13th Annual Report 2016-17

GREEN to GO


Wind Power Plant at Kutch


Meghdhanush- The Residential Colony at DGEN


Green Belt at SUGEN

torrent POWER


Wind Power Plant at Kutch

GREEN ENERGY

Striking a balance between economic growth and environmental sustainability

Acknowledging that green and growth can go hand in hand, our growth strategies are aligned with our environmental responsibilities.

Starting with a 50 MW wind power plant in 2012, we have continued our journey into environmentally benign and sustainable renewable energy space. Till date, a total of 265.6 MW Wind Power Projects and 138 MW Solar Power Projects have been commissioned. The picture depicts the recently commissioned 201.6 MW Wind Power Project at Kutch. The Project consists of 96 wind turbines of Suzlon make S97 DFIG-2.1 MW model in combination of tubular tower and hybrid lattice tower with hub height of 90 meters and 120 meters respectively and rotor diameter of 97 meters.

Another 96.8 MW Wind Power Projects are under various stages of construction. With the operational and under-construction projects, our total renewable power generation capacity has crossed the mark of 500 MW.

On the other hand, our state of the art 2730 MW Gas based Combined Cycle Power Plants with advanced class gas turbines are based on environmentally safe and energy efficient technology, thus making them have greater environmental value in terms of low emissions and comparatively less land footprint.


Solar Power Plant at Charanka


SUGEN Power Plant


DGEN Power Plant

INDEX

torrent POWER

CORPORATE INFORMATION

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

Audit and Risk Management Committee
Keki Mistry
Chairman
Samir Barua
Kiran Karnik
Bhavna Doshi
Dharmishta Raval

Stakeholders Relationship Committee
Pankaj Patel
Chairman
Samir Mehta
Markand Bhatt

Nomination and Remuneration Committee
Kiran Karnik
Chairman
Sudhir Mehta
Pankaj Patel
Dharmishta Raval

Corporate Social Responsibility Committee
Bhavna Doshi
Chairperson
Samir Barua
Jinal Mehta

Committee of Directors
Samir Mehta
Chairman
Markand Bhatt
Jinal Mehta

Executive Director (Corporate Affairs) & Chief Financial Officer
T. P. Vijayasarathy

Company Secretary
Darshan Soni

Statutory Auditors
Deloitte Haskins & Sells, Ahmedabad
Chartered Accountants

Registered Office
"Samanvay", 600,
Tapovan, Ambawadi,
Ahmedabad-380009,
Gujarat, India.
Phone: +91 79 2662 8300 / 2662 8000
Fax: +91 79 2676 4159

GENERATION
SUGEN, UNOSUGEN & GENSU
Off National Highway No. 8, Taluka Kamrej,
District Surat-394155 (Gujarat)

AMGEN
Ahmedabad-380005 (Gujarat)

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

CABLES
Yoginagar, Mission Road,
Nadiad-387002 (Gujarat)

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

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

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

Website
www.torrentpower.com

Registrar and Share Transfer Agent
Link Intime India Pvt. Ltd.
Unit : Torrent Power Limited
506-508, Amarnath Business Centre-1 (ABC–1),
Besides Gala Business Centre, Near ST. Xavier's
College Corner, Off. C. G. Road,
Ellisbridge, Ahmedabad - 380006 (Gujarat)
Phone : +91 79 2646 5179 / 86 / 87
E-mail : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

Investor Services Email Id
cs@torrentpower.com

Corporate Identity Number
L31200GJ2004PLC044068

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of **TORRENT POWER LIMITED** will be held on Tuesday, 1st August, 2017 at 2.30 p.m. **at J. B. Auditorium, Torrent - AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015*** to transact the following business:

ORDINARY BUSINESS

1. **Adoption of the Financial Statements**

   To receive, consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2017, including Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and reports of the Auditors and the Directors thereon.

2. **Declaration of dividend**

   To declare dividend of ₹2.20 per share on equity shares of the Company for the financial year ended 31st March, 2017.

3. **Director retiring by rotation**

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

   "RESOLVED THAT the vacancy caused by retirement of Shri R. Ravichandran (holding DIN: 06737497) at the 13th Annual General Meeting be not filled up."

4. **Appointment of Statutory Auditors**

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (FRN: 012754N/N500016) be and are hereby appointed as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting of the Company till conclusion of the 18th Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company, subject to ratification of such appointment by the shareholders at every Annual General Meeting."

SPECIAL BUSINESS

5. **Appointment of Shri Pankaj Joshi, IAS as Director of the Company**

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

   "RESOLVED THAT Shri Pankaj Joshi, IAS (holding DIN: 01532892), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Article 114 of the Articles of Association of the Company and any other provisions if applicable and who holds office till commencement of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. **Ratification of Remuneration of Cost Auditors**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force ("Act"), M/s. Kirit Mehta & Co., Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company (except for Dahej Distribution and DGEN as both are in SEZ and exempt from

* *Please refer to page no. 238 for route map to the AGM venue.*

the provisions of Cost Audit), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 be paid the remuneration of ₹12,00,000 /- plus applicable taxes and out of pocket expenses incurred by them during the course of the Audit.

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

By Order of the Board
For Torrent Power Limited

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

Ahmedabad
23rd May, 2017

Registered Office:
"Samanvay", 600, Tapovan,
Ambawadi,
Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Tel. No. +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 13TH ANNUAL GENERAL MEETING ("AGM" or "meeting") OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
2. A proxy form is sent herewith. In case a member wants to appoint a proxy, duly completed and stamped proxy form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
4. Members / proxies / authorised representatives are requested to bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 12th June, 2017 to Wednesday, 14th June, 2017 (both days inclusive) for determining the names of members for the purpose of the AGM.
7. The Statement pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Notice.
8. In terms of the Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2009-10 of the erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) and the Company will be due for transfer to the said Fund in September 2017. The shareholders who have not encashed their dividend warrants for financial year 2009-10 of the erstwhile Torrent Cables Limited (since amalgamated with Torrent Power Limited) and the Company, are requested to approach the Company for payment.

   Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to an IEPF Authority. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. All such Shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to IEPF Authority and no claim shall lie against the Company. The Shareholders thereafter need to claim their shares from IEPF Authority by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).
9. The Companies Act provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant.

10. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. For further information, you are requested to approach the Registrar and Share Transfer Agent of the Company.

11. Trading in equity shares of the Company is compulsorily in dematerialised mode by all the investors. Members are therefore advised to convert their shareholding in dematerialised form in case they wish to trade their equity shares.

12. Members seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.

13. Annual Report for FY 2016-17 of the Company has been uploaded on website of the Company i.e. www.torrentpower.com.

14. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 AM to 6.30 PM) on all working days, (except Saturday) upto and including the date of the Annual General Meeting of the Company and also will be available for inspection by the members at the AGM.

15. Electronic copy of the Notice of the 13th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Notice of the 13th Annual General Meeting of the Company alongwith Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.

16. With a view to conserve natural resources, we request members to update and register their email addresses with their Depository Participants or with the Company, as the case may be, to enable the Company to send communications including Annual Report, Notices, Circulars, etc. electronically.

17. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company, for consolidation of such multiple folios into a single folio.

18. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Tuesday, 25th July, 2017.**

19. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the “Remote e-voting”). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

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

    The information and other instructions regarding Remote e-voting are detailed in Note No. 23.

    Shri Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

20. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the AGM make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person so authorised by him in writing, who shall countersign the same.

21. The results shall be declared forthwith by the Chairman or a person so authorised by him in writing on receipt of consolidated report from scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.torrentpower.com and on the website of CDSL and shall also be communicated to the BSE Limited and National Stock Exchange of India Limited.

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

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

Section A: Voting Process

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

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

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

Step 3 : Please enter User ID -

a. For account holders in CDSL: Your 16 digits beneficiary ID.

b. For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 4 : Enter the Image Verification as displayed and Click on "LOGIN".

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

Step 6 : Follow the steps given below, if you are:

a. holding shares in physical form, or

b. holding shares in dematerialised form and are a first time user,

6.1 (a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both, members holding shares in physical or dematerialized form)

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

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

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

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

6.1 (c) Enter the Dividend Bank Details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio.#

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

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

6.3 For Demat holding:

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

For Physical holding:

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

Step 7 : Click on the EVSN of the Company i.e. 170627009 to vote.

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

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

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

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

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

Section B: Other instructions regarding Remote e-voting

i. The Remote e-voting period shall commence on Saturday, 29th July, 2017 at 9.00 A.M. and end on Monday, 31st July, 2017 at 5:00 P.M. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.

ii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below, if they are first time user.

- Institutional Shareholders and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which user wishes to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

iii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are required to upload the following in PDF format in the system for the scrutinizer to verify the same:

a. Copy of the Board Resolution (where institution itself is voting).

b. Power of Attorney issued in favour of the Custodian (if PoA is not uploaded earlier) as well as Board Resolution of custodian.

iv. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

v. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

vi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to **helpdesk.evoting@cdslindia.com.**

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

ITEM NO. 5

Shri Pankaj Joshi, IAS (holding DIN: 01532892), a nominee director of Government of Gujarat (GOG) (a shareholder) was appointed as an Additional Director by the Board of Directors on 23rd May, 2017. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 114 of the Articles of Association of the Company, he holds the office of Director till the commencement of this Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 alongwith the requisite deposit from a shareholder proposing the candidature of Shri Pankaj Joshi, IAS for appointment as a Director of the Company.

Shri Pankaj Joshi, 51, a Senior IAS Officer is presently occupying the position of Managing Director of Gujarat Urja Vikas Nigam Limited (GUVNL), the apex holding Company of Government of Gujarat which, with its six subsidiaries, is responsible for electricity generation, transmission and distribution in the State.

His academic qualifications comprise the following:

Sr. No.	Qualification	Subjects	Division
1	B.Tech	Civil Engineering	First
2	M.Tech	Water Resource Engineering	First
3	M.Phil	Defence & Strategic Studies	First

After joining the Indian Administrative Service (IAS) in 1989, he has held various important positions at the State Level in the Government of Gujarat in various departments like Land revenue, Personnel and General Admin, Urban Development and Education Department for about 20 years. In his stint with Government of India (GoI), he has also worked in various Departments like Urban Development, Social Justice and Empowerment, Public Transport etc. for about 6 years. He has wide experience at the senior level in the administration in various areas.

In the Corporate Sector, apart from holding the position of Managing Director of Gujarat Urja Vikas Nigam Limited (GUVNL), he is also holding directorships in Gujarat Industries Power Company Ltd. (GIPCL), Gujarat State Electricity Corporation Limited (GSECL), Gujarat Energy Transmission Corporation Limited (GETCO), GSPC Pipavav Power Company Limited (GPPCL), Uttar Gujarat Vij Company Limited (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Paschim Gujarat Vij Company Limited (PGVCL), Dakshin Gujarat VIJ Company Limited (DGVCL) and Gujarat Industrial Development Corporation (GIDC). He is not a member of any of the Committee of the Companies in which he is a Director currently.

Shri Pankaj Joshi, IAS does not hold any equity shares of the Company. He is not related to any Director of the Company.

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

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

ITEM NO. 6

The shareholders had, at the 12th Annual General Meeting of the Company held on 2nd August, 2016, ratified the remuneration of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company at ₹11,50,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit for the FY 2016-17.

In order to continue availing their services, the Audit and Risk Management Committee of the Company had, at its meeting held on 9th February, 2017 recommended and the Board of Directors had approved the re-appointment of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors of the Company (except for DGEN and Dahej SEZ Distribution, being exempted) to conduct the audit of the Cost Records of the Company for the FY 2017-18 at a remuneration of ₹12,00,000/- plus applicable taxes and reimbursements of out of pocket expenses incurred by them during the course of audit.

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

Accordingly, the Members are requested to ratify the remuneration of ₹12,00,000/- plus applicable taxes and reimbursements of out of pocket expenses payable to M/s. Kirit Mehta & Co., Cost Auditors of the Company for the FY 2017-18 by passing the Ordinary Resolution at Item No. 6 of the notice.

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

By Order of the Board
For Torrent Power Limited

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

Ahmedabad
23rd May, 2017

Registered Office:
"Samanvay", 600, Tapovan,
Ambawadi,
Ahmedabad-380015
CIN: L31200GJ2004PLC044068
Tel. No. +91 79 26628300
Website: www.torrentpower.com
Email: cs@torrentpower.com

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Thirteenth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2017.

1. HIGHLIGHTS

The key highlights for the Financial Year 2016-17 are:

- Financial performance of the Company on consolidated basis:
  - o Decrease in Total Income by 14.61% to ₹10,244.44 Crore
  - o Decrease in PBDIT by 20.71% to ₹2,651.18 Crore
  - o Decrease in Total Comprehensive Income (after Non-controlling interest) by 52.70% to ₹422.58 Crore
- The Distribution Franchise Agreement with MSEDCL for distribution of power in Bhiwandi Circle has been renewed for a further period of 10 years w.e.f. January 26, 2017.
- Hon'ble GERC, vide Tariff Order dated 31st March, 2016, had allowed recovery of Regulatory Charge @ ₹0.45 per unit to address the gap of earlier years. Subsequently, vide order dated 1st July 2016, Hon'ble GERC reduced the same to ₹0.18 per unit and ₹0.17 per unit for Ahmedabad and Surat respectively against which the Company had filed an appeal before Hon'ble Appellate Tribunal For Electricity (APTEL). Hon'ble APTEL, vide order dated 30th March, 2017 and without expressing any opinion on the merits of the case, set aside the order dated 1st July 2016 and remanded the matter back to Hon'ble GERC with a direction that members who passed the original tariff order dated 31st March, 2016 shall hear afresh the review petitions filed with respect to the order and shall pass appropriate orders. Accordingly, it is expected that the True-up order for FY 2015-16 and Tariff order for FY 2017-18 would be passed by Hon'ble GERC only after an appropriate order w.r.t the tariff order dated 31st March, 2016 is issued.
- The Storage-cum-regasification capacity contracted at Petronet LNG Limited's Dahej Terminal has commenced from 1st April, 2017. The Company has contracted 7 LNG cargoes to be imported during April 2017 to December 2017 to meet its generation obligations.
- Hon'ble Central Electricity Regulatory Commission (CERC) has issued tariff orders dated 18th August, 2016 and 31st March, 2017 for the tariff period 2014-19 for UNOSUGEN and DGEN Plants respectively.
- After the successful launch of 'Torrent Power Connect', the online service portal as well as mobile application, the Company has upgraded the infrastructure and service quality at the new model Service Centre 'PLUGPOINT' in Ahmedabad area, on a pilot basis. The new Service Centre provides a complete digital service experience to the customers at large.
- 216 MW Wind Power Projects, comprising 201.6 MW at Nakhatrana and Jamanwada Sites in Kutch district and 14.4 MW at Mahidad Site in Rajkot district, have been successfully commissioned during the year. Further, wind power projects consisting of 50.4 MW at Mahuva Site in Bhavnagar district and 46.4 MW at Mahidad Site in Rajkot district are under implementation. The Company has also enhanced the capacity at GENSU Solar Power plant from 81 MW to 87 MW. With this, the total operational and under-construction renewable power capacity of the Company has crossed 500 MW.

FINANCIAL RESULTS

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

(₹ in Crore)

Particulars	Standalone		Consolidated	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Total Income	**10,206.89**	**11,944.65**	**10,244.44**	**11,997.77**
Profit Before Depreciation, Interest and Tax	**2,619.92**	**3,296.03**	**2,651.18**	**3,343.56**
Depreciation	989.42	899.29	1,005.86	915.74
Finance Costs	1,046.56	1,116.24	1,057.98	1,130.78
Profit Before Exceptional Items and Tax	**583.94**	**1,280.50**	**587.34**	**1,297.04**
Exceptional Items	-	7.41	-	7.41
Profit Before Tax	**583.94**	**1,273.09**	**587.34**	**1,289.63**
Current Tax	128.30	261.16	130.30	265.63
Deferred Tax	29.63	109.61	33.60	118.55
Short / (Excess) provision of current tax for earlier years	(6.35)	3.21	(6.35)	3.21
Non-controlling Interest	-	-	0.84	2.04
Profit for the period	**432.36**	**899.11**	**428.95**	**900.20**
Other comprehensive income(net of tax)	(6.36)	(6.85)	(6.37)	(6.85)
Total comprehensive income for the year	**426.00**	**892.26**	**422.58**	**893.35**
Add: Balance brought forward	2,216.07	1,695.16	2,228.05	1,706.80
Balance available for Appropriation	**2,642.07**	**2,587.42**	**2,650.63**	**2,600.15**
Appropriations				
Transfer to Contingency Reserve	1.68	1.65	1.68	1.65
Transfer to Debenture Redemption Reserve	34.22	23.81	34.22	23.81
Transfer to General Reserve	-	-	-	-
Dividends				
Dividend (including interim dividend) paid	-	288.01	-	288.01
Dividend distribution tax paid	-	57.88	0.95	58.63
Balance carried to Balance Sheet	**2,606.17**	**2,216.07**	**2,613.78**	**2,228.05**
Basic and Diluted Earnings per Share - (₹ per share)	**9.00**	**18.71**	**8.93**	**18.73**

Note: From 1st April, 2016, the Company has adopted accounting standards notified under Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"). Accordingly the financial results for the previous periods are restated as per Ind AS.

2. DIVIDEND

The Company, as a policy, endeavours to distribute approx. 30% of its consolidated annual profits after tax as dividend in one or more tranches. Following the said policy, the Board of Directors, on 23rd May, 2017, recommended dividend of ₹2.20 per equity share having face value of ₹10/- on 48,06,16,784 equity shares (PY - ₹4.50 per equity share having face value of ₹10/- on 48,06,16,784 equity shares), amounting to ₹105.73 Crore (PY - ₹216.28 Crore).

With Dividend Distribution Tax of ₹21.53 Crore (PY - ₹44.03 Crore), the total outflow on account of dividend works out to ₹127.26 Crore (PY - ₹260.31 Crore) i.e. 30.12% (PY - 29.14%) of consolidated Total Comprehensive Income for FY 2016-17.

The Dividend Distribution Policy of the Company can be accessed at the Company's website: http://www.torrentpower.com/pdf/investors/06-01-2017_hfl6a_Dividend_Distribution_ Policy.pdf.

3. MANAGEMENT DISCUSSION AND ANALYSIS

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

4. CUSTOMER INITIATIVES

The customer centric approach of the Company ensures highest level of services to the customers through adoption of new technology, processes, and innovative ideas. Some of the key developments in this regard during FY 2016-17 include; (a) opening of 300 new collection centres, (b) upgradation of infrastructure & service quality at the new model Service Centre 'PLUGPOINT' in Ahmedabad, (c) regular SMS / Mobile App notifications regarding bill generation, payment, status on query / complaints, scheduled shutdowns, etc., (d) enabling submission of own meter reading by consumer through Service portal, etc. and (e) Redesigning of the bill format to include more information like past consumption, Security deposit amount, explanation of the billed amount, safety & energy conservation tips etc.

5. ENVIRONMENT, HEALTH AND SAFETY (EHS)

The Company accords utmost importance to environment, health and safety in its various operations. The key developments concerning environment, health and safety during FY 2016-17 include:

- Meghdhanush, the township at Dgen, has been rated in Platinum category (the highest rating) in the green building rating scale, by the Indian Green Building Council.
- IMS implementation at Distribution units (Ahmedabad, Surat and Dahej), GENSU plant and new Corporate Office covering certifications under ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 9001 (Quality Management System). Additionally, as part of such implementation, the Distribution units have obtained certifications under ISO 50001 (Energy Management System) and ISO 55001 (Asset Management System).
- Upgradation of existing Occupational Health Unit with advanced equipments and facilities for better diagnosis and monitoring of employees' health at AMGEN.
- Integration of various active as well as passive design strategies to ensure a climate responsive and energy efficient design, resulting into ~70% lesser electricity consumption at new Corporate Office.
- Other key EHS initiatives include, Rainwater harvesting system in DGEN; Water filtration and pre-treatment plant at Meghdhanush; Safety training programs for differently abled persons at GENSU, Safety awareness programs, emphasis on e-bill registration, Usage of environmental friendly bio-degradable Ester oil in place of mineral oil in Distribution transformers, Celebrations of EHS / Road / Electrical / Chemical / Mechanical safety week, National Safety Day, National Fire Service Day, World Environment Day, Earth Day, etc.

Moreover, the Company has in place the "Conviction for Safety" policy which provides for substantial compensation to the personnel (Employees as well as Contractors) and their families, who are adversely affected by accidents.

6. HUMAN RESOURCES

Adapting to change is quintessential to a growing organization's longevity. Over the time, Torrent has changed to adapt and evolve with the changing economic landscape, while keeping its core values firmly entrenched.

The Human Resource (HR) Department has strategic and functional responsibilities for all of the HR disciplines in this changing scenario. There are four corresponding roles for HR: a) as a strategic partner working to align HR and business strategy, b) as an administrative expert working to improve organizational processes and deliver basic HR services, c) as an employee champion, listening and responding to employees' needs, and d) as a change agent managing change processes to increase the effectiveness of the organization.

Within organization, Human Resource Department has active engagement with employee issues, listening to their concerns, and building a professional and stable relation between employees and employers. Managing expectations, being flexible, communicating and adequate training are few of the most significant factors in keeping employees contented. Human Resource Department conducts performance appraisals, career development and up skilling, developing effective reward systems and designing jobs to fit both the needs of the business and employees.

On the Statutory front, during the year under review, there was no case received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The year also saw reinforcement of the already existing "Whistle Blower" policy in order to emphasize and encourage reporting of any wrongdoing or any unethical practice.

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

The Company has a diverse workforce of 7,414 employees as on 31st March, 2017 vis-à-vis 7,296 employees as on 31st March, 2016. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

'सर्वे भवन्तु सुखिनः सर्वे सन्तु निरामयाः । सर्वे भद्राणि पश्यन्तु मा कश्चिद्दुःख भाग्भवेत्।' ('Sarve bhavantu sukhinah, sarve santu niramayah, sarve bhadrani paschyantu, ma kaschita dukh bhagbhavet'). Torrent Group believes in the well being of the society at large. As a social corporate citizen, it has always believed in the philosophy of "Think of others also when you think about yourself". Over past many years, the Group has contributed to the society in the field of Community Healthcare, Sanitation & Hygiene, Education & Knowledge enhancement and Social Care & Concern.

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

Name of Director	Category of Directorship
Smt. Bhavna Doshi, Chairperson	Independent Director
Shri Samir Barua	Independent Director
Shri Jinal Mehta	Whole-time Director

During FY 2016-17, the CSR programs and activities undertaken at Group level are described hereunder:

- **REACH:** In January 2016, Torrent Power Limited and Torrent Pharmaceuticals Limited jointly initiated a Child Centric Health Care Program - REACH – Reach EAch CHild under the aegis of Tornascent Care Institute (section 8 company of Torrent Group). The program encompasses three major activities: (a) SHAISHAV for grass root intervention; (b) JATAN for greenfield action; and (c) MUSKAN for other allied initiatives. The focus during FY 2016-17 was mainly on SHAISHAV, wherein following activities were carried out:
  - o Identification of villages with underserved population around the four regions where Torrent Group has its manufacturing facilities i.e. Indrad, Nadiad, Surat and Dahej.
  - o Conducting 157 paediatric camps covering 219 villages and 36,142 children (in the age group of 6 months to 6 years) to obtain their base line health status, identify and treat anaemia and malnutrition and provide specialised treatment to those identified with other ailments like cardiac, neurological and respiratory disorders.

  Periodic assessments and followup actions for all such cases are being undertaken under the supervision of qualified Paediatricians. The initial results were encouraging with 66% children cured of their anemic condition and around 52% of children pulled out of severe malnourishment. Around 405 children were provided specialised treatment for cardiac, neurological, respiratory, etc. disorder.

  During later part of the year, the following activities under Greenfield Action- 'JATAN were initiated:
  - o Procurement of Mobile vans for all the four locations for providing mobile OPDs and reaching out to the villages covered under SHAISHAV.
  - o Starting of two fully equiped Paediatric Centres at Sugen (near Surat) and Pakhajan (near Dahej) to provide free high quality primary medical treatment to the nearby villages.

- **Shiksha Setu** - During FY 2016-17, under UNM Foundation, Phase II of the Program was initiated in 13 schools, located in Sugen, Chhatral, Chhapi, Memadpur and Ahmedabad locations covering about 4,300 students and 150 teachers. The following activities were conducted under the programme in FY 2016-17:
  - Provision of ~ 1,250 Tablets and 20 smartboards in 13 programme schools.
  - Training to the students and teachers on the new educational tools.
  - Step by step improvisation in the tools based on the feedbacks received from the teachers and students from different schools
  - Community meetings involving more than 1,500 parents to seek their support.

  The Annual Report on CSR Activities is given as **Annexure A** to this Report which indicates that the Company has spent ₹13.45 Crore (more than 2% of the average net profits of last three financial years) in this regard.

  Other CSR initiatives undertaken by the Company during FY 2016-17 include:

- Creating livelihood:
  - 42 days intensive training course, developed in-house by the security team at Sugen, covering security, basic firefighting, personality development and working knowledge of computers was conducted. Training was provided to 44 unemployed youths with basic primary education from nearby villages at Sugen and Dgen before absorbing them into security services at the plant sites of Sugen and Dgen.
  - Training for multi skilling was organized for security guards:
    - To work as "Suraksha Doots" during execution of projects.
    - Selected guards were put through advanced fire fighter's training to act as reserve 'Second Line Reserve of Fire Fighters'.
    - Selected 19 security guards are undergoing driving training to enhance their driving skill and obtain LMV licenses.
  - New activity of inhouse housekeeping training has been initiated with curriculum incorporating physical fitness, training, personality development, basic housekeeping, handling of light and heavy housekeeping machines, preparation of guest rooms and working in canteens.
  - Continuing the initiative since FY 2015-16, 42 differently abled persons (with impaired hearing and speech) were deployed for cleaning of solar panels at the GENSU Solar Plant, thus providing them a dignified livelihood.
- Community healthcare: SWADHAR – the community health care center at SUGEN Plant, not only provided primary health care facilities at very nominal cost to surrounding communities, but also promoted health, hygiene and sanitation through various camps during the year. During FY 2016-17, about 14,500 persons benefitted from SWADHAR activities.
- Sanitation: With a view to build user friendly and long lasting toilets, the Company provided an additional amount of ₹23,500 per household, over and above the subsidy of ₹12,000/- provided by the Government under 'Swachh Bharat Mission' for construction of individual household toilets, at Akhakhol village near its Sugen plant. An added feature of the project was the active labour work done by the users in the making of such toilets ('Shram Daan'). During FY 2016-17, 125 households benefited under the project.
- The Company also made donations to various organisations involved in activities related to education, health, socio-economic development, culture, integrated development of tribes, relief to disaster victims, promotion of social welfare, etc.

8. SCHEME OF ARRANGEMENT

The Hon'ble High Court of Gujarat vide its order dated 14th October, 2016 has sanctioned the Scheme of Arrangement between Torrent Solargen Limited (TSL) and Torrent Power Limited (TPL) ("Scheme"). The Scheme envisaged transfer of Solar Energy Undertaking and Wind Energy Undertaking from TSL to TPL on a going concern basis by way of slump sale for a lumpsum cash consideration as recommended by an Independent Chartered Accountant with effect from the Appointed Date i.e. 1st April, 2015. The effective date of the scheme is 1st December, 2016.

9. FINANCE

During the year under review, the Company raised long term loans to the tune of ₹1,087 Crore for refinancing some of its existing loans. The Company has tied up long term loans of ₹488.19 Crore for part funding of its renewable projects at Charanka (solar) and Mahidad (wind) in Gujarat. Further, the Company had issued Non-Convertible Debentures (NCDs) of ₹245 crore and has also tied up long term loans of ₹385 Crore, inter alia, for part funding of its wind project at Kutch and Bhavnagar districts in Gujarat.

Outstanding amount towards long term loans, NCDs and APDRP loans as on 31st March, 2017 was ₹8,630.89 Crore. Details of long term loans of the Company for the year under review are provided in Note 24 to the Financial Statements.

During the year under review, lenders of the existing long term loans of the Company approved significant reduction in interest rate.

The consolidated debt to equity (including deferred tax liability) ratio as at the end of FY 2016-17 was 1.06 (PY - 1.10).

Credit Rating of the Company's long term loans, cash credit and NCDs has been Reaffirmed by CRISIL at AA- / Stable and that of Letters of credit / bank guarantees of the Company has been Reaffirmed at A1+.

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

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2017 and of the profits for the year ended 31st March, 2017;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. INTERNAL FINANCIAL CONTROLS

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

13. SUBSIDIARIES AND JOINT VENTURES

The Company has four subsidiary companies viz. Torrent Solargen Limited (TSL), Torrent Power Grid Limited, Torrent Pipavav Generation Limited and AEC Cements and Constructions Limited (AECCCL).

The Company, jointly with Torrent Pharmaceuticals Limited, has promoted two Section 8 Companies under the Companies Act, 2013, viz. Tornascent Care Institute and UNM Foundation for the purpose of carrying out CSR activities, which are detailed in section 8 of this report.

The Board reviewed the affairs of the Company's subsidiaries during the year at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries except AECCCL (under liquidation), which form part of this Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's subsidiaries and the manner in which associates have been dealt with, forms part of Note 64 of Consolidated Financial Statements in the prescribed format.

14. CORPORATE GOVERNANCE

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

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENT, RESIGNATION AND RETIREMENT

The Members of the Company had at the 12th Annual General Meeting held on 2nd August, 2016, appointed Shri P. K. Taneja, IAS (holding DIN: 00010589), an Additional Director of the Company, as a Director with effective from 2nd August, 2016, who shall be liable to retire by rotation pursuant to the applicable provisions of the Companies Act, 2013. The Members had, in the same meeting, also approved the re-appointment of Shri Markand Bhatt (holding DIN: 00061955), as a Whole time Director of the Company with effect from 1st April, 2016, for a term of five consecutive years.

Shri P. K. Taneja, IAS resigned from the Board w.e.f. 23rd May, 2017 consequent upon his retirement on superannuation from IAS. The Board places on record its appreciation for the valuable services rendered by Shri P. K. Taneja, IAS during his tenure as Director of the Company.

The Government of Gujarat has nominated Shri Pankaj Joshi, IAS (holding DIN: 01532892) as its nominee on the Board of the Company and the Company has appointed him as an Additional Director on the Board w.e.f. 23rd May, 2017 till the commencement of ensuing Annual General Meeting (AGM). It is proposed to appoint him as a Director, liable to retire by rotation, with effect from the ensuing AGM i.e. 1st August, 2017.

DECLARATION BY INDEPENDENT DIRECTORS

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

POLICY ON DIRECTORS' APPOINTMENT

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

Criteria for appointment:

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

ii. The appointment shall be in compliance with the Board Diversity Policy of the Company.

Process for Identification / Appointment of Directors:

i. Board members may (formally or informally) suggest any potential person to the Chairman of the Company meeting the above criteria. If the Chairman deems fit, necessary recommendation shall be made by him to the NRC.

ii. Chairman of the Company can himself also refer any potential person meeting the above criteria to the NRC.

iii. NRC will process the matter and recommend such proposal to the Board.

iv. Board will consider such proposal on merit and decide suitably.

CRITERIA FOR PERFORMANCE EVALUATION

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

Evaluation of	Criteria for Evaluation

Board	• Degree of fulfilment of key responsibilities including special responsibilities as under:
	    • Focus on strategic and policy issues
	    • Governance and compliance
	    • Stakeholders' value and responsibility
	• Effectiveness of Board process and information sharing.
	• Board culture and dynamics.
	• Quality of decisions
	• Establishment and delineation of responsibilities to Committees
	• Facilitation of Independent Directors.

Evaluation of	Criteria for Evaluation
Committee	• Degree of fulfilment of key responsibilities. • Frequency and effectiveness of meetings. • Committee dynamics, especially openness of discussions, including with the Board. • Adequacy of Committee composition. • Quality of relationship of the committee with the Board and the Management.
Individual Directors	• Fulfillment of functions • Participation in Board in terms of adequacy (time & content). • Contribution at meetings. • Guidance / support to Management outside Board / Committee meetings. • Independent views and judgement (only for Independent Directors)

MANNER OF EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular interval with gap between two meetings not exceeding 120 days. During the year under review, the Board met four times.

16. REMUNERATION

REMUNERATION POLICY

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

Components of Remuneration

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

ii. Variable Pay, which is either in the form of:

- Commission to Managing Directors
- Commission to Whole-time Directors
- Performance Based Pay to General Managers & above (up to 20% of CTC), based on unit performance grades
- One-time reward for identified employees in exceptional cases who undertake tasks which go beyond their normal call of duty and play a crucial role in the success of an event.

iii. Retention Pay: In the case where stability is an issue, part of the CTC is kept as retention pay which is being paid after 3 years or more.

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

Annual Appraisal Process

i. Annual Appraisals are conducted, following which annual increments and promotions in deserving cases are decided once in a year based on:

- Employees self-assessment
- Assessment by Immediate Superior and
- Assessment by Head of Department

ii. Annual Increment leading to an increase in Fixed Pay consists of

- Economic Rise based on All India Consumer Price Index published by the Government of India or Internal Survey wherein inflation on commonly used items is calculated.
- Performance Rise based on industry and overall business scenario and factoring the following aspects:
  - o Company's performance vis-à-vis the industry
  - o Unit performance is generally carried out based on various financial and non-financial parameters and grades assigned are used for working out the overall ceiling for remuneration and performance based pay at Unit level.
  - o Individual Performance / track record including care for health / balance between quality of work and family life.
- Promotion Rise

iii. Also, Performance Based Pay i.e. Variable Pay (to General Manager & above employees) is based on annual appraisal process.

iv. The increments as decided for a particular financial year are paid during the subsequent financial year. For example, the performance appraisal of an employee for FY 2016-17 is conducted in FY 2017-18 and his salary rise in FY 2017-18 reflects his performance for FY 2016-17.

Remuneration of Non-Executive Directors:

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

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

ii. Commission on the basis of participation in the meetings of Board and Audit & Risk Management Committee subject to the condition that total commission paid to all Directors (other than Managing Director or Whole-time Director) including service tax thereon shall not exceed the limit of 1% of net profits in a financial year as laid down under the provisions of Section 197(1) of the Companies Act, 2013 read with Section 198 of the Act.

iii. Non-Executive Directors will be reimbursed for all the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

17. AUDITORS

STATUTORY AUDITORS

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

The Statutory Auditors have completed the maximum tenure to serve as the Statutory auditors according to provisions of the Companies Act, 2013. Hence, the Statutory Auditors need to be rotated at the 13th Annual General Meeting of the Company. Accordingly, the Board hereby recommends the appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company to hold the office from the close of the 13th Annual General Meeting till the conclusion of the 18th Annual General Meeting, subject to their appointment being ratified by the shareholders in every Annual General Meeting.

The Auditors' Report for FY 2016-17 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013, M/s. Kirit Mehta & Co., Cost Accountants, Mumbai had been appointed as the Cost Auditors of the Company for FY 2016-17 by the Board of Directors and their remuneration was ratified by members at the 12th Annual General Meeting of the Company. The Cost Audit Report for FY 2015-16 was filed on 31st August, 2016 with the Central Government (within the prescribed time limit) pursuant to Section 148(6) of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad, as Secretarial Auditors of the Company for FY 2016-17. The Secretarial Audit Report for FY 2016-17 is annexed herewith as **Annexure E**.

There are no adverse observations in the Secretarial Audit Report which call for explanation.

