2013	96.95	67.00	37,75,365	96.90	66.60	64,88,443
September, 2013	80.45	68.50	57,73,153	80.45	68.50	70,66,176

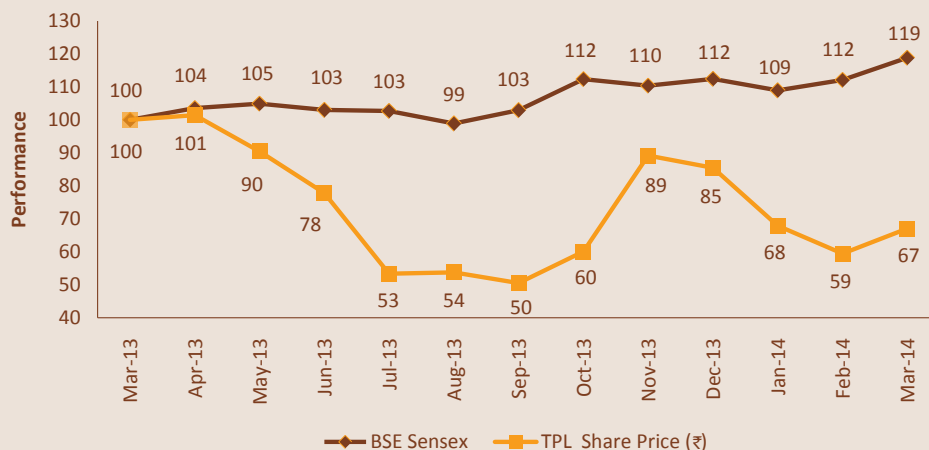
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
October, 2013	87.00	70.25	46,72,108	86.90	70.10	90,80,352
November, 2013	132.40	81.85	1,27,67,816	132.45	81.75	3,42,75,648
December, 2013	134.00	104.50	74,80,564	134.35	104.25	1,67,35,210
January, 2014	121.60	93.55	30,76,093	121.60	93.50	65,35,533
February, 2014	98.80	82.20	17,04,965	98.80	82.10	35,14,598
March, 2014	94.60	79.15	1,14,20,486	95.40	79.05	2,73,35,330

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, 2013	139.75	18,835.77	100.00	100.00
April, 2013	141.70	19,504.18	101.40	103.55
May, 2013	126.35	19,760.30	90.41	104.91
June, 2013	108.70	19,395.81	77.78	102.97
July, 2013	74.50	19,345.70	53.31	102.71
August, 2013	75.10	18,619.72	53.74	98.85
September, 2013	70.55	19,379.77	50.48	102.89
October, 2013	83.95	21,164.52	60.07	112.36
November, 2013	124.65	20,791.93	89.19	110.39
December, 2013	119.35	21,170.68	85.40	112.40
January, 2014	94.85	20,513.85	67.87	108.91
February, 2014	83.10	21,120.12	59.46	112.13
March, 2014	93.65	22,386.27	67.01	118.85

* Closing data on the last day of the month. Closing share price and BSE Sensex of 31st March, 2013 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, 2014

By size of shareholding

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
001 to 500	54,894	75.88	75,85,335	1.60
501 to 1000	9,067	12.53	61,40,660	1.30
1001 to 2000	3,766	5.21	54,17,789	1.15
2001 to 3000	1,489	2.06	37,63,076	0.80
3001 to 4000	723	1.00	25,42,954	0.54
4001 to 5000	566	0.78	25,95,141	0.55
5001 & above	1,835	2.54	44,44,03,353	94.06
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, 2014	% 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	3,14,04,732	6.65
5	Mutual Funds	1,60,33,899	3.40
6	FIs	82,25,728	1.74
7	Nationalised Banks	4,67,483	0.10
8	Others	6,65,89,453	14.09
	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, 2014, 96.10% 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

CIN : L31200GJ2004PLC044068

Telephone : 079-2658 3060, 2658 5090

Fax : 079-2658 2326

E-mail : cs@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
12th May, 2014

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
12th May, 2014

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 31st March, 2014, 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 implementations 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)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
12th May, 2014

Financial Statements

2013-14

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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 the internal controls 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. 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, 2014;
- (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 notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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)

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
12th May, 2014

ANNEXURE TO THE INDEPENDENT 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 of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (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 weaknesses 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 provision of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules made thereafter.
- (vii) In our opinion, the internal audit functions carried out during the year by an external party 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 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 Income-Tax, Wealth Tax, Customs Duty and Excise Duty, Cess and other material dues in arrears as at 31st March, 2014 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, 2014 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ in Crore)
Customs Act, 1962	Custom Duty on Higher Assessment Value	Supreme Court of India, New Delhi	2005-06	0.28
	Differential Custom duty on Imported coal	CESTAT	2012-13	18.50
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
Central Excise Act, 1944	Excise duty	CESTAT	1989-90	0.17
Income Tax Act, 1961	Demand of Tax	Income Tax Appellate Tribunal	A.Y. 2005-06	9.91
		CIT Appeals	A.Y. 2011-12	0.86

- (x) The Company does not have accumulated losses as at 31st March, 2014 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 holders.

- (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) The Company has created securities / charges in respect of secured debentures issued.
- (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 except in case of theft of electricity reported by the vigilance department of the Company, the amount for which is not ascertainable.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
12th May, 2014

BALANCE SHEET

AS AT 31ST MARCH, 2014

(₹ in Crore)

	Note	As at 31 st March, 2014	As at 31 st March, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,704.11	5,617.84
		6,176.56	6,090.29
Non-current liabilities			
Long term borrowings	4	5,593.71	4,492.58
Deferred tax liabilities (net)	41	699.34	574.72
Other long term liabilities	5	1,060.52	718.36
Long-term provisions	6	64.90	65.64
		7,418.47	5,851.30
Current liabilities			
Short-term borrowings	7	-	-
Trade payables	8	633.09	587.95
Other current liabilities	9	1,021.83	1,015.43
Short-term provisions	6	44.32	140.18
		1,699.24	1,743.56
		15,294.27	13,685.15
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		9,283.98	7,262.76
Intangible assets		13.93	14.86
Capital work-in-progress		118.15	2,072.02
Intangible assets under development		-	2.65
		9,416.06	9,352.29
Non-current investments	11	2,114.34	1,389.13
Long-term loans and advances	12	22.15	106.83
Other non-current assets	13	0.76	0.52
		11,553.31	10,848.77
Current assets			
Current investments	14	497.54	323.70
Inventories	15	283.40	244.28
Trade receivables	16	783.59	730.89
Cash and bank balances	17	1,527.04	1,096.37
Short-term loans and advances	12	204.65	214.83
Other current assets	18	444.74	226.31
		3,740.96	2,836.38
		15,294.27	13,685.15

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crore)

	Note	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Income			
Revenue from operations	19	8,575.62	8,129.87
Other income	20	241.84	140.10
Total revenue		8,817.46	8,269.97
Expenses			
Electrical energy purchased		4,186.12	3,552.89
Employee benefits expense	21	270.33	249.00
Operation and other expenses	22	2,902.87	3,028.93
Finance costs	23	677.18	408.48
Depreciation and amortization expense		563.92	432.04
Transfer from service line contribution, APDRP grant and others		(29.40)	(24.11)
Depreciation and amortization expense (net)		534.52	407.93
Total expenses		8,571.02	7,647.23
Profit before tax		246.44	622.74
Tax expenses			
Current tax		33.50	126.15
Deferred tax		124.62	111.17
Short / (excess) provision of current tax for earlier years		(6.52)	0.46
		151.60	237.78
Profit after tax		94.84	384.96
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	42	2.01	8.15
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Cash flow from operating activities		
Net profit before tax	246.44	622.74
Adjustments for :		
Depreciation and amortization	534.52	407.93
Amount utilised from reserves	(73.25)	-
Provision of earlier years written back	(20.47)	(18.93)
Provisions for doubtful debts no longer required	-	(46.25)
Provisions for doubtful advances no longer required	-	(5.07)
Loss on sale of fixed assets	14.52	11.52
Profit on sale of fixed assets	(1.07)	(1.49)
Provision for doubtful debts and advances	17.99	51.92
Finance cost	677.18	408.48
Interest income	(133.44)	(74.59)
Dividend income	(13.32)	-
Operating profit before working capital changes	1,249.10	1,356.26
Movement in working capital:		
Increase / (decrease) in trade payables	45.14	(88.43)
Increase / (decrease) in long-term provisions	(0.74)	(21.31)
Increase / (decrease) in short-term provisions	(13.29)	9.28
Increase / (decrease) in other current liabilities	(16.53)	89.80
Increase / (decrease) in other long-term liabilities	343.07	282.35
Decrease / (increase) in trade receivables	(68.39)	(90.60)
Decrease / (increase) in inventories	(39.12)	55.27
Decrease / (increase) in long-term loans and advances	0.50	-
Decrease / (increase) in short-term loans and advances	6.67	(1.81)
Decrease / (increase) in other current assets	(218.71)	76.37
Cash generated from operations	1,287.70	1,667.18
Taxes paid	(18.51)	(154.14)
Net cash flow from operating activities	1,269.19	1,513.04
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(717.61)	(1,313.41)
Long-term loans and advances for capital assets	84.18	(9.44)
Sale of fixed assets	7.03	4.69
Investment in subsidiaries	(724.20)	(344.97)
Purchase of non-current investments	(1.01)	(0.99)
Sale of current investments	1.65	1.50
Investments in bank deposits (having maturity more than three months)	(26.61)	(700.37)
Investments in bank deposits (having maturity more than twelve months)	(0.24)	-
Redemption in bank deposits (having maturity more than twelve months)	-	0.14
Interest received	133.72	74.38
Dividend received	13.32	-
Net cash used in investing activities	(1,229.77)	(2,288.47)

CASH FLOW STATEMENT (Contd.)

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Cash flow from financing activities		
Proceeds from long-term borrowings	1,665.93	2,370.98
Repayment of long-term borrowings	(465.42)	(1,166.99)
Repayment of APDRP loan	(3.82)	(3.82)
Service line contribution	121.68	91.83
Dividend paid (including corporate dividend tax)	(110.37)	(191.38)
Finance cost paid	(667.83)	(404.46)
Net cash generated from financing activities	540.17	696.15
Net (decrease) / increase in cash and cash equivalents	579.59	(79.28)
Cash and cash equivalents as at beginning of the year	717.88	797.16
Cash and cash equivalents as at end of the year	1,297.47	717.88
See accompanying notes forming part of the financial statements		
Notes:		
1. Cash and cash equivalents as at end of the year:		
Cash on hand	1.70	1.09
Cheques / Drafts on hand	3.48	1.87
With banks		
In current account	107.46	98.74
In deposit account	681.00	288.06
In unpaid dividend account	6.29	6.11
Cash and cash equivalents (note 17)	799.93	395.87
Current investments (investments in mutual funds) (note 14)	497.54	322.01
	1,297.47	717.88
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 including capital work-in-progress" is inclusive of finance cost capitalised ₹7.89 Crore. (Previous year - ₹87.68 Crore)		
4. Proceeds from and Repayment of long-term borrowings includes refinance of loan of ₹Nil (Previous year ₹337.98 Crore) and conversion of buyers' credit into term loan of ₹Nil (Previous year ₹312.15 Crore).		
5. "Proceeds from long-term borrowings" and "Purchase of fixed assets including capital work-in-progress" is excluding unrealised foreign exchange loss of ₹32.81 Crore (Previous year ₹15.35 Crore).		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements:

The financial statements have been prepared and presented to comply in all material respects with notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ("the 1956 Act"). The said rules continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted 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 therefrom for a period longer than one year.

1.5 Impairment of fixed assets:

Fixed assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an 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 amortization:

- (i) Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution, APDRP grant received and others.
- (iii) In respect of fixed assets pertaining to 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, Switchgears & Equipments	7.84%
Meters	12.77%
Distribution Systems - Overhead	7.84%
- Underground	5.27%
Others	7.84%
Vehicles	33.40%
Electrical fittings, Apparatus, Furniture Fixtures, Communication equipments and Office equipments	12.77%

- (v) In respect of assets pertaining to SUGEN and SUGEN 40, 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, the Company accounts for the quarterly fuel and power purchase price adjustment claims as and when allowed by the regulatory authorities and truing-up adjustment claims as and when realized.
- (ii) Gross proceeds from CERs is recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.
- (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, on account of unabsorbed depreciation and carry forward losses are recognised only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realize the assets and on account of other asset is recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

1.15 Earnings per share:

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

1.16 Provisions, contingent liabilities and contingent assets:

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

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

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

1.17 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, 2014	As at 31 st March, 2013		
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, 2014	No. of shares As at 31 st March, 2013		
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 (25,24,38,986 equity shares as at 31 st March, 2013) 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 of interim dividend.</p> <p>Dividend amount per share recognized as distributions to equity shareholders is ₹0.50 per equity share during the year ended 31st March, 2014 (Previous year : ₹2.00 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, 2014		As at 31 st March, 2013	
	No. of shares	% holding	No. of shares	% holding
Torrent Private Limited	25,24,38,986	53.43%	25,24,38,986	53.43%
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%	4,33,38,349	9.17%

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Capital reserves		
Service line contributions		
As per last balance sheet	459.93	389.21
Add: Received during the year	121.68	91.83
	581.61	481.04
Less: Transfer to statement of profit and loss	26.61	21.11
	555.00	459.93
Grant in Aid under Accelerated Power Development and Reform Programme (APDRP)		
As per last balance sheet	40.57	43.28
Less: Transfer to statement of profit and loss	2.71	2.71
	37.86	40.57
Debenture redemption reserve		
As per last balance sheet	23.81	-
Add: Transfer from statement of profit and loss	23.81	23.81
	47.62	23.81
Statutory reserves		
Contingency reserve (note 27)		
As per last balance sheet	61.66	60.67
Add: Transfer from statement of profit and loss	1.00	1.00
	62.66	61.67
Less: Loss on sale of investments	0.04	0.01
Less: Utilisation during the year	61.66	-
	0.96	61.66
Tariff and dividend control reserve (note 27)		
As per last balance sheet	11.59	11.59
Less: Utilisation during the year	11.59	-
	-	11.59
Special reserve (note 26)		
As per last balance sheet	78.07	44.82
Add: Transfer from general reserve	-	33.25
	78.07	78.07
Other reserves		
General reserve		
As per last balance sheet	3,479.80	3,484.18
Add: Transfer from statement of profit and loss	-	28.87
Less: Transfer to special reserve	-	33.25
	3,479.80	3,479.80
Surplus in the statement of profit and loss		
As per last balance sheet	1,462.41	1,241.68
Add: Profit after tax for the year	94.84	384.96
	1,557.25	1,626.64
Less : Appropriations		
Transfer to contingency reserve	1.00	1.00
Transfer to general reserve	-	28.87
Transfer to debenture redemption reserve	23.81	23.81
Proposed dividend	23.62	94.49
Corporate dividend tax on proposed dividend	4.02	16.06
Total appropriations	52.45	164.23
Net surplus in the statement of profit and loss	1,504.80	1,462.41
	5,704.11	5,617.84

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

	Non-current		Current maturities		
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013	
Secured loans					
Non convertible debentures					
10.35% Series 1	550.00	550.00	-	-	
10.10% Series 2A, 2B & 2C	300.00	300.00	-	-	
	<u>850.00</u>	<u>850.00</u>	-	-	
Term loans					
From banks	3,313.29	2,344.98	404.86	310.02	
From financial institutions	1,390.68	1,254.03	146.57	113.04	
	<u>4,703.97</u>	<u>3,599.01</u>	<u>551.43</u>	<u>423.06</u>	
	<u>5,553.97</u>	<u>4,449.01</u>	<u>551.43</u>	<u>423.06</u>	
Unsecured loans					
Term loans:					
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	39.74	43.57	3.82	3.82	
	<u>39.74</u>	<u>43.57</u>	<u>3.82</u>	<u>3.82</u>	
	<u>5,593.71</u>	<u>4,492.58</u>	<u>555.25</u>	<u>426.88</u>	
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	(555.25)	(426.88)	
	<u>5,593.71</u>	<u>4,492.58</u>	<u>-</u>	<u>-</u>	
Of the above :					
1. Amount of Term loans of ₹5,255.40 Crore (31 st March, 2013 ₹4,022.07 Crore) from financial institutions and banks and Non convertible debenture of ₹850.00 Crore (31 st March, 2013 ₹850.00 Crore) 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. 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
2014-2015	555.25	-	2021-2022	319.85	283.33
2015-2016	608.68	-	2022-2023	314.08	283.34
2016-2017	625.35	-	2023-2024	308.31	-
2017-2018	625.35	-	2024-2025	291.68	-
2018-2019	620.35	-	2025-2026	168.49	-
2019-2020	526.01	-	2026-2027	10.70	-
2020-2021	324.86	283.33			

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Trade payables	460.10	191.50
Other payables		
Security deposits from consumers	599.26	524.65
Payables on purchase of fixed assets	0.41	1.32
Sundry payables	0.75	0.89
	<u>1,060.52</u>	<u>718.36</u>

NOTE - 6 : PROVISIONS

(₹ in Crore)

	Long-term		Short-term	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Provision for employee benefits (note 33)				
Provision for gratuity	-	-	-	13.76
Provision for leave encashment	64.90	65.64	9.42	8.95
	<u>64.90</u>	<u>65.64</u>	<u>9.42</u>	<u>22.71</u>
Other provisions				
Provision for taxation (net of advance tax and TDS)	-	-	7.26	-
Provision for indirect tax (charged to Rates and taxes)	-	-	-	6.92
Proposed dividend	-	-	23.62	94.49
Provision for corporate dividend tax	-	-	4.02	16.06
	<u>-</u>	<u>-</u>	<u>34.90</u>	<u>117.47</u>
	<u>64.90</u>	<u>65.64</u>	<u>44.32</u>	<u>140.18</u>

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
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, 2014	As at 31 st March, 2013
Trade payables for goods and services (note 31)	633.09	587.95
	<u>633.09</u>	<u>587.95</u>

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Current maturities of long-term debt (note 4)	555.25	426.88
Interest accrued but not due on loans and security deposits	27.29	17.94
Investor education and protection fund shall be credited by the following*:		
Unpaid / Unclaimed dividend	6.29	6.11
Book overdraft	13.45	44.14
Other payables		
Credit balances of consumers	58.21	44.32
Service line and security deposits from consumers	105.06	102.47
Consumers' benefit account (note 27)	-	12.01
Deposits	3.44	4.39
Statutory dues	16.94	14.88
Payables on purchase of fixed assets	143.55	244.88
Sundry payables	92.35	97.41
	<u>1,021.83</u>	<u>1,015.43</u>

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

NOTE - 10 : FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK		
	As at 1 st April, 2013	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2014	As at 1 st April, 2013	For the year	Deductions during the year	As at 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
I. Tangible assets											
Land											
(a) Freehold	233.52	-	-	-	233.52	-	-	-	-	233.52	233.52
(b) Leasehold	46.92	0.26	-	-	47.18	3.56	0.55	-	4.11	43.07	43.36
Buildings	812.30	342.54	1.21	29.53	1,183.16	119.00	47.07	0.13	165.94	1,017.22	693.30
Railway siding	2.34	0.12	-	-	2.46	0.48	0.05	-	0.53	1.93	1.86
Plant and machinery											
(a) Steam station	2,850.79	1,531.33	7.13	225.64	4,600.63	673.55	231.04	2.87	901.72	3,698.91	2,177.24
(b) Others including switchgears and transformers	2,678.16	165.96	25.68	1.58	2,820.02	713.16	145.47	13.31	845.32	1,974.70	1,965.00
Transmission and distribution systems											
(a) Overhead	488.58	25.26	0.03	0.63	514.44	149.58	29.18	0.01	178.75	335.69	339.00
(b) Underground	2,205.66	206.78	0.85	1.93	2,413.52	503.83	84.89	0.31	588.41	1,825.11	1,701.83
Electrical fittings and apparatus	60.61	1.03	0.27	0.01	61.38	17.91	3.96	0.12	21.75	39.63	42.70
Furniture and fixtures	25.44	4.20	0.26	*	29.38	9.55	2.01	0.11	11.45	17.93	15.89
Office equipments	70.54	56.57	0.61	1.88	128.38	33.95	8.62	0.34	42.23	86.15	36.59
Vehicles	22.55	1.51	3.88	-	20.18	10.08	2.22	2.24	10.06	10.12	12.47
Total (I)	9,497.41	2,335.56	39.92	261.20	12,054.25	2,234.65	555.06	19.44	2,770.27	9,283.98	7,262.76
II. Intangible assets											
Software (Acquired)	38.36	7.93	*	-	46.29	23.50	8.86	*	32.36	13.93	14.86
Total (II)	38.36	7.93	*	-	46.29	23.50	8.86	*	32.36	13.93	14.86
Total (I+II)	9,535.77	2,343.49	39.92	261.20	12,100.54	2,258.15	563.92	19.44	2,802.63	9,297.91	
Previous year	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
III. Capital work-in-progress										118.15	2,072.02
IV. Intangible assets under development										-	2.65
										9,416.06	9,352.29

Notes:

- Adjustments during the year includes borrowing costs of ₹204.60 Crore (Previous year ₹7.35 Crore) and Capital work-in-progress includes borrowing costs of ₹0.55 Crore (Previous year ₹112.81 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".
- Adjustments during the year includes ₹56.60 Crore (Previous year ₹Nil) on account of foreign currency exchange difference.
- Capital work-in-progress includes pre-operative expenditure of ₹4.16 Crore (Previous year ₹165.12 Crore) (note 29).
- 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, 2013 ₹0.04 Crore) and leasehold land amounting to ₹13.89 Crore (31st March, 2013 ₹17.54 Crore) for which documentations are in progress.
- Freehold land includes pro rata cost of land amounting to ₹23.78 Crore (31st March, 2013 ₹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, 2013 ₹83.16 Crore) and Building includes pro rata cost of building amounting to ₹1.36 Crore (31st March, 2013 ₹0.25 Crore) owned jointly in 70:30 proportion with, a Company under same management, Torrent Pharmaceuticals Limited.