18. AUDIT AND RISK MANAGEMENT

The Composition of the Audit and Risk Management Committee is in compliance with the provisions of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. Composition of the Committee as on 31st March, 2017 is given below:

COMPOSITION OF THE COMMITTEE

Name of the Director	Category of Directorship
Shri Keki Mistry, Chairman	Independent Director
Shri Samir Barua	Independent Director
Shri Kiran Karnik	Independent Director
Smt. Bhavna Doshi	Independent Director
Ms. Dharmishta Raval	Independent Director

During the year, the Board has accepted all the recommendations made by the Audit and Risk Management Committee.

VIGIL MECHANISM

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

RISK MANAGEMENT

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

19. THE EXTRACT OF THE ANNUAL RETURN

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

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

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

21. APPRECIATION AND ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Ahmedabad
23rd May, 2017

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE - A

ANNUAL REPORT FOR FY 2016-17 ON CSR ACTIVITIES:

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

Torrent has consciously decided as a matter of policy:

1. to concentrate its efforts diligently in the following Thrust Areas: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern; and

2. to focus, as far as possible, its activities where Torrent headquarters is situated and at locations in and around its operations so that the twin objectives of service to neighbourhood and community and participation of employees along with necessary admin set up can be achieved.

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

Name of Director	Category of Directorship
Smt. Bhavna Doshi, Chairperson	Independent Director
Shri Samir Barua	Independent Director
Shri Jinal Mehta	Whole-time Director

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

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

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

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

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

1. Direct Method, whereby the Company may implement the CSR Projects on its own or through its Trust / Society / Section 8 Company or Group Company Trust / Society / Section 8 Company and;

2. Indirect Method, whereby the Company may implement the CSR Projects through an external Trust / Society / Section 8 Company fulfilling the criteria under the Act.

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

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

Overview of projects or programs undertaken

In line with the Thrust Areas, the Company has undertaken the following CSR Projects / Programs during the FY 2016-17:

1. REACH - Paediatric Healthcare Programme
2. Preventive Healthcare Programme
3. Shiksha Setu - A quality education programme
4. Supporting Primary and Secondary schools for urban slum children
5. Supporting needy girls & women for their education, food and shelter
6. Supporting the establishment of a Cancer Care Centre
7. Supporting various activities for village development

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

http://www.torrentpower.com/pdf/investors/02-06-2016_rautx_csrpolicy.pdf &

http://www.torrentpower.com/pdf/investors/04-04-2017_y8wes_CSR_Plan__2016_17_.pdf respectively.

CSR Expenditure for FY 2016-17

(₹ in Crore)

Average net profit of the Company for last three financial years	652.50
Prescribed CSR Expenditure (2% of the above Amount)	13.05
Total amount spent for the Financial Year 2016-17	13.45
Amount unspent, if any	NIL

Manner in which the CSR amount was spent during the financial year 2016-17 is detailed below:-

(₹ in Crore)

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2016-17	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2016-17	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
1	REACH - Paediatric Healthcare Programme	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	(1) 64 Villages in Taluka Kamrej, Dist. Surat, Gujarat (2) 1 Village in Taluka Valod, Dist. Surat, Gujarat (3) 2 Villages in Taluka Mangrol, Dist. Surat, Gujarat (4) 2 Villages in Taluka Madvi, Dist. Surat, Gujarat (5) 65 Villages in Taluka Vagra, Dist. Bharuch, Gujarat (6) 46 Villages in Taluka Kadi, Dist. Mehsana, Gujarat (7) 7 Villages in Taluka Mehsana, Dist. Mehsana, Gujarat (8) 8 Villages in Taluka Kalol, Dist. Gandhinagar, Gujarat (9) 1 Village in Taluka Gandhinagar, Dist. Gandhinagar, Gujarat (10) 19 Villages in Taluka Kheda, Dist. Nadiad, Gujarat	8.95	9.14	23.86	Directly: (1) Through Tornascent Care Institute (Section 8 Company of the Group) Regi. No. U85100GJ2015NPL082291 dated 16-02-2015 (2) By Company
2	Preventive Health Care Programme	Community Healthcare, Sanitation and Hygiene (Promoting healthcare including preventive healthcare)	Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat	0.60	0.60	1.48	Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regi. No. U85110GJ2015NPL083340 dated 27-05-2015 (2) By Company

(₹ in Crore)

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2016-17	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2016-17	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
3	Shiksha Setu (Quality Education Programme) (Rural and Urban Slum Area)$	Education and Knowledge Enhancement (Promoting education)	(1) Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat (2) At Villages: Akhakhol, Karjan, Navipardi, Dhoranpardi (Tribal Area), Taluka Kamrej, Dist. Surat, Gujarat (3) At Villages: Chhapi, Memadpur, Bharkawada, Kodrali (Rural Area), Taluka Vadgam, Dist. Banaskantha, Gujarat (4) At Village: Indrad, Irana, Ankhol, Acharasan (Rural Areas), Taluka Kadi, Dist. Mehsana, Gujarat (12 Govt. schools and 1 Grant in Aid schools)	1.55	1.55	3.55	Directly: (1) Through UNM Foundation (Section 8 Company of the Group) Regi. No. U85110GJ2015NPL083340 dated 27-05-2015
4	Primary & Secondary School (For urban slum children)	Education and Knowledge Enhancement (Promoting education)	Sabarmati Urban Slum, Sabarmati, Dist. Ahmedabad, Gujarat	0.20	0.16	0.50	(1) Indirectly through Implementing Agency: Amdavad Vidyut Kelavani Samaj Trust Regi. No. F-710 Ahmedabad dated 16-11-1979 (2) Directly by Company
5	Supporting needy girls & women towards their education	Promoting Education and healthcare	Sabarmati, Dist. Ahmedabad, Gujarat	0.25	0.25	0.50	Indirectly through Implementing Agency: Sabarmati Harijan Ashram Trust Regi. No. A/192 Ahmedabad dated 24-09-1952
6	Supporting the establishment of a Cancer Care Centre	Promoting healthcare including preventive healthcare	Dist. Nagpur, Maharashtra	1.00	1.00	1.00	Indirectly through Implementing Agency: Dr. Abaji Thatte Seva Aur Anusandhan Sanstha Trust Regi. No. F-13603(N) dated 12-01-1998
7	Supporting village development	Rural Development	Yoginagar, Taluka Nadiad, Dist. Kheda, Gujarat	0.10	0.08	0.15	Directly by Company

(₹ in Crore)

1 Sr. No.	2 CSR Project or Activity Identified	3 Sector in which the Project is covered	4 Projects or programs: (1) Local area or other; (2) Specify the State and district where projects or programs were undertaken	5 Amount Outlay (Budget) Project or Program wise FY 2016-17	6 Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs, (2) Overheads FY 2016-17	7 Cumulative expenditure upto the reporting period*	8 Amount Spent : Direct or through implementing agency
8	Others						
	CSR capacity building cost including Administrative overhead			0.67	0.67	1.97	Directly by Company
	Miscellaneous			0.03	-	0.01	
	Total			**13.35**	**13.45**	**33.02**	

* Starting from 1st April, 2014.

$ Amount of ₹2.70 Crore was contributed till 31st March, 2014.

Figures are rounded off to nearest lakh.

In terms of Section 134(1)(o) of the Companies Act, 2013, in relation to the CSR Policy for FY 2016-17, the CSR Committee states that:

(a) the identification of the CSR Projects, with estimated expenditure and phase wise implementation schedules, has been done as per the approved CSR Policy;

(b) the CSR Projects were undertaken and monitored in compliance with the CSR Policy;

(c) the major portion of the CSR expenditure as identified in the CSR Annual Plan was incurred for the Projects in the Thrust Areas of the Company; and

(d) the implementation and monitoring of the CSR Policy were in compliance with CSR objectives and Policy of the Company.

Ahmedabad
23rd May, 2017

Samir Barua
Director

Bhavna Doshi
Chairperson, CSR Committee

ANNEXURE - B

FORM NO. AOC-2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable								

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the Contracts or arrangements or transactions including value, if any	Date(s) of approval by the Board and Audit Committee, if any	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
Not Applicable						

For and on behalf of the Board of Directors

Ahmedabad
23rd May, 2017

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE - C

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

REF: HLS/TOPL/17-18/01
TO THE MEMBERS OF
TORRENT POWER LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. HLS/ToPL/EL/001 dated 10^{th} August, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Torrent Power Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31^{st} March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31^{st} March, 2017.

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

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad, 23^{rd} May, 2017

ANNEXURE – D

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

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2016-17 are as under:

Sr. No.	Name	Designation	Ratio of Remuneration of Director to Median$ Remuneration of employees	% increase in Remuneration in FY 2016-17
			(Sub-clause (i) of Rule 5(1))	(Sub-clause (ii) of Rule 5(1))
1.	Shri Sudhir Mehta	Chairman	140.82	0.34%
2.	Shri Pankaj Patel	Independent Director	6.71	-17.24%
3.	Shri Samir Barua	Independent Director	8.11	-6.45%
4.	Shri Kiran Karnik	Independent Director	8.39	-9.09%
5.	Shri Keki Mistry	Independent Director	5.87	-16.00%
6.	Shri R. Ravichandran	Nominee Non-Executive Director	4.47	-20.00%
7.	Smt. Bhavna Doshi	Independent Director	*	*
8.	Shri P. K. Taneja, IAS	Nominee Non-Executive Director	+	+
9.	Ms. Dharmishta Raval	Independent Director	++	++
10.	Shri Samir Mehta	Vice Chairman	139.83	0.00%
11.	Shri Markand Bhatt	Whole-time Director	587.40	-31.01%
12.	Shri Jinal Mehta	Whole-time Director	158.92	54.82%
13.	Shri T. P. Vijayasarathy	Chief Financial Officer	Not Applicable	18.74%@
14.	Shri Darshan Soni	Company Secretary	Not Applicable	^

$ Refer point 2 below.

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

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

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

@ Excluding one-time reward in FY 2015-16.

^ Details not given as Shri Darshan Soni was appointed as Company Secretary w.e.f. 4th August, 2015.

2. Sub-clause (iii) of Rule 5(1): The median remuneration of the employees in FY 2016-17 increased by 12.84%. The unionised employees whose remuneration is based on periodic settlements have been excluded for this purpose.

3. Sub-clause (iv) of Rule 5(1): The number of permanent employees on the rolls of Company as on 31st March, 2017 was 7,414.

4. Sub-clause (v), (vi) and (vii) of Rule 5(1): *Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 Dated 30th June, 2016.*

5. Sub-clause (viii) of Rule 5(1): The average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2016-17 was 10.75% (excluding one-time reward) whereas the total managerial remuneration for the same financial year has decreased by 16.79%. The increase in the salaries of employees is related to the performance of the Company with one year lag i.e. remuneration of FY 2016-17 is based on the performance of FY 2015-16. Also, any increase has to be calibrated based on economic factor mainly on account of inflation, performance rise, availability of the required talent, the status of the relevant industry etc.

6. Sub-clause (ix), (x) and (xi) of Rule 5(1): *Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 Dated 30th June, 2016.*

7. Sub-clause (xii) of Rule 5(1): It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

8. Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@torrentpower.com.

For and on behalf of the Board of Directors

Ahmedabad
23rd May, 2017

Sudhir Mehta
Chairman
DIN: 00061871

ANNEXURE – E

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan, Ambawadi,
Ahmedabad – 380 015

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

Based on our verification of the Torrent Power Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company", having its Registered Office at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015 for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vi) The Company has complied with the following specifically other applicable laws to the Company:

a) Electricity Act, 2003

b) Gujarat Electricity Duty Act, 1958

c) Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003

d) Gujarat Electricity Grid Code, 2013

e) Energy Conservation Act, 2001

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

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

There were no dissenting views on any matter.

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

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

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

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

Place : Ahmedabad
Date : 23rd May, 2017

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

Annexure: "A"

To,
The Members,
Torrent Power Limited,
"Samanvay",
600, Tapovan, Ambawadi,
Ahmedabad - 380 015

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

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

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

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

Place : Ahmedabad
Date : 23rd May, 2017

ANNEXURE - F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN:	L31200GJ2004PLC044068
ii)	Registration Date:	29th April, 2004
iii)	Name of the Company:	TORRENT POWER LIMITED
iv)	Category / Sub-Category of the Company:	Public Company / Limited by Shares
v)	Address of the Registered Office and contact details:	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380 015 (Gujarat) Tel: +91 79 26628300 Fax: +91 79 26764159 Email: cs@torrentpower.com Website: www.torrentpower.com
vi)	Whether listed company Yes / No :	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent:	Link Intime India Pvt. Ltd, 506 - 508, Amarnath Business Centre - 1 (ABC - 1), Besides Gala Business Centre, Near St. Xavier's College Corner Off C G Road, Ellisbridge, Ahmedabad-380006 (Gujarat) Tel: +91 79 26465179 / 86 / 87 Email: ahmedabad@linkintime.co.in website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Electric power generation and distribution	351	97.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Torrent Private Limited	Torrent House, Off Ashram Road, Ahmedabad-380009	U67120GJ1985PTC007573	Holding	53.56%	2(46)
2	Torrent Power Grid Limited	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015	U40104GJ2005PLC046660	Subsidiary	74.00%	2(87)
3	Torrent Pipavav Generation Limited	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015	U40108GJ2007PLC051822	Subsidiary	95.00%	2(87)
4	Torrent Solargen Limited	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015	U40102GJ2008PLC055000	Subsidiary	100.00%	2(87)
5	AEC Cements & Constructions Limited	AEC Tower, Fifth Floor, Shahpur, Ahmedabad-380001	U45201GJ1988PLC010752	Subsidiary	69.00%	2(87)
6	Tidong Hydro Power Limited	177/1, Nirsu Village, Dutt Nagar Rampur Bushahr, Shimla, Himachal Pradesh-172001	U40101HP2007PLC030774	Associate	49.00%	2(6)
7	UNM Foundation (Section 8 Company)	"Tapovan", 600, Tapovan, Ambawadi, Ahmedabad-380015	U85110GJ2015NPL083340	Associate	50.00%	2(6)
8	Tornascent Care Institute (Section 8 Company)	"Tapovan", 600, Tapovan, Ambawadi, Ahmedabad-380015	U85100GJ2015NPL082291	Associate	50.00%	2(6)

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

i) Category-wise Share Holding

Category of Shareholder	No. of the shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
(a) Individual / HUF	21007	-	21007	-	21007	-	21007	-	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	257422311	-	257422311	53.56	257422311	-	257422311	53.56	-
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub -Total A(1)	**257443318**	**-**	**257443318**	**53.57**	**257443318**	**-**	**257443318**	**53.57**	**-**

torrent POWER

Category of Shareholder	No. of the shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) FOREIGN									
(a) Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FIs	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=A(1)+A(2)	**257443318**	**-**	**257443318**	**53.57**	**257443318**	**-**	**257443318**	**53.57**	**-**
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
(a) Mutual Funds	22641752	115	22641867	4.71	28614615	115	28614730	5.95	1.24
(b) Banks / Financial Institutions	582775	98386	681161	0.14	49683004	98386	49781390	10.36	10.22
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(s)	-	7057896	7057896	1.47	900	7057896	7058796	1.47	0.00
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies*	58454904	-	58454904	12.16	-	-	-	-	-12.16
(g) Foreign Portfolio Investors / Foreign Institutional Investors	27717891	-	27717891	5.77	32537806	-	32537806	6.77	1.00
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	**109397322**	**7156397**	**116553719**	**24.25**	**110836325**	**7156397**	**117992722**	**24.55**	**0.30**
(2) NON-INSTITUTIONS									
(a) Bodies Corporate#	53184039	141079	53325118	11.10	55246409	-	55246409	11.50	0.40
(b) Individuals									
(i) Individual shareholders holding nominal share capital Upto ₹1 lac	24285760	7662924	31948684	6.65	21500828	7387377	28888205	6.01	-0.64
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	13564393	2236358	15800751	3.29	11361759	2304506	13666265	2.84	-0.45
(c) Others									
- Foreign Bodies	3860000	-	3860000	0.80	3860000	-	3860000	0.80	-
- NRI	956663	231403	1188066	0.25	774438	229732	1004170	0.21	-0.04
- Trusts	159614	-	159614	0.03	163236	-	163236	0.03	0.00
- HUF#	-	-	-	-	1276881	-	1276881	0.27	0.27
- Office Bearers#	-	-	-	-	-	25	25	0.00	0.00
- Foreign Portfolio Investor Individual#	-	-	-	-	349	-	349	0.00	0.00
- Clearing Member#	-	-	-	-	1075204		1075204	0.22	0.22
- NBFC	337514	-	337514	0.06	-	-	-	-	-0.06
Sub-Total B(2)	**96347983**	**10271764**	**106619747**	**22.18**	**95259104**	**9921640**	**105180744**	**21.88**	**-0.30**
Total Public Shareholding (B)=B(1)+B(2)	**205745305**	**17428161**	**223173466**	**46.43**	**206095429**	**17078037**	**223173466**	**46.43**	**0.00**
C. SHARES HELD BY CUSTODIANS FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	**463188623**	**17428161**	**480616784**	**100.00**	**463538747**	**17078037**	**480616784**	**100.00**	**-**

* Re-classified and included in the Financial Institutions category during FY 2016-17.

Were re-classified during FY 2016-17.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Torrent Private Limited	257422311	53.56	0.00	257422311	53.56	0.00	0.00
2	Shri Sudhir Mehta	6882	0.00	0.00	6882	0.00	0.00	0.00
3	Shri Samir Mehta	6125	0.00	0.00	6125	0.00	0.00	0.00
4	Shri Jinal Mehta	8000	0.00	0.00	8000	0.00	0.00	0.00

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

There was no change in promoters' shareholding during the reporting period.

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

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning (01/04/2016) /end of the year (31/03/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
1	Gujarat State	46871621	9.7524	01-04-16				
	Investments							
	Limited	46871621	9.7524	31-03-17			46871621	9.7524
2	Life Insurance	34162884	7.1081	01-04-16				
	Corporation			03-03-17	-550000	Transfer	33612884	6.9937
	of India			10-03-17	-732742	Transfer	32880142	6.8412
				17-03-17	-848185	Transfer	32031957	6.6648
				24-03-17	-2000000	Transfer	30031957	6.2486
				31-03-17	-145130	Transfer	29886827	6.2184
		29886827	6.2184	31-03-17			29886827	6.2184
3	Axis Mutual Fund	7771684	1.6170	01-04-16				
	Trustee Limited A/c			08-07-16	2200000	Transfer	9971684	2.0748
	Axis Mutual Fund A/c			05-08-16	-300000	Transfer	9671684	2.0123
	Axis Long Term			30-09-16	500000	Transfer	10171684	2.1164
	Equity Fund			07-10-16	500000	Transfer	10671684	2.2204
				25-11-16	200000	Transfer	10871684	2.2620

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning (01/04/2016) /end of the year (31/03/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
				16-12-16	300000	Transfer	11171684	2.3244
				17-02-17	300000	Transfer	11471684	2.3869
				10-03-17	100000	Transfer	11571684	2.4077
				24-03-17	1500000	Transfer	13071684	2.7198
				31-03-17	799932	Transfer	13871616	2.8862
		13871616	2.8862	31-03-17			13871616	2.8862
4	The New India	7533853	1.5675	01-04-16				
	Assurance			08-07-16	-99689	Transfer	7434164	1.5468
	Company			28-10-16	86858	Transfer	7521022	1.5649
	Limited			04-11-16	113142	Transfer	7634164	1.5884
		7634164	1.5884	31-03-17			7634164	1.5884
5	General	8333313	1.7339	01-04-16				
	Insurance			16-12-16	-16169	Transfer	8317144	1.7305
	Corporation			06-01-17	-67144	Transfer	8250000	1.7165
	of India			24-02-17	-50000	Transfer	8200000	1.7061
				10-03-17	-115205	Transfer	8084795	1.6822
				17-03-17	-84795	Transfer	8000000	1.6645
				24-03-17	-400000	Transfer	7600000	1.5813
				31-03-17	-200000	Transfer	7400000	1.5397
		7400000	1.5397	31-03-17			7400000	1.5397
6	The Governor	7057050	1.4683	01-04-16				
	of Gujarat							
		7057050	1.4683	31-03-17	Nil		7057050	1.4683
7	GPC Mauritius	3860000	0.8031	01-04-16				
	II LLC	3860000	0.8031	31-03-17			3860000	0.8031
8	HDFC Standard	3038679	0.6322	01-04-16				
	Life Insurance			08-07-16	259107	Transfer	3297786	0.6862
	Company			22-07-16	200000	Transfer	3497786	0.7278
	Limited			19-08-16	-188026	Transfer	3309760	0.6886
				30-09-16	-212890	Transfer	3096870	0.6444
				07-10-16	211600	Transfer	3308470	0.6884
				14-10-16	-53760	Transfer	3254710	0.6772
				13-01-17	-1900	Transfer	3252810	0.6768
				20-01-17	-1500	Transfer	3251310	0.6765

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning (01/04/2016) /end of the year (31/03/2017)	% of shares of the Company				No. of Shares	% of total shares of the Company
				03-03-17	52203	Transfer	3303513	0.6873
				10-03-17	97797	Transfer	3401310	0.7077
				17-03-17	50000	Transfer	3451310	0.7181
		3451310	0.7181	31-03-17			3451310	0.7181
9	Amansa Holdings		0.00	01-04-16				
	Private Limited			24-03-17	2665041	Transfer	2665041	0.5545
				31-03-17	705784	Transfer	3370825	0.7014
		3370825	0.7014	31-03-17			3370825	0.7014
10	National	2235003	0.4650	01-04-16				
	Westminster			08-07-16	416421	Transfer	2651424	0.5517
	Bank PLC as			27-01-17	385985	Transfer	3037409	0.6320
	Trustee of the			31-03-17	141524	Transfer	3178933	0.6614
	Jupiter India							
	Fund	3178933	0.6614	31-03-17			3178933	0.6614
11	Reliance Capital	3441629	0.7161	01-04-16				
	Trustee Co. Ltd.			08-07-16	-297000	Transfer	3144629	0.6543
	A/c Reliance							
	Diversified Power							
	Sector Fund	3144629	0.6543	31-03-17			3144629	0.6543
12	The Oriental	3102566	0.6455	01-04-16				
	Insurance			08-07-16	-274392	Transfer	2828174	0.5884
	Company							
	Limited	2828174	0.5884	31-03-17			2828174	0.5884

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 01/04/2016		Shareholding at the end of the year - 31/03/2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Sudhir Mehta	6882	0.00	6882	0.00
2	Shri Samir Mehta	6125	0.00	6125	0.00
3	Shri Jinal Mehta	8000	0.00	8000	0.00
4	Shri Markand Bhatt#	13059	0.00	13059	0.00
5	Smt. Bhavna Doshi#	1900	0.00	1900	0.00
6	Shri T. P. Vijayasarathy (CFO)	25	0.00	25	0.00
7	Shri Darshan Soni (CS)	5	0.00	5	0.00
#	Holding jointly.				

V. INDEBTEDNESS

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness as on 01/04/2016				
(i) Principal Amount@	8407.00	35.92	-	8442.92
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	2.06	-	-	2.06
Total (i+ii+iii)	**8409.06**	**35.92**	**-**	**8444.98**
Change in Indebtedness during the financial year 2016-17				
Addition#	1648.76	-	-	1648.76
Reduction	(1380.35)	(3.82)	-	(1384.17)
Net Change	**268.41**	**(3.82)**	**-**	**264.59**
Indebtedness as on 31/03/2017				
(i) Principal Amount @#	8675.41	32.10	-	8707.51
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	2.15	-	-	2.15
Total (i+ii+iii)	**8677.56**	**32.10**	**-**	**8709.66**

@ Including unamortised Expenses of ₹41.39 Crore as at 31st March, 2017 and ₹50.46 Crore as at 1st April, 2016.

\# Including Cash Credit from Banks of ₹76.62 Crore.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD				Total Amount
		Shri Sudhir Mehta	Shri Samir Mehta	Shri Markand Bhatt	Shri Jinal Mehta	
1	Gross salary					
	(a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	-	-	1200.00	317.83*	1517.83
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.55	-	0.40	0.41	4.36
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others specify	500.00	500.00	900.00	250.00	2150.00
5	Others, please specify	-	-	-	-	-
	Total (A)	**503.55**	**500.00**	**2100.40**	**568.24**	**3672.19**
	Ceiling as per the Act	10% of the Net Profit of the Company				

* Excluding gratuity provision

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Directors								Total Amount
		Shri Pankaj Patel	Shri Samir Barua	Shri Kiran Karnik	Shri Keki Mistry	Shri R Ravichandran	Smt. Bhavna Doshi	Ms. Dharmishta Raval	Shri P. K. Taneja, IAS	
1.	**Independent Directors**									
	Fee for attending Board / Committee meetings	12.00	12.00	13.00	8.00	-	12.00	13.00	-	70.00
	Commission	12.00	17.00	17.00	13.00	-	17.00	17.00	-	93.00
	Others, please specify	-	-	-		-	-	-	-	
	Total (1)	**24.00**	**29.00**	**30.00**	**21.00**	**-**	**29.00**	**30.00**	**-**	**163.00**
2.	**Other Non-Executive Directors**									
	Fee for attending Board / Committee meetings	-	-	-	-	4.00	-	-	4.00	8.00
	Commission	-	-	-	-	12.00	-	-	12.00	24.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**16.00**	**-**	**-**	**16.00**	**32.00**
	Total (B)=(1+2)	**24.00**	**29.00**	**30.00**	**21.00**	**16.00**	**29.00**	**30.00**	**16.00**	**195.00**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3867.19**
	Overall Ceiling as per the Act	11% of the Net Profit of the Company								

Note: Excluding service tax

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri T. P. Vijayasarathy	Shri Darshan Soni	Total
1	Gross salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income Tax Act, 1961	475.04^^	6.58^^	481.62
	(b) Value of perquisites u/s 17(2) of the Income Tax, Act 1961	0.44	-	0.44
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others specify	-	-	-
5	Others, please specify	-	-	-
	Total	**475.48**	**6.58**	**482.06**
^^	Excluding Gratuity provision			

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

ANNEXURE – G

A. CONSERVATION OF ENERGY -

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

A. SUGEN AND UNOSUGEN:

- Energy conservation initiatives implemented had resulted in annual energy savings to the tune of 2,065,158 kWh.
- Outdoor and indoor CFL/other non-efficient lighting of Shardashish replaced with LED lights.
- CCR building CFL/non efficient light fittings replaced with LED lights.
- Air conditioning system of CCR building, Instrument, Electrical and Chemical Lab buildings and Switchyard Control room buildings changed from central to split system.
- For more precise on-off control of lights, photo-cells have been replaced with astronomical timers.

B. DGEN:

- Energy conservation initiatives implemented had resulted in annual energy savings to the tune of 13,20,425 kWh.
- Interconnection between Plant Air compressor and Nitrogen system Air compressor resulted in stoppage of plant air compressors.
- Replacement of CFL/other non-energy efficient lighting fittings with Energy Efficient LED in plant control room. Service water pump has been modified and now controlled through VFDs which will improve operational efficiency as well as reliability of the piping system.
- Optimization of plant preservation practices resulted into reduction of overall energy consumption from 45MWh to 30 MWh per day.

C. AMGEN:

- New centralized compressed air system erection & commissioning in F station.
- Replacement of HPMV lights with energy efficient LED lamps at D-station Boiler & ESP and CHP area.

D. AHMEDABAD AND SURAT DISTRIBUTION AREAS:

- Undergrounding of OH HT lines
- Bifurcation of overloaded feeders
- Procurement of energy efficient level 2 (Four star) Distribution transformers
- Replacement of over 12,000 old bulbs with energy efficient tubelight and over 10,000 ordinary ceiling fans with 5 star rated energy efficient fans in around 500 different Municipal schools across Ahmedabad under the DSM plan.
- Distribution of around 26.35 Lacs LED bulbs, over 86,000 Tube lights and 14,500 energy efficient fans in the city, through the Ujala Scheme of the Ministry of Power, Government of India
- Replacement of MH lights by LED lights in all renovated offices as well as outdoor areas
- Installation of energy efficient Air conditioning system in all renovated offices.
- Replacement of conventional conductor by high Ampacity, low loss conductor in 132 kV EHV lines.

E. **AGRA AND BHIWANDI DISTRIBUTION AREAS:**

- Replacement of existing overhead bare conductors with XLPE cables (Overhead as well underground) covering 150 Distribution transformers.
- Limiting of Air conditioner temperature in all offices to "not below 25 degree Celsius".
- Replacement of Energy efficiency level 1 Distribution transformers by Energy efficiency level 2 transformers.
- Distribution of 1,43,000 LEDs to consumers in DELP (Domestic Efficient Lighting program) schemes.
- Sharing of energy conservation information with customers through leaflets and display at the Company's customer care centres.

F. **CABLES UNIT:**

- Replaced 25 Nos. of 250 W HPMV lamps with 120 W LED Lamps in Plant lighting.
- Replaced old bottle type cooling tower with new high efficiency cross-flow 150 TR cooling tower.

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

A. **SUGEN AND UNOSUGEN:**

- 50 kW solar roof top installed on buildings.
- 6.3 kW floating solar installed inside Water Reservoir of SUGEN.

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

Approx. ₹177 Crore.

B. **TECHNOLOGY ABSORPTION -**

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

A. **SUGEN AND UNOSUGEN:**

- Unit 10 inlet guide vane modified to improve it's performance and also three position feed back transmitters installed to improve the reliability of the IGV control.
- Unit 10 Excitation Equipment and Control panels have been covered with AC enclosure to increase the life of all equipments.
- Matic Separation of Steam Turbines motorised drain valves implemented to increase life of electronic components.
- Large Screen projection in SUGEN Control Room are being replaced with LED screens to reduce O&M cost and take care of obsolence of old system.
- Interconnection of SUGEN and UNOSUGEN natural gas lines to improve flexibility.
- Various utilities such as Service air, Service water, DM water, closed circuit cooling water between SUGEN and UNOSUGEN have been interconnected to improve flexibility and relibility.
- Air Washer system of all the three Sugen units has been modified to improve it's effectiveness.

B. **DGEN:**

- Plant I&C system (T 3000) upgraded.
- 2 out of 3 logics implemented in Gas Turbine I&C systems (IGVs and Gas Valves).

- New GIDC Pump house pumps, Service water pumps and some of the important pumps of the DM plant have been provided with the latest and energy efficient Variable Frequency Drives.

C. AMGEN:

- Existing 145 kV "ABB" make breakers were replaced by new 'Siemens' make breakers to enhance safety & reliability of the system.
- 415 V E station DM Plant MCC replacement by 'Siemens' to enhance safety & reliability of the system
- D station DCS, HMI up gradation for reliability

D. AHMEDABAD AND SURAT DISTRIBUTION AREAS:

- Establishment of State of the art 66 kV GIS Substation
- Installation of Nitrogen based fire protection system in all Power transformers
- Replacement of porcelain insulators by polymeric insulators in 220 kV transmission network in all suspension towers
- Introduction of 33kV GIS Panel towards better reliability, operational safety and environmental compatibility.
- Up gradation and re rating of existing conventional 66 kV substations with State of the art GIS technology.
- Use of ACCC conductor to increase capacity of existing EHV lines.
- Procurement of ester oil transformers which improves capacity and life of transformers apart from safety as flash point of ester oil is much more hire than conventional oil.

E. AGRA AND BHIWANDI DISTRIBUTION AREAS:

- Upgradation of 33/11 KV Conventional substation to SCADA Control Substation.
- Installation of theft proof TAPPAT Mini Section Pillors at around 350 locations, with insulation of bus bar.
- Installation of Communicable RMU at 11 KV feeder for remote isolation of lines.
- Installation of Chemical earthing (with greater life) on pilot basis.
- Painting with Insulation paint on HT and LT poles.
- Installation of Group metering with RF communication facility for remote disconnection/ reconnection facility on pilot basis.
- Use of Thermography camera for finding hot spot.
- Installation of TRAFO connector at LT bushing of Distribution Transformers.
- Installation of FRP Channels on DO unit.
- Installation of polymeric DO (drop out fuse)

ii) The benefits derived:

A. GENERATION:

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

B. **DISTRIBUTION:**

- Better availability, reliability and safety.
- Reduced power interruptions & Enhanced customer satisfaction
- Reduction of energy losses and theft.
- Increase of evacuation capacity utilizing same corridor.
- Reduction in power restoration time

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

I. the details of technology imported;

II. the year of import;

III. whether the technology been fully absorbed;

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

Not Applicable

iv) The expenditure incurred on Research and Development:

No expenditure has been incurred on R&D.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO -

Description	**₹ in Crore**
Foreign Exchange Earned (Actual Inflow)	NIL
Foreign Exchange Used (Actual Outflow)	
Import of Capital Goods	171.14
Import of Fuel, Raw materials, Components, Stores and Spare Parts	591.16
Travelling, Subscription and Others	3.86

For and on behalf of the Board of Directors

Ahmedabad
23rd May, 2017

Sudhir Mehta
Chairman
DIN: 00061871

1. ECONOMY

Indian economy grew at a healthy rate of 7.1% during FY 2016-17 despite demonetisation. The pace of growth, however, did slow down as compared to the growth of past three years. Lower growth rate was attributable to the decline in investment on account of stressed balance sheets in the corporate sector and moderated growth in industrial sector. However, the economy was bolstered by the government consumption, as the 7th Pay Commission salary recommendations were implemented and by the export recovery, as demand in advanced countries began to spur.

The most striking effect of demonetisation was related to interest rates. Due to sharp decline in cash and rise in bank deposits, the interest rates on deposits, loans, and government securities dropped, resulting into large outflow of foreign portfolio investment. However, the short-term macroeconomic impact was moderated by the benefits of lower interest rates and reduced price pressure.

It is quite remarkable that India managed to achieve this high growth amidst the global slowdown, along with the positive macroeconomic conditions including lower inflation, moderate current account deficit, robust foreign exchange reserves and continued fiscal consolidation. These optimistic conditions are also driving the stock markets which are witnessing a buoyant trend which are indicative of better prospects for the coming year.

However, the prospects for Indian economy for FY 2017-18 need to be assessed in the light of emerging global and domestic developments. Going ahead, it is essential that improvement in the investment to GDP ratio takes place, along with the increase in savings rate, so as to ensure such investments being financed by domestic funds. The commodity prices particularly that of crude oil which have recently started increasing, would not only exert inflationary pressure but also adversely impact the trade and fiscal balances. Amongst other factors, India's future outlook will be majorly impacted by GST Implementation and demonetisation. GST is expected to create a common Indian market, improve tax compliance, boost investment & growth and improve governance. Demonetisation has had short-term costs in the form of slow growth but holds the potential for eventually leading to higher GDP growth, better tax compliance and greater tax revenues. Needless to mention that economic growth and power sector prospects are interdependent and impact each other.

2. POWER SECTOR

Electricity generation which is one of the eight core infrastructure supportive industries registered an overall growth of 5.9% during FY 2016-17 over FY 2015-16. Further, with the Government taking various initiatives like Ujwal Discom Assurance Yojana (UDAY), Power for All, Integrated Power Distribution Scheme, amendments to mega power policy and other energy efficiency schemes, Digital India, Make in India, etc. the long term potential of the sector apparently remains intact.

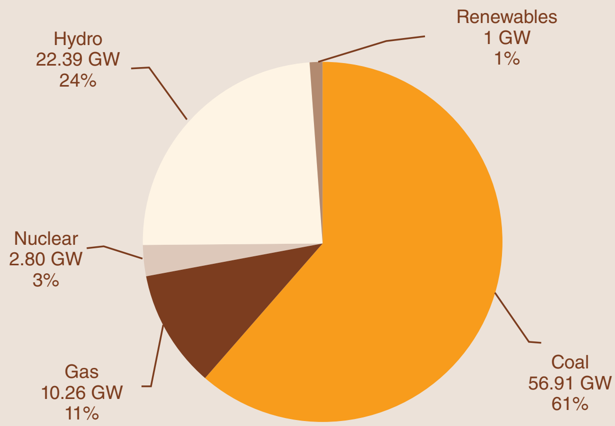
However, the onset of renewables and consequent change in fuel mix, large stranded and underutilised capacities, muted demand, soft merchant power prices, lack of power purchase agreements and weak discoms, mounting NPAs, declining private sector investment together with the current level of GDP growth rate has caused substantial impact and massive change in the power sector.