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	No. of shares As at 31 st March, 2014	No. of shares As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
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
Subsidiaries				
Torrent Power Grid Limited Equity shares of ₹10 each fully paid up (2,70,00,000 (31 st March, 2013 - 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited)	6,66,00,000	6,66,00,000	66.60	66.60
Torrent Energy Limited Equity shares of ₹10 each fully paid up (1,01,39,92,200 (31 st March, 2013 - 57,96,50,700) equity shares pledged as security in respect of the term loan provided to Torrent Energy Limited)	1,98,82,20,000	1,26,40,20,000	1,988.22	1,264.02
Torrent Pipavav Generation Limited Equity shares of ₹10 each fully paid up	4,75,00,000	4,75,00,000	57.50	57.50
			2,112.32	1,388.12
			2,112.34	1,388.14
Non trade investments (valued at cost unless stated otherwise)				
Contingency reserve investments (quoted)				
8.28% GOI Bond - 2032			0.99	0.99
8.97% GOI Bond - 2030			1.01	-
			2.00	0.99
			2,114.34	1,389.13
Aggregate amount of quoted investments			2.00	0.99
Aggregate amount of unquoted investments			2,112.34	1,388.14
			2,114.34	1,389.13
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			1.93	1.01

NOTE 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Capital advances	15.35	99.53	-	-
Deposits	1.88	1.88	26.93	26.90
Loans and advance to related parties				
Considered good	-	-	66.20	71.73
Considered doubtful	-	-	3.10	3.10
	-	-	69.30	74.83
Less : Provision for doubtful advance to related parties	-	-	3.10	3.10
	-	-	66.20	71.73
Advances recoverable in cash or in kind or for value to be received				
Considered good	4.42	4.42	105.30	111.40
Considered doubtful	-	-	2.30	-
	4.42	4.42	107.60	111.40
Less : Provision for doubtful advances	-	-	2.30	-
	4.42	4.42	105.30	111.40
Other loans and advances				
Advance tax & tax deducted at source (net of provision for income tax)	-	-	-	1.21
Balances with government authority	0.50	1.00	0.55	0.14
Prepaid expenses	-	-	5.67	3.45
	0.50	1.00	6.22	4.80
	22.15	106.83	204.65	214.83

NOTE 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Non-current bank fixed deposits balance (note 17)	0.76	0.52
	0.76	0.52

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2014	No. of units As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Investment in mutual funds (unquoted)				
Birla Sun Life Cash Plus - Growth (of ₹100 each)	60,15,895	48,53,054	123.32	91.02
IDFC Cash Fund - Growth - (Regular Plan) (of ₹1000 each)	6,038	7,26,421	0.94	103.38
ICICI Liquid Plan - Regular - Growth (of ₹100 each)	53,52,136	-	101.39	-
Kotak Liquid Scheme Plan A - Growth (of ₹1000 each)	3,13,099	1,51,896	81.24	36.00
SBI MICF - Liquid Floater Regular Plan - Growth (of ₹1000 each)	-	1,24,686	-	25.00
SBI PLF- Regular Plan Growth (of ₹1000 each)	4,43,363	3,62,273	88.99	66.61
Tata Liquid Fund Plan A - Growth (of ₹1000 each)	4,30,621	-	101.66	-
[Aggregate NAV of investments in mutual funds ₹499.12 Crore (31 st March, 2013 - ₹322.88 Crore)]			497.54	322.01
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			-	1.69
			-	1.69
			497.54	323.70
Aggregate amount of quoted investments			-	1.69
Aggregate amount of unquoted investments			497.54	322.01
			497.54	323.70
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			-	1.65

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Coal, oil, stores and spares	282.97	243.88
Loose tools	0.43	0.40
	283.40	244.28

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Debts outstanding for a period exceeding six months from due date		
Secured - Considered good	5.65	5.86
Unsecured - Considered good	29.91	26.20
- Considered doubtful	62.01	32.85
	<u>97.57</u>	<u>64.91</u>
Other debts		
Secured - Considered good	295.52	280.90
Unsecured - Considered good	452.51	417.93
- Considered doubtful	84.29	97.76
	<u>832.32</u>	<u>796.59</u>
Less: Provision for doubtful debts	146.30	130.61
	<u>783.59</u>	<u>730.89</u>

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Cash and cash equivalents				
Balances with banks				
Balance in current accounts	-	-	107.46	98.74
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	681.00	288.06
On unpaid dividend accounts	-	-	6.29	6.11
	-	-	<u>794.75</u>	<u>392.91</u>
Cheques, drafts on hand	-	-	3.48	1.87
Cash on hand	-	-	1.70	1.09
	-	-	<u>799.93</u>	<u>395.87</u>
Other bank balances				
Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	727.11	700.50
Balance in fixed deposit accounts (remaining maturity for more than twelve months)	0.76	0.52	-	-
	<u>0.76</u>	<u>0.52</u>	<u>727.11</u>	<u>700.50</u>
Amount disclosed under other non-current assets (note 13)	(0.76)	(0.52)	-	-
	<u>-</u>	<u>-</u>	<u>1,527.04</u>	<u>1,096.37</u>

NOTE - 18 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Interest accrued on investments	0.04	0.32
Unbilled revenue	444.70	225.99
	<u>444.74</u>	<u>226.31</u>

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Revenue from power supply (note 27)	8,415.55	7,879.20
Other operating income		
Street lighting maintenance contracts	6.35	6.10
Hire of meters	46.74	45.47
Provision of earlier years written back	20.47	18.93
Provision for doubtful debts no longer required	-	46.25
Provision for doubtful advances no longer required	-	5.07
Recovery of bad debts	19.67	7.03
Insurance claim receipt	0.02	2.68
Income from Certified Emission Reduction (CERs)	-	41.45
Income from Renewable Energy Certificate & Generation Based Incentive	13.01	11.25
Miscellaneous income	53.81	66.44
	<u>160.07</u>	<u>250.67</u>
	<u>8,575.62</u>	<u>8,129.87</u>

NOTE - 20 : OTHER INCOME

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest income from		
Deposits	118.20	57.95
Consumers	14.52	14.30
Contingency reserve investments	0.19	0.16
Others	0.53	2.18
	<u>133.44</u>	<u>74.59</u>
Dividend income	13.32	-
Miscellaneous income	48.03	31.89
Profit on sale of fixed assets	1.07	1.49
Profit on sale of current investments	45.98	31.55
Net gain on foreign currency transactions	-	0.58
	<u>241.84</u>	<u>140.10</u>

NOTE - 21 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Salaries, wages and bonus	335.23	314.41
Contribution to provident and other funds	16.63	16.36
Employees welfare expenses	12.22	10.97
Gratuity and leave encashment	7.17	20.63
	<u>371.25</u>	<u>362.37</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	100.92	113.37
	<u>270.33</u>	<u>249.00</u>

NOTE - 22 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Fuel	2,088.46	2,245.85
Consumption of stores and spares	315.76	230.41
Rent and hire charges	6.87	5.85
Repairs to		
Buildings	7.42	8.90
Plant and machinery	207.19	202.93
Others	7.08	7.32
	<u>221.69</u>	<u>219.15</u>
Insurance	16.02	14.13
Rates and taxes	11.47	19.55
Miscellaneous expenses	140.90	137.30
Discount for prompt payment of bills	39.87	39.77
Loss on sale of fixed assets	14.52	11.52
Commission to non-executive directors	1.10	1.03
Auditors remuneration (note 34)	0.89	0.62
Legal, professional and consultancy fees	10.09	13.47
Donations	6.77	22.25
Bad debts written off	54.89	63.90
Provision for doubtful debts and advances	17.99	51.92
	<u>2,947.29</u>	<u>3,076.72</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	44.42	47.79
	<u>2,902.87</u>	<u>3,028.93</u>

NOTE - 23 : FINANCE COSTS*

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest expense		
Term loans	536.31	329.26
Non convertible debentures	87.22	29.74
Working capital loan	0.04	0.03
Security deposits from consumers	45.68	42.03
Others	1.14	1.54
Other borrowing cost	6.79	5.88
	<u>677.18</u>	<u>408.48</u>

* Net of allocation to capital works ₹ 7.89 Crore (Previous year ₹ 87.68 Crore)

OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
24. Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	77.38	670.72
Other commitments :		
Financial commitment by way of equity contribution in subsidiary company Torrent Energy Ltd.	203.10	510.85

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
25. Contingent liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	103.21	110.64
(ii) Disputed income-tax matters	22.77	31.48
(iii) Disputed custom duty matters	18.78	0.28
(iv) Disputed excise duty matters	0.18	-
(v) Disputed stamp duty matters	0.35	0.37
(vi) Claims not acknowledged as debt	14.83	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. Hon'ble GERC in its true-up orders for FY 2009-10 and FY 2010-11 had directed to credit 1/3rd of the gain on account of controllable factors to a special reserve for the purpose of absorbing the impact of any future controllable losses of the Licensee (including AMGEN) as per the regulations. Accordingly, the company had created the reserve under the head "Consumer Benefit Reserve", which has now been renamed as "Special Reserve"

27. Revenue from power supply includes an amount of ₹85.26 Crore on account of Fuel and Power Purchase Price Adjustment (FPPPA) which has been adjusted against Tariff and Dividend Control Reserve of ₹11.59 Crore, Contingency Reserve of ₹61.66 Crore and Consumers' Benefit Account of ₹12.01 Crore, as per the approval of the Hon'ble Gujarat Electricity Regulatory Commission (GERC) vide its letter no. 0405 dated 3rd March 2014.

28. 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, 2014	As at 31 st March, 2013
Subsidiary Companies			
Torrent Energy Limited	23.15	16.22	23.15
Torrent Pipavav Generation Limited	49.98	49.98	48.58
		<u>66.20</u>	<u>71.73</u>
Associate Company			
AEC Cements & Constructions Limited	3.10	3.10	3.10
		<u>3.10</u>	<u>3.10</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.			

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

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Pre-operative expenditure		
Opening balance	165.12	11.99
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	0.01	1.68
Miscellaneous expenses	0.02	1.12
Legal, professional and consultancy fees	0.69	2.67
Registration, filing and legal fees	-	0.01
Traveling expenses	0.09	0.09
Vehicle hiring charges	-	0.01
Security trusteeship service expenses	-	0.01
Upfront fees	-	0.93
Finance cost	-	0.35
Advertisement expenses	-	0.12
Commissioning gas and power	2.66	179.08
Total expenditure incurred during the year	3.47	186.07
Less : Capitalized during the year	161.60	-
Less : Sale of infirm power	0.79	32.94
Less: Written off during the year	2.04	-
Closing balance	4.16	165.12

30. (i) The Company uses forward contracts to hedge its certain risk associated with foreign currency fluctuation relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange forward contract as at 31st March, 2014 is ₹Nil (31st March, 2013 ₹Nil).
- (ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2014 is as under :

(in Crore)

	Currency	As at 31 st March, 2014	As at 31 st March, 2013
Loan	USD	5.73	5.21
Interest payable	USD	0.14	0.01
Trade payable	USD	0.64	0.09
Capital liability	USD	0.23	1.55
Trade payable	EURO	0.56	0.35

31. Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under MSMED Act, 2006 is ₹1.60 Crore (31st March, 2013 ₹1.73 Crore). Interest paid or payable under MSMED Act, 2006 during the year is ₹0.01 Crore (Previous year ₹0.01 Crore).
32. 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.

33. Employee benefits

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

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

On account of defined contribution plans, a sum of ₹16.63 Crore (previous year ₹16.36 Crore) has been charged to the statement of profit and loss.