A) DEMAND – SUPPLY GAP

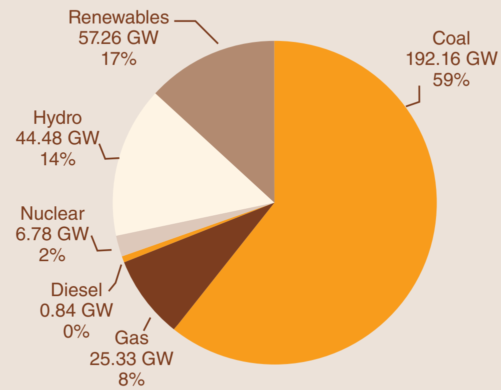
Record addition of electricity generation capacity over the last few years, adequate coal stocks and transmission facilities, coupled with meagre growth in electricity demand have led to the energy deficit of the country dropping to a historical low of 0.7% (P.Y - 2.1%), with the peak power deficit falling to 1.6% in FY 2016-17 (P.Y - 3.2%). However, there still remains widespread energy poverty in India with many villages remaining un-electrified and many areas having restricted power availability. The fall in deficits may simply be due to passive demand and poor offtake by discoms owing to their weak bottom lines. The country needs a proactive policy in place to boost the effective demand for power.

B)

FUEL MIX (as on 31/03/2000)



FUEL MIX (as on 31/03/2017)



GENERATION

Facilitated by the regulatory and policy initiatives of the Government, the country continued to add generation capacities in FY 2016-17 and thus reached ~327 GW as on 31st March, 2017. The fuel wise breakup of installed capacity given below shows that there is major shift in renewable capacity from 1% as on 31/03/2000 to 17% as on 31/03/2017:

However, coal based capacity continues to dominate the country's energy mix with around 59% share followed by Renewable Energy at ~17%. Surpassing the target of 88 GW, the 12th Plan period (2012-17) marked a historic capacity addition of about 99 GW from conventional sources, mainly coal. Considering renewables, the total capacity addition has been 127 GW during this period.

Despite unprecedented capacity additions, the thermal plant load factor (PLF) has declined by almost 14% over the past five years, currently being at ~58%. While the decline was due to shortage of coal in the initial years, lower power demand, lack of PPAs, unavailability of domestic gas, and increase in renewable-based generation have been responsible for the decline in the later part of the 12th Plan period. The generation (including renewables) during FY 2016-17 registered a growth of 5.85% from previous year to be at 1124 BUs.

Even with various initiatives of the Government being introduced for ramping up the coal production, FY 2016-17 saw just 2.9% percent increase in coal production by Coal India Limited (CIL) and its subsidiaries. CIL missed its production target of 599 MT by 44 MT in FY 2016-17. Coal demand remained subdued majorly because of its limited takers due to the policy that only plants with long term contracts will get coal linkage. The Government has reduced CIL's coal production target for FY 2017-18 from 660 MT to 600 MT in view of tepid demand from thermal power plants. Coal imports, on the other hand, have also decreased in FY 2016-17 owing to increase in international coal prices and the transparent coal allocation / auction process.

Central Electricity Authority has assessed that, given the massive capacity addition plans in the renewable sector, there is no requirement for new coal plants till 2022-27. Due to this, huge manufacturing capacity of supercritical power equipment in the country may become idle. Further, the uncertainty and variability associated with renewables generation would create operational and grid stability challenges. The country's efforts to bolster domestic supply of coal and the loosening of the global coal market over the coming years will ensure that coal remains the power feedstock of choice. Furthermore, Government's policy push like emphasis on clean coal technologies, replacing old plants with new super critical plants, policy on automatic transfer of coal linkage, stricter environmental norms and emphasis on digitalization will go a long way in reenergizing the coal based power generation sector.

A big chunk of India's gas-based generation capacity remains unutilised due to domestic gas shortage. With the end of Government's Subsidy Support Scheme for utilisation of gas based power generation capacity in FY 2016-17, the future of the gas based plants has again become uncertain. The government is conscious of this situation and is working towards finding a long-term solution, particularly in terms of obtaining imported LNG at affordable prices. India's LNG imports are already on the higher trajectory with an overall increase of 15.5% as compared to previous year. With LNG prices expected to remain low for the next four to five years, the probable demand pick up in power due to various measures by the Government would be a good augury for increase in India's LNG imports.

Other major developments during FY 2016-17 in power generation segment include:

a. Approval of the amendments in Mega Power Policy 2009 for provisional mega power projects by the Cabinet. The major amendments like extension of timeline for furnishing the mega power certificates, tax concessions in the proportion of long term PPA, waiver from customs duty on equipment imports, etc. are likely to bring much needed relief to private developers.

b. Reduction in the price of domestic natural gas for the period 1 April, 2017 to 30 September, 2017 to $2.48 per mmbtu on gross calorific value basis.

c. Reduction in import duty on liquefied natural gas from 5% to 2.5% in Union Budget 17-18.

d. Hon'ble Central Electricity Regulatory Commission (CERC) on its own motion has issued order on interim true up of tariffs. Accordingly, any Generating Company or Transmission Company having more than 30% variation in annual fixed charges will be required to file interim true up petition.

C) TRANSMISSION

As on 31st March, 2017, the total length of transmission lines and transformer capacity of the country stood at 3,67,851 ckm and 7,40,765 MVA respectively. Remarkably, 1,10,370 ckm transmission lines and 3,31,214 MVA of transformer capacity were added during the 12th Five Year Plan period, exceeding the target by ~3% and ~17% respectively. New cross-border transmission lines laid during the year helped India sell more power across borders. The ratio of transformer capacity in MVA *vis-a-vis* the installed generation capacity in MWs currently at around 2, is much lower than the global ratio of 7. The announcements in the draft National Electricity Plan indicate sizeable investments to be made in the transmission segment. The Government's thrust on renewable sector will also lead to significant expansion of the Green Energy Corridor.

Various pilots are being carried out for the development and deployment of Smart Grids in India under the aegis of National Smart Grid Mission.

Amidst other perennial issues like land acquisition, Right-of-Way, forest clearances, etc. facing the sector, currently the integration of large amount of infirm power from the renewable sector is evolving as a serious challenge for the grid managers. This is due to the fact that the country is running the world's largest renewable energy capacity expansion programme of achieving 175 GW by 2022. Development of power transmission network through Green Energy Corridor along with setting up of Renewable Energy Management Centre would ensure proper evacuation and integration of renewable power with the Grid.

D) DISTRIBUTION

Distribution, the last & the key segment in the entire power sector value chain, continues to reel under massive losses and heavy financial burden. The country faced weaker demand growth during FY 2016-17 mainly due to the stressed financial health of the discoms that did not let them make fresh purchases and prevented them from entering into long term PPAs.

So far, 27 states and one Union territory have signed agreements under the UDAY scheme. As per the Power Ministry, UDAY scheme has already addressed 62% of discoms existing debt as at the end of 2014-15.

Demonetization, a step taken by the Government, though created major liquidity crunch in the economy, turned out to be positive for the distribution segment as it helped most of the cash-strapped discoms recover their huge arrears.

The Government's initiatives like UDAY, 24 X 7 Power for All, Integrated Power Distribution Scheme, Deen Dayal Upadhyaya Gram Jyoti Yojana, etc. have already started showing improvement in the operations of discoms. The Government is also working towards rationalization of power tariff slabs across the country with proposed 15 uniform slabs which is expected to improve transparency in billing and enhance collection efficiency.

Further, regular tariff increases, proper metering, improvement in collection efficiencies, etc., are key steps towards improving the viability of the segment.

E) RENEWABLE ENERGY

Renewable energy continues to remain high on Government's agenda keeping in mind India's global commitment towards climate change obligations and its ambitious target of achieving 175 GW of renewable capacity addition by the year 2022. Further, the Government intends to achieve 40% of power capacity from renewable energy sources by the year 2030. The capacity addition at 14.5 GW in FY 2016-17 from renewable sources for the first time exceeded that from conventional sources; by more than 4 GW. Despite such huge capacity additions, 25 states (including Union territories) have lagged behind on their fulfilment of renewable purchase obligations for FY 2016-17. As on 31st March 2017, the installed renewable energy capacity in the country stood at 57 GW with Wind and Solar being the major contributors.

Wind Energy: A total of 5.4 GW of capacity addition was made during FY 2016-17, surpassing the targeted capacity addition and taking the total installed capacity of wind to 32 GW as on 31st March 2017. Recent technological advancements, decline in domestic interest rates and the structure of the auction process have led to aggresive bidding and decline in tariffs with the lowest tariff being ₹ 3.46/kWh. Further, cessation of generation based incentive post March 2017 creates uncertainty on the future of Wind energy. Nevertheless, Ministry of New and Renewable Energy's (MNRE) various policy initiatives in the wind energy sector including introduction of bidding, Re-powering Policy and new Guidelines for development of Wind Power Projects are likely to keep the momentum going.

Solar Energy: With total installed capacity of 12 GW as on 31st March 2017, the solar segment witnessed an addition of 5.5 GW during FY 2016-17. Despite this, it lagged behind the targeted capacity addition of 12 GW for the year. Further, sharp reduction in global module prices along with other factors have led to aggresive bidding and decline in tariffs. The solar power tariffs recently hit a record low of ₹ 2.44/kWh. It is hoped that the recent aggressive tariffs are sustainable as it is difficult to envisage as such. Going forward, MNRE's plan to develop 10 special Solar Zones is likely to push the development of solar energy sector in India and thereby accomplish the ambitious target of 100 GW by 2022.

Inordinate delays in signing of power purchase agreements, delayed payments and weak financial health of discoms are some of the issues plaguing the renewable energy segment. However, in the short run, grid management is the most important aspect to be taken care of due to the intermittent nature of renewable power.

Though the significant push to renewable energy would definitely lead to change in the power mix, thermal power would continue to be the backbone of the Indian power sector.

F) POWER & CONTROL CABLES

Growth in cable's business is largely driven by the developments in Power Sector, as cables being one of the essentials to supply quality power. However, high volatility in raw material prices (especially metals such as Aluminium, Copper & Steel), late realisation of receivables, competition from foreign markets and pressure on margins are certain areas of concern for the segment.

OVERVIEW OF COMPANY'S BUSINESS DURING THE YEAR

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

1. GENERATION:

A) 2730 MW Gas based Plants

Operational details:

Plant	Plant Availability Factor (PAF)	Plant Load Factor (PLF)	Units dispatched
1147.5 MW SUGEN Mega Power Plant near Surat	96.38% (PY - 98.38%)	47.50% (PY - 35.78%)	4,655 MUs (PY - 3,516 MUs)
382.5 MW UNOSUGEN Power Plant near Surat	98.89% (PY - 95.68%)	NIL (PY – 25.41%)	NIL (PY – 832 MUs)
1200 MW DGEN Power Plant at Dahej SEZ near Bharuch	100% (PY - 89.64%)	NIL (PY– 25.66%)	NIL (PY – 2,637 MUs)

The PLF in SUGEN Plant increased during the year due to the judicious usage of spot LNG. However, lack of demand and non-availability of domestic gas kept the PLF at low levels in SUGEN and NIL in UNOSUGEN and DGEN.

The Company refrained from participating in the e-auction of gas allocation for UNOSUGEN and DGEN under Phase III and IV (for April 2016 to March 2017) of Scheme for utilisation of Gas based power generation capacity as the notified gas price was higher than the market price then. Further, the scheme for that period envisaged inadequate to NIL PSDF support ceiling with possibility of negative bidding in the reverse e-auction, non-availability of corresponding concessions from the State Government and lower rates for PPA. In these circumstances, power generated under this scheme no longer remained commercially viable or affordable to the discoms. Government cancelled the auction for Plants receiving domestic gas because of insufficient participation and hence, SUGEN Plant did not get gas allocation under Phase III and IV.

The Storage-cum-regasification capacity at PLL's Dahej Terminal has commenced from 1st April 2017. The Company, by following a competitive tender process, has tied up procurement of 7 LNG cargoes for delivery during April 2017 to December 2017.

Hon'ble CERC vide its order dated 18th August, 2016 and 31st March, 2017 has approved the tariff for the period 2014-2019 for UNOSUGEN and DGEN Plants respectively.

B) 422 MW Coal based AMGEN Power Plant at Ahmedabad

During the year, AMGEN Plant maintained a higher PAF of 95.10% (PY 95.63%) due to sustained reliability & O&M excellence, PLF of 74.64% (PY 65.05%) and dispatched 2,520 MUs (PY 2,188 MUs). The increase in PLF during the year was mainly due to higher system demand.

Tripartite agreement has been signed on 26th October, 2016 between South Eastern Coalfields Limited (SECL), Central Institute of Mining and Fuel Research (CIMFR) and Torrent Power Limited for sampling of Indian Coal by CIMFR at loading end which will help to address quality issue of Indian coal receipt from SECL.

C) 500.4 MW Renewable Power Plants

Starting with a ~50 MW wind power plant in 2012, we have continued our journey into environmentally benign and sustainable renewable energy space. Till date, a total of 265.6 MW Wind Power Projects and 138 MW Solar Power Projects have been commissioned. Another 96.8 MW Wind Power Projects are under various stages of construction. With the operational and under-construction projects, our total renewable power generation capacity has crossed the mark of 500 MW. The details of such projects are as under:

Plant	Developments during FY 2016-17
49.6 MW Wind Power Plant at Lalpur, Jamnagar	• PAF 97.78% (PY - 96.68%) • Dispatched 93.83 MUs (PY – 94.94 MUs)
201.6 MW Wind Power Project at Kutch	• Commissioned during the year at the sites of Nakhatrana (134.4 MW) and Jamanwada (67.2 MW) in Kutch District in Gujarat. • Consists of 96 Suzlon make turbines of 2.1 MW each. • Dispatched 62.22 MUs
51 MW Solar Power Plant at Charanka, Patan	• Dispatched 85.99 MUs (PY – 85.48 MUs)
87 MW GENSU Solar Power Plant near Surat	• Capacity enhanced by 6 MW on 1st March 2017 • Expansion of existing 220 kV Sugen switchyard completed for direct transfer of Gensu power to Surat Distribution through the Company's dedicated transmission lines. • Dispatched 122 MUs (PY – 7.92 MUs) • Plant is awarded with IMS certification during the year.
60.8 MW Wind Power Project at Mahidad, Rajkot	• Originally planned 136.8 MW is downsized currently to 60.8 MW • 14.4 MW has been commissioned on 31st March 2017. • Balance 46.4 MW is expected to be commissioned in the first half of FY 2017-18.
50.4 MW Wind Power Project at Bhavnagar	• The Project is delayed and is expected to be commissioned in the first half of FY 2017-18.

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

2. DISTRIBUTION:

A) Ahmedabad and Surat Distribution

The sales were higher at 10,039 MUs in FY 2016-17 (PY - 9,978 MUs).The open access consumption reduced to 422 MUs in FY 2016-17 (PY - 508 MUs) mainly due to revision in the methodology of calculating cross-subsidy surcharge under the revised National Tariff Policy. Transmission and Distribution (T&D) losses marginally reduced to 6.15% in FY 2016-17 (PY - 6.33%) and are one of the lowest in the country. The consumer base as on 31st March, 2017 was ~24.50 lacs (PY - 23.91 lacs). During the year, the peak system demand of Ahmedabad was higher at 1,751 MW (PY - 1,576 MW) and that of Surat was higher at 648 MW (PY - 627 MW).

Hon'ble Gujarat Electricity Regulatory Commission (GERC), vide Tariff Order dated 31st March, 2016, had allowed recovery of Regulatory Charge @ ₹0.45 per unit to address the gap of earlier years. Subsequently, vide order dated 1st July 2016 the same was reduced to ₹0.18 and ₹0.17 per unit for Ahmedabad and Surat respectively, against which the Company had filed an appeal with Hon'ble Appellate Tribunal For Electricity (APTEL).

Hon'ble APTEL, vide order dated 30.3.2017, without expressing any opinion on the merits of the case, set aside the order dated 1st July 2016 and the matter has been remanded back to Hon'ble GERC with a direction that, 'Members who passed the original tariff order to hear the review petitions afresh and pass appropriate order'.

Accordingly, Hon'ble GERC, based on Hon'ble APTEL order referred above, has decided to issue Tariff Order for FY 2017-18, only after an appropriate order w.r.t the Tariff Order dated 31.3.2016 is issued.

The Company has been able to fully meet the solar Renewable Purchase Obligations (RPO) of 1.75% for FY 2016-17. However, due to supply constraints and other factors beyond the control of the Company, the non-solar RPO of 8.25% was met to the extent of 6.50% after necessary adjustments.

B) Dahej Distribution

The sales were higher at 242 MUs in FY 2016-17 (PY - 207 MUs) mainly due to addition of new consumers, extension in demand and improvement in load factor of existing consumers. T&D losses reduced to 0.53% in FY 2016-17 (PY – 0.76%). The consumer base as on 31st March, 2017 was 96 (PY - 93). The peak system demand stood at 44 MW in FY 2016-17 (PY - 35 MW).

C) Bhiwandi

The Distribution Franchise Agreement with MSEDCL for distribution of power in Bhiwandi Circle has been renewed for a further period of 10 years w.e.f. January 26, 2017.

During the year, the sales decreased to 2,800 MUs (PY - 2,857 MUs) mainly due to recessionary trend in Powerloom industry for most part of the year and few HT customers, including railways becoming deemed licensee, opting for captive consumption. However, due to the various loss reduction measures and sustained efforts on deterrent activities in reducing theft and increase in collection efficiency, *inter-alia,* due to effect of demonetization, the AT&C losses have decreased to 22.22% during the year (PY - 25.02%). The consumer base as on 31st March, 2017 was 2.69 lacs (PY - 2.52 lacs). The peak system demand was 579 MVA during FY 2016-17 (PY - 586 MVA).

D) Agra

The sales were higher at 1,584 MUs in FY 2016-17 (PY - 1,517 MUs) mainly due to increase in consumer base and considerable reduction in AT&C losses to 26.78% (PY - 30.83%) on account of various loss reduction drives (undergrounding of the network, greater vigilance, illegal connection removal, etc.). The consumer base as on 31st March, 2017 was 3.99 lacs (PY - 3.82 lacs). The peak system demand for Agra was 425 MVA during FY 2016-17 (PY - 429 MVA).

3. CABLES BUSINESS:

During FY 2016-17, Cables Unit at Nadiad, Gujarat, achieved net sales of ₹406 Crore (PY - ₹455 Crore).

During the year, 1 x 800 Sq mm, 132 kV Aluminium Corrugated Sheathed cables & 3 x 630 Sq mm, 33 kV cables with Water Tight construction have been developed & supplied.

4. OVERALL RESULTS:

The overall power sales in FY 2016-17 were at 14,454 MUs (PY - 14,673 MUs) with breakup as under:

Category of Consumers	FY 2016-17		FY 2015-16		Growth
	MUs	%	MUs	%	%
Residential	4,324	30%	4,170	28%	3.69%
Commercial	2,454	17%	2,472	17%	-0.71%
LTP / LTMD	4,531	31%	4,607	31%	-1.65%
HT	3,115	22%	3,062	21%	1.73%
Others	29	0%	362	2%	-91.89%
Total	14,454	100%	14,673	100%	-1.50%

Residential category witnessed reduced growth at Ahmedabad, Surat, Bhiwandi and Agra. The reduction under LTP / LTMD category is mainly due to recessionary trend in powerloom industry at Bhiwandi and slow-down in textile and diamond industries at Surat because of demonetisation. Sales growth in HT category is primarily on account of reduced open access availment at Ahmedabad.

The Consolidated Revenue and consequently the PBT in FY 2016-17 were mainly impacted due to the following reasons:

- DGEN & UNOSUGEN Plants, unlike in FY 2015-16 wherein partial fixed costs were recovered due to availability of gas under Government's Scheme for utilisation of Gas based power generation capacity, were not utilized during the year due to lack of demand, non-availability of domestic gas and lack of continued availability of affordable imported LNG. Moreover, the Company refrained from participating in the e-auction of gas allocation for DGEN and UNOSUGEN under Phase III and Phase IV (i.e. April 2016 to March 2017) of Scheme for utilisation of Gas based power generation capacity due to reasons mentioned in point 1(A) above.

- Pursuant to the tariff order issued by Hon'ble CERC in October 2015, under the CERC Tariff Regulations 2014-19 for SUGEN Plant, there was recovery of approved fixed costs' arrears for FY 2014-15 in FY 2015-16.
- PBT of Ahmedabad and Surat distribution during the year was comparatively lower on account of recovery in FY 2015-16 towards arrears of FPPPA for FY 2014-15 along with under-recovery of FPPPA in FY 2016-17. This was partially offset by recovery from Regulatory Charge @ 18 paise and 17 paise per unit for Ahmedabad and Surat Distribution respectively.
- The overall performance in Agra has improved during the year due to significant reduction in T&D losses. Bhiwandi, on the other hand, continued to witness recessionary trend in powerloom industry for most part of the year which was partially compensated by improved collection efficiency.
- The other operating income in FY 2016-17 has dropped during the year, inter-alia, on account of reversal of earlier years' provisions in FY 2015-16 due to change in the basis for charging O&M expenses under the supply and service agreements for Company's gas based plants in the context of change in CERC Regulations emphasizing PLF as against PAF for performance incentive.

The Consolidated Revenue was additionally impacted by the reduction in FPPPA income in Regulated Distribution business, due to decrease in power purchase cost during FY 2016-17.

In light of the above, the Consolidated PBT for FY 2016-17 has decreased to ₹ 587.34 Crore (PY – ₹ 1289.63 Crore). There has been variation in the results between different quarters of the year, inter-alia, due to seasonality involved in business, recovery of the Regulatory Charge and under recovery of FPPPA.

5. RISKS AND CONCERNS

Significant risks and concerns of the Company are enumerated below:

- Although currently LNG is available at low prices, the Company is not able to run all its gas based capacity due to lack of power demand. However, it is expected that initiatives such as Make in India, UDAY, 24 x 7 Power for All, Digital India etc. would improve the electricity demand.
- Uncertainty over the improvement in domestic gas availability continues, resulting into lower capacity utilization of the plants. Lower priority to power sector in the Gas Allocation Policy also poses risk to the Company. The Government has not extended the two-year-old scheme under which it offered gas at subsidised rates to stranded and underutilised gas power projects. Although the Company has tied up its fuel requirements for the year 2017, the availability of imported LNG at affordable rates continues to be a risk due to the volatility in the oil and gas markets.
- Ministry of Environment, Forest and Climate Change (MoEFCC) has made the emission norms for all thermal power plants significantly stringent which may affect the operations of AMGEN Plant. Timeline to comply with new norms is December 2017. The Company is evaluating various options to ensure that the plant can be run without incurring major CAPEX while meeting the modified environmental standards.
- Problem of receipt of inferior quality of Coal from South Eastern Coalfields Limited is persisting. However, Coal Ministry has nominated CSIR-CIMFR to take up the job of Indian coal quality monitoring at national level for the entire power sector to ascertain the coal quality. Partial dependency on imported coal exposes the Company to price volatility and sourcing risks.
- The changing fuel mix with share of renewables increasing due to preferential policy treatment and subsidies is creating pressure on thermal power plants. Aggressive bids in both wind and solar are expected to nullify and restrict the feed in Tariff availability. Although purely on economic ground, thermal power has merit but it may be unable to compete with renewables in this context.

- The Company operates in a regulatory environment and is subject to the risks of regulatory interventions, introduction of new laws and regulations including changes in competitive framework. Also, in particular, the distribution segment lacks due recognition or incentives for its efficient operations in the current regulatory framework. Although the Regulator provides mechanism for true-up and recovery of increase in fuel and power purchase costs, the full recovery of such costs is getting delayed. As the Hon'ble GERC is yet to issue its order relating to Review petitions on tariff order dated 31st March 2016 (pursuant to the judgement of Hon'ble APTEL dated 30th March 2017), the approval of true up for FY 2015-16 as well as tariff determination for FY 2017-18 has been delayed. This has created ambiguity on the amount of Regulatory Gap and its recovery during FY 2017-18. Further, non-pass through of REC costs (to fulfil RPO) through the FPPPA mechanism continues to burden the distribution segment. All these issues lead to postponement of recovery of said costs, resulting into deferred recovery and accrual of carrying cost.
- Further, the proposed segregation of carriage and content in the Electricity Amendment Bill, 2014, would bring about a substantial change in the way the distribution business is conducted, though not impacting the Return on Equity on the investments in the distribution infrastructure.
- Though, the company has developed defensive and offensive strategies to combat cyber-attacks, with the increasing number of ransomware attacks, the Company considers cybercrime as one of the major threat to Company's business.
- Macro-economic risks such as growth slowdown & uncertainty in demand may impact the performance of the Company.
- Public Policy interventions could impact the traditional ways of doing business and may lead to changes in supply & demand sources.
- Non-availability of skilled manpower may result in disruptions in business operations or incorrect / delayed decision making.

6. INTERNAL CONTROL SYSTEM

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

7. CAUTIONARY STATEMENT

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

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L31200GJ2004PLC044068
2.	Name of the Company	Torrent Power Limited
3.	Registered address	"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad - 380015.
4.	Website	www.torrentpower.com
5.	E-mail id	cs@torrentpower.com
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 351 - Electric power generation, transmission and distribution NIC code: 2732 - Manufacturing of wires and cables for electricity transmission.
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Power generation, transmission and distribution and manufacturing of cables.
9.	Total number of locations where business activity is undertaken by the Company	12
10.	Number of International Locations	NA
11.	Number of National Locations	12
12.	Markets served by the Company - Local / State / National / International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Details
1.	Paid up Capital	₹480.62 Crore
2.	Total Turnover	₹10014.58 Crore
3.	Total profit after taxes	₹426.00 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	~3.16% of PAT of FY 16-17 (CSR Projects) Additionally, the Company also made donations for CSR activities. Besides this, CSR initiatives are being carried out by various generating plants of the Company as part of Ministry of Environment, Forest and Climate Change (MoEFCC) stipulations. With this expenditure, the Company's total spending on CSR is approx. 4.89% of PAT of FY 16-17.
5.	List of activities in which expenditure in 4 above has been incurred:-	The list of activities in which CSR expenditure in 4 above (i.e. 3.16% of PAT) has been incurred is part of the Board's report which forms part of the Annual Report. CSR Donations were given to various organisations involved in activities related to education, health, socio-economic development, culture, integrated development of tribes, relief to disaster victims, promotion of social welfare, etc. The key activities in which CSR expenditure has been incurred as part of MoEFCC stipulations include Swadhar - Medical and Health Care Centre, sanitation projects, organic agriculture in vacant areas, mangroves plantation, development of public parks, etc.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	
1.	Does the Company have any Subsidiary Company / Companies?	Yes, the Company has the following Subsidiary Companies: Torrent Solargen Limited Torrent Power Grid Limited Torrent Pipavav Generation Limited AEC Cements and Constructions Limited
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The BR initiatives of the Company are driven at Group level. Hence, all Subsidiary Companies participate in BR initiatives of the Company.
3.	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Yes, the Company's contractors and suppliers do participate in some of the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Directors responsible for implementation of the BR policy / policies

Sr. No.	Particulars	(I)	(II)
1.	DIN Number	00061955	02685284
2.	Name	Shri Markand Bhatt	Shri Jinal Mehta
3.	Designation	Whole time Director	Whole time Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	Same as above
2.	Name	Same as above
3.	Designation	Same as above
4.	Telephone number	079- 26628000
5.	e-mail id	cs@torrentpower.com

2. **Principle-wise (as per NVGs) BR Policy / policies**

(a) **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes, all the Policies have been approved by the Board, except the HR policies and IMS policies, which have been approved by MD or WTD.								
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online.	All policies can be accessed at http://www.torrentpower.com/index.php/investors/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(b) **If answer to the question at serial number 1 against any principle is 'No', please explain why:**

Not applicable

3. **Governance related to BR**

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors / its committees / Chairman or any authorised official of the Company, as the case may be, assess the BR performance on quarterly, half yearly or annual basis depending upon the type of BR activities.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published its first Business Responsibility Report as part of the Annual Report 2016-17. Hyperlink: www.torrentpower.com It will be published on an annual basis going forward.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1.1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Shareholder Complaints:

The Company had received 18 shareholder complaints during FY 2016-17. Out of the same, ~89% complaints (i.e. 16 nos.) were satisfactorily resolved by the management.

Other Stakeholder Complaints:

The Company had received 3 complaints from other stakeholders (i.e. Employees, Vendors and Society) during FY 2016-17. Out of the same, 100% complaints were satisfactorily resolved by the management.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Company's business activities comprise of Generation, Transmission & Distribution of Electricity and Cables manufacturing. It has incorporated social as well as environment concerns, risks and / or opportunities in each of these as under:

- All the units of the Company (except Bhiwandi and Agra units) are IMS certified covering ISO 9001 (Quality Management System), ISO 18001 (Occupational Health and Safety Assessment Series) and ISO 14001 (Environment Management System). Some of the units have also additionally obtained ISO 50001 (Energy Management System) and ISO 55001 (Asset Management System).
- State of the art technologies in its gas based thermal plants, viz., installation of advanced class Gas Turbines with lower carbon footprint, dry low NOx burners (with emissions surpassing Indian standards and meeting European norms), CCPP in single shaft configuration thereby reducing the land and carbon footprint etc.
- For its coal based plant, the Company uses high grade coal with higher GCV so as to achieve lesser coal consumption and lesser transportation cost resulting into higher generation with low emissions.
- The Company has established systems and procedures for safe and effective operation and maintenance of its transmission and distribution networks duly mitigating risks and health hazards. Transmission and Distribution (T&D) losses have been reduced to one of the lowest in the country in the Company's licensed areas by way of undergrounding thus saving on energy.
- Other initiatives include continuous improvement in safety standards, Demand Side Management (DSM) and energy conservation awareness programmes amongst customers in Distribution segment.
- Further, the Company is engaged with its neighbourhood by providing employment opportunities, skill development and health care.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The following are some of the initiatives taken in respect of conservation of natural resources:

- Various procedures have been put in place to improve heat rate, reduce auxiliary power consumption and water consumption in its Generating stations.

- Large scale replacement of conventional luminaires with LED devices, installation of solar panels & solar water heaters, recycling waste water, segregation of lighting circuits for reducing power consumption, rainwater harvesting etc. Even a self-sustaining township with biogas generation and solar power is fully functional at one of the generating units.
- As a part of DSM Schemes, Energy Audits as well as Peak Load shifting programs have been carried out for benefit of the consumers. In addition, the Company took all necessary steps to operationalize the Net Metering arrangement for Rooftop Solar PV system at the premises of the consumers.

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has procedures in place for sustainable sourcing (including transportation). Further, Sustainability is extended to suppliers / vendors. All requirements on various aspects such as Health & Safety and Environment protection, Ethics and Compliance, Bribery & Corruption are in place. Counselling and monitoring of suppliers / vendors is being done regularly.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has taken several steps to procure goods and services from local and small vendors (specially focusing on weaker section / women of the society, wherever possible) in order to promote entrepreneurship among them. Some of these initiatives include:

- While sourcing its consumables and spares, priority is given to local vendors.
- Providing employment in various jobs viz., horticulture, housekeeping, vehicle operation etc. to people in and around its business of operations.
- Employment of differently abled people for jobs that are deemed safe for them.
- Engagement of destitute women for managing the canteen services at one of its units.
- Local people have been trained and employed as security guards at some of our plants.
- Direct and indirect employment opportunities are provided to local populace to the extent feasible. For fabrication, plumbing, carpentry, etc., as far as possible, local skilled personnel are employed.
- Project affected personnel in gas based generation units have been taken on company rolls and external technical training has been imparted to them at good institutes prior to or during employment.

2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the Company believes in “Reduce, Recycle, Reuse” principle. Some of the initiatives taken as part of this principle include:

- 100% utilization of Fly Ash generated from the Coal based plant.
- Re-Use of Treated effluent water.
- Use of vegetation and food waste in making compost which in turn is used as manure.
- Sludge recovered from raw water is compacted through Chamber Filter Press and is used as manure / for landfill.
- Waste generated is used for biogas generation which in turn is used for power generation and cooking in one of our self-sustaining township.
- Hazardous wastes e.g., used oils, e-wastes, batteries, etc. are disposed off only to authorised recyclers.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

3.1 Please indicate the Total number of employees.

The total no. of permanent employees is 7,414 as on 31st March, 2017.

3.2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.

Total no. of employees hired on temporary / contractual / casual basis is 6436 as on 31st March, 2017.

3.3 Please indicate the Number of permanent women employees.

Total number of permanent women employees is 553 as on 31st March, 2017.

3.4 Please indicate the Number of permanent employees with disabilities.

Total number of permanent employees with disabilities is 31 as on 31st March, 2017.

3.5 Do you have an employee association that is recognized by management?

Yes.

3.6 What percentage of your permanent employees are members of this recognized employee association?

Approx. 46% of the total permanent employees of the Company are members of such recognized unions.

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The necessary details are given in the table below:

Sr. No.	Category	No of complaints filed during FY 2016-17	No of complaints pending as on end of the FY 2016-17
1	Child labour	NIL	NIL
2	Forced labour	NIL	NIL
3	Involuntary labour	NIL	NIL
4	Sexual harassment	NIL	NIL

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual / Temporary / Contractual Employees

(d) Employees with Disabilities

Percentage of under mentioned employees who were given Safety & skill up-gradation training in the last year is as under:

(a) Permanent Employees - 76.94%

(b) Permanent Women Employees - 79.03%

(c) Casual / Temporary / Contractual Employees - 59.79%

(d) Employees with Disabilities - 74.19%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

4.1 Has the company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its various key internal and external stakeholders.

4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Various initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders at locations in and around its operations in the areas of: (i) Community Health Care, Sanitation and Hygiene, (ii) Education and Knowledge Enhancement and (iii) Social Care and Concern.

The details of various CSR initiatives of the Company are part of the Board's report which forms part of the Annual Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

5.1 Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

No. Besides covering the Company, it also extends to various stakeholders including Group companies, Suppliers, Contractors, etc.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints on breach of human rights were received during FY 2016-17.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Environment Policy of the Company covers the Company currently. The subsidiary companies of TPL also carry out their operations in accordance with principles laid down in the said Policy. The Company promotes the adoption of environmental protection goals and practices by contractors and suppliers of the Company and strongly encourages improvements in contractors' and suppliers' practices to make them consistent with those of the Company.

6.2 Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, TPL recognizes the value of the environment to the community and future generations and is committed to manage its businesses as a responsible Corporate Citizen. Some of the initiatives taken by the Company to address Global environmental issues such as Climate Change, Global warming, etc. include ~3230 MW of its generation capacity (operational and under construction) being natural gas based, which is a cleaner fuel and renewables based comprising solar and wind out of its total generation capacity of ~ 3652 MW.

In its efforts to contribute towards sustainability, the Company has chosen state of the art technology for its CCPPs with advanced class Gas Turbines with lower carbon footprint and with very low NOx emissions.

Further various energy conservation initiatives taken by the Company which aid in environmental protection are part of the Board's report which forms part of the Annual Report.

6.3 Does the company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses potential environmental risks.

6.4 Does the company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, four projects of the Company are registered with United Nations Framework Convention on Climate Change (UNFCCC) under CDM. Environment compliance reports are being filed on a timely basis.

Annual reduction of ~8.6 Million CO_2 can be achieved by generation of power through these Projects. The Company has already achieved ~13.09 Million of CO_2 emission reduction.