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

(₹ in Crore)

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	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	73.86	183.31	70.69	176.61
Current service cost	6.22	9.78	6.07	9.62
Interest cost	5.40	14.67	5.35	15.01
Actuarial (gain) / loss	(5.06)	(7.35)	(1.43)	0.63
Liability transferred in	-	*	-	-
Liability transferred out	-	(0.42)	-	-
Benefits paid directly by employer	(6.94)	(10.95)	(6.82)	(18.02)
Benefits paid	-	(8.29)	-	(0.54)
Obligations at the end of the year	73.48	180.75	73.86	183.31
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	-	169.55	-	140.40
Expected return on plan assets	-	14.75	-	12.05
Actuarial gain / (loss)	-	1.82	-	2.64
Contributions	-	13.55	-	15.00
Benefits paid	-	(8.29)	-	(0.54)
Plan assets at the end of the year, at fair value	-	191.38	-	169.55
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	73.48	180.75	73.86	183.31
Plan assets at the end of the year, at fair value	-	191.38	-	169.55
Liability / (asset) recognized in balance sheet as at 31st March, 2014	73.48	(10.63)	73.86	13.76
d. Cost for the year:				
Current service cost	6.22	9.78	6.07	9.62
Interest cost	5.40	14.67	5.35	15.01
Expected return on plan assets	-	(14.75)	-	(12.05)
Net actuarial (gain) / loss	(5.06)	(9.17)	(1.43)	(2.01)
Net cost – included in note 21 of the statement of profit and loss	6.56	0.53	9.99	10.57
e. Assumptions:				
Discount rate	9.25%	9.25%	8.00%	8.00%
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 st March, 2014)	-	9.50%	-	8.70%
Salary escalation rate	9.00%	9.00%	9.00%	9.00%

Particulars	As at 31 st March, 2014		As at 31 st March, 2013		
	Leave encashment	Gratuity	Leave encashment	Gratuity	
f. Experience adjustment					
On Plan liability (gains) / losses	3.53	7.37	(1.62)	2.27	
On plan assets (losses) / gains	-	1.82	-	2.64	
g. Actual return on plan assets	-	16.57	-	14.69	
h. Expected Contribution for next year	-	-	-	13.76	
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					
	2009-10	2010-11	2011-12	2012-13	2013-14
Present value of defined benefit obligations at the end of the year (independent actuary)	179.40	236.29	247.30	257.17	254.23
Fair value of plan assets at the end of the year	94.50	115.52	140.40	169.55	191.38
Net assets / (liability) at the end of year	(84.90)	(120.77)	(106.90)	(87.62)	(62.85)
k. 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 as under:				
	Year ended 31 st March, 2014		Year ended 31 st March, 2013		
Government securities	41.21%		43.41%		
Debentures and bonds	39.32%		42.85%		
Equity shares	4.67%		5.22%		
Fixed deposits	14.20%		8.35%		
Others	0.60%		0.17%		
Total	100.00%		100.00%		

34. Auditors remuneration

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Audit fees	0.45	0.41
Tax audit fees	0.05	0.04
Other services – certificates etc.	0.25	0.09
Reimbursement of expenses	0.04	0.01
For service tax	0.10	0.07
	0.89	0.62

The remuneration disclosed above excludes fees of ₹ 0.06 Crore (Previous year – ₹Nil) [exclusive of service tax of ₹0.01 Crore (Previous year – ₹Nil)] for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

35. C.I.F. value of imports

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Components, stores, fuel and spare parts	138.81	162.79
Capital goods	155.28	121.14

36. Expenditure in foreign currency

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Subscription	0.04	0.08
Traveling	0.11	0.50
Professional and consultation fees	0.17	0.22
Others	19.19	3.07
	<u>19.51</u>	<u>3.87</u>

37. Earnings in foreign currency

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Gross proceeds from certified emission reduction (CERs)	-	44.99
Refund of premium	0.32	-
	<u>0.32</u>	<u>44.99</u>

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

38. Certified Emission Reduction (CERs)

	As at 31 st March, 2014	As at 31 st March, 2013
No. of CERs Inventory	27,65,014	18,89,635
No. of CERs under certification	89,536	8,75,379
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.

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

	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
	₹ in Crore	%	₹ in Crore	%
Imported	492.62	20.49	562.63	22.72
Indigenous	1,911.60	79.51	1,913.63	77.28
	<u>2,404.22</u>	<u>100.00</u>	<u>2,476.26</u>	<u>100.00</u>

40. Quantitative information

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Units supplied (million kWh)	13,246	14,009
Units procured (million kWh)	10,933	9,672

41. Deferred tax

(₹ in Crore)

	As at 31 st March, 2014		As at 31 st March, 2013	
	Asset	Liability	Asset	Liability
Depreciation		719.31		599.13
Provision for gratuity and superannuation	-		4.14	
Leave encashment	19.97		20.14	
Provision for wages and bonus	-		0.13	
	19.97	719.31	24.41	599.13
Net deferred tax (asset) / liability		699.34		574.72

42. Earnings per share

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Profit after tax (₹ in Crore)	94.84	384.96
No. of equity shares	47,24,48,308	47,24,48,308
Basic and diluted earnings per share (₹)	2.01	8.15

43. 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.

44. 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 ₹56.60 Crore (31st March, 2013 ₹22.98 Crore) to the cost of Capital work in progress / plant and equipments.

45. 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 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13
A) Nature of Transactions														
Purchase of materials	0.05	1.91	-	-	101.47	138.74	-	-	-	-	-	-	101.52	140.65
AEC Cements & Constructions Ltd.	0.05	1.91	-	-	-	-	-	-	-	-	-	-	0.05	1.91
Torrent Cables Ltd	-	-	-	-	101.20	138.46	-	-	-	-	-	-	101.20	138.46
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.27	0.28	-	-	-	-	-	-	0.27	0.28
Interest income	-	-	-	-	-	-	-	0.25	-	-	-	-	-	0.25
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	0.25	-	-	-	-	-	0.25
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Torrent Power Grid Ltd.	-	-	-	-	-	-	13.32	-	-	-	-	-	13.32	-
Torrent Power Grid Ltd.	-	-	-	-	-	-	13.32	-	-	-	-	-	13.32	-
Services Received	-	-	-	-	1.70	0.58	-	-	-	-	-	-	1.45	1.82
Torrent Cables Ltd.	-	-	-	-	1.70	0.58	-	-	-	-	-	-	1.45	1.82
Torrent Cables Ltd.	-	-	-	-	1.70	0.58	-	-	-	-	-	-	1.45	1.82
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Munjil Bhatt & Associates	-	-	-	-	-	-	-	-	-	-	-	-	1.29	1.55
Varun Mehta	-	-	-	-	-	-	-	-	-	-	-	-	0.09	0.27
Varun Mehta	-	-	-	-	-	-	-	-	-	-	-	-	0.07	0.07
Shared expenditure	-	-	-	-	0.07	0.41	-	2.09	3.11	-	-	-	2.16	3.52
Torrent Energy Ltd.	-	-	-	-	0.07	0.41	-	2.09	3.11	-	-	-	2.16	3.52
Torrent Energy Ltd.	-	-	-	-	-	-	1.96	2.47	-	-	-	-	1.96	2.47
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	0.13	0.64	-	-	-	-	0.13	0.64
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.07	0.35	-	-	-	-	-	-	0.07	0.35
Heumann Pharma GmbH & Co. Germany	-	-	-	-	-	0.06	-	-	-	-	-	-	-	0.06
Managerial remuneration	-	-	-	-	-	-	-	-	-	7.98	25.32	-	7.98	25.32
Sudhir Mehta (Executive Chairman)	-	-	-	-	-	-	-	-	-	7.98	25.32	-	7.98	25.32
Sudhir Mehta (Executive Chairman)	-	-	-	-	-	-	-	-	-	0.04	0.03	-	0.04	0.03
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	-	-	-	0.06	15.67	-	0.06	15.67
Murli Ranganathan (Whole-time Director)	-	-	-	-	-	-	-	-	-	5.36	6.01	-	5.36	6.01
T P Vijayarathy (Whole-time Director)*	-	-	-	-	-	-	-	-	-	2.52	3.61	-	2.52	3.61
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	8.90
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	8.90
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	-	5.40	5.40
Shri Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	-	-	-	-	3.50	3.50
Contribution to funds (net)	-	-	17.58	18.85	-	-	-	-	-	-	-	-	-	17.58
TPL (Ahmedabad) Gratuity Trust	-	-	17.58	18.85	-	-	-	-	-	-	-	-	-	17.58
TPL (Ahmedabad) Gratuity Trust	-	-	11.49	12.93	-	-	-	-	-	-	-	-	-	11.49
TPL (Ahmedabad) Superannuation Fund	-	-	2.98	2.39	-	-	-	-	-	-	-	-	-	2.98
TPL (Ahmedabad) Superannuation Fund	-	-	1.85	1.87	-	-	-	-	-	-	-	-	-	1.85
TPL (Surat) Gratuity Trust	-	-	0.63	0.64	-	-	-	-	-	-	-	-	-	0.63
TPL (Surat) Superannuation Fund	-	-	0.23	0.59	-	-	-	-	-	-	-	-	-	0.23
TPL (SUGEN) Gratuity Trust	-	-	0.40	0.43	-	-	-	-	-	-	-	-	-	0.40
TPL (SUGEN) Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	0.43
Equity contribution	-	-	-	-	-	-	724.20	344.97	-	-	-	-	724.20	344.97
Torrent Energy Ltd.	-	-	-	-	-	-	724.20	344.97	-	-	-	-	724.20	344.97

45. 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 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13
Advance given	-	-	-	-	-	0.02	-	30.10	-	-	-	-	-	30.12
Torrent Energy Ltd.	-	-	-	-	-	-	-	30.10	-	-	-	-	-	30.10
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02
Advance received/ recovered	-	0.20	-	-	-	0.02	3.23	29.46	-	-	-	-	3.23	29.68
AEC Cements & Constructions Ltd.	-	0.20	-	-	-	-	-	29.46	-	-	-	-	-	0.20
Torrent Energy Ltd.	-	-	-	-	-	0.02	-	-	-	-	-	-	-	29.46
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02
Loan given	-	-	-	-	-	-	1.28	21.18	-	-	-	-	1.28	21.18
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	7.50	-	-	-	-	-	7.50
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	1.28	9.07	-	-	-	-	1.28	9.07
Torrent Energy Limited	-	-	-	-	-	-	-	4.61	-	-	-	-	-	4.61
Loan received back	-	-	-	-	-	-	5.68	15.40	-	-	-	-	5.68	15.40
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	7.50	-	-	-	-	-	7.50
Torrent Energy Ltd.	-	-	-	-	-	-	5.68	7.90	-	-	-	-	5.68	7.90
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	0.40	0.04	*	*	20.63	21.43	-	-	-	-	-	-	-	21.03
AEC Cements & Constructions Ltd.	0.40	0.04	-	-	-	-	-	-	-	-	-	-	-	0.40
Torrent Cables Ltd.	-	-	-	-	20.63	21.36	-	-	-	-	-	-	-	20.63
Torrent Pharmaceuticals Ltd.	-	-	-	-	*	0.01	-	-	-	-	-	-	*	0.01
Heumann Pharma GmbH & Co.	-	-	-	-	-	0.06	-	-	-	-	-	-	-	0.06
TPL (SUGEN) Superannuation Fund	-	-	*	*	-	-	-	-	-	-	-	-	*	*
Investment in equities	0.63	0.63	*	*	-	-	2,102.32	1,378.12	-	-	-	-	-	2,102.95
Torrent Power Grid Ltd.	-	-	-	-	-	-	66.60	66.60	-	-	-	-	-	66.60
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	47.50	47.50	-	-	-	-	-	47.50
Torrent Energy Ltd.	-	-	-	-	-	-	1,988.22	1,264.02	-	-	-	-	-	1,988.22
AEC Cements & Constructions Ltd.	0.61	0.61	-	-	-	-	-	-	-	-	-	-	-	0.61
Tiding Hydro Power Ltd.	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02
Loans & advances	3.10	3.10	-	-	-	-	66.20	71.73	-	-	-	-	-	69.30
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	49.98	48.58	-	-	-	-	-	49.98
Torrent Energy Ltd.	-	-	-	-	-	-	16.22	23.15	-	-	-	-	-	16.22
AEC Cements & Constructions Ltd.	3.10	3.10	-	-	-	-	-	-	-	-	-	-	-	3.10