6.5 Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

In order to promote clean energy and renewable energy, besides what is stated above, the Company has sourced about 5.19% of its total power requirement from wind and solar plants.

The details of various energy conservation initiatives taken by the Company which aid in energy efficiency are part of the Board's report which forms part of the Annual Report and is available at the following link: www.torrentpower.com

6.6 Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions generated from the generation stations of the Company are within the permissible limits given by CPCB and SPCB for FY 2016-17. The data of emissions, where required, is also being shared with the CPCB and SPCB through online servers.

Waste generated by the Company during FY 16-17 was also within the permissible limits given by CPCB and SPCB.

6.7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received during the year either from CPCB or SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of various trade and chamber associations. The major one are as under:

- Confederation of Indian Industry (CII)
- Association of Power Producers (APP)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Council of Power Utilities
- Indian Electrical and Electronics Manufacturers Association (IEEMA)

7.2 Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

As a principle, the Company does not engage in lobbying. The Company provides suggestions through the above associations for the advancement / improvement of power sector and Cables business majorly in the areas of Economic Reforms, Energy security and Sustainable Business Principles.

In the course of our regulated business, the submissions, representations, and the information provided to the concerned authorities are based on due-diligence and to the best of our knowledge true and fair; which is the policy of the Company.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

8.1 Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has identified specified programmes / projects in the pursuit of the policy related to Principle 8. The details of such programmes / projects are part of the Board's report which forms part of the Annual Report.

8.2 Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The identified programmes / projects are carried out directly by the Company itself including through two of its Section 8 companies namely Tornascent Care Institute and UNM Foundation which have been promoted by the Company (together with one of its Group Company).

Besides the above, it is also supplementing the efforts of the local institutions / NGOs / local Government / implementing agencies in the field of Education, Healthcare, Sanitation and Hygiene etc. to meet priority needs of the underserved communities with the aim to help them become self-reliant.

The details of such programmes / projects undertaken either on its own or through an external agency are part of the Board's report which forms part of the Annual Report.

8.3 Have you done any impact assessment of your initiative?

Yes, the Company undertakes timely impact assessments of projects under implementation for ensuring their desired impact and continued sustenance. The impact assessment is also presented to the CSR committee.

8.4 What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

During the year under review, the Company had contributed ₹13.45 Crore to various community development programmes / projects as part of its CSR initiatives. The details of such programmes / projects are part of the Board's report which forms part of the Annual Report.

Over and above this, the Company also made donations of ₹6.33 Crore to various organisations involved in activities related to education, health, socio-economic development, culture, integrated development of tribes, relief to disaster victims, promotion of social welfare etc.

Besides, the Company has also spent approx. ₹1.1 Crore on community development projects as part of MoEFCC stipulations.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company undertakes needs assessment surveys in villages and community before undertaking CSR initiatives.

Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted during implementation of the initiatives. Further, the Company ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

9.1 What percentage of customer complaints / consumer cases are pending as on the end of financial year.

In the generation and transmission business there were no complaints.

Approx. 0.50% of the total customer complaints received by other units were pending as on 31st March, 2017.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

In the generation business of the Company, this requirement of display of information is not applicable.

However, in the case of transmission and distribution business of the Company, adequate signages and caution boards are being displayed at prominent locations. Various safety initiatives are being undertaken for the benefit of consumers.

9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years.

9.4 Did your company carry out any consumer survey / consumer satisfaction trends?

The Distribution segment of the Company's business caters to around 3 million consumers as on 31st March, 2017. The Customer Satisfaction Survey is carried out by the distribution segment once in every three years through a third party. The last Consumer satisfaction survey was carried out in September 2016 through IMRB covering consumers at Ahmedabad, Surat and Gandhinagar, based on which the CSI (Customer satisfaction Index) is around 86%.

Further Cables manufacturing unit also obtains feedback from its major customers and necessary actions are taken based on the feedback received.

REPORT ON CORPORATE GOVERNANCE

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is the creation and enhancement of long-term sustainable value for the stakeholders through ethically driven business processes.

Better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase stakeholders understanding of the key activities and policies of the organisation. We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Good governance practices stem from the dynamic culture and positive mindset of the organization.

The disclosure requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

The Company is in full compliance with the Corporate Governance norms as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

This report sets out the governance systems and processes of the Company, as set out in the Listing Regulations for the Financial Year ended 31st March, 2017.

2. BOARD OF DIRECTORS

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

a) Composition and Category of the Board:

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

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

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

b) Details of memberships / chairpersonships of the Directors in other Boards and in Committees of the Board as on 31st March, 2017:

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

The details of each member of the Board along with number of Directorship(s) / Committee membership(s) held by them, along with all other requisite information are provided herein below as on March 31, 2017:

Name of the Director	Category	No. of Directorships Held*	No. of Board's Committees in which Member*	No. of Board's Committees in which Chairperson*
Shri Sudhir Mehta, Chairman	Managing Director	1	-	-
Shri Pankaj Patel	Independent Director	4	1	-
Shri Samir Barua	Independent Director	5	5	2
Shri Kiran Karnik	Independent Director	-	-	-
Shri Keki Mistry	Independent Director	9	8	4
Shri R. Ravichandran	Non-Executive Director, Nominee of LIC (a shareholder)	-	-	-
Smt. Bhavna Doshi	Independent Director	9	7	5
Shri P. K. Taneja, IAS#	Non-Executive Director, Nominee of Govt. of Gujarat (a shareholder)	10	-	-
Ms. Dharmishta Raval	Independent Director	4	1	-
Shri Samir Mehta, Vice Chairman	Managing Director	2	-	-
Shri Markand Bhatt	Whole-time Director	1	-	-
Shri Jinal Mehta	Whole-time Director	1	-	-

* For the purpose of considering the number of directorships and Committee membership / chairpersonship in Audit and Stakeholders Relationship Committee, all public limited companies other than the Company, whether listed or not, are considered and all other companies including private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 ("Act") are excluded.

\# Resigned w.e.f. 23rd May, 2017.

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

c) Board Meetings

The Board of Directors met four times during FY 2016-17 on 18th May, 2016, 2nd August, 2016, 27th October, 2016 and 9th February, 2017.

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

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

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

Name of the Director	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Shri Sudhir Mehta, Chairman	4	4	Yes
Shri Pankaj Patel	4	4	Yes
Shri Samir Barua	4	4	Yes
Shri Kiran Karnik	4	4	Yes
Shri Keki Mistry	4	3	No
Shri R. Ravichandran	4	4	Yes
Smt. Bhavna Doshi	4	4	Yes
Shri P. K. Taneja, IAS*	4	4	No
Ms. Dharmishta Raval	4	4	Yes
Shri Samir Mehta, Vice Chairman	4	4	Yes
Shri Markand Bhatt	4	4	Yes
Shri Jinal Mehta	4	2	No

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

* Resigned w.e.f. 23rd May, 2017.

d) Independent Directors

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

A separate meeting of Independent Directors was held on 9th February, 2017 under the Chairpersonship of Shri Keki Mistry to:

- approve the criteria and the process of evaluation of Chairperson and flow of information.
- review the performance of Non-Independent Directors, the Board and it's Chairperson and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

All the Independent Directors were present at the meeting.

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

The members of the Company had at the 12th Annual General Meeting held on 2nd August, 2016, re-appointed Shri Markand Bhatt (holding DIN: 00061955), as Whole-time Director of the Company with effect from 1st April, 2016, for a term of five consecutive years. The members had, in the same meeting, appointed Shri P. K. Taneja, IAS (holding DIN: 00010589) as a Director of the Company with effect from 2nd August, 2016, who was appointed as an Additional Director of the Company with effect from 4th August, 2015 and who shall be liable to retire by rotation pursuant to the applicable provisions of the Act. Shri P. K. Taneja, IAS has resigned from the Board w.e.f. 23rd May, 2017 upon his retirement on superannuation from IAS.

The Government of Gujarat has nominated Shri Pankaj Joshi, IAS as it's nominee in place of Shri P. K. Taneja, IAS and the Company has appointed him as an Additional Director on the Board w.e.f. 23rd May, 2017 till the commencement of ensuing AGM. It is proposed to appoint him as a Director, liable to retire by rotation, w.e.f. the ensuing AGM i.e. 1st August, 2017.

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

f) Selection of New Directors and Board Membership Criteria

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

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

g) Shareholding of Non-Executive Directors

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

h) Familiarisation Programme

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The Company, through presentations at regular intervals, familiarises and updates the Independent Directors with the strategy, operations and functions of the Company and the Power Industry as a whole.

The details of such familiarisation programme has been disclosed on the Company's website at http://www.torrentpower.com/index.php/investors/policies.

3. AUDIT AND RISK MANAGEMENT COMMITTEE

a) Terms of Reference of the Committee

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

The above mentioned Terms of Reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

b) Composition and Committee Meetings

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

The Committee meets atleast once in a quarter and time elapsed between two meetings do not exceed 120 days. During the year under review, five meetings of the Committee were held on 18th May, 2016 (Two meetings), 2nd August, 2016, 27th October, 2016 and 9th February, 2017.

Composition of the Committee as on 31st March, 2017 and details of attendance of the members at the Committee meetings during the year are given below:

Name of the Director	Category of Directorship	Qualification	No. of meetings attended as a Member
Shri Keki Mistry, Chairperson	Independent Director	C.A., C.P.A. (USA)	4
Shri Samir Barua	Independent Director	M. Tech (IIT, Kanpur) in Industrial Engineering and Operations Research, Ph.D in Management (IIM, Ahmedabad)	5
Shri Kiran Karnik	Independent Director	Honours degree in Physics, Post Graduate from Indian Institute of Management, Ahmedabad	5
Smt. Bhavna Doshi	Independent Director	M. Com, C.A.	5
Ms. Dharmishta Raval	Independent Director	B. Sc., LL.M	5

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

Senior Executives of the Company, representatives of Statutory and Internal Auditors are invited to the meetings of the Audit and Risk Management Committee. The Company Secretary and Compliance Officer acts as Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Terms of Reference of the Committee

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

The above mentioned Terms of Reference of the Committee are in full compliance with the requirements of Listing Regulations and the Act.

b) Composition and Committee Meetings

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

During FY 2016-17, three meetings of the Committee were held on 18th May, 2016, 2nd August, 2016 and 9th February, 2017. Composition of the Committee as on 31st March, 2017 and details of attendance of the members at the Committee meetings during the year are given below:

Name of the Director	Category of Directorship	Chairperson / Member	No. of meetings attended as a Member
Shri Kiran Karnik	Independent Director	Chairperson	3
Shri Pankaj Patel	Independent Director	Member	3
Ms. Dharmishta Raval	Independent Director	Member	3
Shri Sudhir Mehta	Managing Director	Member	3

c) Performance Evaluation Criteria for Independent Directors

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

Criteria

i. Fulfillment of functions

ii. Participation in Board in terms of adequacy (time & content).

iii. Contribution at meetings.

iv. Guidance / support to management outside Board / Committee meetings.

v. Independent views and judgement (only for IDs)

Process

i. The Chairman / Vice Chairman of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.

ii. The Chairman / Vice Chairman to consolidate the comments and give the feedback to individual Directors.

(Evaluation by IDs in this context as per Schedule IV of the Companies Act, 2013 and the Listing Regulations. Role of IDs shall be fulfilled by Chairman / Vice Chairman of board summarizing the IDs feedback.)

5. REMUNERATION OF DIRECTORS

a) Remuneration Policy

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

- **Executive Directors**

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

- **Non-Executive Directors**

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

b) Details of remuneration paid to the Executive and Non-Executive Directors for FY 2016-17 are as under:

(₹ in Lakhs)

Name of the Director	Sitting Fees	Salary & Perquisites#	Commission	Total
Shri Sudhir Mehta$	Nil	3.55	500.00	503.55
Shri Pankaj Patel	12.00	Nil	12.00	24.00
Shri Samir Barua	12.00	Nil	17.00	29.00
Shri Kiran Karnik	13.00	Nil	17.00	30.00
Shri Keki Mistry	8.00	Nil	13.00	21.00
Shri R. Ravichandran*	4.00	Nil	12.00	16.00
Smt. Bhavna Doshi	12.00	Nil	17.00	29.00
Ms. Dharmishta Raval	13.00	Nil	17.00	30.00
Shri P. K. Taneja, IAS*	4.00	Nil	12.00	16.00
Shri Samir Mehta$	Nil	Nil	500.00	500.00
Shri Markand Bhatt$	Nil	1,200.40	900.00	2,100.40
Shri Jinal Mehta$	Nil	318.24	250.00	568.24
Total	**78.00**	**1,522.19**	**2,267.00**	**3,867.19**

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

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

* Commission of Shri R. Ravichandran (nominee of LIC) is payable to Life Insurance Corporation of India. Sitting fees of Shri R. Ravichandran of ₹4 lakhs was directly paid to him. Sitting fees and Commission of Shri P. K. Taneja, IAS (nominee of the Government of Gujarat) is paid / payable to the Government of Gujarat.

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Terms of Reference of the Committee

The Stakeholders Relationship Committee considers and oversees resolution of the grievances of all the stakeholders and related requests received from them.

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

The Terms of Reference of the Committee are in full compliance with the requirements of the Listing Regulations and the Act.

b) Composition and Committee Meetings

During the year under review, four meetings of the Committee were held on 11th April, 2016, 6th July, 2016, 6th October, 2016 and 10th January, 2017. Composition of the Committee as on 31st March, 2017 and details of attendance of the members at the Committee meetings during the year are given below:

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

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

c) **Investor Grievance Redressal:**

The Company had received 18 complaints during the year under review and the same have been resolved to the satisfaction of the Complainants within a reasonable period. 2 complaints were pending as on 31st March, 2017 and those were resolved, subsequently. No valid requests for share transfer, transmission etc. were pending beyond 15 days for processing as on 31st March, 2017.

6. GENERAL BODY MEETINGS

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

Meeting	Date	Time	Venue	No. of Special Resolutions passed
10th AGM	28th July, 2014	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	2
11th AGM	4th August, 2015	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1
12th AGM	2nd August, 2016	9.30 a.m.	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015	1

At all the above AGMs, Special Resolutions were passed by poll and by E-voting in accordance with the applicable provisions of Section 108 of the Act and rules made thereunder.

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

During the year, Shareholders have approved the issuance of Secured, Redeemable, Non-Convertible Debentures (NCDs) not exceeding ₹1500 Crore (Rupees Fifteen Hundred Crore Only), at par, on a private placement basis within overall borrowing limits of the Company by passing Special resolution through Postal Ballot and E-voting, result of which was declared on 24th February, 2017 in accordance with the applicable provisions of the Act. Shri Rajesh Parekh, Practicing Company Secretary conducted the Postal Ballot. Details of voting pattern are given below:

Sr. No.	Particulars	To approve issuance of Secured, Redeemable, Non-Convertible Debentures (NCDs) not exceeding ₹1500 Crore (Rupees Fifteen Hundred Crore Only), at par, on a Private Placement Basis within overall Borrowing Limits of the Company	
		No. of postal ballot (including E-voting)	No. of Equity Shares (votes including E-voting)
1.	Total postal ballot forms / votes (including E-voting) received	289	35,80,52,968
2.	Less : Invalid postal ballot forms / votes (including E-voting) received (as per register)	10	19,097
3.	Net valid postal ballot forms / votes (including E-voting) received (as per register)	279	35,80,33,871
4.	No. of Valid Postal Ballot Forms / Valid votes (including E-voting) cast in favour of the resolution and its %	271	35,80,33,382 (99.9999%)
5.	No. of Valid Postal Ballot Forms / Valid votes cast (including E-voting) against the resolution and its %	8	489 (0.0001%)

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

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

8. DISCLOSURES

a) Legal Compliances

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

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

b) CEO / CFO Certification

Shri Samir Mehta, Vice Chairman and Shri T. P. Vijayasarathy, Executive Director (Corporate Affairs) & CFO of the Company have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2017. They also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations.

c) Code of Business Conduct

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

d) Whistle Blower Policy

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

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

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

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

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

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

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

Pursuant to the Policy, the Company has formed Internal Complaints Committee, with majority women members, at each administrative unit / office of the Company. During the year, no case was reported under the purview of the said Policy.

f) Related Party Transactions

The Company has formulated Related Party Transaction Policy, which is in compliance with the provisions of the Act and Listing Regulations. The policy can be accessed on the website of the Company at the web link: http://www.torrentpower.com/index.php/investors/policies.

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

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

g) Material Subsidiary Policy

The Company has formulated a Policy for Determining "Material" Subsidiary and the same is available on the Company's website. The said Policy is uploaded at http://www.torrentpower.com/index.php/investors/policies.

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

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

i) Policy for Determining materiality for Disclosure

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

j) Disclosure of commodity price risk and commodity hedging activities

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

k) Compliance with all the mandatory requirements of Corporate Governance

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

- **Audit Qualification**

  Company's financial statements are unqualified.

- **Reporting of Internal Auditors**

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

l) Disclosure of Compliance with Corporate Governance

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

9. MEANS OF COMMUNICATION

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

The Company will be sending soft copies of Annual Report for FY 2016-17 to those Shareholders whose email IDs are registered with the Depository Participants (DPs) and / or with the Company's Registrar and Share Transfer Agent, unless they have opted for a physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION

a) 13th Annual General Meeting

Date	:	Tuesday, 1st August, 2017
Time	:	2.30 p.m.
Venue	:	J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad-380015
Remote E-voting Period	:	From 9.00 a.m. on 29th July, 2017 to 5.00 p.m. on 31st July, 2017
Cut-off date for Remote E-voting	:	Tuesday, 25th July, 2017

b) Tentative financial calendar for the year 2017-18

Financial year	:	1st April, 2017 - 31st March, 2018
First quarter results	:	First week of August, 2017
Second quarter results	:	Second week of November, 2017
Third quarter results	:	Last week of January, 2018 / First week of February, 2018
Results for the year end	:	Second week of May, 2018

c) Date of Book Closure

Monday, 12th June, 2017 to Wednesday, 14th June, 2017 (both days inclusive).

d) Dividend Payment date

The proposed dividend, if approved at the ensuing AGM, will be distributed on or after 5th August, 2017, within the statutory time limit.

e) Listing on Stock Exchanges and Security Codes

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

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

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

Series	Coupon rate	ISIN	Security Code
Series 1	10.35% p.a.	INE813H07010	TOPO22
Series 2A	10.35% p.a.	INE813H07051	TOPO21
Series 2B	10.35% p.a.	INE813H07069	TOPO22A
Series 2C	10.35% p.a.	INE813H07077	TOPO23
Series 3A	8.95% p.a.	INE813H07085	TOPO21
Series 3B	8.95% p.a.	INE813H07093	TOPO22
Series 3C	8.95% p.a.	INE813H07101	TOPO23

- Annual listing fees for both, Equity and Debt securities, for FY 2017-18 have been paid to the Stock Exchanges, where the securities of the Company are listed.

f) Market price data

Closing market price of equity shares on 31st March, 2017 was ₹232.35 on BSE and ₹230.35 on NSE.

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

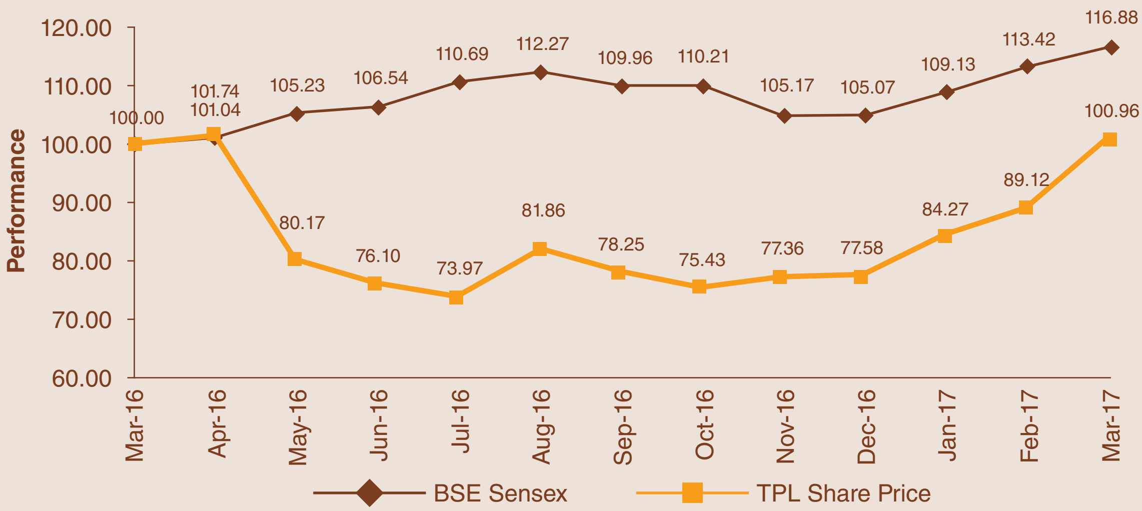
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2016	250.80	223.40	1973349	250.95	223.25	7960310
May, 2016	237.85	175.90	3999485	237.05	175.70	15195704
June, 2016	191.30	163.35	2790806	191.35	162.50	10063543
July, 2016	181.00	166.65	2737747	181.20	166.50	10466227
August, 2016	195.50	159.00	4087637	196.00	159.80	16576511
September, 2016	192.20	171.00	2482183	192.30	170.20	10482800
October, 2016	186.80	168.50	2161959	186.00	168.40	11743800
November, 2016	182.50	159.80	2066737	182.50	159.30	10198116
December, 2016	190.20	170.10	1644106	190.45	170.00	9834364
January, 2017	204.20	176.60	2653123	204.95	176.25	29678223
February, 2017	214.10	193.05	2171866	214.20	193.00	16844742
March, 2017	241.25	190.60	3526263	241.95	190.50	24104264

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

Month	TPL Share Price at BSE (₹)*	BSE Sensex *	Relative Index for comparison purpose	
			TPL share price	BSE Sensex
March, 2016	230.15	25341.86	100.00	100.00
April, 2016	234.15	25606.62	101.74	101.04
May, 2016	184.50	26667.96	80.17	105.23
June, 2016	175.15	26999.72	76.10	106.54
July, 2016	170.25	28051.86	73.97	110.69
August, 2016	188.40	28452.17	81.86	112.27
September, 2016	180.10	27865.96	78.25	109.96
October, 2016	173.60	27930.21	75.43	110.21
November, 2016	178.05	26652.81	77.36	105.17
December, 2016	178.55	26626.46	77.58	105.07
January, 2017	193.95	27655.96	84.27	109.13
February, 2017	205.10	28743.32	89.12	113.42
March, 2017	232.35	29620.50	100.96	116.88

* Closing data on the last day of the month. Closing share price and BSE Sensex of 31st March, 2016 have been taken as the base for calculating relative index for comparison purpose.

Relative Performance of TPL Share Price v/s BSE Sensex



h) Distribution of shareholding as on 31st March, 2017

➢ By size of shareholding

No. of Shares	No. of Shareholders	% Shareholders	No. of Shares	% of Shareholding
001 to 500	1,02,901	86.84	70,12,925	1.46
501 to 1000	8,145	6.87	55,33,425	1.15
1001 to 2000	3,240	2.74	46,60,373	0.97
2001 to 3000	1,371	1.16	34,57,753	0.72
3001 to 4000	618	0.52	21,60,418	0.45
4001 to 5000	524	0.44	23,99,245	0.50
5001 to 10000	911	0.77	64,07,837	1.33
10001 & above	781	0.66	44,89,84,808	93.42
Total	**1,18,491**	**100.00**	**48,06,16,784**	**100.00**

➢ By category of shareholders

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoters	25,74,43,318	53.57
2	Governor of Gujarat with Gujarat State Investments Limited	5,39,28,671	11.22
3	Life Insurance Corporation of India & its funds	2,99,41,902	6.23
4	General Insurance Corporation of India and its subsidiaries	1,93,29,158	4.02
5	Mutual Funds	2,86,14,730	5.95
6	FIIs	88,68,956	1.85
7	Banks	4,87,371	0.10
8	Others	8,20,02,678	17.06
	Total	**48,06,16,784**	**100.00**

i) Dematerialisation and Liquidity of shares

Equity shares of the Company can be traded only in dematerialised form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE813H01021. As on 31st March, 2017, 96.45% of the equity shares have been dematerialised.

j) Share transfer system

Powers to approve share transfers and related requests have been delegated by the Stakeholders Relationship Committee to senior officials of the Company for expeditious disposal of 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 Stakeholders Relationship Committee at its next meeting. Also, the same has been noted by the Board of Directors on quarterly basis.

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

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

l) Registered Office

"Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015 (Gujarat)

m) Generation

i. SUGEN, UNOSUGEN and GENSU, Off National Highway No. 8, Taluka: Kamrej, District: Surat-394155 (Gujarat)

ii. AMGEN, Ahmedabad-380005 (Gujarat)

iii. DGEN, Plot no Z-9, Dahej SEZ, Taluka Vagra, Dist. Bharuch-392130 (Gujarat)

n) Distribution

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

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

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

o) Cables

Yoginagar, Mission Road, Nadiad - 387002 (Gujarat)

p) Address for Correspondence:

Shri Darshan Soni
Company Secretary and Compliance Officer
Torrent Power Limited
"Samanvay", 600,
Tapovan, Ambawadi,
Ahmedabad-380015 (Gujarat)

CIN: L31200GJ2004PLC044068
Telephone : + 91 79 26628300
Fax : +91 79 26764159
E-mail : cs@torrentpower.com
Website : www.torrentpower.com

q) Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai- 400001 (Maharashtra)
Telephone : (022) 4080 7005

r) Registrar & Share Transfer Agent

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

Link Intime India Pvt. Ltd,
506 - 508,
Amarnath Business Centre - 1 (ABC - 1),
Besides Gala Business Centre,
Nr. St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat)

Telephone : +91 79 26465179 / 86 / 87
Fax : +91 79 26465179
E-mail : ahmedabad@linkintime.co.in

For and on behalf of the Board

Ahmedabad
23rd May, 2017

Samir Mehta
Vice Chairman

CERTIFICATE OF COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT

To,
The Members,
Torrent Power Limited

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

Ahmedabad
23rd May, 2017

Samir Mehta
Vice Chairman

Standalone Financial Statements 2016-17

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF

TORRENT POWER LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **TORRENT POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

        iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
23rd May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **TORRENT POWER LIMITED** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
23rd May, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

1. In respect of its fixed assets:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.

   (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / other corroborative evidences provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3. According to the information and explanations given to us, the Company has granted an unsecured loan to a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013, which is interest free. The said loan (which is not prejudicial to the interest of the company) is repayable on demand and is not overdue.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us, in respect of statutory dues:

   (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

   (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax / Value Added Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in Crore)	Amount unpaid (₹ in Crore)
Customs Act, 1962	Differential Custom duty	CESTAT	2012-13	37.00	18.50
Central Excise Act, 1944	Excise duty	CESTAT	1989-90	0.17	0.17
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	Sales Tax Appellate Tribunal, Calicut	2001-02	0.20	0.20
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	Andhra Pradesh High Court, Hyderabad	1993-94 & 1994-95	0.20	0.20
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	Asst. Commissioner of Commercial Tax, Tuticorin	1989-90 & 1990-91	0.47	0.47
Gujarat Value Added Tax Act, 2004	Value Added Tax	Joint Commissioner of Commercial Tax (Appeal)	2011-12	0.17	0.14
		Joint Commissioner of Commercial Tax (Appeal)	2009-10 & 2010-11	2.15	1.63
		GVAT Tribunal	2007-08	0.27	0.27
		GVAT Tribunal	2008-09	0.51	0.51
Gujarat Sales Tax Act, 1969	Sales tax	Joint Commissioner of Commercial Tax (Appeal)	2002-03 & 2003-04	4.29	4.29
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Commercial Tax (Appeal)	2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	3.15	2.56
Income Tax Act, 1961	Demand of Tax	Income Tax Appellate Tribunal	A.Y. 2004-05 & A.Y. 2005-06	9.94	9.94
		CIT Appeals	A.Y. 2014-15	7.66	5.19

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions, government and dues to debenture holders.

9. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer / further public offer.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Ind AS.

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
23rd May, 2017

BALANCE SHEET

AS AT 31ST MARCH, 2017

(₹ in Crore)

	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets				
Non-current assets				
Property, plant and equipment	6	16,591.07	14,900.78	14,700.74
Capital work-in-progress	6	320.37	201.08	223.16
Goodwill		-	-	-
Investment property	7	0.53	0.53	0.53
Other intangible assets	8	7.40	6.71	8.02
Intangible assets under development	8	2.61	3.10	-
Financial assets				
Investments	9	200.80	209.17	207.84
Loans	10	-	-	-
Other financial assets	11	15.70	15.73	16.88
Other non-current assets	12	500.60	793.24	221.97
		17,639.08	16,130.34	15,379.14
Current assets				
Inventories	13	368.88	419.59	304.01
Financial assets				
Investments	14	552.92	485.32	605.83
Trade receivables	15	968.91	1,048.92	952.26
Cash and cash equivalents	16	260.34	541.48	966.28
Other bank balances	17	8.56	236.91	801.91
Loans	18	54.89	53.66	51.46
Other financial assets	19	677.30	406.02	555.53
Current tax assets (net)	20	-	11.06	-
Other current assets	21	90.08	167.27	77.68
		2,981.88	3,370.23	4,314.96
		20,620.96	19,500.57	19,694.10
Equity and liabilities				
Equity				
Equity share capital	22	480.62	480.62	472.45
Other equity	23	6,403.86	5,977.86	5,439.66
		6,884.48	6,458.48	5,912.11
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	24	8,111.74	8,096.39	8,133.51
Trade payables	25	53.36	216.17	339.62
Other financial liabilities	26	863.76	779.78	696.39
Provisions	27	95.91	80.06	73.89
Deferred tax liabilities (net)	43	1,312.39	1,286.13	1,180.17
Other non-current liabilities	28	820.70	760.26	644.16
		11,257.86	11,218.79	11,067.74
Current liabilities				
Financial liabilities				
Borrowings	29	76.62	-	109.78
Trade payables	30			
Due to micro and small enterprises		7.06	3.12	2.13
Due to others		844.14	731.84	628.46
Other financial liabilities	31	1,181.52	739.60	1,622.94
Other current liabilities	32	317.79	309.46	289.57
Provisions	33	44.15	39.28	24.49
Current tax liabilities (net)	34	7.34	-	36.88
		2,478.62	1,823.30	2,714.25
		20,620.96	19,500.57	19,694.10
See accompanying notes forming part of the standalone financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Crore)

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
Revenue from operations	35	10,014.58	11,661.59
Other income	36	192.31	283.06
Total income		10,206.89	11,944.65
Expenses			
Electrical energy purchased		3,634.17	3,306.16
Purchase of stock-in-trade		0.45	0.05
Cost of materials consumed	37	196.56	235.49
Changes in inventories of finished goods and work-in-progress	38	(4.30)	6.83
Employee benefits expense	39	415.72	389.68
Finance costs	40	1,046.56	1,116.24
Depreciation and amortization expense	41	989.42	899.29
Other expenses	42	3,344.37	4,710.41
Total expenses		9,622.95	10,664.15
Profit before exceptional items and tax		583.94	1,280.50
Exceptional items		-	7.41
Profit before tax		583.94	1,273.09
Tax expenses			
Current tax	43	128.30	261.16
Deferred tax	43	29.63	109.61
Short / (excess) provision of current tax for earlier years	43	(6.35)	3.21
		151.58	373.98
Profit for the period from continuing operations		432.36	899.11
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	53	(9.73)	(10.50)
Tax relating to remeasurement of the defined benefit plans	43	(3.37)	(3.65)
Other comprehensive income for the year (net of tax)		(6.36)	(6.85)
Total comprehensive income for the year		426.00	892.26
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	61	9.00	18.71
See accompanying notes forming part of the standalone financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Chairman
DIN: 00061871

Hemendra L. Shah
Partner

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

Ahmedabad, 23rd May, 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash flow from operating activities		
Net profit before tax	583.94	1,273.09
Adjustments for :		
Depreciation and amortization expense	989.42	899.29
Deferred income	(51.16)	(43.55)
Provision of earlier years written back	(25.71)	(280.53)
Provisions for doubtful debts no longer required	(7.71)	(4.97)
Provisions for doubtful advances no longer required	-	(2.70)
Loss on sale / discarding of property, plant and equipment	12.18	11.79
Gain on disposal of property, plant and equipment	(2.67)	(3.68)
Allowance for doubtful advances	3.74	-
Allowance for doubtful debts	7.45	4.90
Exceptional items	-	7.41
Finance costs	1,046.56	1,116.24
Interest income	(78.15)	(109.56)
Dividend income	(4.66)	(3.66)
Rent income from investment property	(1.32)	(0.91)
Investment written off	10.00	-
Provision for diminution in investment	-	0.02
Net (gain) / loss arising on investments in mutual funds mandatorily measured at fair value through profit or loss	0.35	8.00
Net gain arising on financial liabilities measured at amortised cost	-	(16.34)
Net unrealised loss / (gain) on foreign currency transactions	(18.01)	15.64
Operating profit before working capital changes	2,464.25	2,870.48
Movement in working capital:		
Adjustments for decrease / (increase) in operating assets:		
Inventories	50.71	(103.48)
Trade receivables	80.27	(96.61)
Other current financial assets	(270.07)	99.00
Other non-current financial assets	0.02	(0.08)
Other current assets	77.18	(89.58)
Other non-current assets	12.22	(249.41)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	116.24	104.36
Non-current trade payables	(166.69)	131.08
Other current financial liabilities	12.96	43.18
Other non-current financial liabilities	83.76	83.52
Long-term provisions	15.86	6.17
Short-term provisions	(4.85)	4.29
Other current liabilities	2.06	10.99
Cash generated from operations	2,473.92	2,813.91
Taxes paid	(103.55)	(312.31)
Net cash flow from operating activities	2,370.37	2,501.60
Cash flow from investing activities		
Payments for property, plant and equipment & capital work-in-progress	(2,530.62)	(1,304.85)
Payments for intangible assets and intangible asset under development	(4.92)	(6.99)
Long-term advances for capital assets	280.42	(321.87)
Sale of property, plant and equipment	9.33	10.02
Sale of intangible assets	-	0.04
Investment in joint ventures	-	(0.03)

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Purchase of non-current investments	(1.63)	(1.32)
Loans to related parties	(1.23)	0.50
Redemption (net) in bank deposits (maturity more than three months)	225.33	570.51
Interest received	73.20	140.56
Dividend received	4.66	3.66
Rent income from investment property	1.32	0.91
Bank balances not considered as cash and cash equivalents	3.03	(4.29)
Net cash generated from / (used) in investing activities	(1,941.11)	(913.15)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,572.14	7,732.91
Proceeds from short-term borrowings	76.62	900.00
Repayment of long-term borrowings	(292.95)	(772.42)
Prepayment of long-term borrowings	(1,087.40)	(7,632.02)
Repayment of short-term borrowings	-	(109.78)
Prepayment of short-term borrowings	-	(900.00)
Repayment of APDRP loan	(3.82)	(3.82)
Receipt of service line contribution	117.87	168.55
Dividend paid	(2.95)	(284.05)
Dividend distribution tax paid	-	(57.89)
Finance costs paid	(1,021.96)	(1,167.24)
Net cash generated from / (used) in financing activities	(642.45)	(2,125.76)
Net (decrease) / increase in cash and cash equivalents	(213.19)	(537.31)
Cash and cash equivalents as at beginning of the year	1,025.40	1,562.71
Cash and cash equivalents as at end of the year	812.21	1,025.40
See accompanying notes forming part of the standalone financial statements		
Footnotes:		
1. Cash and cash equivalents as at end of the year:		
Cash and cash equivalents (note16)	260.34	541.48
Current investments (investments in mutual funds) (note 14)	552.92	485.32
Net (gain) / loss arising on investments in mutual funds mandatorily measured at fair value through profit or loss		
Opening balance	(1.40)	(9.40)
During the year in statement of profit and loss	0.35	8.00
	812.21	1,025.40

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".
3. "Proceeds from long-term borrowings" and "Payments for property, plant and equipment & capital work-in-progress" is excluding unrealised foreign exchange loss of ₹ Nil (Previous year - ₹15.90 Crore).