45. 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 Fincorp Pvt. Ltd., Opening Pharma, France				
5.	Key management personnel	Sudhir Mehta Executive Chairman	Samir Mehta Executive Vice Chairman	Markand Bhatt Whole-time Director	Murli Ranganathan Whole-time Director	T.P.Vijayarathy* Whole-time Director
6.	Relatives of key management personnel	Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son	Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son	Nandini Bhatt, Wife Arvinbhai Bhatt, Brother Malitben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjal Bhatt, Son Gunjan Bhatt, Son	Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father Kaushalya Ranganathan, Mother R. Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter	Lalitha Vijayarathy, Wife T.P. Sanjayasarathy, Brother Rajalakshmi Premkumar, Sister Kundavi Vishwanathan, Daughter Priyadarshini Vijayarathy, Daughter
7.	Enterprises controlled by key management personnel / relatives of key management personnel	U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust, Tsunami Tours & Travels Private Limited, Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt & Associates, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal				

* resigned from the Board of Directors effective from 25th January, 2014

46. Donations include political contributions as under

(₹ in Crore)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Bhartiya Janata Party	4.00	6.58
Indian National Congress	1.00	3.50

47. 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 47

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasarathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

Consolidated Financial Statements 2013-14

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, 2014, 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, 2014;
- (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)

Hemendra L. Shah
Partner
(Membership No.33590)

Ahmedabad
12th May, 2014

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2014

(₹ in Crore)

	Note	As at 31 st March, 2014	As at 31 st March, 2013
Equity and liabilities			
Shareholders' funds			
Share capital	2	472.45	472.45
Reserves and surplus	3	5,732.86	5,630.55
		6,205.31	6,103.00
Minority Interest		29.60	31.75
Non-current liabilities			
Long term borrowings	4	8,744.59	6,016.85
Deferred tax liabilities (net)	35	712.68	579.32
Other long term liabilities	5	1,085.85	739.47
Long-term provisions	6	66.07	66.97
		10,609.19	7,402.61
Current liabilities			
Short-term borrowings	7	-	161.76
Trade payables	8	635.42	589.01
Other current liabilities	9	1,602.69	2,848.05
Short-term provisions	6	44.40	142.24
		2,282.51	3,741.06
		19,126.61	17,278.42
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		10,159.98	7,733.36
Intangible assets		14.69	14.88
Capital work-in-progress		4,549.61	6,160.42
Intangible assets under development		-	2.65
		14,724.28	13,911.31
Goodwill on consolidation	27	10.00	10.00
Non-current investments	11	2.34	1.01
Long-term loans and advances	12	281.64	492.37
Other non-current assets	13	1.02	7.17
		15,019.28	14,421.86
Current assets			
Current investments	14	863.54	365.83
Inventories	15	290.18	244.58
Trade receivables	16	804.64	756.06
Cash and bank balances	17	1,558.23	1,114.18
Short-term loans and advances	12	140.11	145.80
Other current assets	18	450.63	230.11
		4,107.33	2,856.56
		19,126.61	17,278.42

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Sudhir Mehta

Executive Chairman

Samir Mehta

Executive Vice Chairman

Hemendra L. Shah

Partner

T P Vijayasathy

Executive Director - Corporate Affairs & CFO

Srinivas Kotra

Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crore)

	Note	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Income			
Revenue from operations	19	8,681.12	8,221.01
Other income	20	250.58	143.52
Total revenue		8,931.70	8,364.53
Expenses			
Electrical energy purchased		4,217.76	3,584.65
Employee benefits expense	21	271.47	250.19
Operation and other expenses	22	2,908.62	3,035.41
Finance costs	23	704.62	437.58
Depreciation and amortization expense		584.56	451.90
Transfer from service line contribution, APDRP grant and others		(30.19)	(24.71)
Depreciation and amortization expense (net)		554.37	427.19
Total expenses		8,656.84	7,735.02
Profit before tax		274.86	629.51
Tax expenses			
Current tax		40.21	127.46
Deferred tax		133.36	114.67
Short / (excess) provision of current tax for earlier years		(6.61)	0.46
		166.96	242.59
Profit after tax		107.90	386.92
Minority interest		2.64	0.22
Profit after tax and minority interest		105.26	386.70
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	36	2.23	8.19
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Cash flow from operating activities		
Net profit before tax	274.86	629.51
Adjustments for :		
Depreciation and amortization	554.37	427.19
Amount utilised from reserves	(73.25)	-
Provision of earlier years written back	(20.47)	(18.93)
Provisions for doubtful debts no longer required	-	(46.25)
Provisions for doubtful advances no longer required	-	(5.07)
Loss on sale of fixed assets	14.58	11.55
Profit on sale of fixed assets	(1.07)	(1.49)
Provision for doubtful debts and advances	17.99	51.92
Finance cost	704.62	437.58
Interest income	(134.47)	(75.48)
Operating profit before working capital changes	1,337.16	1,410.53
Movement in working capital:		
Increase / (decrease) in trade payables	46.41	(84.15)
Increase / (decrease) in long-term provisions	(0.90)	(20.64)
Increase / (decrease) in short-term provisions	(13.23)	9.60
Increase / (decrease) in other current liabilities	(18.12)	79.65
Increase / (decrease) in other long-term liabilities	347.29	293.46
Decrease / (increase) in trade receivables	(64.27)	(111.50)
Decrease / (increase) in inventories	(45.60)	55.31
Decrease / (increase) in long-term loans and advances	8.17	(14.60)
Decrease / (increase) in short-term loans and advances	0.34	9.56
Decrease / (increase) in other current assets	(219.49)	96.81
Cash generated from operations	1,377.76	1,724.03
Taxes paid	(25.33)	(156.09)
Net cash flow from operating activities	1,352.43	1,567.94
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress	(1,457.09)	(3,273.32)
Long-term loans and advances for capital assets	202.56	166.39
Sale of fixed assets	7.29	4.84
Purchase of non-current investments	(1.33)	(0.99)
Sale of current investments	1.65	1.50
Investments in bank deposits (having maturity more than three months)	(35.67)	(699.45)
Redemption in bank deposits (having maturity more than twelve months)	5.51	0.70
Interest received	134.08	75.09
Net cash used in investing activities	(1,143.00)	(3,725.24)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Cash flow from financing activities		
Proceeds from long-term borrowings	3,649.18	3,650.27
Proceeds from short-term borrowings	-	161.76
Repayment of long-term borrowings	(2,103.03)	(1,187.35)
Repayment of short-term borrowings	(161.76)	-
Repayment of APDRP loan	(3.82)	(3.82)
Service line contribution	129.51	94.04
Dividend paid (including corporate dividend tax)	(116.59)	(191.38)
Finance cost paid	(695.14)	(433.12)
Net cash generated from financing activities	698.35	2,090.40
Net (decrease) / increase in cash and cash equivalents	907.78	(66.90)
Cash and cash equivalents as at beginning of the year	777.51	844.41
Cash and cash equivalents as at end of the year	1,685.29	777.51
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	1.74	1.11
Cheques / Drafts on hand	3.48	1.87
With banks		
In current account	120.96	115.91
In deposit account	689.28	288.37
In unpaid dividend account	6.29	6.11
Cash and cash equivalents (note 17)	821.75	413.37
Current investments (investments in mutual funds) (note 14)	863.54	364.14
	<u>1,685.29</u>	<u>777.51</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 including capital work-in-progress" is inclusive of finance cost capitalised ₹259.85 Crore. (Previous year - ₹273.05 Crore)		
4. Proceeds from and Repayment of long-term borrowings includes refinance of loan of ₹Nil (Previous year ₹337.98 Crore) and conversion of buyers' credit into term loan of ₹1,365.80 (Previous year ₹312.15 Crore).		
5. "Proceeds from long-term borrowings" and "Purchase of fixed assets including capital work-in-progress" is excluding unrealised foreign exchange loss of ₹32.81 Crore (Previous year ₹15.35 Crore).		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasarithy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of consolidated financial statements:

The consolidated financial statements have been prepared by consolidating financial statements of the 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 notified accounting standards by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 ("the 1956 Act"). The said rules continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs and the relevant provisions of the 1956 Act / 2013 Act, as applicable. These statements have been prepared to meet requirement of Clause 32 of the listing agreement with the stock exchange. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. Accounting policies have been followed consistently except as stated specifically.

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 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.

1.4 Capital receipts:

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

1.5 Fixed assets:

Tangible fixed assets:-

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

Intangible assets :-

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

1.6 Impairment of fixed assets:

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

1.7 Borrowing costs:

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

1.8 Depreciation and amortization:

- (i) Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted.
- (ii) Depreciation for the year has been shown after reducing the proportion of the amount of depreciation provided on assets created against the service line contribution, APDRP grant received and others.
- (iii) In respect of fixed assets pertaining to 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, Switchgears & Equipments	7.84%
Meters	12.77%
Distribution Systems - Overhead	7.84%
- Underground	5.27%
Others	7.84%
Vehicles	33.40%
Electrical fittings, Apparatus, Furniture Fixtures, Communication equipments and Office equipments	12.77%

- (v) In respect of assets pertaining to SUGEN, SUGEN 40, Torrent Energy Limited, Torrent Power Grid Limited and Torrent Pipavav Generation Limited 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.

1.9 Investments:

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

1.10 Cash and cash equivalents:

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

1.11 Inventories:

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

1.12 Revenue recognition:

- (i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as unbilled revenue. Further, in view of the uncertainties involved in the recoverability, the Company accounts for the quarterly fuel and power purchase price adjustment claims as and when allowed by the regulatory authorities and truing-up adjustment claims as and when realized.
- (ii) Gross proceeds from CERs is recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.
- (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.

1.13 Transactions in foreign currency:

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

1.14 Retirement and other employee benefits:

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

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

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

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

1.15 Taxation:

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

1.16 Earnings per share:

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

1.17 Provisions, contingent liabilities and contingent assets:

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

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

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

1.18 Leases :

- (i) Operating: Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term.
- (ii) Finance: Leased assets acquired on which significant risks and rewards of ownership effectively transferred to the Company are 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, 2014	As at 31 st March, 2013		
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, 2014	No. of shares As at 31 st March, 2013		
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 (25,24,38,986 equity shares as at 31 st March, 2013) 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 of interim dividend.</p> <p>Dividend amount per share recognized as distributions to equity shareholders is ₹0.50 per equity share during the year ended 31st March, 2014 (Previous year : ₹2.00 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, 2014		As at 31 st March, 2013	
	No. of shares	% holding	No. of shares	% holding
Torrent Private Limited	25,24,38,986	53.43%	25,24,38,986	53.43%
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%	4,33,38,349	9.17%

NOTE - 3 : RESERVES AND SURPLUS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Capital reserves		
Service line contributions		
As per last balance sheet	471.28	398.96
Add: Received during the year	129.51	94.04
	600.79	493.00
Less: Transfer to statement of profit and loss	27.39	21.72
	573.40	471.28
Less: Share of minority	1.63	1.73
	571.77	469.55
Grant in Aid under Accelerated Power Development and Reform Programme (APDRP)		
As per last balance sheet	40.57	43.28
Less: Transfer to statement of profit and loss	2.71	2.71
	37.86	40.57
Debenture redemption reserve		
As per last balance sheet	23.81	-
Add: Transfer from statement of profit and loss	23.81	23.81
	47.62	23.81
Statutory reserves		
Contingency reserve (note 29)		
As per last balance sheet	61.66	60.67
Add: Transfer from statement of profit and loss	1.62	1.00
	63.28	61.67
Less: Loss on sale of investment	0.04	0.01
Less: Utilisation during the year	61.66	-
	1.58	61.66
Tariff and dividend control reserve (note 29)		
As per last balance sheet	11.59	11.59
Less: Utilisation during the year	11.59	-
	-	11.59
Special reserve (note 28)		
As per last balance sheet	78.07	44.82
Add: Transfer from general reserve	-	33.25
	78.07	78.07
Other reserves		
General reserve		
As per last balance sheet	3,479.80	3,484.18
Add: Transfer from statement of profit and loss	-	28.87
Less: Transfer to special reserve	-	33.25
	3,479.80	3,479.80
Surplus in the statement of profit and loss		
As per last balance sheet	1,465.50	1,244.56
Add: Profit after tax and minority interest for the year	105.26	386.70
	1,570.76	1,631.26
Less : Appropriations		
Transfer to contingency reserve	1.62	1.00
Transfer to general reserve	-	28.87
Transfer to debenture redemption reserve	23.81	23.81
Corporate dividend tax on interim dividend	1.53	-
Proposed dividend	23.62	94.49
Corporate dividend tax on proposed dividend	4.02	17.59
Total appropriations	54.60	165.76
Net surplus in the statement of profit and loss	1,516.16	1,465.50
	5,732.86	5,630.55

NOTE - 4 : LONG-TERM BORROWINGS

(₹ in Crore)

	Non-current		Current maturities	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Secured loans				
Non convertible debentures				
10.35% Series 1	550.00	550.00	-	-
10.10% Series 2A, 2B & 2C	300.00	300.00	-	-
	<u>850.00</u>	<u>850.00</u>	<u>-</u>	<u>-</u>
Term loans				
From banks	5,588.33	3,472.93	526.76	330.38
From financial institutions	2,266.52	1,650.35	188.27	113.04
	<u>7,854.85</u>	<u>5,123.28</u>	<u>715.03</u>	<u>443.42</u>
Buyers' credit from banks	-	-	-	1,424.21
	<u>8,704.85</u>	<u>5,973.28</u>	<u>715.03</u>	<u>1,867.63</u>
Unsecured loans				
Term loans:				
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	39.74	43.57	3.82	3.82
	<u>39.74</u>	<u>43.57</u>	<u>3.82</u>	<u>3.82</u>
	<u>8,744.59</u>	<u>6,016.85</u>	<u>718.85</u>	<u>1,871.45</u>
Amount disclosed under the head "Other current liabilities" (note 9)	-	-	(718.85)	(1,871.45)
	<u>8,744.59</u>	<u>6,016.85</u>	<u>-</u>	<u>-</u>

NOTE - 5 : OTHER LONG-TERM LIABILITIES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Trade payables	460.10	191.50
Others		
Security deposits from consumers	624.59	545.76
Payables on purchase of fixed assets	0.41	1.32
Sundry payables	0.75	0.89
	<u>1,085.85</u>	<u>739.47</u>

NOTE - 6 : PROVISIONS

(₹ in Crore)

	Long-term		Short-term	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Provision for employee benefits (note 31)				
Provision for gratuity	-	0.47	0.47	14.20
Provision for leave encashment	66.07	66.50	9.54	9.04
	<u>66.07</u>	<u>66.97</u>	<u>10.01</u>	<u>23.24</u>
Other provisions				
Provision for taxation (net of advance tax and TDS)	-	-	5.22	-
Provision for indirect tax	-	-	-	6.92
Proposed dividend	-	-	23.62	94.49
Provision for corporate dividend tax	-	-	5.55	17.59
	-	-	34.39	119.00
	<u>66.07</u>	<u>66.97</u>	<u>44.40</u>	<u>142.24</u>

NOTE - 7 : SHORT-TERM BORROWINGS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Secured loans		
Buyers' credit from banks	-	161.76
Cash credit from banks	-	-
	<u>-</u>	<u>161.76</u>

NOTE - 8 : TRADE PAYABLES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Trade payables for goods and services	635.42	589.01
	<u>635.42</u>	<u>589.01</u>

NOTE - 9 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Current maturities of long-term debt (note 4)	718.85	1,871.45
Interest accrued but not due on loans and security deposits	28.36	26.58
Investor education and protection fund shall be credited by the following*:		
Unpaid / Unclaimed dividend	6.29	6.11
Book overdraft	13.45	44.14
Other payables		
Credit balances of consumers	58.23	44.33
Service line and security deposits from consumers	114.69	118.13
Consumers' benefit account (note 29)	-	12.01
Deposits	3.44	4.39
Statutory dues	18.43	16.10
Payables on purchase of fixed assets	544.45	607.41
Sundry payables	96.50	97.40
	<u>1,602.69</u>	<u>2,848.05</u>

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

NOTE - 10 : FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 1 st April, 2013	Additions during the year	Deductions during the year	Adjustments	As at 31 st March, 2014	As at 1 st April, 2013	For the year	Deductions during the year	As at 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
I. Tangible assets											
Land											
(a) Freehold	240.72	85.68	-	-	326.40	-	-	-	-	326.40	240.72
(b) Leasehold	158.04	0.26	-	-	158.30	16.24	4.26	-	20.50	137.80	141.80
Buildings	848.74	476.55	1.25	31.76	1,355.80	120.03	49.29	0.14	169.18	1,186.62	728.71
Railway siding	2.34	0.12	-	-	2.46	0.48	0.05	-	0.53	1.93	1.86
Plant and machinery											
(a) Steam station	2,850.79	1,531.33	7.13	225.64	4,600.63	673.56	231.05	2.87	901.74	3,698.89	2,177.23
(b) Others including switchgears and transformers	2,705.14	360.63	25.73	4.32	3,044.36	715.62	147.98	13.31	850.29	2,194.07	1,989.52
Transmission and distribution systems											
(a) Overhead	793.90	28.55	0.21	0.71	822.95	190.01	45.28	0.01	235.28	587.67	603.89
(b) Underground	2,240.17	211.61	0.85	2.04	2,452.97	506.65	86.80	0.31	593.14	1,859.83	1,733.52
Electrical fittings and apparatus	62.86	4.22	0.27	0.01	66.82	17.99	4.19	0.12	22.06	44.76	44.87
Furniture and fixtures	27.85	4.28	0.34	*	31.79	9.77	2.16	0.13	11.80	19.99	18.08
Office equipments	74.08	58.69	0.61	1.88	134.04	34.31	9.07	0.34	43.04	91.00	39.77
Vehicles	23.64	1.60	3.88	-	21.36	10.25	2.33	2.24	10.34	11.02	13.39
Total (I)	10,028.27	2,763.52	40.27	266.36	13,017.88	2,294.91	582.46	19.47	2,857.90	10,159.98	7,733.36
II. Intangible assets											
Software (Acquired)	38.38	8.69	*	-	47.07	23.50	8.88	*	32.38	14.69	14.88
Total (II)	38.38	8.69	*	-	47.07	23.50	8.88	*	32.38	14.69	14.88
Total (I+II)	10,066.65	2,772.21	40.27	266.36	13,064.95	2,318.41	591.34	19.47	2,890.28	10,174.67	
Previous year	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
III. Capital work-in-progress										4,549.61	6,160.42
IV. Intangible assets under development										-	2.65
										14,724.28	13,911.31
Notes:											
1. Adjustments during the year includes borrowing costs of ₹209.74 Crore (Previous year ₹7.35 Crore) and Capital work-in-progress includes borrowing costs of ₹552.01 Crore (Previous year ₹416.88 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Accounting Standard - 16 "Borrowing Costs".											
2. Adjustments during the year includes ₹56.60 Crore (Previous year ₹Nil) on account of foreign currency exchange difference.											
3. Capital work-in-progress includes Pre-operative expenditure of ₹401.55 Crore (Previous year ₹310.57 Crore) (note 30).											
4. The Company has leased a portion of its land to AEC Cements & Constructions Limited.											
5. Land includes freehold land amounting to ₹0.04 Crore (31 st March, 2013 ₹0.04 Crore) and leasehold land amounting to ₹13.89 Crore (31 st March, 2013 ₹17.54 Crore) for which documentations are in progress.											
6. Freehold land includes pro rata cost of land amounting to ₹23.78 Crore (31 st March, 2013 ₹23.78 Crore) owned jointly in equal proportion with, a Company under same management, Torrent Pharmaceuticals Limited.											
7. Freehold land includes pro rata cost of land amounting to ₹83.16 Crore (31 st March, 2013 ₹83.16 Crore) and Building includes pro rata cost of building amounting to ₹1.36 Crore (31 st March, 2013 ₹0.25 Crore) owned jointly in 70:30 proportion with, a Company under same management, Torrent Pharmaceuticals Limited.											

NOTE - 11 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	No. of shares As at 31 st March, 2014	No. of shares As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
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)				
8.28% GOI Bond - 2032			1.31	0.99
8.97% GOI Bond - 2030			1.01	-
			2.32	0.99
			2.34	1.01
Aggregate amount of quoted investments			2.32	0.99
Aggregate amount of unquoted investments			0.02	0.02
			2.34	1.01
Aggregate provision for diminution in value of investments			0.61	0.61
Aggregate amount of market value of quoted investments			2.26	1.01

NOTE 12 : LOANS AND ADVANCES

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Capital advances	252.79	455.35	-	-
Deposits	9.68	1.90	26.93	26.90
Loans and advance to related parties				
Considered good	-	-	-	-
Considered doubtful	-	-	3.10	3.10
	-	-	3.10	3.10
Less : Provision for doubtful advance to related parties	-	-	3.10	3.10
	-	-	-	-
Advances recoverable in cash or in kind or for value to be received				
Considered good	18.67	34.12	106.94	112.25
Considered doubtful	-	-	2.30	-
	18.67	34.12	109.24	112.25
Less : Provision for doubtful advances	-	-	2.30	-
	18.67	34.12	106.94	112.25
Other loans and advances				
Advance tax & tax deducted at source (net of provision for income tax)	-	-	-	3.05
Balances with government authority	0.50	1.00	0.55	0.14
Prepaid expenses	-	-	5.69	3.46
	0.50	1.00	6.24	6.65
	<u>281.64</u>	<u>492.37</u>	<u>140.11</u>	<u>145.80</u>

NOTE 13 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Interest accrued on deposits	*	0.64
Non-current bank fixed deposits balance (note 17)	1.02	6.53
	<u>1.02</u>	<u>7.17</u>

NOTE - 14 : CURRENT INVESTMENTS

(₹ in Crore)

	No. of units As at 31 st March, 2014	No. of units As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Investment in mutual funds (unquoted)				
Birla Sun Life Cash Plus - Growth (of ₹100 each)	1,05,34,477	53,45,194	214.00	100.21
DSP BlackRock Liquidity Fund - Growth (of ₹1000 each)	1,34,233	-	24.11	-
HDFC Liquid Fund - Growth (of ₹10 each)	15,75,315	-	3.96	-
IDFC Cash Fund - Growth - (Regular Plan) (of ₹1000 each)	1,86,411	7,26,421	28.65	103.38
IDFC Cash Fund - Daily Dividend - (Regular Plan) (of ₹1000 each)	-	71,429	-	7.14
ICICI Liquid Plan - Regular - Growth (of ₹100 each)	85,83,599	-	161.19	-
ICICI Liquid Plan - Regular Daily Dividend (of ₹100 each)	-	12,18,397	-	12.19
Kotak Liquid Scheme Plan A - Growth (of ₹1000 each)	3,13,099	1,51,896	81.24	36.00
SBI MICF Liquid Floater Regular Plan - Growth (of ₹1000 each)	-	1,24,686	-	25.00
SBI PLF - Reg plan Growth (of ₹1000 each)	10,84,041	3,62,773	215.32	66.61
Tata Liquid Fund Plan A - Daily Dividend (of ₹1000 each)	-	1,22,144	-	13.61
Tata Liquid Fund Plan A - Growth (of ₹1000 each)	5,74,916	-	135.07	-
[Aggregate NAV of investment in mutual funds ₹873.47 Crore (31 st March, 2013 - ₹365.07 Crore)]			863.54	364.14
Contingency reserve investments (quoted)				
7.27% GOI Bond - 2013			-	1.69
			-	1.69
			863.54	365.83
Aggregate amount of quoted investments			-	1.69
Aggregate amount of unquoted investments			863.54	364.14
			863.54	365.83
Aggregate provision for diminution in value of investments			-	-
Aggregate amount of market value of quoted investments			-	1.65