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(₹ in Crore)

Balance as at 1st April, 2015	472.45
Changes in equity share capital during the year	
Issued during the year on account of amalgamation	8.17
Balance as at 31st March, 2016	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	480.62

B. Other equity

(₹ in Crore)

	Share capital suspense	Reserves and surplus						Total
		Securities premium reserve	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings	
Balance as at 1st April, 2015	8.17	0.03	71.43	2.91	78.07	3,583.89	1,695.16	5,439.66
Profit for the year	-	-	-	-	-	-	899.11	899.11
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(6.85)	(6.85)
Total comprehensive income for the year	-	-	-	-	-	-	892.26	892.26
Shares issued during the year on account of amalgamation	(8.17)	-	-	-	-	-	-	(8.17)
Transfer to debenture redemption reserve	-	-	23.81	-	-	-	(23.81)	-
Transfer to contingency reserve	-	-	-	1.65	-	-	(1.65)	-
Dividend (including interim dividend) paid	-	-	-	-	-	-	(288.01)	(288.01)
Dividend distribution tax paid	-	-	-	-	-	-	(57.88)	(57.88)
Balance as at 31st March, 2016	-	0.03	95.24	4.56	78.07	3,583.89	2,216.07	5,977.86
Profit for the year	-	-	-	-	-	-	432.36	432.36
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(6.36)	(6.36)
Total comprehensive income for the year	-	-	-	-	-	-	426.00	426.00
Transfer to debenture redemption reserve	-	-	34.22	-	-	-	(34.22)	-
Transfer to contingency reserve	-	-	-	1.68	-	-	(1.68)	-
Balance as at 31st March, 2017	-	0.03	129.46	6.24	78.07	3,583.89	2,606.17	6,403.86

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

NOTE 1: GENERAL INFORMATION

The financial statements comprise financial statements of Torrent Power Limited ("the Company") for the year ended 31st March, 2017.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Company is an integrated power utility and is engaged in the generation, transmission, distribution of power and manufacturing of the Cables.

NOTE 2: STATEMENT OF COMPLIANCE

The financial statements is in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

Upto the year ended 31st March, 2016, the financial statements were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015. Financial information in the financial statements for the year ended 31st March, 2016 and the opening balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS. Refer note 4.24 for the details of significant first-time adoption exemptions availed by the Company. Refer note 72 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

As prescribed by the Indian Accounting Standard (Ind AS), if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

NOTE 3: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS - 7 "Statement of cash flows" and Ind AS - 102 "Share-based payment". These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of cash flows and IFRS 2, Share-based payment, respectively. The amendments are applicable to the Company from 1st April, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on it's financial statements.

The amendment to Ind AS 102 is not applicable to the Company.

NOTE 4 : SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation:

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies stated hereunder.

4.2 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to such entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

4.3 Investments:

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

Investments in associates, joint ventures and subsidiaries are measured at cost less provision for impairment, if any.

4.4 Government grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

4.5 Property, plant and equipment:

Tangible fixed assets

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment including capital work in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation is calculated on a straight line basis. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided based on the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets, depreciation is provided as per the estimated useful lives.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business	Franchisee business	Other business
Buildings	1.80% to 6.00%	3.02% to 7.84%	1.18% to 31.67%
Railway sidings	1.80% to 5.28%	--	--
Plant and machinery	1.80% to 18.00%	5.28% to 33.40%	12.66%
Transmission and distribution system	2.57% to 5.28%	5.27% to 12.77%	--
Electrical fittings and apparatus	3.60% to 6.33%	6.33% to 12.77%	9.50%
Furniture and fixtures	5.28% to 6.33%	6.33% to 12.77%	9.50%
Office equipment	5.28% to 15.00%	6.33% to 16.21%	6.33% to 31.67%
Vehicles	6.00% to 18.00%	9.50% to 33.40%	9.50% to 11.88%

4.6 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from it's current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

4.7 Intangible assets - acquired:

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.8 Impairment of tangible and intangible assets other than goodwill:

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

4.9 Borrowing costs:

Borrowing costs attributed to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

4.10 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.

4.11 Inventories:

Inventories of raw material, stores, spare parts, coal, fuel, packing materials and loose tools are valued at lower of weighted average cost and net realizable value. Cost of inventories includes cost of purchase price, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Adequate provision for slow and non-moving items is made as per the policy of the Company.

With respect to Cables unit, the cost of work-in-progress and finished goods is determined on full absorption costing method and comprises of raw materials and other direct costs and related production overheads and, where applicable, excise duty. Scrap is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.12 Revenue recognition:

(i) Revenue is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Revenue from power supply and transmission charges are accounted for on the basis of billings to consumers and Central transmission utility respectively in accordance with tariff orders issued by the respective regulatory commissions. Revenue recognized in excess of billing has been reflected under "other financial assets" as unbilled revenue.

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers. [note 5.1(i)]

(ii) Sales with respect to Cables unit are recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax and value added tax.

(iii) Gross proceeds from sale of Certified Emission Reduction certificates (CERs) are recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.

(iv) Dividend is accounted when the right to receive payment is established.

(v) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest on overdue receivables of energy bills, insurance, coal cost variation and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.

(vi) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

4.13 Foreign currency translation:

(a) Functional and presentation currency

The financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the Company.

(b) Transactions and balances

(i) In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

(ii) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

(iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iv) Exchange differences arising on settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

(v) The Company has decided to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. exchange differences relating to long term foreign currency monetary items in so far as they relate to acquisition of depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset.

4.14 Employee benefits:

Defined contribution plans

Retirement benefit plans in the form of provident fund, family pension fund and superannuation schemes are charged as an expense on an accrual basis when employees have rendered the service.

Defined benefits plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable profit for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.16 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

4.17 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

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

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

4.18 Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments (including mutual fund)

Debt Instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets considering the credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

The Company assesses on a forward looking basis the expected credit losses associated with it's financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

4.19 Financial liabilities:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost. The carrying amounts of financial liabilities, that are subsequently measured at amortised cost, are determined based on the effective interest method.

The Effective Interest Rate Method (EIR) is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.20 Derivative financial instruments:

The Company enters into derivative financial instruments to hedge itself against foreign exchange fluctuations and against variation in the prices of underlying commodities.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

4.21 Fair value measurement:

The Company measures financial instruments, such as, derivatives, investment in units of mutual fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4.22 Leases :

Leases (including lease arrangements for land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease (The Company as Lessee): Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

4.23 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

4.24 First-time adoption – mandatory exceptions and optional exemptions:

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as at 1st April, 2015 (transition date) after applying mandatory exceptions and availing certain optional exemptions as given below:

Past business combinations

The Company has elected not to apply Ind AS - 103 “Business Combinations” retrospectively to past business combinations that occurred before the transition date of 1st April, 2015 and consequently the Company has applied same recognition principles and has kept the same classification for the past business combination as in it's previous GAAP financial statements.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Transfers of Assets from Customers

The Company has applied Appendix C of Ind AS - 18 "Transfers of Assets from Customers" (including for balances as on the Transition date i.e. 1st April, 2015 as permitted under Para D 36 of the Ind AS 101). This relates to contribution received from customers for ongoing access to electricity distribution system, which are now classified as deferred revenue and transferred to income statement over the useful life of assets, in line with Ind AS 18. This was hitherto been referred to as service line contribution and classified under reserve and adjusted against depreciation charge, in the income statement, over the useful life of the assets.

Exchange differences arising on long-term foreign currency monetary items

Under previous GAAP, the Company had opted to defer / capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS - 11 "The Effects of Changes in Foreign Exchange Rates". The Company has now availed the option available under Ind AS - 101 "First-time Adoption of Indian Accounting Standards" whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 1st April, 2016.

Classification and measurement of financial assets

The Company has followed classification and measurement of financial assets in accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognised in order to compare it with the credit risk as at the transition date.

However, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

Deemed cost for investments in subsidiaries, associates and joint ventures

The Company has elected to continue with the carrying value of all of its investments in subsidiaries, associates and joint ventures as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTE 5 : CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of applying the policies outlined in all notes under note 4 above, the management of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

5.1 Regulatory matters:

(i) Regulatory deferral accounts[1]

Ind AS - 114 “Regulatory Deferral Accounts” permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Company had consistently elected not to recognise the regulatory deferral balances in its previous GAAP, the requirement of IND AS 114 does not apply to the Company.

(ii) Depreciation rates, depreciation method and residual value of property, plant and equipment[1]

In terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates, depreciation method and residual value of the items of property, plant and equipment as notified by the respective regulators in accordance with the Electricity Act, 2003 with respect to the assets falling under regulated business.

(iii) Security deposits[1]

Considering the historical experience and practical expediency, the Company has exercised its judgement on timing of settlement of security deposit collected from the customers and has accordingly classified the material portion of security deposit as non-current liability.

(iv) Renewable power obligation[1]

The Company has substantially complied with the renewable power obligation, as prescribed by the regulatory authority and do not expect any implication, as in the past.

(v) Environment clearance risk[1]

AMGEN plant is using coal as a fuel. Ministry of Environment Forest and Climate Change (MOEFCC) has made the emission norms for all thermal power plants significantly stringent which would increase the cost of compliance, which cost is expected to be pass through.

5.2 Property, plant and equipment:

(i) Service concession arrangements[1]

The Company has assessed applicability of Appendix A of Ind AS - 11 “Service Concession Arrangements” with respect to its distribution and transmission assets portfolio. In assessing the applicability, the Company have exercised judgment in relation to the provisions of the Electricity Act, 2003, transmission / distribution license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

(ii) Impairment of property plant and equipment[2]

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of property plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated PLF, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

5.3 Impairment of financial assets:

(i) Trade receivables[2]

The Company estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 67.

(ii) Impairment of investments[2]

At the end of each reporting period, the Company reviews the carrying amounts of it's investments when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

5.4 Taxation:

(i) Current tax[1]

The Company has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to this expenditure is not clear and the Company has applied their judgement and interpretation for the purpose taking their tax position.

(ii) Deferred tax assets[2]

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5.5 Control assessment:

Control over Torrent Power Grid Limited ("TPGL")[1]

The Company has shareholders agreement with Power Grid Corporation of India Limited (PGCIL) wherein the Company holds 74% whilst PGCIL holds 26% of equity shares of Torrent Power Grid Limited (TPGL). As per the shareholders agreement, PGCIL has certain protective rights. PGCIL has also certain participative rights which, the Company believes, are not substantive considering the operation of TPGL and the regulatory environment in which it operates. Consequently, the Company has considered TPGL as it's subsidiary.

5.6 Contingencies:

Contingent liabilitites[2]

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

The Company has agreement with one of its vendor for the gas supply where it has not complied with the term and conditions with regards to procurement of gas. Considering the industry issue and past experience, the Company believes that the liability with regard to this matter is remote.

5.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.8 Long term supply and long term maintenance accruals[2]:

The Company has applied it's reasonable estimate for operating parameters and price escalations linked to indices for the purpose of determining the accrual under long term supply and long term maintenance contracts.

[1] ***Critical accounting judgments***

[2] ***Key sources of estimation uncertainties***

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT

Note - 6.1 : As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Property, plant and equipment										
Freehold land	358.30	10.65	-	-	368.95	-	-	-	-	368.95
Buildings	1,904.39	127.51	*	0.31	2,032.21	80.31	88.27	*	168.58	1,863.63
Railway siding	1.86	-	-	-	1.86	0.05	0.05	-	0.10	1.76
Plant and machinery										
(a) Steam station	3,512.05	8.62	2.97	(0.90)	3,516.80	236.62	237.55	0.09	474.08	3,042.72
(b) Others including switchgears and transformers	6,965.84	2,057.89	13.73	0.78	9,010.78	405.13	471.65	2.43	874.35	8,136.43
Transmission and distribution systems										
(a) Overhead	595.12	27.29	1.27	0.46	621.60	43.74	44.10	0.01	87.83	533.77
(b) Underground	2,267.40	426.68	0.95	2.65	2,695.78	109.96	125.70	0.01	235.65	2,460.13
Electrical fittings and apparatus	51.83	4.04	0.17	0.02	55.72	4.81	4.93	0.05	9.69	46.03
Furniture and fixtures	22.03	15.59	0.01	-	37.61	2.16	2.71	*	4.87	32.74
Vehicles	16.95	3.46	1.08	-	19.33	1.76	2.26	0.20	3.82	15.51
Office equipment	99.97	11.73	1.46	-	110.24	10.42	10.43	0.01	20.84	89.40
Total	15,795.74	2,693.46	21.64	3.32	18,470.88	894.96	987.65	2.80	1,879.81	16,591.07
Capital work-in-progress	201.08									320.37

Note - 6.2 : As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount@						Accumulated depreciation				Net carrying amount
	As at 1st April, 2015	Received on scheme of arrangement as at 1st April, 2015#	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Property, plant and equipment											
Freehold land	326.35	-	31.95	-	-	358.30	-	-	-	-	358.30
Buildings	1,795.74	2.61	105.67	0.28	0.65	1,904.39	-	80.55	0.24	80.31	1,824.08
Railway siding	1.88	-	-	0.02	-	1.86	-	0.05	*	0.05	1.81
Plant and machinery											
(a) Steam station	3,481.94	-	10.93	2.92	22.10	3,512.05	-	236.74	0.12	236.62	3,275.43
(b) Others including switchgears and transformers	6,138.69	257.09	670.40	12.87	(87.47)	6,965.84	-	405.89	0.76	405.13	6,560.71
Transmission and distribution systems											
(a) Overhead	563.61	-	30.85	0.07	0.73	595.12	-	43.74	*	43.74	551.38
(b) Underground	1,963.80	-	303.95	1.02	0.67	2,267.40	-	110.00	0.04	109.96	2,157.44
Electrical fittings and apparatus	42.95	-	9.03	0.16	0.01	51.83	-	4.83	0.02	4.81	47.02
Furniture and fixtures	19.71	*	2.36	0.04	-	22.03	-	2.16	*	2.16	19.87
Vehicles	11.03	-	7.73	1.81	-	16.95	-	1.96	0.20	1.76	15.19
Office equipment	95.34	-	4.95	0.32	*	99.97	-	10.44	0.02	10.42	89.55
Total	14,441.04	259.70	1,177.82	19.51	(63.31)	15,795.74	-	896.36	1.40	894.96	14,900.78
Capital work-in-progress	223.00	0.16									201.08

\# Includes assets taken over by Company as per scheme of arrangement approved by the Hon'ble Gujarat High Court vide order dated 16th November, 2016, effective from 1st April, 2015 (Appointed Date).

@ The Company has elected to continue with the carrying value of all of its property,plant and equipment recognised as of 1st April, 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 6.4.

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Note - 6.3 :

Footnotes:

1. Assets pledged as security:

   Entire movable and immovable properties with a carrying amount of ₹16,911.44 Crore (31st March, 2016 - ₹15,101.86 Crore, 1st April, 2015 - ₹14,923.90 Crore) have been mortgaged and hypothecated to secure borrowings of the Company (note 24).

2. Capital work in progress:

   Capital work-in-progress includes the amount of expenditure recognised as pre-operative expenditure in the course of construction of property, plant and equipment of ₹2.18 Crore (31st March, 2016 - ₹5.61 Crore, 1st April, 2015 - ₹2.60 Crore) (note 49).

3. Capital commitment:

   Refer note 46 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. Borrowing cost capitalisation:

   Adjustments during the year include borrowing costs of ₹4.50 Crore (Previous year - ₹2.88 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

5. Capital work-in-progress include borrowing costs of ₹2.42 Crore (31st March, 2016- ₹0.05 Crore and 1st April, 2015 ₹0.56 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs.

6. Foreign currency exchange difference capitalisation:

   Adjustments during the year include ₹0.90 Crore gain (Previous year - ₹22.10 Crore loss) on account of foreign currency exchange difference.

7. Adjustments during the year include financial compensation received from the EPC contractor towards discharging the EPC contractor from the obligation to attend, complete or resolve the open points and the related warranty claims in terms of the original contract ₹ Nil (Previous year - ₹88.29 Crore).

8. Adjustments during the year include recovery made from a contractor towards settlement ₹0.28 Crore (Previous year- ₹ Nil)

9. Land includes freehold land amounting to ₹0.04 Crore (31st March, 2016 - ₹0.04 Crore, 1st April, 2015 - ₹0.04 Crore) for which documentations are in progress.

10. Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a company under same management are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Freehold land	50%	23.78	23.78	23.78
Freehold land	70%	83.16	83.16	83.16
Building	70%	1.36	1.36	1.36

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Note - 6.4 : Gross block, accumulated depreciation and net block as per Indian GAAP as at 1st April, 2015

(₹ in Crore)

Particulars	Gross carrying amount #	Accumulated depreciation #	Net carrying amount #
Property, plant and equipment			
Freehold land	326.35	-	326.35
Buildings	2,051.17	252.82	1,798.35
Railway siding	2.46	0.58	1.88
Plant and machinery			
(a) Steam station	4,594.78	1,112.84	3,481.94
(b) Others including switchgears and transformers	7,554.64	1,158.86	6,395.78
Transmission and distribution systems			
(a) Overhead	781.49	217.88	563.61
(b) Underground	2,652.98	689.18	1,963.80
Electrical fittings and apparatus	70.98	28.03	42.95
Furniture and fixtures	34.81	15.10	19.71
Vehicles	22.71	11.68	11.03
Office equipment	149.17	53.83	95.34
Total	18,241.54	3,540.80	14,700.74

Include assets taken over by Company as per scheme of arrangement approved by the Hon'ble Gujarat High Court vide order dated 16th November, 2016, effective from 1st April, 2015 (Appointed Date).

NOTE - 7 : INVESTMENT PROPERTY

As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Freehold land	0.53	-	-	-	0.53	-	-	-	-	0.53
Total	0.53	-	-	-	0.53	-	-	-	-	0.53

As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Freehold land	0.53	-	-	-	0.53	-	-	-	-	0.53
Total	0.53	-	-	-	0.53	-	-	-	-	0.53

Footnotes:

1. The Company has leased a portion of its land to Torrent Pharmaceuticals Limited, which has been classified as investment property.
2. The fair value of the Company's investment property as at 31st March, 2017 has been arrived at on the basis of a valuation carried out by the company. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
3. Details of the Company's investment property and information about the fair value hierarchy as at 31st March, 2017 are as follows:

Particulars	As at 31st March, 2017
Fair value of investment property (₹ in Crore)	45.00
Fair value hierarchy	Level 2

4. The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.
5. Amount recognised in statement of profit and loss for investment property :

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Rental income derived from investment property	1.32	0.91

NOTE - 8 : OTHER INTANGIBLE ASSETS

As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortization				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Software (Acquired)	11.87	5.41	0.02	-	17.26	5.16	4.72	0.02	9.86	7.40
Total	11.87	5.41	0.02	-	17.26	5.16	4.72	0.02	9.86	7.40
Intangible assets under development	3.10									2.61

As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount@					Accumulated amortization				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Software (Acquired)	8.02	3.88	0.03	-	11.87	-	5.16	-	5.16	6.71
Total	8.02	3.88	0.03	-	11.87	-	5.16	-	5.16	6.71
Intangible assets under development	-									3.10

Footnotes:

1. The above computer software has been mortgaged and hypothecated to secure borrowings of the Company (note 24).

@ The Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated amortization and net block as per Indian GAAP as at 1st April,2015 are given below.

(₹ in Crore)

Particulars	Gross carrying amount	Accumulated amortization	Net carrying amount
Software (Acquired)	48.24	40.22	8.02
Total	48.24	40.22	8.02

NOTE - 9 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade investments			
(valued at cost unless stated otherwise)			
Investment in equity instruments (unquoted)			
Associates (at cost)			
Tidong Hydro Power Limited			
Equity shares of ₹10 each fully paid up	0.02	0.02	0.02
(No. of shares- 31st March, 2017: 24,500, 31st March, 2016: 24,500, 1st April, 2015: 24,500)			
Less: Impairment in value of investment	0.02	0.02	-
	-	-	0.02
Subsidiaries (at cost)			
Torrent Power Grid Limited			
Equity shares of ₹10 each fully paid up	66.60	66.60	66.60
(No. of shares- 31st March, 2017: 6,66,00,000, 31st March, 2016: 6,66,00,000, 1st April, 2015: 6,66,00,000)			
(2,70,00,000 (31st March, 2016 - 2,70,00,000 and 1st April, 2015- 2,70,00,000) equity shares pledged as security in respect of the term loan provided to Torrent Power Grid Limited)			
Torrent Pipavav Generation Limited			
Equity shares of ₹10 each fully paid up	47.50	57.50	57.50
(No. of shares- 31st March, 2017: 4,75,00,000, 31st March, 2016: 4,75,00,000, 1st April, 2015: 4,75,00,000)			
Torrent Solargen Limited			
Equity shares of ₹10 each fully paid up	80.07	80.07	80.07
(No. of shares- 31st March, 2017: 8,00,50,000, 31st March, 2016: 8,00,50,000, 1st April, 2015: 8,00,50,000)			
AEC Cements & Constructions Limited			
Equity shares of ₹10 each fully paid up	0.61	0.61	0.61
(No. of shares- 31st March, 2017: 9,61,500, 31st March, 2016: 9,61,500, 1st April, 2015: 9,61,500)#			
Less: Impairment in value of investment	0.61	0.61	0.61
	194.17	204.17	204.17
	194.17	204.17	204.19

NOTE - 9 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non trade investments (valued at cost unless stated otherwise)			
Investment in equity instruments (unquoted) (at cost)			
Tornascent Care Institute @ Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 25,000, 31st March, 2016: 25,000, 1st April, 2015: 25,000)	0.03	0.03	0.03
UNM Foundation @ Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 25,000, 31st March, 2016: 25,000, 1st April, 2015: Nil)	0.03	0.03	-
	0.06	0.06	0.03
Contingency reserve investments - statutory (quoted) (at amortised cost) $			
8.28% GOI Bond - 2032	0.99	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32	-
8.40% GOI Bond - 2024	1.63	-	-
	6.57	4.94	3.62
	6.63	5.00	3.65
	200.80	209.17	207.84
Aggregate amount of quoted investments	6.57	4.94	3.62
Aggregate amount of unquoted investments	194.23	204.23	204.22
	200.80	209.17	207.84
Aggregate provision for impairment in value of investments	0.63	0.63	0.61
Aggregate amount of market value of quoted investments	7.04	5.22	3.92

\# Include 3,50,000 shares of ₹10 each, fully paid-up, in AEC Cements & Constructions Limited pursuant to the scheme of amalgamation of Torrent Cables Limited (TCL). TCL has written off this investment in its books during financial year 2012-13. Considering the combined holding post such amalgamation, AEC Cements & Constructions Limited became a subsidiary of the company.

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 companies, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

$ Investment in Government of India bonds have been made in terms of GERC MYT Regulations, which can be utilised only for the purposes mentioned therein.

NOTE 10 : NON-CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other loans	-	-	-
	-	-	-

NOTE 11 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits	14.99	15.04	14.97
Bank fixed deposits balance	0.66	0.66	1.89
Interest accrued on deposits	-	*	*
Other advances	0.05	0.03	0.02
	15.70	15.73	16.88

NOTE 12 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital advances	77.95	358.37	36.50
Advances for goods and services	261.41	269.17	14.26
Balances with government authority	-	-	0.50
Prepayments	161.24	165.70	170.71
	500.60	793.24	221.97

NOTE - 13 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal, oil, stores and spares	330.14	381.50	259.88
Raw material	23.51	26.49	26.08
Work-in-progress	6.50	6.26	10.43
Finished goods	7.44	3.54	6.44
Packing materials	0.49	0.99	0.71
Loose tools	0.80	0.81	0.47
	368.88	419.59	304.01

Footnotes:

1. The cost of inventories recognised as an expense during the year as per note 37 and 42.
2. The cost of inventories recognised as an expense includes ₹10.97 Crore (Previous year - ₹ Nil) in respect of write - downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories and ₹6.70 Crore (Previous year - ₹0.11 Crore) written off based on differences between book and physically determined inventories.
3. There are no inventories which are expected to be recovered after twelve months.
4. The carrying amount of inventories which has been mortgaged and hypothecated to secure borrowings of the Company was ₹368.88 Crore (31st March, 2016 - ₹419.59 Crore, 1st April, 2015 - ₹304.01 Crore).
5. The above carrying amount of inventories include goods in transit as under :

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal, oil, stores and spares	4.05	1.78	3.92
Raw material	1.51	-	-
	5.56	1.78	3.92

NOTE - 14 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment in mutual funds (unquoted)			
Axis Liquid Fund - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: 81,736, 1st April, 2015: Nil)	-	13.70	-
HDFC Liquid Fund - Growth (No. of units- 31st March, 2017: Nil, 31st March, 2016: Nil, 1st April, 2015: 1,16,36,716)	-	-	32.09
ICICI Liquid Plan - Regular - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: 25,42,862, 1st April, 2015: 38,54,061)	-	56.92	79.72
IDFC Cash Fund -Growth - (Regular Plan) (No. of units - 31st March, 2017: 2,77,569, 31st March, 2016: 3,56,240, 1st April, 2015: 6,22,255)	54.71	65.51	105.72
Invesco India Liquid Fund - Growth (No. of units - 31st March, 2017: 4,32,853, 31st March, 2016: Nil, 1st April, 2015: Nil)	96.63	-	-
Kotak Liquid Scheme Plan A - Growth (No. of units - 31st March, 2017: 2,37,918, 31st March, 2016: 3,99,090, 1st April, 2015: 4,95,192)	78.29	122.49	113.54
L&T Liquid Fund - Growth (No. of units - 31st March, 2017: 4,08,207, 31st March, 2016: 3,63,470, 1st April, 2015: Nil)	90.82	75.39	-
SBI PLF - Regular Plan Growth # (No. of units - 31st March, 2017: 6,56,194, 31st March, 2016: 6,36,802, 1st April, 2015: 5,47,996)	167.05	151.31	120.32
Sundaram Money Fund - Regular - Growth (No. of units - 31st March, 2017: 11,75,902, 31st March, 2016: Nil, 1st April, 2015: Nil)	4.02	-	-
Tata Money Market Fund (No. of units - 31st March, 2017: 2,33,346, 31st March, 2016: Nil, 1st April, 2015: Nil)	59.59	-	-
Tata Liquid Fund Plan A - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: Nil, 1st April, 2015: 5,99,003)	-	-	154.44
UTI Liquid Cash Plan - Growth (No. of units - 31st March, 2017: 6,822, 31st March, 2016: Nil, 1st April, 2015: Nil)	1.81	-	-
	552.92	485.32	605.83
Aggregate amount of quoted investments	-	-	-
Aggregate amount of unquoted investments	552.92	485.32	605.83
	552.92	485.32	605.83
Aggregate amount of impairment in value of investments	-	-	-
Aggregate amount of market value of quoted investments	-	-	-
	-	-	-

include ₹66.10 Crore (31st March, 2016 - Nil , 1st April, 2015 - Nil) on which lien was created in favour of lenders

NOTE - 15 : TRADE RECEIVABLES

(₹ in Crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables				
Secured	- Considered good	390.41	402.82	368.59
Unsecured	- Considered good	578.50	646.10	583.67
	- Considered doubtful	129.48	129.73	129.80
		1,098.39	1,178.65	1,082.06
Less: Allowance for bad and doubtful debts		129.48	129.73	129.80
		968.91	1,048.92	952.26

Footnotes:

1. Refer note 67 for credit risk related disclosures.
2. Refer note 24 for charge on trade receivables.

NOTE - 16 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
Balance in current accounts	98.88	110.09	119.73
Balance in fixed deposit accounts (remaining maturity for less than three months)	159.61	427.81	842.03
	258.49	537.90	961.76
Cheques, drafts on hand	1.06	2.49	3.26
Cash on hand	0.79	1.09	1.26
	260.34	541.48	966.28

Footnote:

1. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE - 17 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unpaid dividend accounts	7.81	10.75	6.80
Unpaid fractional coupon accounts	0.33	0.42	0.09
Balance in fixed deposit accounts # (remaining maturity of more than three months but less than twelve months)	0.42	225.74	795.02
	8.56	236.91	801.91

include ₹ Nil (31st March, 2016 - ₹205.10 Crore, 1st April, 2015 - ₹171.43 Crore) on which lien was created in favour of lenders

NOTE 18 : CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans to related parties (note 66)			
Considered good	54.89	53.66	51.46
Considered doubtful	-	-	2.70
	54.89	53.66	54.16
Less : Allowance for doubtful loans to related parties	-	-	2.70
	54.89	53.66	51.46
	54.89	53.66	51.46

NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits #	328.99	4.07	28.92
Interest accrued on investments	0.10	0.10	0.08
Interest accrued on deposits	19.23	14.28	45.30
Unbilled revenue	320.13	280.41	414.12
Receivable on sale of property, plant and equipment	-	-	19.51
Forward contract receivables	-	-	0.31
	668.45	298.86	508.24
Other advances / receivables			
Considered good	8.85	107.16	47.29
Considered doubtful	6.06	2.32	2.32
	14.91	109.48	49.61
Less : Allowance for doubtful advances	6.06	2.32	2.32
	8.85	107.16	47.29
	677.30	406.02	555.53

include ₹300 Crore (31st March, 2016 - ₹ Nil, 1st April, 2015 - ₹ Nil) on which lien was created in favour of lenders

NOTE 20 : CURRENT TAX ASSETS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance tax & tax deducted at source (Net of provision for income tax)	-	11.06	-
	-	11.06	-

NOTE 21 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances for goods and services	70.15	150.79	53.89
Balances with government authority	1.61	1.54	8.40
Prepayments	14.97	13.33	12.83
Other advances	3.35	1.61	2.56
	90.08	167.27	77.68

NOTE - 22 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised			
4,37,00,00,000 (4,37,00,00,000 as at 31st March, 2016 and 2,00,00,00,000 as at 1st April, 2015) equity shares of ₹10 each	4,370.00	4,370.00	2,000.00
	4,370.00	4,370.00	2,000.00
Issued, subscribed and paid up			
48,06,16,784 (48,06,16,784 as at 31st March, 2016 and 47,24,48,308 as at 1st April, 2015) equity shares of ₹10 each	480.62	480.62	472.45
	480.62	480.62	472.45

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

	No. of shares As at 31st March, 2017	No. of shares As at 31st March, 2016	No. of shares As at 1st April, 2015
At the beginning of the year	48,06,16,784	47,24,48,308	47,24,48,308
Issued during the year on account of amalgamation	-	81,68,476	-
Outstanding at the end of the year	48,06,16,784	48,06,16,784	47,24,48,308

2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31st March, 2016 and 25,24,38,986 equity shares as at 1st April, 2015) of ₹10 each fully paid up are held by the Parent Company - Torrent Private Limited.

3. Terms / Rights attached to equity shares :

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

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

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Torrent Private Limited	25,74,22,311	53.56%	25,74,22,311	53.56%	25,24,38,986	53.43%
Gujarat State Investment Limited	4,68,71,621	9.75%	4,68,71,621	9.75%	4,68,71,621	9.92%
Life Insurance Corporation of India	2,98,86,827	6.22%	3,41,62,884	7.11%	3,80,29,637	8.05%

5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

   During FY 2015-16, the Company has allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13th August, 2015.

6. Distributions made and proposed:

   The amount of per share dividend recognized as distributions to equity shareholders for the period ended 31st March, 2017 is ₹ Nil (Previous year- ₹6.00) per equity share.

   The Board of Directors at its meeting held on 23rd May, 2017 have recommended a dividend of 22.00% (₹2.20 per equity share of par value ₹10 each).The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a cash outflow of approximately ₹127.26 Crore (inclusive of dividend distribution tax of ₹21.53 Crore).

NOTE - 23 : OTHER EQUITY

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share capital suspense	-	-	8.17
Reserves and surplus			
Securities premium reserve	0.03	0.03	0.03
Debenture redemption reserve	129.46	95.24	71.43
Contingency reserve	6.24	4.56	2.91
Special reserve	78.07	78.07	78.07
General reserve	3,583.89	3,583.89	3,583.89
Retained earnings	2,606.17	2,216.07	1,695.16
	6,403.86	5,977.86	5,431.49
	6,403.86	5,977.86	5,439.66

Footnotes:

1. Share capital suspense:

   81,68,476 equity shares of ₹10/- each allotted as fully paid-up to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation without payment being received in cash.

2. Securities premium reserve:

   Securities premium reserve reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of the Act.

3. Debenture redemption reserve (DRR):

   The Company has issued redeemable non-convertible debentures. Consequently, the Company is required under the Companies (Share capital and Debentures) Rules, 2014 (as amended), to create DRR, equal to 25% of the value of debentures, out of profits of the company available for payment of dividend. The Company creates DRR, for the required amount, over the tenure of the debentures, before redemption begins.

4. Contingency reserve:

   As per provisions of the GERC MYT Regulations read with Tariff orders passed by GERC, Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India has been made against such reserve.

5. Special reserve:

   As per MYT Regulations (2007), one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

6. General reserve:

   General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

7. Retained earnings:

   The same reflects surplus / deficit after taxes in the statement of profit and loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

NOTE - 24 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current borrowings @			
Secured loans - at amortised cost			
Non convertible debentures			
10.35% Series 1	550.00	550.00	550.00
10.35% Series 2A, 2B & 2C #	300.00	300.00	300.00
8.95% Series 3A, 3B & 3C	245.00	-	-
	1,095.00	850.00	850.00
Term loans			
From banks	6,988.46	6,666.10	5,125.38
From financial institutions	-	548.19	2,122.21
	6,988.46	7,214.29	7,247.59
	8,083.46	8,064.29	8,097.59
Unsecured loans - at amortised cost			
Term loans			
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	28.28	32.10	35.92
	28.28	32.10	35.92
	8,111.74	8,096.39	8,133.51

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

@ After considering unamortised expense of ₹36.84 Crore as at 31st March, 2017, ₹45.33 Crore as at 31st March, 2016 and ₹ Nil as at 1st April, 2015.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities $			
Secured loans - at amortised cost			
Term loans			
From banks	473.94	263.33	695.52
From financial institutions	-	28.92	269.51
	473.94	292.25	965.03
Unsecured loans - at amortised cost			
Term loans			
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82	3.82
	3.82	3.82	3.82
	477.76	296.07	968.85
Amount disclosed under the head 'Other current financial liabilities' (note 31)	(477.76)	(296.07)	(968.85)
	-	-	-

$ After considering unamortised expense of ₹4.55 Crore as at 31st March, 2017, ₹5.13 Crore as at 31st March, 2016 and ₹ Nil as at 1st April, 2015.

NOTE - 24 : NON-CURRENT BORROWINGS (Contd.)

Footnotes:

1. Nature of security

   The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹7,503.79 Crore and non convertible debentures of ₹1,095.00 Crore.

2. The future annual repayment obligations on principal amount for the above long-term borrowings are as under:

(₹ in Crore)

Financial year	Term loans	Non convertible debentures	Financial year	Term loans	Non convertible debentures
2017-2018	482.31	-	2025-2026	551.09	-
2018-2019	319.33	-	2026-2027	587.45	-
2019-2020	338.28	-	2027-2028	606.40	-
2020-2021	395.13	283.32	2028-2029	606.40	-
2021-2022	508.83	363.32	2029-2030	606.40	-
2022-2023	252.66	368.36	2030-2031	606.40	-
2023-2024	307.02	80.00	2031-2032	530.60	-
2024-2025	458.62	-	2032-2033	378.97	-

3. Undrawn borrowings were ₹419.87 Crore.

NOTE - 25 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables	53.36	216.17	339.62
	53.36	216.17	339.62

NOTE - 26 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security deposits from consumers	863.16	779.11	695.63
Payables on purchase of property, plant and equipment	0.22	-	0.14
Sundry payables	0.38	0.67	0.62
	863.76	779.78	696.39

NOTE - 27 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 53)	7.35	1.49	0.52
Provision for compensated absences	88.56	78.57	73.37
	95.91	80.06	73.89

NOTE - 28 : OTHER NON-CURRENT LIABILTIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred revenue (note 44)			
Contribution received from consumers	793.68	730.53	611.72
Government grant	27.02	29.73	32.44
	820.70	760.26	644.16

NOTE - 29 : CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured loans			
Cash credit from banks	76.62	-	0.21
Overdraft from banks	-	-	109.57
	76.62	-	109.78

Footnotes:

1. The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for working capital facilities and by way of second pari passu charge in favour of lenders for hedge facility.
2. Undrawn cash credit facilities were ₹773.38 Crore.

NOTE - 30 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables for goods and services			
Due to micro and small enterprises (note 51)	7.06	3.12	2.13
Due to others	844.14	731.84	628.46
	851.20	734.96	630.59

NOTE - 31 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of long-term debt (note 24)	477.76	296.07	968.85
Interest accrued but not due on loans and security deposits	2.15	2.06	22.23
Investor education and protection fund #			
Unpaid / Unclaimed dividend	7.81	10.75	6.80
Unclaimed fractional coupons	0.33	0.42	0.08
Book overdraft	25.17	33.39	25.76
Security deposits from consumers	16.30	14.80	16.88
Other deposits	3.20	4.04	3.78
Payables on purchase of property, plant and equipment	502.42	226.66	460.51
Sundry payables	146.38	151.41	118.05
	1,181.52	739.60	1,622.94

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

NOTE - 32 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Credit balances of consumers	62.98	67.77	72.43
Service line deposits from consumers	174.19	165.57	146.87
Deferred revenue (note 44)			
Contribution received from consumers	51.82	45.55	36.65
Government grant	2.71	2.71	2.71
Statutory dues	23.41	23.39	26.61
Sundry payables	2.68	4.47	4.30
	317.79	309.46	289.57

NOTE - 33 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 53)	22.92	18.41	7.72
Provision for compensated absences	21.00	20.48	16.43
	43.92	38.89	24.15
Other provisions			
Provision for indirect tax	0.23	0.39	0.34
	0.23	0.39	0.34
	44.15	39.28	24.49

NOTE - 34 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for taxation (net of advance tax and tax deducted at source)	7.34	-	36.88
	7.34	-	36.88

NOTE - 35 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from power supply	9,510.22	10,906.54
Revenue from sale of cable products (including excise duty)		
Manufactured goods	260.26	332.10
Traded goods	0.49	-
	9,770.97	11,238.64
Less: Discount for prompt payment of bills	11.18	49.24
	9,759.79	11,189.40
Other operating income		
Street lighting maintenance contracts	0.49	1.31
Cable laying service	2.40	0.05
Hire of meters	51.05	49.64
Provision of earlier years written back	25.71	280.53
Provision for doubtful debts no longer required	7.71	4.97
Provision for doubtful advances no longer required	-	2.70
Recovery of bad debts	45.75	24.53
Insurance claim receipt	9.10	3.66
Deferred income on		
Transfer of assets from consumers	48.45	40.84
Capital grant	2.71	2.71
Income from Renewable Energy Certificate & Generation Based Incentive	7.92	10.98
Miscellaneous income	53.50	50.27
	254.79	472.19
	10,014.58	11,661.59

NOTE - 36 : OTHER INCOME

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest income from financial assets at amortised cost		
Deposits	49.29	76.82
Consumers	26.14	32.28
Contingency reserve investments	0.48	0.36
Others	2.24	0.10
	78.15	109.56
Dividend income from investments carried at cost	4.66	3.66
Miscellaneous income	28.97	87.05
Rent income from investment property (note 7)	1.32	0.91
Gain on disposal of property, plant and equipment	2.67	3.68
Profit on sale of investments in mutual funds	58.85	69.86
Net gain arising on financial liabilities measured at amortised cost	-	16.34
Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	(0.35)	(8.00)
Net gain on foreign currency transactions	18.04	-
	192.31	283.06

NOTE - 37 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Cost of materials consumed	299.43	311.66
Less: Allocated to capital works	102.87	76.17
	196.56	235.49

NOTE - 38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Inventory of finished goods		
Opening stock	3.54	6.44
Less: Closing stock	7.44	3.54
	(3.90)	2.90
Less: Excise duty on stock	0.16	0.33
	(4.06)	2.57
Inventory of work-in-progress		
Opening stock	6.26	10.43
Less: Closing stock	6.50	6.26
	(0.24)	4.17
Less: Allocated to capital works	-	(0.09)
	(4.30)	6.83

NOTE - 39 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	478.96	441.55
Contribution to provident and other funds	31.44	27.60
Employees welfare expenses	20.99	21.58
Compensated absences	20.46	19.01
Gratuity	14.19	10.33
	566.04	520.07
Less: Allocated to capital works, repairs and other relevant revenue accounts	150.32	130.39
	415.72	389.68

NOTE - 40 : FINANCE COSTS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	858.64	931.98
Non convertible debentures	88.04	87.45
Working capital loans	0.03	2.72
Security deposits from consumers	61.61	60.58
Others	0.19	1.50
Other borrowing costs	11.14	12.38
Amotisation of borrowing costs	11.47	-
Unwinding of discount	22.16	23.20
	1,053.28	1,119.81
Less: Allocated to capital works	6.72	3.57
	1,046.56	1,116.24

NOTE - 41 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation expense on property, plant and equipment	987.65	896.36
Amortization expense on intangible assets	4.72	5.16
	992.37	901.52
Less: Transfer from others	0.20	0.19
Less: Allocated to capital works	2.75	2.04
	989.42	899.29

NOTE - 42 : OTHER EXPENSES

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Fuel	2,525.76	3,862.08
Consumption of stores and spares	144.61	167.51
Consumption of packing materials	0.38	0.26
Rent and hire charges	17.07	16.38
Repairs to		
Buildings	12.00	14.24
Plant and machinery	279.17	269.27
Others	12.62	10.15
	303.79	293.66
Insurance	19.36	19.97
Rates and taxes	9.89	8.12
Excise duty on sale of goods	40.50	35.37
Vehicle running expenses	28.79	21.08
Electricity expenses	28.21	27.27
Security expenses	31.80	28.87
Water charges	15.23	27.73
Miscellaneous expenses	107.41	92.00
Loss on sale / discarding of property, plant and equipment	12.18	11.79
Commission to non-executive directors	1.33	1.28
Directors sitting fees	0.89	0.89
Statutory auditors remuneration (note 54)	2.49	1.21
Legal, professional and consultancy fees	31.72	26.56
Donations	29.19	24.28
Net loss on foreign currency transactions	0.03	16.26
Investments written off	10.00	-
Bad debts written off	60.12	87.81
Allowance for doubtful advances	3.74	-
Allowance for doubtful debts	7.45	4.90
	3,431.94	4,775.28
Less: Allocated to capital works, repairs and other relevant revenue accounts	87.57	64.87
	3,344.37	4,710.41

NOTE 43: INCOME TAX EXPENSES

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax		
Current tax on profits for the year	128.30	261.16
	128.30	261.16
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(158.09)	(271.06)
(Decrease) / increase in deferred tax liabilities	187.72	380.67
	29.63	109.61
Adjustment for current tax of prior periods	(6.35)	3.21
Income tax expense attributable to continuing operations	151.58	373.98

(b) Reconciliation of current tax

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax from continuing operations	583.94	1,273.09
Current tax expense calculated using MAT tax rate at 21.3416% (Previous year - 21.3416%)	124.62	271.70
Tax effect of amounts which are not deductible (taxable) in calculating taxable book profit :		
Add:		
Expenses not allowable under MAT	4.73	1.05
1/5th of opening Ind AS adjustments transferred to retained earnings	3.67	-
Others / rounding off adjustments	-	0.09
Less:		
Tax exempt income	(0.99)	(0.78)
Income on which MAT already paid in past years	(1.65)	(1.06)
Other comprehensive income / (expense)	(2.08)	(2.24)
Ind AS adjustments not to be considered for FY 2015-16	-	(7.60)
Current tax expense	128.30	261.16

The base tax rate used for the year ended 31st March, 2017 and year ended 31st March, 2016 reconciliations given above is at the MAT tax rate of 18.50% (excluding surcharge 12% and cess 3%) payable by corporate entities in India on taxable book profits under the Indian tax law.

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(9.73)	(10.50)
Income tax expense / (income) recognised in other comprehensive income	(3.37)	(3.65)

NOTE 43: INCOME TAX EXPENSES (Contd.)

(d) Deferred tax balances

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax assets	502.69	341.23	66.52
Deferred tax liabilities	(1,815.08)	(1,627.36)	(1,246.69)
	(1,312.39)	(1,286.13)	(1,180.17)

(b) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2017

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,620.80)	(189.78)	-	(1,810.58)
Expense allowable for tax purposes when paid	27.66	27.24	-	54.90
Impact on account of effective interest rate on long term borrowings	(6.08)	1.94	-	(4.14)
Financial assets at fair value through profit or loss	(0.48)	0.12	-	(0.36)
Remeasurement of the defined benefit plans	3.65	(3.65)	3.37	3.37
Unabsorbed depreciation	309.92	134.50	-	444.42
	(1,286.13)	(29.63)	3.37	(1,312.39)

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2016

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,245.23)	(375.57)	-	(1,620.80)
Expense allowable for tax purposes when paid	25.91	1.75	-	27.66
Impact on account of effective interest rate on long term borrowings	-	(6.08)	-	(6.08)
Financial assets at fair value through profit or loss	(1.46)	0.98	-	(0.48)
Remeasurement of the defined benefit plans	-	-	3.65	3.65
Unabsorbed depreciation	40.61	269.31	-	309.92
	(1,180.17)	(109.61)	3.65	(1,286.13)

(c) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unused tax losses	39.74	149.68	662.62
Unused tax credits	1,056.24	927.94	666.87
	1,095.98	1,077.62	1,329.49

NOTE 44: DEFERRED REVENUE

(a) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards the item of property, plant and equiment has been recognised as deferred revenue.

(2) Movement of contribution received from consumers

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance	776.08	648.37	567.15
Add: Contribution received during the year	117.87	168.55	114.86
Less: Transfer to statement of profit and loss	(48.45)	(40.84)	(33.64)
Closing balance	845.50	776.08	648.37
Non-current portion (note 28)	793.68	730.53	611.72
Current portion (note 32)	51.82	45.55	36.65
	845.50	776.08	648.37

(b) Government grant

(1) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the Company.

(2) Movement of government grant

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance	32.44	35.15	37.86
Add: Grants during the year	-	-	-
Less: Transfer to statement of profit and loss	(2.71)	(2.71)	(2.71)
Closing balance	29.73	32.44	35.15
Non-current portion (note 28)	27.02	29.73	32.44
Current portion (note 32)	2.71	2.71	2.71
	29.73	32.44	35.15

NOTE 45: BUSINESS COMBINATIONS - SCHEME OF ARRANGEMENT

The Hon'ble Gujarat High Court has approved Scheme of arrangement which provides for transfer and vesting of the Solar Energy Undertaking as well as Wind Energy Undertaking of Torrent Solargen Limited, (formerly known as Torrent Power Bhiwandi Limited) (the "transferor Company"), to Torrent Power Limited (the "transferee Company"), pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) with effect from the Appointed Date (i.e. 1st April, 2015) on a going concern basis by way of a slump sale as defined in Section 2(42C) of the Income Tax Act, 1961 for a lump sum cash consideration on the agreed terms and conditions.

NOTE 45: BUSINESS COMBINATIONS - SCHEME OF ARRANGEMENT (Contd.)

All the assets and liabilities as at 1st April, 2015 of the Solar and Wind undertakings of Torrent Solargen Limited have been transferred to the Company at the book value as recorded in the books of transferor Company, which is summarised below:

As at 1st April, 2015 i.e. Appointed Date

(₹ in Crore)

	Solar Undertaking	Wind Undertaking
Assets		
Non-current assets		
Property, plant and equipment	259.69	-
Capital work-in-progress	-	0.16
Other non-current assets	40.60	28.35
Current assets		
Financial assets		
Trade receivables	2.65	-
Cash and cash equivalents	0.23	-
Other bank balances	171.50	-
Loans	*	-
Other financial assets	3.81	-
Current tax assets (net)	0.06	-
Other current assets	1.44	-
	479.98	28.51
Equity and liabilities		
Non-current liabilities		
Deferred tax liabilities (net)	0.72	-
Current liabilities		
Financial liabilities		
Borrowings	285.98	28.51
Trade payables	0.08	-
Other financial liabilities	111.92	-
Other current liabilities	0.65	-
	399.35	28.51

Consequent to this, financial information in the financial statements as at 1st April, 2015 and for the year 2015-16 are restated to account for the Scheme of arrangement as per the requirement of Appendix C of Ind AS - 103 “Business Combination”.

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Disputed income tax matters	30.68	32.38	30.95
Disputed sales tax matters	4.29	4.29	4.29
Disputed custom duty matters	18.50	18.50	18.78
Disputed excise duty matters	2.45	0.23	0.18
Disputed stamp duty matters	0.35	0.73	0.35
Disputed VAT matters	2.94	2.15	2.15
Disputed CST matters	2.72	2.52	1.14
Claims against the Company not acknowledged as debt	16.42	12.55	11.31
Bills discounting	-	-	1.06

Footnote:
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.

(b) Contingent assets

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal grade slippage claim	13.16	-	-
	13.16	-	-

(c) Capital commitments

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
Property, plant and equipment	611.80	1,929.85	756.83

NOTE 47: THE COMPANY HAS GIVEN LOANS AND ADVANCES TO ITS SUBSIDIARY COMPANIES AS UNDER:

(₹ in Crore)

	Maximum amount outstanding during the year	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Subsidiary Companies				
Torrent Pipavav Generation Limited	54.89	54.89	53.66	51.46
Torrent Solargen Limited	0.28	0.28	0.01	-
AEC Cements & Constructions Limited	-	-	-	2.70
		55.17	53.67	54.16

Footnotes:

1. 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.
2. There are no loans where either repayment schedule is prescribed or repayment is scheduled beyond seven years. Loans given to above companies are interest free.

NOTE 48:

As per the consistent policy followed by the Company, it accounts for the truing-up adjustment claims as and when billed to the consumers. Hon'ble Gujarat Electricity Regulatory Commission (GERC) vide its Tariff Order dated 31st March 2016 has approved recovery of Regulatory Charge of 45 paisa / kWh to address the gap of earlier years for the Company's distribution areas at Ahmedabad and Surat, against which, review petitions were filed. Subsequently, Hon'ble GERC had issued a Order dated 1st July 2016 revising the Regulatory Charge to 18 paisa / kWh and 17 paisa / kWh for Ahmedabad and Surat license area, respectively, with effect from 1st July, 2016 against which the Company had filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL). The Hon'ble APTEL, vide judgement dated 30th March, 2017, has remanded back the matter to Hon'ble GERC for review of Tariff Order dated 31st March 2016 and directed to hear the review Petitions afresh and to pass appropriate order thereon. Pending further orders from Hon'ble GERC, the Company has continued to bill to the consumers the Regulatory Charge of 18 paisa / kWh and 17 paisa / kWh for Ahmedabad and Surat license area, respectively.

NOTE 49: CAPITALIZATION OF EXPENDITURE INCURRED DURING THE YEAR

(₹ in Crore)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Pre-operative expenditure			
Opening balance	5.61	2.60	394.71
Expenditure incurred during the year			
Employee benefits expense	2.14	1.13	12.65
Other expenses	6.74	5.90	374.08
Depreciation and amortization expense	-	-	8.98
Total expenditure incurred during the year	8.88	7.03	395.71
Less: Adjustments			
Sale of infirm power	-	-	154.93
Capitalized during the year	11.80	4.02	629.05
Rebate on capital payments	0.47	-	-
Written off during the year	0.04	-	3.84
Total adjustments	12.31	4.02	787.82
Closing balance	2.18	5.61	2.60

NOTE 50: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

(1) The Company uses forward contracts to hedge certain of its risk associated with foreign currency fluctuations relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange forward contract as at 31st March, 2017 is ₹ Nil (31st March, 2016 - ₹ Nil, 1st April, 2015 - ₹ Nil)

(2) Foreign currency exposure hedged by way of forward exchange contract is as under:

(in Crore)

Nature of transactions	Currency	As at 31st March,2017		As at 31st March,2016		As at 1st April, 2015	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
Capital liability	USD	-	-	-	-	0.70	44.05

(3) Foreign currency exposures not hedged by derivative instruments are as under:

(in Crore)

Nature of transactions	Currency	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loan	USD	-	-	5.23
Interest payable	USD	-	-	0.13
Trade payable	USD	0.02	0.54	0.12
Capital liability	USD	0.06	0.35	1.55
Trade payable	EURO	2.11	2.15	3.82
Trade receivable (*7,350 EURO)	EURO	-	-	*

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

(a) Outstanding forward commodity contract as at 31st March, 2017 is Nil.

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

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

(c) Outstanding forward commodity contract as at 1st April, 2015 is Nil.

NOTE 51: MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a)	Principal amount remaining unpaid	7.06	3.12	2.13
(b)	Interest due thereon	0.01	0.01	-
(c)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	0.01	-
(d)	The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	0.01
(e)	The amount of interest accrued and remaining unpaid	0.01	-	0.01
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-	-

NOTE 52: OPERATING LEASE

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

Leasing arrangements with respect to land range between 25 years to 99 years generally.

NOTE 53: EMLOYEE BENEFIT PLANS

53.1 Defined contribution plan:

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are determined under the relevant schemes and / or statute and charged to the statement of profit or loss.

The Company's contribution to provident fund and superannuation fund aggregating to ₹31.44 Crore (Previous year - ₹27.60 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

53.2 Defined benefit plans:

(a) **Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.

NOTE 53: EMLOYEE BENEFIT PLANS (Contd.)

The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) **Risk exposure to defined benefit plans**

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) **Significant assumptions**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	7.20%	8.00%	8.00%
Salary escalation rate	8.50%	8.50%	8.50%

(d) **The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

Balances of defined benefit plan

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of funded defined benefit obligation	236.58	220.77	204.12
Fair value of plan assets	206.31	200.87	196.07
Net (asset) / liability arising from gratuity	30.27	19.90	8.05

NOTE 53: EMLOYEE BENEFIT PLANS (Contd.)

(e) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded plan - Gratuity	
		As at 31st March, 2017	As at 31st March, 2016
(1)	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	220.77	204.12
	Current service cost	12.60	11.66
	Interest cost	17.65	16.32
	Actuarial (gains) / losses arising changes in financial assumptions	13.02	0.08
	Actuarial (gains) / losses from experience adjustments	(2.34)	8.78
	Liability transferred in	0.44	-
	Liability transferred out	(0.18)	-
	Benefits paid directly by employer	(2.23)	(1.02)
	Benefits paid	(23.15)	(19.17)
	Obligation at the end of the year	236.58	220.77
(2)	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	200.87	196.07
	Interest income	16.06	17.65
	Return on plan assets (excluding interest income)	0.95	(1.65)
	Contributions	11.58	7.97
	Benefits paid	(23.15)	(19.17)
	Plan assets at the end of the year, at fair value	206.31	200.87
(3)	**Gratuity cost recognized in the statement of profit and loss**		
	Current service cost	12.60	11.66
	Interest cost	1.59	(1.33)
	Net gratuity cost recognized in the statement of profit and loss	14.19	10.33
(4)	**Gratuity cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets, excluding interest income	(0.95)	1.65
	Actuarial (gains) / losses on obligation for the period	10.68	8.85
	Net (income) / expense for the period recognized in OCI	9.73	10.50

(f) **Category wise plan assets**

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India, who has invested the funds substantially as under:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Government securities	54.63%	47.42%
Debentures and bonds	29.89%	34.01%
Equity shares	8.91%	6.20%
Fixed deposits	5.10%	12.37%
Others	1.47%	-
	100.00%	100.00%

NOTE 53: EMLOYEE BENEFIT PLANS (Contd.)

(g) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis given below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crore)

Change in assumptions	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on defined benefit obligation of gratuity		
50 basis points increase in discount rate	(8.32)	(6.94)
50 basis points decrease in discount rate	8.98	7.44
50 basis points increase in salary escalation rate	11.72	9.95
50 basis points decrease in salary escalation rate	(5.63)	(4.59)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 16 years (Previous year - 16 years).

(i) Expected contributions to the plan for the next annual reporting period is ₹30.27 Crore.

(j) **Cash flow projection from the fund**

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded Plan - Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
1st following year	26.89	25.71
2nd following year	18.36	16.71
3rd following year	23.81	28.97
4th following year	23.36	23.36
5th following year	26.61	22.86
sum of years 6 to 10th	101.45	109.63

53.3 Other long-term employee benefit obligations :

The leave obligation covers the Company's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation; at the rate of daily salary, as per accumulation of leave days as at the end of relevant period. Refer note 27, 33 and 39 with respect to item of balance sheet and profit or loss where such provision / charge has been presented.

NOTE 54: STATUTORY AUDITORS REMUNERATION

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
As auditor		
Audit fees	0.89	0.73
Tax audit fees	-	0.07
Other services- certificates etc.	1.16	0.23
Reimbursement of expenses	0.12	-
For service tax	0.32	0.17
	2.49	1.21

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

NOTE 55: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Gross amount required to be spent by the Company	13.05	9.46
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.45	10.22
	13.45	10.22

NOTE 56: DONATIONS INCLUDING POLITICAL CONTRIBUTIONS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Satya Electoral Trust	10.50	10.00
	10.50	10.00

NOTE 57: C.I.F VALUE OF IMPORTS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw material	22.61	22.25
Components, stores, fuel and spare parts	568.49	244.30
Capital goods	171.14	266.69

NOTE 58: EXPENDITURE IN FOREIGN CURRENCY

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Subscription	0.17	0.13
Travelling	0.24	0.40
Professional and consultation fees	-	0.05
Others	3.45	50.73
	3.86	51.31

NOTE 59: EARNINGS IN FOREIGN CURRENCY

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Refund of premium	-	15.91
Other income	-	34.58
	-	50.49

NOTE 60: QUANTITATIVE INFORMATION

	Year ended 31st March, 2017	Year ended 31st March, 2016
Units supplied (million kWh)	14,454	14,673
Units procured (million kWh)	8,986	7,504

NOTE 61: EARNINGS PER SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic earnings per share (₹)	9.00	18.71
Diluted earnings per share (₹)	9.00	18.71

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit / (loss) for the year attributable to the Company used in calculation of basic earnings per share (₹ in Crore)	432.36	899.11
Weighted average number of equity shares (in Crore)	48.06	48.06

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

NOTE 62: IMPAIRMENT ASSESSMENT OF DGEN POWER PLANT

The Company has implemented the 1200 MW gas based power plant at Dahej (DGEN), which started its commercial operations from November 2014. In FY 15-16, the Company could operate the plant for intermittent periods and for the current period it did not operate the plant but maintained it in cold standby mode for immediate start-up, when required.

On account of supply exceeding the demand, there has been substantial reduction in the LNG prices all-over the world. The over-supply position in the world market is expected to continue as more LNG plants are being commissioned in coming 2 to 3 years and as global demand for LNG is expected to be subdued. With this scenario, both the issues relating to gas based power plants in terms of availability and affordability of gas are expected to be resolved to a large extent. Considering the above, the estimated value in use do not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,861.81 Crore of DGEN plant as at 31st March, 2017.

NOTE 63: OPERATING SEGMENT

The CODM evaluates the Company's performance and applies the resources to its segment viz. "Generation, Transmission and Distribution of Power". Further, the Company's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

NOTE 64: CERTIFIED EMISSION REDUCTION (CERs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
No. of CERs inventory	27,57,165	14,49,972	14,49,972
No. of CERs under certification	-	13,33,870	-
Depreciation and operating & maintenance costs #	-	-	-

costs are not ascertainable

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

NOTE 65: IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Value of stores and spare parts consumed (including fuel)

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	₹ in Crore	%	₹ in Crore	%
Imported	856.49	32.07%	421.81	10.47%
Indigenous	1,813.88	67.93%	3,607.78	89.53%
	2,670.37	100.00%	4,029.59	100.00%

Value of raw materials

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	₹ in Crore	%	₹ in Crore	%
Imported	9.47	3.16%	31.36	10.06%
Indigenous	289.96	96.84%	280.30	89.94%
	299.43	100.00%	311.66	100.00%

NOTE 66: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship:

1.	Associates & Joint Ventures	Tidong Hydro Power Limited (Associate), Tornascent Care Institute (Joint Venture), UNM Foundation (Joint Venture)			
2.	Subsidiaries	Torrent Power Grid Limited, Torrent Pipavav Generation Limited, Torrent Solargen Limited, AEC Cements & Constructions Limited			
3.	Enterprises controlled by the Company	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund), TPL (Cables) Gratuity Trust, TPL (Cables) Superannuation Fund, TSL Gratuity Trust, TSL Superannuation Fund			
4.	Parent Company / enterprises controlled by the Parent Company	Torrent Private Limited (Parent Company), Torrent Pharmaceuticals Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratrios Torrent SA de CV, Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn. Bhd., Torrent Financiers, Torrent Pharmaceuticals (Sikkim), Torrent Fincorp Private Limited, Torrent Pharma France S.A.S., Aptil Pharma Limited, GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited, Puro Wellness Private Limited, Radiant Urja LLP			
5.	Key management personnel	Sudhir Mehta Chairman	Samir Mehta Vice Chairman	Markand Bhatt Whole-time Director	Jinal Mehta Whole-time Director
	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 Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjal Bhatt, Son Gunjan Bhatt, Son	Nirja Mehta, Wife Sudhir Mehta, Father Anita Mehta, Mother Varun Mehta, Brother Saira Mehta, Daughter Rishaan Mehta, Son
6.	Enterprises controlled by key management personnel / relatives of key management personnel	U. N. Mehta Charitable Trust, Shardaben Mehta Charitable Trust, Dushyant Shah Charitable Trust, D N Modi Charitable Trust,Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Architects, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal.			

NOTE 66: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates & Joint Ventures		Enterprises controlled by the Company		Parent Company / enterprises controlled by the Parent Company		Subsidiaries		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16
Nature of transactions														
Purchase / (return) of materials	**-**	**-**	**-**	**-**	**(0.08)**	**0.11**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.08)**	**0.11**
Torrent Pharmaceuticals Ltd.	-	-	-	-	(0.08)	0.11	-	-	-	-	-	-	(0.08)	0.11
Sale of cables	**-**	**-**	**-**	**-**	**0.03**	**0.52**	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**	**0.52**
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.03	0.52	-	-	-	-	-	-	0.03	0.52
Dividend income	**-**	**-**	**-**	**-**	**-**	**-**	**4.66**	**3.66**	**-**	**-**	**-**	**-**	**4.66**	**3.66**
Torrent Power Grid Ltd.	-	-	-	-	-	-	4.66	3.66	-	-	-	-	4.66	3.66
Transfer of gratuity / leave liability to / (from)	**0.03**	**-**	**-**	**-**	**0.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.37**	**-**
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.34	-	-	-	-	-	-	-	0.34	-
UNM Foundation	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03	-
Services provided (rent income)	**-**	**-**	**-**	**-**	**1.52**	**1.04**	**-**	**-**	**-**	**-**	**-**	**-**	**1.52**	**1.04**
Torrent Pharmaceuticals Ltd.	-	-	-	-	1.52	1.04	-	-	-	-	-	-	1.52	1.04
UNM Foundation	*	-	-	-	-	-	-	-	-	-	-	-	*	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	-	-	*	-
Torrent Power Grid Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
Torrent Solargen Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	*	-	-	-	-	-	-	-	*	-
Services received	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.36**	**1.09**	**1.36**	**1.09**
Munjal Bhatt Architects	-	-	-	-	-	-	-	-	-	-	0.82	0.51	0.82	0.51
Aman Mehta	-	-	-	-	-	-	-	-	-	-	0.01	0.04	0.01	0.04
Varun Mehta	-	-	-	-	-	-	-	-	-	-	0.53	0.54	0.53	0.54
Shared expenditure	**0.01**	**-**	**-**	**-**	**-**	**-**	**0.29**	**0.06**	**-**	**-**	**-**	**-**	**0.30**	**0.06**
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	0.08	0.06	-	-	-	-	0.08	0.06
Torrent Solargen Ltd.	-	-	-	-	-	-	0.20	-	-	-	-	-	0.20	-
Torrent Power Grid Ltd.	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
UNM Foundation	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Managerial remuneration@	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36.72**	**44.13**	**-**	**-**	**36.72**	**44.13**
Sudhir Mehta (Chairman)	-	-	-	-	-	-	-	-	5.04	5.02	-	-	5.04	5.02
Samir Mehta (Vice Chairman)	-	-	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	-	-	21.00	30.44	-	-	21.00	30.44
Jinal Mehta (Whole-time Director)	-	-	-	-	-	-	-	-	5.68	3.67	-	-	5.68	3.67
Donation	**11.11**	**8.95**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.20**	**11.11**	**10.15**
U.N.Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	-	-	1.20	-	1.20
Tornascent Care Institute	9.01	7.70	-	-	-	-	-	-	-	-	-	-	9.01	7.70
UNM Foundation	2.10	1.25	-	-	-	-	-	-	-	-	-	-	2.10	1.25
Contribution to funds (net)	**-**	**-**	**15.70**	**12.48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15.70**	**12.48**
TPL (Ahmedabad) Gratuity Trust	-	-	9.52	6.50	-	-	-	-	-	-	-	-	9.52	6.50
TPL (Ahmedabad) Superannuation Fund	-	-	3.54	3.06	-	-	-	-	-	-	-	-	3.54	3.06
TPL (Surat) Gratuity Trust	-	-	0.10	0.08	-	-	-	-	-	-	-	-	0.10	0.08
TPL (Surat) Superannuation Fund	-	-	0.92	0.77	-	-	-	-	-	-	-	-	0.92	0.77
TPL (SUGEN) Gratuity Trust	-	-	0.49	1.08	-	-	-	-	-	-	-	-	0.49	1.08
TPL (SUGEN) Superannuation Fund	-	-	0.31	0.33	-	-	-	-	-	-	-	-	0.31	0.33
TPL (DGEN) Gratutity Trust (formerly known as TEL Gratuity Trust)	-	-	0.49	0.26	-	-	-	-	-	-	-	-	0.49	0.26

NOTE 66: RELATED PARTY DISCLOSURES (Contd.)

(₹ in Crore)

	Associates & Joint Ventures		Enterprises controlled by the Company		Parent Company / enterprises controlled by the Parent Company		Subsidiaries		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16
TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)	-	-	0.33	0.33	-	-	-	-	-	-	-	-	0.33	0.33
TSL Gratutity Trust	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07
Equity contribution	**-**	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**
UNM Foundation	-	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03
Advances written off	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.38**	**-**	**-**	**-**	**-**	**-**	**2.38**
AEC Cements & Constructions Ltd.	-	-	-	-	-	-	-	2.38	-	-	-	-	-	2.38
Advance recovered	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.32**	**-**	**-**	**-**	**-**	**-**	**0.32**
AEC Cements & Constructions Ltd.	-	-	-	-	-	-	-	0.32	-	-	-	-	-	0.32
Loan Given	**-**	**-**	**-**	**-**	**-**	**-**	**1.15**	**2.14**	**-**	**-**	**-**	**-**	**1.15**	**2.14**
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	1.15	2.14	-	-	-	-	1.15	2.14
Deposit given for nomination of directors	**0.03**	**-**	**-**	**-**	**-**	**-**	**0.02**	**0.03**	**-**	**-**	**-**	**-**	**0.05**	**0.03**
Torrent Power Grid Ltd.	-	-	-	-	-	-	0.02	0.01	-	-	-	-	0.02	0.01
Torrent Solargen Ltd.	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Tornascent Care Institute	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
UNM Foundation	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
Deposit received back on appointment of directors	**0.03**	**-**	**-**	**-**	**-**	**-**	**0.03**	**0.05**	**-**	**-**	**-**	**-**	**0.06**	**0.05**
Torrent Power Grid Ltd	-	-	-	-	-	-	0.03	0.02	-	-	-	-	0.03	0.02
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
Torrent Solargen Ltd.	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Tornascent Care Institute	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
UNM Foundation	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
Deposit received	*****	**-**	**-**	**-**	**-**	**-**	*****	**-**	**-**	**-**	**-**	**-**	*****	**-**
Torrent Power Grid Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
Torrent Solargen Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	*	-
UNM Foundation	*	-	-	-	-	-	-	-	-	-	-	-	*	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	-	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	*	-	-	-	-	-	-	-	*	-
Consideration payable for Scheme of arrangement	**-**	**-**	**-**	**-**	**-**	**-**	**80.63**	**-**	**-**	**-**	**-**	**-**	**80.63**	**-**
Torrent Solargen Ltd.	-	-	-	-	-	-	80.63	-	-	-	-	-	80.63	-
Provision against investment	**-**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**
Tidong Hydro Power Ltd.	-	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02

@ excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence sale of electricity, by the Company as per GERC tariff order, have not been reported as related party transactions.