NOTE - 15 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Coal, oil, stores and spares	289.75	244.18
Loose tools	0.43	0.40
	290.18	244.58

NOTE - 16 : TRADE RECEIVABLES

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Debts outstanding for a period exceeding six months from due date		
Secured - Considered good	5.65	9.79
Unsecured - Considered good	33.13	43.96
- Considered doubtful	62.01	32.85
	100.79	86.60
Other debts		
Secured - Considered good	307.82	280.90
Unsecured - Considered good	458.04	421.41
- Considered doubtful	84.29	97.76
	850.15	800.07
Less: Provision for doubtful debts	146.30	130.61
	804.64	756.06

NOTE - 17 : CASH AND BANK BALANCES

(₹ in Crore)

	Non-current		Current	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
Cash and cash equivalents				
Balances with banks				
Balance in current accounts	-	-	120.96	115.91
Balance in fixed deposit accounts (remaining maturity of less than three months)	-	-	689.28	288.37
On unpaid dividend accounts	-	-	6.29	6.11
	-	-	816.53	410.39
Cheques, drafts on hand	-	-	3.48	1.87
Cash on hand	-	-	1.74	1.11
	-	-	821.75	413.37
Other bank balances				
Balance in fixed deposit accounts (remaining maturity for more than three months but less than twelve months)	-	-	736.48	700.81
Balance in fixed deposit accounts (remaining maturity for more than twelve months)	1.02	6.53	-	-
	1.02	6.53	736.48	700.81
Amount disclosed under other non-current assets (note 13)	(1.02)	(6.53)	-	-
	-	-	1,558.23	1,114.18

NOTE - 18 : OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Interest accrued on investments	1.40	0.37
Unbilled revenue	449.23	229.74
	450.63	230.11

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Revenue from power supply (note 29)	8,520.94	7,970.06
Other operating income		
Street lighting maintenance contracts	6.35	6.10
Hire of meters	46.78	45.50
Provision of earlier years written back	20.47	18.93
Provision for doubtful debts no longer required	-	46.25
Provision for doubtful advances no longer required	-	5.07
Recovery of bad debts	19.67	7.03
Insurance claim receipt	0.02	2.68
Income from Certified Emission Reduction (CERs)	-	41.45
Income from Renewable Energy Certificate & Generation Based Incentive	13.01	11.25
Miscellaneous income	53.88	66.69
	<u>160.18</u>	<u>250.95</u>
	<u>8,681.12</u>	<u>8,221.01</u>

NOTE - 20 : OTHER INCOME

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest income from		
Deposits	119.22	59.09
Consumers	14.53	14.30
Contingency reserve investments	0.19	0.16
Others	0.53	1.93
	<u>134.47</u>	<u>75.48</u>
Dividend on current investments	0.48	1.59
Miscellaneous income	48.58	32.52
Profit on sale of fixed assets	1.07	1.49
Profit on sale of current investments	65.98	31.86
Net gain on foreign currency transactions	-	0.58
	<u>250.58</u>	<u>143.52</u>

NOTE - 21 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Salaries, wages and bonus	336.31	315.33
Contribution to provident and other funds	16.74	16.52
Employees welfare expenses	12.25	11.01
Gratuity and leave encashment	7.09	20.70
	<u>372.39</u>	<u>363.56</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	100.92	113.37
	<u>271.47</u>	<u>250.19</u>

NOTE - 22 : OPERATION AND OTHER EXPENSES

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Fuel	2,088.46	2,245.85
Consumption of stores and spares	319.45	251.75
Rent and hire charges	7.15	6.05
Repairs to		
Buildings	7.42	8.90
Plant and machinery	209.96	205.78
Others	7.08	7.32
	<u>224.46</u>	<u>222.00</u>
Insurance	16.08	14.17
Rates and taxes	11.56	19.63
Miscellaneous expenses	142.68	140.01
Discount for prompt payment of bills	40.42	40.10
Loss on sale of fixed assets	14.58	11.55
Commission to non-executive directors	1.10	1.03
Auditors remuneration (note 34)	1.01	0.73
Legal, professional and consultancy fees	10.13	13.60
Donations	6.77	22.25
Bad debts written off	54.89	63.90
Provision for doubtful debts and advances	17.99	51.92
	<u>2,956.73</u>	<u>3,104.54</u>
Less: Allocated to capital works, repairs and other relevant revenue accounts	48.11	69.13
	<u>2,908.62</u>	<u>3,035.41</u>

NOTE - 23 : FINANCE COSTS*

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Interest expense		
Term loans	562.51	357.27
Non convertible debentures	87.23	29.74
Working capital loan	0.04	0.03
Security deposits from consumers	46.86	43.07
Others	1.14	1.54
Other borrowing cost	6.84	5.93
	<u>704.62</u>	<u>437.58</u>

* Net of allocation to capital works ₹ 259.85 Crore (Previous year ₹ 273.05 Crore)

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)	(0.99)	0.02
Our share of profit / (loss) for the year (₹ Crore)	(0.13)	*
These associates have not been considered for consolidation being not material to the Group.		

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
25. Estimated amount of contracts remaining to be executed on capital accounts (net of advances)	302.46	1,265.55

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
26. Contingent liabilities not provided for in respect of:		
(i) Letters of credit established and guarantees given by banks on behalf of the Company	103.21	110.64
(ii) Disputed income-tax matters	22.87	31.48
(iii) Disputed sales-tax matters	-	4.36
(iv) Disputed custom duty matters	18.78	0.28
(v) Disputed stamp duty matters	0.35	0.37
(vi) Claims not acknowledged as debt	14.83	1.45
(vii) Disputed excise duty matters	0.18	-

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. Hon'ble GERC in its true-up orders for FY 2009-10 and FY 2010-11 had directed to credit 1/3rd of the gain on account of controllable factors to a special reserve for the purpose of absorbing the impact of any future controllable losses of the Licensee (including AMGEN) as per the regulations. Accordingly, the company had created the reserve under the head "Consumer Benefit Reserve", which has now been renamed as "Special Reserve".

29. Revenue from power supply includes an amount of ₹85.26 Crore on account of Fuel and Power Purchase Price Adjustment (FPPPA) which has been adjusted against Tariff and Dividend Control Reserve of ₹11.59 Crore, Contingency Reserve of ₹61.66 Crore and Consumers' Benefit Account of ₹12.01 Crore, as per the approval of the Hon'ble Gujarat Electricity Regulatory Commission (GERC) vide its letter no. 0405 dated 3rd March, 2014.

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

(₹ in Crore)

	As at 31 st March, 2014	As at 31 st March, 2013
Pre-operative expenditure		
Opening balance	310.57	110.76
Expenditure incurred during the year		
Salary, wages, bonus, gratuity and superannuation	17.82	17.37
Rent expenses	2.71	2.49
Repairs and maintenance	0.60	0.18
Insurance	0.31	0.25
Miscellaneous expenses	9.99	12.40
Legal, professional and consultancy fees	3.64	13.77
Registration, filing and legal fees	0.07	0.02
Traveling expenses	0.66	0.77
Vehicle hiring charges	0.18	0.03
Security expenses	1.26	0.57
Depreciation	6.77	4.33
Rates and taxes	0.05	0.05
Upfront fees	-	0.93
Electricity charges	0.45	0.42
Printing, stationary, postage and telephone	0.21	0.13
Advertisement	-	0.13
Finance cost	-	0.35
Commissioning gas and power	246.26	180.04
Total expenditure incurred during the year	290.98	234.23
Less: sale of infirm power	31.32	32.94
Less: capitalized during the year	166.64	1.48
Less: written off during the year	2.04	-
Closing balance	401.55	310.57

31. (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 forward contract as at 31st March, 2014 is ₹Nil (31st March, 2013 ₹Nil).

(ii) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2014 is as under :

(in Crore)

	Currency	As at 31 st March, 2014	As at 31 st March, 2013
Loan	USD	5.73	34.37
Interest payable	USD	0.14	0.17
Trade payable	USD	0.64	0.09
Capital liability	USD	4.50	5.53
Trade payable	EURO	0.56	0.35

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

33. Employee benefits

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

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

On account of defined contribution plans, a sum of ₹16.74 Crore (previous year ₹16.52 Crore) has been charged to the statement of profit and loss.

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

(₹ in Crore)

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	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	74.79	185.03	71.28	177.49
Current service cost	6.35	10.04	6.29	9.79
Interest cost	5.46	14.80	5.38	15.09
Actuarial (gain) / loss	(4.75)	(7.20)	(1.28)	1.23
Liability transferred in	-	0.26	-	-
Liability transferred out	-	(0.47)	-	-
Benefits paid directly by employer	(7.09)	(10.97)	(6.88)	(18.02)
Benefits paid	-	(8.59)	-	(0.55)
Obligations at the end of the year	74.76	182.90	74.79	185.03
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	-	170.36	-	141.01
Expected return on plan assets	-	14.82	-	12.11
Actuarial gain / (loss)	-	1.91	-	2.69
Contributions	-	14.25	-	15.10
Liabilities of transferred employees	-	0.34	-	-
Benefits paid	-	(8.59)	-	(0.55)
Plan assets at the end of the year, at fair value	-	193.09	-	170.36
c. Reconciliation of the present value of the defined benefit obligation and fair value of plan assets:				
Obligations at the end of the year	74.76	182.90	74.79	185.03
Plan assets at the end of the year, at fair value	-	193.09	-	170.36
Liability / (asset) recognized in balance sheet as at 31st March, 2014	74.76	(10.19)	74.79	14.67
d. Cost for the year:				
Current service cost	6.35	10.04	6.29	9.79
Interest cost	5.46	14.80	5.38	15.09
Expected return on plan assets	-	(14.82)	-	(12.11)
Net actuarial (gain) / loss	(4.75)	(9.11)	(1.28)	(1.46)
Net cost – included in note 21 of the statement of profit and loss	7.06	0.91	10.39	11.31

Particulars	As at 31 st March, 2014		As at 31 st March, 2013		
	Leave encashment	Gratuity	Leave encashment	Gratuity	
e. Assumptions:					
Discount rate	9.25%	9.25%	8.00%	8.00%	
Expected rate of return on plan assets (Yield on long term bonds of Central Government prevailing on 31 st March, 2014)	-	9.50%	-	8.70 %	
Salary escalation rate	9.00%	9.00%	9.00%	9.00%	
f. Experience adjustment					
On Plan liability (gains) / losses	4.35	7.91	(1.48)	2.87	
On plan assets (losses) / gains	-	1.91	-	2.69	
g. Actual return on plan assets					
	-	16.73	-	14.80	
h. Expected Contribution for next year					
	-	-	-	14.20	
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					
	2009-10	2010-11	2011-12	2012-13	2013-14
Present value of defined benefit obligations at the end of the year (independent actuary)	179.84	237.60	248.77	259.82	257.66
Fair value of plan assets at the end of the year	94.67	115.97	141.01	170.36	193.09
Net assets / (liability) at the end of year	(85.17)	(121.63)	(107.76)	(89.46)	(64.57)
k. 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 as under:					
	Year ended 31 st March, 2014		Year ended 31 st March, 2013		
Government securities	41.21%		43.41%		
Debentures and bonds	39.32%		42.85%		
Equity shares	4.67%		5.22%		
Fixed deposits	14.20%		8.35%		
Others	0.60%		0.17%		
Total	100.00%		100.00%		

34. Auditors remuneration

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Audit fees	0.54	0.49
Tax audit fees	0.06	0.06
Other services – certificates etc.	0.25	0.10
Reimbursement of expenses	0.05	0.01
For service tax	0.11	0.07
	<u>1.01</u>	<u>0.73</u>

The remuneration disclosed above excludes fees of ₹ 0.06 Crore (Previous year – ₹Nil) [exclusive of service tax of ₹0.01 Crore (Previous year – ₹Nil)] for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

35. Deferred tax

(₹ in Crore)

	As at 31 st March, 2014		As at 31 st March, 2013	
	Asset	Liability	Asset	Liability
Depreciation		732.67		603.77
Provision for gratuity and superannuation	-		4.17	
Leave encashment	19.99		20.15	
Provision for wages and bonus	-		0.13	
	<u>19.99</u>	<u>732.67</u>	<u>24.45</u>	<u>603.77</u>
Net deferred tax (asset) / liability		<u>712.68</u>		<u>579.32</u>

36. Earnings per share

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Profit after tax (net of minority interest) (₹ in Crore)	105.26	386.70
No. of equity shares	47,24,48,308	47,24,48,308
Basic and diluted earnings per share (₹)	2.23	8.19

37. 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.