(c) Key management personnel compensation

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Short-term employee benefits	36.72	44.13
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
	36.72	44.13

NOTE 66: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates & Joint Ventures			Parent Company / enterprises controlled by the Parent Company			Susbsidiaries			Key management personnel			Enterprises controlled by key management personnel / relatives of key management personnel			Total		
	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15
Balances at the end of the year																		
Current liability	**0.03**	**-**	**-**	**-**	**-**	**0.03**	**-**	**-**	**0.29**	**22.74**	**22.00**	**3.14**	**-**	**-**	**-**	**22.77**	**22.00**	**3.46**
Torrent Power Grid Ltd.	-	-	-	-	-	-	*	-	0.29	-	-	-	-	-	-	*	-	0.29
Torrent Solargen Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	-	-	-	*	-	-
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	*	-	-	-	-	-	-	-	-	*	-	-
Torrent Power Services Private Ltd.	-	-	-	*	-	-	-	-	-	-	-	-	-	-	-	*	-	-
UNM Foundation	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*	-	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03
Sudhir Mehta (Chairman)	-	-	-	-	-	-	-	-	-	5.00	5.00	-	-	-	-	5.00	5.00	-
Samir Mehta (Vice Chairman)	-	-	-	-	-	-	-	-	-	5.00	5.00	-	-	-	-	5.00	5.00	-
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	-	-	-	9.00	11.00	-	-	-	-	9.00	11.00	-
Jinal Mehta (Whole-time Director)	-	-	-	-	-	-	-	-	-	3.74	1.00	3.14	-	-	-	3.74	1.00	3.14
Investment in equities	**0.08**	**0.08**	**0.05**	**-**	**-**	**-**	**194.76**	**194.76**	**194.76**	**-**	**-**	**-**	**-**	**-**	**-**	**194.84**	**194.84**	**194.81**
Torrent Power Grid Ltd.	-	-	-	-	-	-	66.60	66.60	66.60	-	-	-	-	-	-	66.60	66.60	66.60
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	47.50	47.50	47.50	-	-	-	-	-	-	47.50	47.50	47.50
Torrent Solargen Ltd.	-	-	-	-	-	-	80.05	80.05	80.05	-	-	-	-	-	-	80.05	80.05	80.05
AEC Cements & Constructions Ltd.	-	-	-	-	-	-	0.61	0.61	0.61	-	-	-	-	-	-	0.61	0.61	0.61
Tidong Hydro Power Ltd.	0.02	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02	0.02
Tornascent Care Institute	0.03	0.03	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03
UNM Foundation	0.03	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03	-
Loans and advances	**-**	**-**	**-**	**0.34**	**-**	**-**	**55.18**	**53.67**	**54.16**	**-**	**-**	**-**	**-**	**-**	**-**	**55.52**	**53.67**	**54.16**
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	54.89	53.66	51.46	-	-	-	-	-	-	54.89	53.66	51.46
Torrent Power Grid Ltd.	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	0.01	-	-
Torrent Solargen Ltd.	-	-	-	-	-	-	0.28	0.01	-	-	-	-	-	-	-	0.28	0.01	-
Torrent Pharmaceuticals Ltd.	-	-	-	0.34	-	-	-	-	-	-	-	-	-	-	-	0.34	-	-
AEC Cements & Construction Ltd.	-	-	-	-	-	-	-	-	2.70	-	-	-	-	-	-	-	-	2.70
Deposit given for nomination of director	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**0.03**
Torrent Power Grid Ltd.	-	-	-	-	-	-	-	0.01	0.02	-	-	-	-	-	-	-	0.01	0.02
Torrent Pipavav Generation Ltd.	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	0.01
Trade receivables	**-**	**-**	**-**	**-**	**0.06**	**0.48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.06**	**0.48**
Torrent Pharmacueticals Ltd.	-	-	-	-	0.06	0.48	-	-	-	-	-	-	-	-	-	-	0.06	0.48

(e) Terms and conditions of outstanding balances

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions, other than interest free loan given to subsidiaries which are also in same line of business.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Footnote:

Related party transactions and balances disclosed above are after giving impact of the Scheme of arrangement in the current year and therefore amount payable to Torrent Solargen Ltd. is shown as transaction of the current year, though the restatement has taken place from the appointed date i.e. 1st April, 2015.

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 22,23) and debt (borrowings as detailed in note 24).

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt	8,630.89	8,442.92	9,102.36
Equity	8,186.86	7,734.80	7,084.26
Net debt to equity ratio	1.05	1.09	1.28

Footnotes :

1. Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.
2. Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + deferred tax liabilities – deferred tax assets – intangible assets.

(b) Categories of financial instruments

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
Measured at Cost			
Investment in equity instruments	194.23	204.23	204.22
Measured at amortised Cost			
Cash and cash equivalents	260.34	541.48	966.28
Other bank balance	8.56	236.91	801.91
Investment in bonds	6.57	4.94	3.62
Trade receivables	968.91	1,048.92	952.26
Loans	54.89	53.66	51.46
Other financial assets	693.00	421.75	572.41
	1,992.27	2,307.66	3,347.94
Measured at fair value through profit and loss (FVTPL)			
Mandatorily measured			
Investment in mutual funds	552.92	485.32	605.83
	552.92	485.32	605.83
Financial liabilities			
Measured at amortised Cost			
Borrowing	8,188.36	8,096.39	8,243.29
Trade payable	904.56	951.13	970.21
Other financial liabilities	2,045.28	1,519.38	2,319.33
	11,138.20	10,566.90	11,532.83

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(c) Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations, routine and projects capital expenditure. The Company's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks viz regulatory risk, interest rate risk, credit risk, liquidity risk etc. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Company.

Regulatory risk

The Company's substantial operations are subject to regulatory interventions, introduction of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Company. Also, in particular, the distribution segment lacks due recognition or incentives for its efficient operations in the current regulatory framework. Although, the regulator has approved revision in the Fuel and Power Purchase Price Adjustment (FPPPA) mechanism to allow the full recovery of increased power purchase cost and other expenses through true-up mechanism, yet the full recovery of such costs is getting delayed. Further, the issue of non-pass through of renewable energy certificate costs (to fulfil RPO obligation) through the FPPPA mechanism continues to burden the distribution business. All these issues lead to postponement of recovery of the costs, resulting into deferred recovery and carrying costs.

UNOSUGEN project was set up as an expansion to SUGEN Mega Power project. UNOSUGEN tariff has been determined by Central Electricity Regulatory Commission (CERC). However, such tariff is yet to be adopted by relevant regulatory authority pursuent to the electricity regulations.

The proposed segregation of carriage and content in the Electricity Amendment Bill, 2014 would bring about a substantial change in the way the distribution business is conducted, though not impacting the return on equity on the investments in the distribution infrastructure.

Fuel availability and affordability risk

Unavailability of domestic gas has been adversely affecting the Company's gas based generation plants since 2012. Lower priority to power sector in the Gas Allocation Policy also poses risk to the Company. Earlier, due to higher cost of imported Liquid Natural Gas (LNG), there was unwillingness of long term buyers to off take power generated from such LNG. However, in the present scenario, the LNG prices have dropped significantly due to international gas glut. In spite of this, the gas based generation capacity of the Company could not be operated at the desired level due to lack of power demand. The Company has tied up its fuel requirements for the period April to December, 2017 for SUGEN plant and it is hopeful for the sustained availability of imported LNG at reasonable rates and increase in power demand due to various Government initiatives.

Foreign exchange risk

The Company is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Company's exposure with regards to foreign exchange risk which are not hedged are given in note 50. However, these risks are not significant to the company's operation.

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Interest rate risk

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed rate borrowings	1,127.10	885.92	889.74
Floating rate borrowings	7,462.40	7,506.54	8,212.62
	8,589.50	8,392.46	9,102.36

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on profit - increase in 50 basis points	(37.31)	(37.53)
Impact on profit - decrease in 50 basis points	37.31	37.53

Credit risk

(1) Exposures to credit risk:

The Company is exposed to the counterparty credit risk arising from the possibility that counterparties (primarily trade receivables, suppliers. contractors etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and the cost of substituting products and services that are not provided.

(2) Credit risk management:

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Company has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2017 and 31st March, 2016. However, the Company is dependent on the domestic market for its business and revenues.

The Company's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Company generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(4) Age of receivables and expected credit loss

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in the provision matrix.

The age of receivables and provision matrix at the end of the reporting period is as follows.

As at 31st March, 2017

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	972.11	2.73%	26.52
More than 6 months but less than or equal to 1 year	36.82	59.99%	22.09
More than one year	89.46	90.40%	80.87
	1,098.39		129.48

As at 31st March, 2016

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	1,044.14	3.67%	38.29
More than 6 months but less than or equal to 1 year	56.15	43.28%	24.30
More than one year	78.36	85.68%	67.14
	1,178.65		129.73

As at 1st April, 2015

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	955.26	4.20%	40.08
More than 6 months but less than or equal to 1 year	45.58	55.38%	25.24
More than one year	81.22	79.39%	64.48
	1,082.06		129.80

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening balance	129.73	129.80
Movement in expected credit loss allowance on trade receivable	(0.25)	(0.07)
Closing balance	129.48	129.73

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

Liquidity table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at 31st March, 2017

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	2,208.21	5,940.37	8,148.58
Trade payables^	-	65.30	-	65.30
Other financial liabilities	-	37.76	826.00	863.76
	-	2,311.27	6,766.37	9,077.64
Current financial liabilities				
Borrowings	76.62	-	-	76.62
Trade payables	851.20	-	-	851.20
Other financial liabilities^	1,186.07	-	-	1,186.07
	2,113.89	-	-	2,113.89
Total financial liabilities	2,113.89	2,311.27	6,766.37	11,191.53

As at 31st March, 2016

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	1,686.37	6,455.35	8,141.72
Trade payables^	-	250.27	-	250.27
Other financial liabilities	-	33.91	745.87	779.78
	-	1,970.55	7,201.22	9,171.77
Current financial liabilities				
Borrowings	-	-	-	-
Trade payables	734.96	-	-	734.96
Other financial liabilities^	744.73	-	-	744.73
	1,479.69	-	-	1,479.69
Total financial liabilities	1,479.69	1,970.55	7,201.22	10,651.46

NOTE 67: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

As at 1st April, 2015

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	3,870.51	4,263.01	8,133.52
Trade payables^	-	380.58	-	380.58
Other financial liabilities	-	36.39	660.00	696.39
	-	4,287.48	4,923.01	9,210.49
Current financial liabilities				
Borrowings	109.78	-	-	109.78
Trade payables	630.59	-	-	630.59
Other financial liabilities^	1,622.94	-	-	1,622.94
	2,363.31	-	-	2,363.31
Total financial liabilities	2,363.31	4,287.48	4,923.01	11,573.80

^ Gross amount including unamortised expense.

NOTE 68: FAIR VALUE MEASUREMENT AND RELATED DISCLOSURES

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(a) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value			Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015		
Investment in mutual fund units	552.92	485.32	605.83	Level 1	Quoted bid prices in an active market
	552.92	485.32	605.83		

(b) Financial assets and liabilities at amortised cost

The carrying amounts of cash and cash equivalent, other bank balances, trade receivables, loans, other financial assets, current borrowings, trade payables, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

NOTE 69: SPECIFIED BANK NOTES (SBNs)

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is as provided below:

(₹ in Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	2.01	0.07	2.08
Add: Permitted receipts	181.83	75.37	257.20
Less: Permitted payments	-	0.47	0.47
Less: Amount deposited in banks	183.84	74.11	257.95
Closing cash in hand as on 30th December, 2016	-	0.86	0.86

Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Closing balance as at 8th November, 2016 includes amount refunded by employees against advance given to them.

NOTE 70:

Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013 are given under the respective heads.

NOTE 71:

The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

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

NOTE 72 : FIRST TIME IND AS ADOPTION RECONCILIATIONS

72.1 : Reconciliation of equity

(₹ in Crore)

	Note	As at date of transition 1st April, 2015				As at 31st March, 2016			
		Previous GAAP*	Adjustment for slump sale*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment for slump sale*	Adjustment on transition to Ind AS	Ind AS
Assets									
Non-current assets									
Property, plant and equipment	g & j	14,575.09	301.72	(176.07)	14,700.74	14,784.49	287.52	(171.23)	14,900.78
Capital work-in-progress		223.00	0.16	-	223.16	200.12	0.96	-	201.08
Investment property	j	-	-	0.53	0.53	-	-	0.53	0.53
Other intangible assets		8.02	-	-	8.02	6.71	-	-	6.71
Intangible assets under development		-	-	-	-	3.10	-	-	3.10
Financial assets									
Investments		207.84	-	-	207.84	209.17	-	-	209.17
Loans		-	-	-	-	-	-	-	-
Other financial assets		16.88	-	-	16.88	15.73	-	-	15.73
Other non-current assets	g	23.77	28.35	169.85	221.97	545.89	82.37	164.98	793.24
		15,054.60	330.23	(5.69)	15,379.14	15,765.21	370.85	(5.72)	16,130.34
Current assets									
Inventories		304.01	-	-	304.01	419.59	-	-	419.59
Financial assets									
Investments	f	596.43	-	9.40	605.83	483.92	-	1.40	485.32
Trade receivables		952.26	-	-	952.26	1,048.92	-	-	1,048.92
Cash and cash equivalents		966.05	0.23	-	966.28	541.40	0.08	-	541.48
Other bank balances		630.41	171.50	-	801.91	236.91	-	-	236.91
Loans		256.38	(204.92)	-	51.46	308.56	(254.90)	-	53.66
Other financial assets		551.72	3.81	-	555.53	405.99	0.03	-	406.02
Current tax assets (net)		-	-	-	-	11.03	0.03	-	11.06
Other current assets	g	71.98	0.01	5.69	77.68	161.55	-	5.72	167.27
		4,329.24	(29.37)	15.09	4,314.96	3,617.87	(254.76)	7.12	3,370.23
		19,383.84	300.86	9.40	19,694.10	19,383.08	116.09	1.40	19,500.57
Equity and liabilities									
Equity									
Equity share capital		472.45	-	-	472.45	480.62	-	-	480.62
Other equity		6,318.10	-	(878.44)	5,439.66	6,991.32	48.49	(1,061.95)	5,977.86
		6,790.55	-	(878.44)	5,912.11	7,471.94	48.49	(1,061.95)	6,458.48
Liabilities									
Non-current liabilities									
Financial liabilities									
Borrowings	b	8,133.51	-	-	8,133.51	8,141.72	-	(45.33)	8,096.39
Trade payables	d	380.58	-	(40.96)	339.62	250.27	-	(34.10)	216.17
Other financial liabilities		696.39	-	-	696.39	779.78	-	-	779.78
Provisions		73.89	-	-	73.89	79.99	0.07	-	80.06
Deferred tax liabilities (net)	c	847.84	0.72	331.61	1,180.17	944.89	1.85	339.39	1,286.13
Other non-current liabilities	e & h	-	-	644.16	644.16	-	-	760.26	760.26
		10,132.21	0.72	934.81	11,067.74	10,196.65	1.92	1,020.22	11,218.79
Current liabilities									
Financial liabilities									
Borrowings		0.21	109.57	-	109.78	-	-	-	-
Trade payables									
Due to micro and small enterprises		2.13	-	-	2.13	3.12	-	-	3.12
Due to others		631.03	(2.57)	-	628.46	746.92	(15.08)	-	731.84
Other financial liabilities	b	1,430.39	192.55	-	1,622.94	664.10	80.63	(5.13)	739.60
Other current liabilities	e & h	249.56	0.65	39.36	289.57	261.10	0.10	48.26	309.46
Provisions	a	110.82	-	(86.33)	24.49	39.25	0.03	-	39.28
Current tax liabilities (net)		36.94	(0.06)	-	36.88	-	-	-	-
		2,461.08	300.14	(46.97)	2,714.25	1,714.49	65.68	43.13	1,823.30
		19,383.84	300.86	9.40	19,694.10	19,383.08	116.09	1.40	19,500.57

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 72 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

72.2 : Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Note	Previous GAAP*	Adjustment for slump sale*	Adjustment on transition to Ind AS	Ind AS
Income					
Revenue from operations	e, h & i	11,631.82	0.09	29.68	11,661.59
Other income	d & f	274.26	0.46	8.34	283.06
Total income		11,906.08	0.55	38.02	11,944.65
Expenses					
Electrical energy purchased		3,391.90	(85.74)	-	3,306.16
Purchase of stock-in-trade		0.05	-	-	0.05
Cost of materials consumed		235.49	-	-	235.49
Changes in inventories of finished goods and work-in-progress		6.83	-	-	6.83
Employee benefits expense		399.28	0.90	(10.50)	389.68
Finance costs	b	1,119.56	0.46	(3.78)	1,116.24
Depreciation and amortization expense	e, g & h	844.23	17.22	37.84	899.29
Other expenses	g & i	4,737.52	4.53	(31.64)	4,710.41
Total expenses		10,734.86	(62.63)	(8.08)	10,664.15
Profit before exceptional items and tax		1,171.22	63.18	46.10	1,280.50
Exceptional items		7.41	-	-	7.41
Profit before tax		1,163.81	63.18	46.10	1,273.09
Tax expenses					
Current tax		247.60	13.56	-	261.16
Deferred tax	c	97.04	1.13	11.44	109.61
Short / (excess) provision of current tax for earlier years		3.21	-	-	3.21
		347.85	14.69	11.44	373.98
Profit for the period from continuing operations		815.96	48.49	34.66	899.11
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of the defined benefit plans		-	-	(10.50)	(10.50)
Income tax relating to remeasurement of the defined benefit plans		-	-	(3.65)	(3.65)
Other comprehensive income for the year (net of tax)		-	-	(6.85)	(6.85)
Total comprehensive income for the year		815.96	48.49	27.81	892.26

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 72 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

72.3 Equity reconciliations as at 31st March, 2016 and 1st April, 2015

(₹ in Crore)

	Notes	As at 31st March, 2016	As at 1st April, 2015
Total equity as per previous GAAP		6,991.32	6,318.10
Restatement of result due to scheme of arrangement w.e.f 1st April, 2015		48.49	-
Net gain / (loss) arising on financial assets measured at fair value	f	1.40	9.40
Net gain / (loss) arising on financial liabilities measured at amortised cost	d	34.10	40.96
Amortisation of borrowing cost	b	50.46	-
Deferred tax impact on Ind AS adjustments	c	(339.39)	(331.61)
Dividend and dividend distribution tax	a	-	86.33
Reclassification from reserves :			
Service line contribution	h	(776.08)	(648.37)
Grant in Aid under Accelerated Power Development Fund Reform Programme (APDRP)	e	(32.44)	(35.15)
Total adjustments		(1,013.46)	(878.44)
Total equity as per Ind AS		5,977.86	5,439.66

72.4 : Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Notes	Year ended 31st March, 2016
Profit after tax as per previous GAAP		815.96
Restatement of result due to scheme of arrangement w.e.f 1st April, 2015		48.49
Net gain / (loss) arising on financial assets measured at fair value	f	(8.00)
Net gain / (loss) arising on financial liabilities measured at amortised cost	d	(6.86)
Amortisation of borrowing cost	b	50.46
Actuarial (gain) / loss on employee defined benefit funds recognised in other comprehensive income		10.50
Deferred tax impact on Ind AS adjustments	c	(11.44)
Total adjustments		83.15
Profit after tax as per Ind AS		899.11
Other comprehensive income		(6.85)
Total comprehensive income as per Ind AS		892.26

NOTE 72 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

72.5 : Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2016

(₹ in Crore)

	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Net cash flows from operating activities	2,503.01	(1.41)	2,501.60
Net cash flows from investing activities	(914.56)	1.41	(913.15)
Net cash flows from financing activities	(2,125.76)	-	(2,125.76)
Net increase / (decrease) in cash and cash equivalents	(537.31)	-	(537.31)
Cash and cash equivalents as at beginning of the year	1,562.71	-	1,562.71
Cash and cash equivalents as at end of the year	1,025.40	-	1,025.40

Analysis of cash and cash equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of statement of cash flows under Ind AS

(₹ in Crore)

	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents as per previous GAAP	1,025.40	1,562.71
Cash and cash equivalents as per Ind AS	1,025.40	1,562.71

72.6 : Notes to reconciliations

(a) Under previous GAAP, proposed dividends and related dividend distribution tax are recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends to shareholders declared after the end of the reporting period but before the financial statements are authorised for issue are not recognised as a liability at the end of the reporting period, but are disclosed separately in the notes. Accordingly, at the date of transition to Ind AS, a decrease to the extent of such proposed dividend has been recognised in short term provisions and adjusted against retained earnings.

(b) Under previous GAAP, upfront fees paid to the lenders is charged to statement of profit and loss as and when incurred. However, Ind AS - 109 "Financial instruments" requires long term debt to be recognised at amortised cost and upfront fees are charged on the basis of effective interest rate method. The difference resulting from the said treatment has been adjusted against retained earnings as at the date of transition.

(c) Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS - 12 "deferred taxes" are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach. Further, deferred tax liability has been created on the fair value of the fixed assets taken over by the Company at the time of past business combination with a corresponding adjustment to retained earnings as at the date of transition.

(d) Under the previous GAAP, the Company had accounted for long term trade payables at the undiscounted value. In contrast, Ind AS requires that where the effect of time value of money is material, the amount of trade payables should be the present value of the amount expected to be required to settle the obligation. The difference arising out of such discounting as at the date of transition has been adjusted against retained earnings.

(e) The grant under the Accelerated Power Development and Reforms Programme (APDRP) of the Ministry of Power, Government of India, received by the Company was treated as capital receipt and accounted as capital reserve in previous GAAP. Depreciation on the related assets was also routed through such assets.

Under Ind AS, Government grants related to assets have been presented in the balance sheet only by setting up the grant as deferred revenue.

NOTE 72 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

(f) Under previous GAAP, the Company accounted long term investments (i.e. non-quoted and quoted) at cost less provision other than temporary diminution in the value of investments. Current investments are stated at the lower of cost and fair value. As per the requirements of Ind AS 109, the investments in mutual fund units are to be at fair value. The differences arising out of the above treatment as at the date of transition have been adjusted against retained earnings.

(g) Under previous GAAP, Leasehold land is recorded and classified as fixed assets. However, under Ind AS, lease hold land is recognised as operating lease considering infinite useful life criterion.

(h) Under previous GAAP, amount received from consumer towards overhead / service line contributions was accounted as capital reserve by the Company as the amount was not refundable and subsequently, proportionate amount was transferred to income statement during the expected life of the asset to match the depreciation on total cost of such asset.

Under Ind AS, taking into cognizance of application of Appendix C to Ind AS 18, the balance as at the date of transition towards service line contribution has been transferred to deferred revenue.

(i) Under previous GAAP, the Company accounted the revenue net of excise duties and sales tax. As per requirement of Ind AS, revenue has been shown including excise duty and excise duty has been shown as a part of expenses. Further any sales incentives, discounts or rebates in any form, including cash discounts given to customers has been considered as selling price reductions and accounted as reduction from revenue.

(j) As per the requirement of Ind AS 40, the land held to earn rentals or for capital appreciation or both has been classified as investment property.

NOTE 73: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 23rd May, 2017.

Signature to Note 1 to 73

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

Consolidated Financial Statements 2016-17

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF

TORRENT POWER LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **TORRENT POWER LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's / subsidiary companies' incorporated in India internal financial controls over financial reporting.

(g) In our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

    iii. There has been no delay in transferring the amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

    iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the Management of the respective Group entities.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
23rd May, 2017

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **TORRENT POWER LIMITED** (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hemendra L. Shah
Partner
(Membership No. 33590)

Ahmedabad
23rd May, 2017

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2017

(₹ in Crore)

	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets				
Non-current assets				
Property, plant and equipment	6	16,796.06	15,122.23	14,938.66
Capital work-in-progress	6	329.48	210.19	232.27
Goodwill		-	10.00	10.00
Investment property	7	0.53	0.53	0.53
Other intangible assets	8	7.40	6.71	8.02
Intangible assets under development	8	2.61	3.10	-
Financial assets				
Investments	9	6.63	5.00	3.67
Loans	10	-	-	-
Other financial assets	11	15.71	15.75	16.90
Other non-current assets	12	594.90	887.53	315.17
		17,753.32	16,261.04	15,525.22
Current assets				
Inventories	13	369.37	420.23	304.55
Financial assets				
Investments	14	664.27	505.94	612.38
Trade receivables	15	975.05	1,056.98	961.22
Cash and cash equivalents	16	260.78	542.73	966.91
Other bank balances	17	8.56	236.92	806.66
Loans	18	-	-	-
Other financial assets	19	677.11	409.27	560.83
Current tax assets (net)	20	-	11.32	-
Other current assets	21	90.10	167.29	77.70
		3,045.24	3,350.68	4,290.25
		20,798.56	19,611.72	19,815.47
Equity and liabilities				
Equity				
Equity share capital	22	480.62	480.62	472.45
Other equity	23	6,411.47	5,989.84	5,451.30
		6,892.09	6,470.46	5,923.75
Non-controlling interests		28.93	30.06	29.57
		6,921.02	6,500.52	5,953.32
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	24	8,193.40	8,198.41	8,255.89
Trade payables	25	53.36	216.17	339.62
Other financial liabilities	26	863.76	779.78	696.39
Provisions	27	95.98	80.10	73.97
Deferred tax liabilities (net)	44	1,336.33	1,306.12	1,191.21
Other non-current liabilities	28	825.30	765.28	649.58
		11,368.13	11,345.86	11,206.66
Current liabilities				
Financial liabilities				
Borrowings	29	76.62	-	109.78
Trade payables	30			
Due to micro and small enterprises		7.06	3.12	2.13
Due to others		844.94	732.73	628.92
Other financial liabilities	31	1,211.32	680.23	1,563.58
Other current liabilities	32	318.29	309.92	290.03
Provisions	33	44.15	39.34	24.51
Current tax liabilities (net)	34	7.03	-	36.54
		2,509.41	1,765.34	2,655.49
		20,798.56	19,611.72	19,815.47

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Chairman
DIN: 00061871

Hemendra L. Shah
Partner

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

Ahmedabad, 23rd May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Crore)

	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
Revenue from operations	35	10,053.56	11,715.84
Other income	36	190.88	281.93
Total income		10,244.44	11,997.77
Expenses			
Electrical energy purchased		3,634.17	3,306.16
Purchase of stock-in-trade		0.45	0.05
Cost of materials consumed	37	196.56	235.49
Changes in inventories of finished goods and work-in-progress	38	(4.30)	6.83
Employee benefits expense	39	417.19	390.74
Finance costs	40	1,057.98	1,130.78
Depreciation and amortization expense	41	1,005.86	915.74
Other expenses	42	3,349.19	4,714.94
Total expenses		9,657.10	10,700.73
Profit before exceptional items and tax		587.34	1,297.04
Exceptional items		-	7.41
Profit before tax		587.34	1,289.63
Tax expenses			
Current tax	44	130.30	265.63
Deferred tax	44	33.60	118.55
Short / (excess) provision of current tax for earlier years	44	(6.35)	3.21
		157.55	387.39
Profit for the period from continuing operations		429.79	902.24
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	51	(9.75)	(10.50)
Tax relating to remeasurement of the defined benefit plans	44	(3.38)	(3.65)
Other comprehensive income for the year (net of tax)		(6.37)	(6.85)
Total comprehensive income for the year		423.42	895.39
Profit for the year attributable to:			
Owners of the Company		428.95	900.20
Non-controlling interests		0.84	2.04
		429.79	902.24
Other comprehensive income for the year attributable to:			
Owners of the Company		(6.37)	(6.85)
Non-controlling interests		*	*
		(6.37)	(6.85)
Total comprehensive income for the year attributable to:			
Owners of the Company		422.58	893.35
Non-controlling interests		0.84	2.04
		423.42	895.39
Basic and diluted earnings per share of face value of ₹10 each (in ₹)	58	8.93	18.73
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sudhir Mehta
Chairman
DIN: 00061871

Hemendra L. Shah
Partner

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

Ahmedabad, 23rd May, 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash flow from operating activities		
Net profit before tax	587.34	1,289.63
Adjustments for :		
Depreciation and amortization expense	1,005.86	915.74
Deferred income	(51.57)	(43.96)
Provision of earlier years written back	(25.71)	(280.53)
Provisions for doubtful debts no longer required	(7.71)	(4.97)
Provisions for doubtful advances no longer required	-	(2.70)
Loss on sale / discarding of property, plant and equipment	12.18	11.79
Gain on disposal of property, plant and equipment	(2.67)	(3.68)
Allowance for doubtful advances	3.74	-
Allowance for doubtful debts	7.45	4.90
Exceptional items	-	7.41
Finance costs	1,057.98	1,130.78
Interest income	(78.15)	(109.86)
Rent income from investment property	(1.32)	(0.91)
Goodwill written off	10.00	-
Provision for diminution in investment	-	0.02
Net (gain) / loss arising on investments in mutual funds mandatorily measured at fair value through profit or loss	(0.63)	7.46
Net gain arising on financial liabilities measured at amortised cost	-	(16.34)
Net unrealised loss / (gain) on foreign currency transactions	(18.01)	15.64
Operating profit before working capital changes	2,498.78	2,920.42
Movement in working capital:		
Adjustments for decrease / (increase) in operating assets:		
Inventories	50.86	(103.57)
Trade receivables	82.19	(95.70)
Other current financial assets	(266.63)	100.87
Other non-current financial assets	0.04	(0.08)
Other current assets	77.18	(89.58)
Other non-current assets	12.21	(249.41)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	116.15	104.80
Non-current trade payables	(166.69)	131.08
Other current financial liabilities	21.49	43.16
Other non-current financial liabilities	83.76	83.52
Long-term provisions	15.88	6.14
Short-term provisions	(4.94)	4.34
Other current liabilities	2.09	11.01
Cash generated from operations	2,522.37	2,867.00
Taxes paid	(105.60)	(316.70)
Net cash flow from operating activities	2,416.77	2,550.30
Cash flow from investing activities		
Payments for property, plant and equipment & capital work-in-progress	(2,449.98)	(1,304.91)
Payments for intangible assets & intangible asset under development	(4.92)	(6.99)
Long-term advances for capital assets	280.42	(322.95)
Sale of property, plant and equipment	9.33	10.02
Sale of intangible assets	-	0.04
Investment in joint ventures	-	(0.03)
Purchase of non-current investments	(1.63)	(1.32)
Loans to related parties	-	2.70

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Redemption (net) in bank deposits (maturity more than three months)	225.33	575.26
Interest received	73.20	141.03
Rent income from investment property	1.32	0.91
Bank balances not considered as cash and cash equivalents	3.03	(4.29)
Net cash generated from / (used) in investing activities	(1,863.90)	(910.53)
Cash flow from financing activities		
Proceeds from long-term borrowings	1,572.15	7,732.92
Proceeds from short-term borrowings	76.62	900.00
Repayment of long-term borrowings	(313.31)	(792.78)
Prepayment of long-term borrowings	(1,087.40)	(7,632.02)
Repayment of short-term borrowings	-	(109.78)
Prepayment of short-term borrowings	-	(900.00)
Repayment of APDRP loan	(3.82)	(3.82)
Receipt of service line contribution	117.87	168.55
Dividend paid	(4.58)	(285.34)
Dividend distribution tax paid	(1.28)	(58.89)
Finance costs paid	(1,033.37)	(1,181.77)
Net cash generated from / (used) in financing activities	(677.12)	(2,162.93)
Net (decrease) / increase in cash and cash equivalents	(124.25)	(523.16)
Cash and cash equivalents as at beginning of the year	1,046.64	1,569.80
Cash and cash equivalents as at end of the year	922.39	1,046.64
See accompanying notes forming part of the consolidated financial statements		
Footnotes:		
1. Cash and cash equivalents as at end of the year:		
Cash and cash equivalents (note16)	260.78	542.73
Current investments (investments in mutual funds) (note 14)	664.27	505.94
Net (gain) / loss arising on investments in mutual funds mandatorily measured at fair value through profit or loss		
Opening balance	(2.03)	(9.49)
During the year in statement of profit and loss	(0.63)	7.46
	922.39	1,046.64

2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 “Statement of Cash Flows”.

3. “Proceeds from long-term borrowings” and “Payments for property, plant and equipment & capital work-in-progress” is excluding unrealised foreign exchange loss of ₹ Nil (Previous year - ₹15.90 Crore).

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(₹ in Crore)

Balance as at 1st April, 2015	472.45
Changes in equity share capital during the year	
Issued during the year on account of amalgamation	8.17
Balance as at 31st March, 2016	480.62
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	480.62

B. Other equity

(₹ in Crore)

	Share capital suspense	Reserves and surplus						Other equity attributable to equity holders of the Company	Non-controlling interests
		Securities premium reserve	Debenture redemption reserve	Contingency reserve	Special reserve	General reserve	Retained earnings		
Balance as at 1st April, 2015	8.17	0.03	71.43	2.91	78.07	3,583.89	1,706.80	5,451.30	29.57
Profit for the year	-	-	-	-	-	-	900.20	900.20	2.04
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(6.85)	(6.85)	*
Total comprehensive income for the year	-	-	-	-	-	-	893.35	893.35	2.04
Shares issued during the year on account of amalgamation	(8.17)	-	-	-	-	-	-	(8.17)	-
Transfer to debenture redemption reserve	-	-	23.81	-	-	-	(23.81)	-	-
Transfer to contingency reserve	-	-	-	1.65	-	-	(1.65)	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	-	(288.01)	(288.01)	(1.29)
Dividend distribution tax paid	-	-	-	-	-	-	(58.63)	(58.63)	(0.26)
Balance as at 31st March, 2016	-	0.03	95.24	4.56	78.07	3,583.89	2,228.05	5,989.84	30.06
Profit for the year	-	-	-	-	-	-	428.95	428.95	0.84
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(6.37)	(6.37)	*
Total comprehensive income for the year	-	-	-	-	-	-	422.58	422.58	0.84
Transfer to debenture redemption reserve	-	-	34.22	-	-	-	(34.22)	-	-
Transfer to contingency reserve	-	-	-	1.68	-	-	(1.68)	-	-
Dividend (including interim dividend) paid	-	-	-	-	-	-	-	-	(1.64)
Dividend distribution tax paid	-	-	-	-	-	-	(0.95)	(0.95)	(0.33)
Balance as at 31st March, 2017	-	0.03	129.46	6.24	78.07	3,583.89	2,613.78	6,411.47	28.93

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

NOTE 1: GENERAL INFORMATION

The consolidated financial statements comprise financial statements of Torrent Power Limited ("the Company") and its subsidiaries (hereinafter referred to as "the Group") for the year ended 31st March, 2017.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. Its shares are listed on BSE Ltd. and National Stock Exchange Ltd. in India. The registered office of the Company is located at "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad – 380 015.

The Group is an integrated power utility and is engaged in the generation, transmission, distribution of power and manufacturing of the Cables. Information on the Group's structure is provided in note 43.

NOTE 2: STATEMENT OF COMPLIANCE

The consolidated financial statements is in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made thereunder.

Upto the year ended 31st March, 2016, the financial statements were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP).

These financial statements are the first financial statements of the group under Ind AS. The date of transition to Ind AS is 1st April, 2015. Financial information in the financial statements for the year ended 31st March, 2016 and the opening balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS. Refer note 4.25 for the details of significant first-time adoption exemptions availed by the Group. Refer note 67 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

As prescribed by the Indian Accounting Standard (Ind AS), if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

NOTE 3: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS - 7 "Statement of cash flows" and Ind AS - 102 "Share-based payment". These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of cash flows and IFRS 2, Share-based payment, respectively. The amendments are applicable to the Company from 1st April, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on it's financial statements.

The amendment to Ind AS 102 is not applicable to the Company.

NOTE 4 : SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation:

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies stated hereunder.

4.2 Principles of consolidation:

The consolidated financial statements comprise the financial statements of Torrent Power Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

4.3 Business combinations and Goodwill:

Business combination - acquisition

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Business combination – common control transaction

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Business combination-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to such entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

4.4 Investments in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS - 105 “Non-current Assets Held for Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate or joint venture.

4.5 Government grants:

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

4.6 Property, plant and equipment:

Tangible fixed assets

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment including capital work in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes purchase price, taxes and duties, labour cost and other directly attributable costs incurred upto the date the asset is ready for its intended use. Such property, plant and equipment are classified to the appropriate categories when completed and ready for intended use.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation commences when the assets are ready for their intended use. Depreciation for the year is provided on additions / deductions of the assets during the period from / up to the month in which the asset is added / deducted. Depreciation is calculated on a straight line basis. Depreciation on tangible assets which are governed as per the provisions of Part B of Schedule II of the Companies Act, 2013 is provided based on the depreciation rates, the methodology and residual value as notified by the respective regulatory bodies in accordance with the Electricity Act, 2003. For other tangible assets, depreciation is provided as per the estimated useful lives.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The range of depreciation rates of property, plant and equipment are as follows:

Class of assets	Rate of depreciation		
	Regulated business	Franchisee business	Other business
Buildings	1.80% to 6.00%	3.02% to 7.84%	1.18% to 31.67%
Railway sidings	1.80% to 5.28%	--	--
Plant and machinery	1.80% to 18.00%	5.28% to 33.40%	12.66%
Transmission and distribution system	2.57% to 5.28%	5.27% to 12.77%	--
Electrical fittings and apparatus	3.60% to 6.33%	6.33% to 12.77%	9.50%
Furniture and fixtures	5.28% to 6.33%	6.33% to 12.77%	9.50%
Office equipment	5.28% to 15.00%	6.33% to 16.21%	6.33% to 31.67%
Vehicles	6.00% to 18.00%	9.50% to 33.40%	9.50% to 11.88%

4.7 Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from it's current use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties, other than free hold land, are depreciated using straight line method over their estimated useful lives.