38. 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	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
A) Nature of Transactions												
Purchase of materials	0.05	1.91	-	-	103.21	141.70	-	-	-	-	103.26	143.61
AEC Cements & Constructions Ltd.	0.05	1.91	-	-	-	-	-	-	-	-	0.05	1.91
Torrent Cables Ltd	-	-	-	-	102.94	141.42	-	-	-	-	102.94	141.42
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.27	0.28	-	-	-	-	0.27	0.28
Dividend paid	4.68	-	-	-	-	-	-	-	-	-	4.68	-
Power Grid Corporation of India Ltd.	4.68	-	-	-	-	-	-	-	-	-	4.68	-
Services received	1.56	1.52	-	-	1.70	1.26	-	-	3.41	1.86	6.67	4.64
Torrent Cables Ltd.	-	-	-	-	1.70	1.26	-	-	-	-	1.70	1.26
Tsunami Tours & Travels Pvt. Ltd.	-	-	-	-	-	-	-	-	1.36	1.59	1.36	1.59
Munjal Bhatt & Associates	-	-	-	-	-	-	-	-	0.54	0.27	0.54	0.27
Power Grid Corporation of India Ltd.	1.56	1.52	-	-	-	-	-	-	-	-	1.56	1.52
Jinal Mehta	-	-	-	-	-	-	-	-	1.44	-	1.44	-
Varun Mehta	-	-	-	-	-	-	-	-	0.07	-	0.07	-
Bills Raised	76.04	69.77	-	-	-	-	-	-	-	-	76.04	69.77
Power Grid Corporation of India Ltd.	76.04	69.77	-	-	-	-	-	-	-	-	76.04	69.77
Shared expenditure	-	-	-	-	0.07	0.41	-	-	-	-	0.07	0.41
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.07	0.35	-	-	-	-	0.07	0.35
Heumann Pharma Gmbh & Co.	-	-	-	-	-	0.06	-	-	-	-	-	0.06
Managerial remuneration	-	-	-	-	-	-	8.33	27.34	-	-	8.33	27.34
Sudhir Mehta (Executive Chairman)	-	-	-	-	-	-	0.04	0.03	-	-	0.04	0.03
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	0.06	15.67	-	-	0.06	15.67
Murli Ranganathan (Whole-time Director)	-	-	-	-	-	-	5.36	6.01	-	-	5.36	6.01
T P Vijayasathy (Whole-time Director)*	-	-	-	-	-	-	2.52	3.61	-	-	2.52	3.61
R. C Singh	-	-	-	-	-	-	0.15	0.15	-	-	0.15	0.15
R. P. Rath	-	-	-	-	-	-	0.35	0.18	-	-	0.35	0.18
Jinal Mehta	-	-	-	-	-	-	-	1.69	-	-	-	1.69
Donation	-	-	-	-	-	-	-	-	-	8.90	-	8.90
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	8.90	-
Shree Vadgam Mahal Kelavani Mandal	-	-	-	-	-	-	-	-	-	-	5.40	5.40
	-	-	-	-	-	-	-	-	-	-	-	3.50

38. 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	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Contribution to funds (net)	-	-	18.45	19.02	-	-	-	-	-	-	18.45	19.02
TPL (Ahmedabad) Gratuity Trust	-	-	11.49	12.93	-	-	-	-	-	-	11.49	12.93
TPL (Ahmedabad) Superannuation Fund	-	-	2.98	2.39	-	-	-	-	-	-	2.98	2.39
TPL (Surat) Gratuity Trust	-	-	1.85	1.87	-	-	-	-	-	-	1.85	1.87
TPL (Surat) Superannuation Fund	-	-	0.63	0.64	-	-	-	-	-	-	0.63	0.64
TPL (SUGEN) Gratuity Trust	-	-	0.23	0.59	-	-	-	-	-	-	0.23	0.59
TPL (SUGEN) Superannuation Fund	-	-	0.40	0.43	-	-	-	-	-	-	0.40	0.43
TPG Superannuation Fund	-	-	0.01	0.05	-	-	-	-	-	-	0.01	0.05
TEL Gratuity Trust	-	-	0.71	0.12	-	-	-	-	-	-	0.71	0.12
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 Cements & 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	0.40	0.08	*	*	20.63	21.50	-	-	-	-	21.03	21.58
AEC Cements & Constructions Ltd.	0.40	0.04	-	-	-	-	-	-	-	-	0.40	0.04
Torrent Cables Ltd.	-	-	-	-	20.63	21.43	-	-	-	-	20.63	21.43
Torrent Pharmaceuticals Ltd.	-	-	-	-	*	0.01	-	-	-	-	*	0.01
Power Grid Corporation of India Ltd.	-	0.04	-	-	-	-	-	-	-	-	-	0.04
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	3.10	-	-	-	-	-	-	-	-	3.10	3.10
AEC Cements & Constructions Ltd.	3.10	3.10	-	-	-	-	-	-	-	-	3.10	3.10
Trade Receivable	7.86	21.24	-	-	-	-	-	-	-	-	7.86	21.24
Power Grid Corporation of India Ltd.	7.86	21.24	-	-	-	-	-	-	-	-	7.86	21.24

38. 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 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., Laboratorios Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals Sikkim, Torrent Fincorp Pvt. Ltd, Opening Pharma, France
4.	Key management personnel	Sudhir Mehta Executive Chairman Samir Mehta Executive Vice Chairman Markand Bhatt Whole-time Director Murli Ranganathan Whole-time Director T.P. Vijayasarathy* Whole-time Director
5.	Relatives of key management personnel	Anita Mehta, Wife Shardaben Mehta, Mother Samir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Jinal Mehta, Son Varun Mehta, Son Sapna Mehta, Wife Shardaben Mehta, Mother Sudhir Mehta, Brother Meena Modi, Sister Nayna Shah, Sister Aman Mehta, Son Shaan Mehta, Son Nandini Bhatt, Wife Arvindbhai Bhatt, Brother Maltiben Joshi, Sister Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjai Bhatt, Son Gunjan Bhatt, Son Jayashree M. Ranganathan, Wife T.P. Ranganathan, Father Kaushalya Ranganathan, Mother R.Vijay Kumar, Brother Sujeet M. Ranganathan, Son Suhasini M. Ranganathan, Daughter
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, Memadpur Kelavani Mandal

* resigned from the Board of Directors effective from 25th January, 2014

39. Donations include political contributions as under:

(₹ in Crore)

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Bhartiya Janata Party	4.00	6.58
Indian National Congress	1.00	3.50

40. 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, 2014	31 st March, 2014	31 st March, 2014
3	Capital	90.00	50.00	1,988.22
4	Reserves	13.74	1.91	16.79
5	Total assets	297.12	101.93	5,604.04
6	Total liabilities	297.12	101.93	5,604.04
7	Details of investment (except in case of investment in subsidiaries)	20.47	-	345.53
8	Turnover	57.55	-	37.85
9	Profit / (loss) before taxation	20.08	(0.11)	11.78
10	Provision for taxation (including deferred tax)	8.40	*	6.96
11	Profit / (loss) after taxation	11.68	(0.11)	4.82
12	Proposed dividend	-	-	-

41. **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 '*'.
 In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Executive Chairman

Samir Mehta
Executive Vice Chairman

Hemendra L. Shah
Partner

T P Vijayasathy
Executive Director - Corporate Affairs & CFO

Srinivas Kotra
Company Secretary

Ahmedabad, 12th May, 2014

Ahmedabad, 12th May, 2014

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

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

Phone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326

Website: www.torrentpower.com, E-mail: cs@torrentpower.com



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 **10th Annual General Meeting** of the Company being held at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015 on Monday, 28th July, 2014 at 9.30 a.m.

Member's / Proxy's Signature

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

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

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

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

Phone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326

Website: www.torrentpower.com, E-mail: cs@torrentpower.com



PROXY FORM

[pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : _____
 Registered address : _____
 E-mail Id : _____
 Folio No./ Client Id : _____
 DP Id : _____

I/ We being the member (s) of _____ shares of the above named company, hereby appoint;

1	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

or failing him

2	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

or failing him

3	Name : _____	E-mail Id : _____
	Address : _____	Signature : _____

As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **10th Annual General Meeting** of the Company, to be held on the Monday, 28th July, 2014 at 9.30 a.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Please Indicate (Assent or Dissent)	Item No.	Please Indicate (Assent or Dissent)	Item No.	Please Indicate (Assent or Dissent)
1.		2.		3.	
4.		5.		6.	
7.		8.		9.	
10.		11.		12.	
13.		14.		15.	

Signed this _____ day of _____, 2014.

Signature of Member (s)

Signature of Proxy holder (s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





TORRENT POWER LIMITED

CIN : L31200GJ2004PLC044068

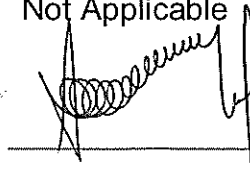
Torrent House, Off Ashram Road, Ahmedabad - 380 009, India.
Telephone: +91-79-2658 5090, 2658 3060, Fax: +91-79-2658 2326
www.torrentpower.com

FORM A

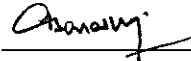
(COVERING LETTER OF THE ANNUAL REPORT TO BE FILED WITH STOCK EXCHANGE)

- 1 Name of the Company : Torrent Power Limited
2 Annual Stand-alone Financial : 31st March, 2014
Statements for the year ended
3 Type of Audit observation : Un-qualified
4 Frequency of observation : Not Applicable

• CEO / Managing Director :



• CFO :

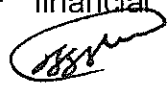


• Audit Committee Chairman :



↳ Stand-alone

Refer our Audit Report dated May 12, 2014 on the ~~Consolidated~~ financial statements of the Company



- 5 Auditor of the Company : For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)



Hemendra L. Shah
(Partner)
Membership No. 33590
Ahmedabad

May 12, 2014

FORM A

(COVERING LETTER OF THE ANNUAL REPORT TO BE FILED WITH STOCK EXCHANGE)

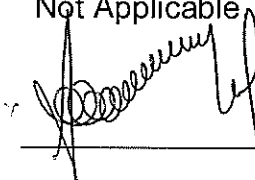
1 Name of the Company : Torrent Power Limited

2 Annual Consolidated Financial Statements for the year ended : 31st March, 2014

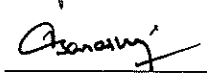
3 Type of Audit observation : Un-qualified

4 Frequency of observation : Not Applicable

• CEO / Managing Director :



• CFO :



• Audit Committee Chairman :



Refer our Audit Report dated May 12, 2014 on the Consolidated financial statements of the Company

5 Auditor of the Company : For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)



Hemendra L. Shah
(Partner)
Membership No. 33590
Ahmedabad

May 12, 2014