4.8 Intangible assets – acquired:

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in such estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.9 Impairment of tangible and intangible assets other than goodwill:

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

4.10 Borrowing costs:

Borrowing costs attributed to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, such as new projects and / or specific assets created in the existing business, are capitalized up to the date of completion and ready for their intended use.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are charged to the statement of profit and loss in the period of their accrual.

4.11 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.

4.12 Inventories:

Inventories of raw material, stores, spare parts, coal, fuel, packing materials and loose tools are valued at lower of weighted average cost and net realizable value. Cost of inventories includes cost of purchase price, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Adequate provision for slow and non-moving items is made as per the policy of the Company.

With respect to Cables unit, the cost of work-in-progress and finished goods is determined on full absorption costing method and comprises of raw materials and other direct costs and related production overheads and, where applicable, excise duty. Scrap is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.13 Revenue recognition:

(i) Revenue is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Revenue from power supply and transmission charges are accounted for on the basis of billings to consumers and Central transmission utility respectively in accordance with tariff orders issued by the respective regulatory commissions. Revenue recognized in excess of billing has been reflected under "other financial assets" as unbilled revenue.

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers. [note 5.1(i)]

(ii) Sales with respect to Cables unit are recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer. Sales includes excise duty but excludes sales-tax and value added tax.

(iii) Gross proceeds from sale of Certified Emission Reduction certificates (CERs) are recognized when all the significant risks and rewards of ownership of CERs have been passed to the buyer, usually on delivery of the CERs.

(iv) Dividend is accounted when the right to receive payment is established.

(v) Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest on overdue receivables of energy bills, insurance, coal cost variation and other claims, casual income etc. are accounted on grounds of prudence, as and when recovered.

(vi) Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Similarly contribution by third party towards construction of overhead transmission lines are recognized as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

4.14 Foreign currency translation:

(a) Functional and presentation currency

The consolidated financial statements are prepared in Indian rupee (INR) which is functional as well as presentation currency of the group.

(b) Transactions and balances

(i) In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

(ii) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

(iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(iv) Exchange differences arising on settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or expense in the financial year in which they arise.

(v) The Company has decided to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. exchange differences relating to long term foreign currency monetary items in so far as they relate to acquisition of depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset.

4.15 **Employee benefits:**

Defined contribution plans

Retirement benefit plans in the form of provident fund, family pension fund and superannuation schemes are charged as an expense on an accrual basis when employees have rendered the service.

Defined benefits plans

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The said obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.16 **Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable profit for the year in accordance with the provisions of the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.17 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

4.18 Provisions, contingent liabilities and contingent assets:

Provisions

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability

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

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

4.19 Financial instruments:

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments (including mutual fund)

Debt Instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets considering the credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

The Group assesses on a forward looking basis the expected credit losses associated with it's financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset

4.20 Financial liabilities:

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Transaction costs of an equity transaction shall be accounted for in other equity.

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

All the Group financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost. The carrying amounts of financial liabilities, that are subsequently measured at amortised cost, are determined based on the effective interest method.

The Effective Interest Rate Method (EIR) is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or waived off or have expired. An exchange between the Group and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.21 Derivative financial instruments:

The Group enters into derivative financial instruments to hedge itself against foreign exchange fluctuations and against variation in the prices of underlying commodities.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

4.22 Fair value measurement:

The Group measures financial instruments, such as, derivatives, investment in units of mutual fund at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4.23 Leases :

Leases (including lease arrangements for land) are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease (The Group as Lessee): Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

4.24 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

4.25 First-time adoption – mandatory exceptions and optional exemptions:

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as at 1st April, 2015 (transition date) after applying mandatory exceptions and availing certain optional exemptions as given below:

Past business combinations

The Group has elected not to apply Ind AS - 103 "Business Combinations" retrospectively to past business combinations that occurred before the transition date of 1st April, 2015 and consequently the group has applied same recognition principles and has kept the same classification for the past business combination as in it's previous GAAP financial statements.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Transfers of assets from customers

The Group has applied Appendix C of Ind AS - 18 "Transfers of Assets from Customers" (including for balances as on the Transition date i.e. 1st April, 2015 as permitted under Para D 36 of the Ind AS 101). This relates to contribution received from customers for ongoing access to electricity distribution system, which are now classified as deferred revenue and transferred to income statement over the useful life of assets, in line with Ind AS 18. This was hitherto been referred to as service line contribution and classified under reserve and adjusted against depreciation charge, in the income statement, over the useful life of the assets.

Exchange differences arising on long-term foreign currency monetary items

Under previous GAAP, the Group had opted to defer / capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS - 11 "The Effects of Changes in Foreign Exchange Rates". The Group has now availed the option available under Ind AS - 101 "First-time Adoption of Indian Accounting Standards" whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 1st April, 2016.

Classification and measurement of financial assets

The Company has followed classification and measurement of financial assets in accordance with Ind AS - 109 "Financial Instruments" on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognised in order to compare it with the credit risk as at the transition date.

However, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

Deemed cost for investments in subsidiaries, associates and joint ventures

The Group has elected to continue with the carrying value of all of its investments in subsidiaries, associates and joint ventures as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTE 5: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of applying the policies outlined in all notes under note 4 above, the management of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

5.1 Regulatory matters:

(i) Regulatory deferral accounts[1]

Ind AS - 114 "Regulatory Deferral Accounts" permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate-regulated activities; and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Group had consistently elected not to recognise the regulatory deferral balances in its previous GAAP, the requirement of Ind AS 114 does not apply to the Group.

(ii) Depreciation rates, depreciation method and residual value of property, plant and equipment[1]

In terms of Part B of Schedule II of the Companies Act, 2013, the Group has followed the depreciation rates, depreciation method and residual value of the items of property, plant and equipment as notified by the respective regulators in accordance with the Electricity Act, 2003 with respect to the assets falling under regulated business.

(iii) Security deposits[1]

Considering the historical experience and practical expediency, the Company has exercised its judgement on timing of settlement of security deposit collected from the customers and has accordingly classified the material portion of security deposit as non-current liability.

(iv) Renewable power obligation[1]

The Company has substantially complied with the renewable power obligation, as prescribed by the regulatory authority and do not expect any implication, as in the past.

(v) Environment clearance risk[1]

AMGEN plant is using coal as a fuel. Ministry of Environment Forest and Climate Change (MOEFCC) has made the emission norms for all thermal power plants significantly stringent which would increase the cost of compliance, which cost is expected to be passed through.

5.2 Property, plant and equipment:

(i) Service concession arrangements[1]

The Company has assessed applicability of Appendix A of Ind AS - 11 “Service Concession Arrangements” with respect to its distribution and transmission assets portfolio. In assessing the applicability, the Company have exercised judgment in relation to the provisions of the Electricity Act, 2003, transmission / distribution license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

(ii) Impairment of property plant and equipment[2]

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of property plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated PLF, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

5.3 Impairment of financial assets:

Trade receivables[2]

The Group estimates the credit allowance as per practical expedient based on historical credit loss experience as enumerated in note 61.

5.4 Taxation:

(i) Current tax[1]

The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to this expenditure is not clear and the Group has applied their judgement and interpretation for the purpose taking their tax position.

(ii) Deferred tax assets[2]

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5.5 Control assessment:

Control over Torrent Power Grid Limited ("TPGL") [1]

The Company has shareholders agreement with Power Grid Corporation of India Limited (PGCIL) wherein the Company holds 74% whilst PGCIL holds 26% of equity shares of Torrent Power Grid Limited (TPGL). As per the shareholders agreement, PGCIL has certain protective rights. PGCIL has also certain participative rights which, the Company believes, are not substantive considering the operation of TPGL and the regulatory environment in which it operates. Consequently, the Company has considered TPGL as it's subsidiary.

5.6 Contingencies:

Contingent liabilitites[2]

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

The Company has agreement with one of its vendor for the gas supply where it has not complied with the term and conditions with regards to procurement of gas. Considering the industry issue and past experience, the Company believes that the liability with regard to this matter is remote.

5.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.8 Long term supply and Long term maintenance accruals[2]:

The Group has applied it's reasonable estimate for operating parameters and price escalations linked to indices for the purpose of determining the accrual under long term supply and long term maintenance contracts.

[1] ***Critical accounting judgments***

[2] ***Key sources of estimation uncertainties***

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT

Note - 6.1 : As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Property, plant and equipment										
Freehold land	358.30	10.65	-	-	368.95	-	-	-	-	368.95
Buildings	1,904.38	127.51	*	0.31	2,032.20	80.31	88.27	*	168.58	1,863.62
Railway siding	1.86	-	-	-	1.86	0.05	0.05	-	0.10	1.76
Plant and machinery										
(a) Steam station	3,512.03	8.62	2.97	(0.90)	3,516.78	236.62	237.55	0.09	474.08	3,042.70
(b) Others including switchgears and transformers	6,978.10	2,057.89	13.73	0.78	9,023.04	405.95	472.47	2.43	875.99	8,147.05
Transmission and distribution systems										
(a) Overhead	820.67	27.29	1.28	0.46	847.14	59.35	59.71	0.01	119.05	728.09
(b) Underground	2,267.39	426.68	0.95	2.65	2,695.77	109.96	125.70	0.01	235.65	2,460.12
Electrical fittings and apparatus	51.84	4.04	0.17	0.02	55.73	4.83	4.93	0.05	9.71	46.02
Furniture and fixtures	22.03	15.59	0.01	-	37.61	2.16	2.71	*	4.87	32.74
Vehicles	17.03	3.46	1.08	-	19.41	1.75	2.27	0.20	3.82	15.59
Office equipment	100.02	11.73	1.47	-	110.28	10.44	10.43	0.01	20.86	89.42
Total	16,033.65	2,693.46	21.66	3.32	18,708.77	911.42	1,004.09	2.80	1,912.71	16,796.06
Capital work-in-progress	210.19									329.48

Note - 6.2 : As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount@					Accumulated depreciation				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Property, plant and equipment										
Freehold land	326.35	31.95	-	-	358.30	-	-	-	-	358.30
Buildings	1,798.34	105.68	0.29	0.65	1,904.38	-	80.55	0.24	80.31	1,824.07
Railway siding	1.88	-	0.02	-	1.86	-	0.05	*	0.05	1.81
Plant and machinery										
(a) Steam station	3,481.92	10.93	2.92	22.10	3,512.03	-	236.74	0.12	236.62	3,275.41
(b) Others including switchgears and transformers	6,408.05	670.40	12.88	(87.47)	6,978.10	-	406.71	0.76	405.95	6,572.15
Transmission and distribution systems										
(a) Overhead	789.16	30.85	0.07	0.73	820.67	-	59.35	*	59.35	761.32
(b) Underground	1,963.79	303.95	1.02	0.67	2,267.39	-	110.00	0.04	109.96	2,157.43
Electrical fittings and apparatus	42.96	9.03	0.16	0.01	51.84	-	4.84	0.01	4.83	47.01
Furniture and fixtures	19.72	2.36	0.05	-	22.03	-	2.16	*	2.16	19.87
Vehicles	11.11	7.73	1.81	-	17.03	-	1.96	0.21	1.75	15.28
Office equipment	95.38	4.95	0.31	*	100.02	-	10.45	0.01	10.44	89.58
Total	14,938.66	1,177.83	19.53	(63.31)	16,033.65	-	912.81	1.39	911.42	15,122.23
Capital work-in-progress	232.27									210.19

@ The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date),measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated depreciation and net block as per Indian GAAP are given in note 6.4.

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Note - 6.3 :

Footnotes:

1. Assets mortgaged as security:

   Entire movable and immovable properties with a carrying amount of ₹17,125.54 Crore (31st March, 2016 - ₹15,332.42 Crore, 1st April, 2015 - ₹15,170.93 Crore) have been mortgaged and hypothecated to secure borrowings of the Company (note 24).

2. Capital work in progress:

   Capital work-in-progress includes the amount of expenditure recognised as pre-operative expenditure in the course of construction of property, plant and equipment of ₹9.83 Crore (31st March, 2016- ₹13.26 Crore, 1st April, 2015 - ₹10.25 Crore) (note 48).

3. Capital commitment:

   Refer note 46 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. Borrowing cost capitalisation:

   Adjustments during the year include borrowing costs of ₹4.50 Crore (Previous year - ₹2.88 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with Ind AS - 23 "Borrowing Costs".

5. Capital work-in-progress include borrowing costs of ₹2.42 Crore (31st March, 2016- ₹0.05 Crore and 1st April, 2015 ₹0.56 Crore), which are directly attributable to purchase / construction of qualifying assets in accordance with with Ind AS - 23 "Borrowing Costs".

6. Foreign currency exchange difference capitalisation:

   Adjustments during the year include ₹0.90 Crore gain (Previous year - ₹22.10 Crore loss) on account of foreign currency exchange difference.

7. Adjustments during the year include financial compensation received from the EPC contractor towards discharging the EPC contractor from the obligation to attend, complete or resolve the open points and the related warranty claims in terms of the original contract ₹ Nil (Previous year - ₹88.29 Crore).

8. Adjustments during the year include recovery made from a contractor towards settlement ₹0.28 Crore (Previous year- ₹ Nil)

9. Land includes freehold land amounting to ₹0.04 Crore (31st March, 2016 - ₹0.04 Crore, 1st April, 2015 - ₹0.04 Crore) for which documentations are in progress.

10. Pro-rata cost of assets owned jointly with Torrent Pharmaceuticals Limited, a Company under same management are as under:

(₹ in Crore)

Particulars	Proportion of holding	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Freehold land	50%	23.78	23.78	23.78
Freehold land	70%	83.16	83.16	83.16
Building	70%	1.36	1.36	1.36

NOTE - 6 : PROPERTY, PLANT AND EQUIPMENT (Contd.)

Note - 6.4: Gross block, accumulated depreciation and net block as per Indian GAAP as at 1st April, 2015

(₹ in Crore)

Particulars	Gross carrying amount	Accumulated depreciation	Net carrying amount
Property, plant and equipment			
Freehold land	326.35	-	326.35
Buildings	2,051.16	252.82	1,798.34
Railway siding	2.46	0.58	1.88
Plant and machinery			
(a) Steam station	4,594.78	1,112.86	3,481.92
(b) Others including switchgears and transformers	7,570.23	1,162.18	6,408.05
Transmission and distribution systems			
(a) Overhead	1,079.16	290.00	789.16
(b) Underground	2,652.97	689.18	1,963.79
Electrical fittings and apparatus	70.99	28.03	42.96
Furniture and fixtures	34.82	15.10	19.72
Vehicles	22.80	11.69	11.11
Office equipment	149.25	53.87	95.38
Total	18,554.97	3,616.31	14,938.66

NOTE - 7 : INVESTMENT PROPERTY

As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Freehold land	0.53	-	-	-	0.53	-	-	-	-	0.53
Total	0.53	-	-	-	0.53	-	-	-	-	0.53

As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated depreciation				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Freehold land	0.53	-	-	-	0.53	-	-	-	-	0.53
Total	0.53	-	-	-	0.53	-	-	-	-	0.53

Footnotes:

1. The Company has leased a portion of its land to Torrent Pharmaceuticals Limited, which has been classified as investment property.
2. The fair value of the Company's investment property as at 31st March, 2017 has been arrived at on the basis of a valuation carried out by the company. The fair value was determined based on the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
3. Details of the Company's investment property and information about the fair value hierarchy as at 31st March, 2017 are as follows:

Particulars	As at 31st March, 2017
Fair value of investment property (₹ in Crore)	45.00
Fair value hierarchy	Level 2

4. The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop such investment properties or for repairs, maintenance and enhancements thereof.
5. Amount recognised in statement of profit and loss for investment property :

(₹ in Crore)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Rental income derived from investment property	1.32	0.91

NOTE - 8 : OTHER INTANGIBLE ASSETS

As at 31st March, 2017

(₹ in Crore)

Particulars	Gross carrying amount					Accumulated amortization				Net carrying amount
	As at 1st April, 2016	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the year	Deductions during the year	As at 31st March, 2017	As at 31st March, 2017
Software (Acquired)	11.87	5.41	0.02	-	17.26	5.16	4.72	0.02	9.86	7.40
Total	11.87	5.41	0.02	-	17.26	5.16	4.72	0.02	9.86	7.40
Intangible assets under development	3.10									2.61

As at 31st March, 2016

(₹ in Crore)

Particulars	Gross carrying amount@					Accumulated amortization				Net carrying amount
	As at 1st April, 2015	Additions during the year	Deductions during the year	Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	Deductions during the year	As at 31st March, 2016	As at 31st March, 2016
Software (Acquired)	8.02	3.88	0.03	-	11.87	-	5.16	-	5.16	6.71
Total	8.02	3.88	0.03	-	11.87	-	5.16	-	5.16	6.71
Intangible assets under development	-									3.10

Footnotes:

1. The above computer software has been mortgaged and hypothecated to secure borrowings of the Company (note 24).

@ The Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Details of gross block, accumulated amortization and net block as per Indian GAAP as at 1st April,2015 are given below.

(₹ in Crore)

Particulars	Gross carrying amount	Accumulated amortization	Net carrying amount
Software (Acquired)	48.24	40.22	8.02
Total	48.24	40.22	8.02

NOTE - 9 : NON-CURRENT INVESTMENTS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade investments (valued at cost unless stated otherwise)			
Investment in equity instruments (unquoted)			
Associates (at cost)			
Tidong Hydro Power Limited Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 24,500, 31st March, 2016: 24,500, 1st April, 2015: 24,500)	0.02	0.02	0.02
Less: Impairment in value of investment	0.02	0.02	-
	-	-	0.02
Subsidiary (at cost)			
AEC Cements & Constructions Limited Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 9,61,500, 31st March, 2016: 9,61,500, 1st April, 2015: 9,61,500)#	0.61	0.61	0.61
Less: Impairment in value of investment	0.61	0.61	0.61
	-	-	0.02

NOTE - 9 : NON-CURRENT INVESTMENTS (Contd.)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non trade investments (valued at cost unless stated otherwise)			
Investment in equity instruments (unquoted) (at cost)			
Tornascent Care Institute @ Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 25,000, 31st March, 2016: 25,000, 1st April, 2015: 25,000)	0.03	0.03	0.03
UNM Foundation @ Equity shares of ₹10 each fully paid up (No. of shares- 31st March, 2017: 25,000, 31st March, 2016: 25,000, 1st April, 2015: Nil)	0.03	0.03	-
	0.06	0.06	0.03
Contingency reserve investments - statutory (quoted) (at amortised cost) $			
8.28% GOI Bond - 2032	0.99	0.99	0.99
8.32% GOI Bond - 2032	0.32	0.32	0.32
8.97% GOI Bond - 2030	1.01	1.01	1.01
8.28% GOI Bond - 2027	1.30	1.30	1.30
7.35% GOI Bond - 2024	1.32	1.32	-
8.40% GOI Bond - 2024	1.63	-	-
	6.57	4.94	3.62
	6.63	5.00	3.65
	6.63	5.00	3.67
Aggregate amount of quoted investments	6.57	4.94	3.62
Aggregate amount of unquoted investments	0.06	0.06	0.05
	6.63	5.00	3.67
Aggregate provision for impairment in value of investments	0.63	0.63	0.61
Aggregate amount of market value of quoted investments	7.04	5.22	3.92

\# Include 3,50,000 shares of ₹10 each, fully paid-up, in AEC Cements & Constructions Limited pursuant to the scheme of amalgamation of Torrent Cables Limited (TCL). TCL has written off this investment in its books during financial year 2012-13. Considering the combined holding post such amalgamation, AEC Cements & Constructions Limited became a subsidiary of the company. This has not been consolidated as the same is under liquidation and insignificant to the group.

@ The Company has, jointly with Torrent Pharmaceuticals Limited, promoted section 8 companies, i.e Tornascent Care Institute and UNM Foundation, under the Companies Act, 2013 for the purpose of carrying out charitable activities.

In absence of any control, as defined under Ind AS - 110 "Consolidated Financial Statement", by the Company with respect to Tornascent Care Institute and UNM Foundation, the same have not been consolidated.

$ Investment in Government of India bonds have been made in terms of GERC MYT Regulations, which can be utilised only for the purposes mentioned therein.

NOTE 10 : NON-CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Other loans	-	-	-
	-	-	-

NOTE 11 : OTHER NON-CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits	15.00	15.06	14.98
Bank fixed deposits balance	0.66	0.67	1.90
Interest accrued on deposits	*	*	*
Other advances	0.05	0.02	0.02
	15.71	15.75	16.90

NOTE 12 : OTHER NON-CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital advances	172.23	452.66	129.71
Advances for goods and services	261.42	269.17	14.25
Balances with government authority	0.01	*	0.50
Prepayments	161.24	165.70	170.71
	594.90	887.53	315.17

NOTE - 13 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal, oil, stores and spares	330.63	382.14	260.42
Raw material	23.51	26.49	26.08
Work-in-progress	6.50	6.26	10.43
Finished goods	7.44	3.54	6.44
Packing materials	0.49	0.99	0.71
Loose tools	0.80	0.81	0.47
	369.37	420.23	304.55

Footnotes:

1. The cost of inventories recognised as an expense during the year as per note 37 and 42.
2. The cost of inventories recognised as an expense includes ₹10.97 Crore (Previous year - ₹ Nil) in respect of write-downs of inventory to net realisable value determined based on evaluation of slow and non-moving inventories and ₹6.70 Crore (Previous year - ₹0.11 Crore) written off based on differences between book and physically determined inventories.
3. There are no inventories which are expected to be recovered after twelve months.
4. The carrying amount of inventories which has been mortgaged and hypothecated to secure borrowings of the Company was ₹369.37 Crore (31st March, 2016 - ₹420.23 Crore, 1st April, 2015 - ₹304.55 Crore).
5. The above carrying amount of inventories include goods in transit as under:

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal, oil, stores and spares	4.05	1.78	3.92
Raw material	1.51	-	-
	5.56	1.78	3.92

NOTE - 14 : CURRENT INVESTMENTS

(Investments carried at fair value through profit or loss)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Investment in mutual funds (unquoted)			
Axis Liquid Fund - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: 81,736, 1st April, 2015: Nil)	-	13.70	-
DSPBR Liquidity Fund (No. of units - 31st March, 2017: 46,214, 31st March, 2016: Nil, 1st April, 2015: Nil)	10.71	-	-
HDFC Liquid Fund - Growth (No. of units- 31st March, 2017: Nil, 31st March, 2016: Nil, 1st April, 2015: 1,16,36,716)	-	-	32.09
ICICI Liquid Plan - Regular - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: 26,10,445, 1st April, 2015: 38,54,061)	-	58.43	79.72
IDFC Cash Fund - Growth - (Regular Plan) (No. of units - 31st March, 2017: 4,82,920, 31st March, 2016: 4,60,185, 1st April, 2015: 6,60,830)	95.18	84.62	112.27
Invesco India Liquid Fund - Growth (No. of units - 31st March, 2017: 4,32,853, 31st March, 2016: Nil, 1st April, 2015: Nil)	96.63	-	-
Kotak Liquid Scheme Plan A - Growth (No. of units - 31st March, 2017: 2,37,918, 31st March, 2016: 3,99,090, 1st April, 2015: 4,95,192)	78.29	122.49	113.54
L&T Liquid Fund - Growth (No. of units- 31st March, 2017: 4,08,207, 31st March, 2016: 3,63,470, 1st April, 2015: Nil)	90.82	75.39	-
SBI PLF - Regular Plan Growth # (No. of units - 31st March, 2017: 6,56,194, 31st March, 2016: 6,36,802, 1st April, 2015: 5,47,996)	167.05	151.31	120.32
Sundaram Money Fund - Regular - Growth (No. of units - 31st March, 2017: 11,75,902, 31st March, 2016: Nil, 1st April, 2015: Nil)	4.02	-	-
Tata Money Market Fund (No. of units - 31st March, 2017: 4,68,952, 31st March, 2016: Nil, 1st April, 2015: Nil)	119.76	-	-
Tata Liquid Fund Plan A - Growth (No. of units - 31st March, 2017: Nil, 31st March, 2016: Nil, 1st April, 2015: 5,99,003)	-	-	154.44
UTI Liquid Cash Plan - Growth (No. of units - 31st March, 2017: 6,822, 31st March, 2016: Nil, 1st April, 2015: Nil)	1.81	-	-
	664.27	505.94	612.38
Aggregate amount of quoted investments	-	-	-
Aggregate amount of unquoted investments	664.27	505.94	612.38
	664.27	505.94	612.38
Aggregate amount of impairment in value of investments	-	-	-
Aggregate amount of market value of quoted investments	-	-	-
	-	-	-

include ₹66.10 Crore (31st March, 2016- Nil, 1st April, 2015 - Nil) on which lien was created in favour of lenders

NOTE - 15 : TRADE RECEIVABLES

(₹ in Crore)

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade receivables				
Secured	- Considered good	390.41	402.82	368.59
Unsecured	- Considered good	584.64	654.16	592.63
	- Considered doubtful	129.48	129.73	129.80
		1,104.53	1,186.71	1,091.02
Less: Allowance for bad and doubtful debts		129.48	129.73	129.80
		975.05	1,056.98	961.22

Footnotes:

1. Refer note 62 for credit risk related disclosures.
2. Refer note 24 for charge on trade receivables.

NOTE - 16 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
Balance in current accounts	99.31	111.34	120.36
Balance in fixed deposit accounts (remaining maturity for less than three months)	159.61	427.81	842.03
	258.92	539.15	962.39
Cheques, drafts on hand	1.06	2.49	3.26
Cash on hand	0.80	1.09	1.26
	260.78	542.73	966.91

Footnote:

1. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE - 17 : OTHER BANK BALANCES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unpaid dividend accounts	7.81	10.75	6.80
Unpaid fractional coupon accounts	0.33	0.42	0.08
Balance in fixed deposit accounts # (remaining maturity of more than three months but less than twelve months)	0.42	225.75	799.78
	8.56	236.92	806.66

include ₹ Nil (31st March, 2016 - ₹205.10 Crore, 1st April, 2015 - ₹171.43 Crore) on which lien was created in favour of lenders

NOTE 18 : CURRENT LOANS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans to related parties			
Considered good	-	-	-
Considered doubtful	-	-	2.70
	-	-	2.70
Less : Allowance for doubtful loans to related parties	-	-	2.70
	-	-	-
	-	-	-

NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits #	328.99	4.07	28.93
Interest accrued on investments	0.10	0.10	0.25
Interest accrued on deposits	19.23	14.28	45.30
Unbilled revenue	320.13	283.66	419.20
Receivable on sale of property, plant and equipment	-	-	19.51
Forward contract receivables	-	-	0.31
	668.45	302.11	513.50
Other advances / receivables			
Considered good	8.66	107.16	47.33
Considered doubtful	6.06	2.32	2.32
	14.72	109.48	49.65
Less : Allowance for doubtful advances	6.06	2.32	2.32
	8.66	107.16	47.33
	677.11	409.27	560.83

include ₹300 Crore (31st March, 2016 - ₹ Nil, 1st April, 2015 - ₹ Nil) on which lien was created in favour of lenders

NOTE 20 : CURRENT TAX ASSETS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance tax & tax deducted at source (Net of provision for income tax)	-	11.32	-
	-	11.32	-

NOTE 21 : OTHER CURRENT ASSETS

Unsecured (considered good unless stated otherwise)

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances for goods and services	70.15	150.79	53.89
Balances with government authority	1.61	1.54	8.40
Prepayments	14.99	13.35	12.85
Other advances	3.35	1.61	2.56
	90.10	167.29	77.70

NOTE - 22 : EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised			
4,37,00,00,000 (4,37,00,00,000 as at 31st March, 2016 and 2,00,00,00,000 as at 1st April, 2015) equity shares of ₹10 each	4,370.00	4,370.00	2,000.00
	4,370.00	4,370.00	2,000.00
Issued, subscribed and paid up			
48,06,16,784 (48,06,16,784 as at 31st March, 2016 and 47,24,48,308 as at 1st April, 2015) equity shares of ₹10 each	480.62	480.62	472.45
	480.62	480.62	472.45

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

	No. of shares As at 31st March, 2017	No. of shares As at 31st March, 2016	No. of shares As at 1st April, 2015
At the beginning of the year	48,06,16,784	47,24,48,308	47,24,48,308
Issued during the year on account of amalgamation	-	81,68,476	-
Outstanding at the end of the year	48,06,16,784	48,06,16,784	47,24,48,308

2. 25,74,22,311 equity shares (25,74,22,311 equity shares as at 31st March, 2016 and 25,24,38,986 equity shares as at 1st April, 2015) of ₹10 each fully paid up are held by the Parent Company - Torrent Private Limited.

3. Terms / Rights attached to equity shares :

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

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

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Torrent Private Limited	25,74,22,311	53.56%	25,74,22,311	53.56%	25,24,38,986	53.43%
Gujarat State Investment Limited	4,68,71,621	9.75%	4,68,71,621	9.75%	4,68,71,621	9.92%
Life Insurance Corporation of India	2,98,86,827	6.22%	3,41,62,884	7.11%	3,80,29,637	8.05%

5. Aggregate number of equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

   During FY 2015-16, the Company has allotted 81,68,476 equity shares of ₹10 each at par to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited as approved by the Hon'ble Gujarat High Court vide order dated 13th August, 2015.

6 Distributions made and proposed:

   The amount of per share dividend recognized as distributions to equity shareholders for the period ended 31st March, 2017 is ₹ Nil (Previous year- ₹6.00) per equity share.

   The Board of Directors at its meeting held on 23rd May, 2017 have recommended a dividend of 22.00% (₹2.20 per equity share of par value ₹10 each).The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved, would result in a cash outflow of approximately ₹127.26 Crore (inclusive of dividend distribution tax of ₹21.53 Crore).

NOTE - 23 : OTHER EQUITY

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share capital suspense	-	-	8.17
Reserves and surplus			
Securities premium reserve	0.03	0.03	0.03
Debenture redemption reserve	129.46	95.24	71.43
Contingency reserve	6.24	4.56	2.91
Special reserve	78.07	78.07	78.07
General reserve	3,583.89	3,583.89	3,583.89
Retained earnings	2,613.78	2,228.05	1,706.80
	6,411.47	5,989.84	5,443.13
	6,411.47	5,989.84	5,451.30

Footnotes:

1. Share capital suspense:

   81,68,476 equity shares of ₹10/- each allotted as fully paid-up to the shareholders of Torrent Cables Limited pursuant to the scheme of amalgamation without payment being received in cash.

2. Securities premium reserve:

   Securities premium reserve reflects issuance of the shares by the Company at a premium, whether for cash or otherwise i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of the Act.

3. Debenture redemption reserve (DRR):

   The Company has issued redeemable non-convertible debentures. Consequently, the Company is required under the Companies (Share capital and Debentures) Rules, 2014 (as amended), to create DRR, equal to 25% of the value of debentures , out of profits of the company available for payment of dividend. The Company creates DRR, for the required amount, over the tenure of the debentures, before redemption begins.

4. Contingency reserve:

   As per provisions of the GERC MYT Regulations read with Tariff orders passed by GERC, Distribution Licensee makes an appropriation to the contingency reserve to meet with certain exigencies. Investments in Bonds issued by Government of India has been made against such reserve.

5. Special reserve:

   As per MYT Regulations (2007), one third amount of controllable gain shall be retained in a special reserve by the Generating Company or Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors.

6. General reserve:

   General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

7. Retained earnings:

   The same reflects surplus / deficit after taxes in the statement of profit and loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013.

NOTE - 24 : NON-CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current borrowings @			
Secured loans - at amortised cost			
Non convertible debentures			
10.35% Series 1	550.00	550.00	550.00
10.35% Series 2A, 2B & 2C #	300.00	300.00	300.00
8.95% Series 3A, 3B & 3C	245.00	-	-
	1,095.00	850.00	850.00
Term loans			
From banks	7,070.12	6,768.12	5,247.76
From financial institutions	-	548.19	2,122.21
	7,070.12	7,316.31	7,369.97
	8,165.12	8,166.31	8,219.97
Unsecured loans - at amortised cost			
Term loans			
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	28.28	32.10	35.92
	28.28	32.10	35.92
	8,193.40	8,198.41	8,255.89

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

@ After considering unamortised expense of ₹36.84 Crore as at 31st March, 2017, ₹45.33 Crore as at 31st March, 2016 and ₹ nil as at 1st April, 2015.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities $			
Secured loans - at amortised cost			
Term loans			
From banks	494.30	283.69	715.88
From financial institutions	-	28.92	269.51
	494.30	312.61	985.39
Unsecured loans - at amortised cost			
Term loans			
From Government of India under Accelerated Power Development and Reform Programme (APDRP)	3.82	3.82	3.82
	3.82	3.82	3.82
	498.12	316.43	989.21
Amount disclosed under the head 'Other current financial liabilities' (note 31)	(498.12)	(316.43)	(989.21)
	-	-	-

$ After considering unamortised expense of ₹4.55 Crore as at 31st March, 2017, ₹5.13 Crore as at 31st March, 2016 and ₹ nil as at 1st April, 2015.

Footnote:

1. Nature of security

The entire immovable and movable assets including current assets, both present and future, of the Company are mortgaged and hypothecated by way of first pari passu charge in favour of lenders for term loans of ₹7,503.79 Crore and non convertible debentures of ₹1,095.00 Crore.

Amount of term loan of ₹102.02 Crore from bank is secured by way of first pari passu charge created on the entire movable properties including transmission towers, insulators and other movable assets, book debts, operating cash flows, revenues, intangibles, trust and retention account of subsidiary Company, Torrent Power Grid Limited.

NOTE - 25 : NON-CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables	53.36	216.17	339.62
	53.36	216.17	339.62

NOTE - 26 : OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security deposits from consumers	863.16	779.11	695.63
Payables on purchase of property, plant and equipment	0.22	-	0.14
Sundry payables	0.38	0.67	0.62
	863.76	779.78	696.39

NOTE - 27 : NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 51)	7.35	1.49	0.52
Provision for compensated absences	88.63	78.61	73.45
	95.98	80.10	73.97

NOTE - 28 : OTHER NON-CURRENT LIABILTIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred revenue (note 45)			
Contribution received from consumers	798.28	735.55	617.14
Government grant	27.02	29.73	32.44
	825.30	765.28	649.58

NOTE - 29 : CURRENT BORROWINGS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured loans			
Cash credit from banks	76.62	-	0.21
Overdraft from banks	-	-	109.57
	76.62	-	109.78

Footnote:

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

NOTE - 30 : CURRENT TRADE PAYABLES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables for goods and services			
Due to micro and small enterprises #	7.06	3.12	2.13
Due to others	844.94	732.73	628.92
	852.00	735.85	631.05

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

NOTE - 31 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of long-term debt (note 24)	498.12	316.43	989.21
Interest accrued but not due on loans and security deposits	2.15	2.06	22.22
Investor education and protection fund #			
Unpaid / Unclaimed dividend	7.81	10.75	6.80
Unclaimed fractional coupons	0.33	0.42	0.08
Book overdraft	25.17	33.39	25.76
Security deposits from consumers	16.30	14.80	16.89
Other deposits	3.20	4.05	3.81
Payables on purchase of property, plant and equipment	503.30	146.91	380.75
Sundry payables	154.94	151.42	118.06
	1,211.32	680.23	1,563.58

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

NOTE - 32 : OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Credit balances of consumers	62.98	67.77	72.43
Service line deposits from consumers	174.19	165.57	146.87
Deferred revenue (note 45)			
Contribution received from consumers	52.23	45.96	37.07
Government grant	2.71	2.71	2.71
Statutory dues	23.50	23.44	26.65
Sundry payables	2.68	4.47	4.30
	318.29	309.92	290.03

NOTE - 33 : CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (note 51)	22.92	18.44	7.73
Provision for compensated absences	21.00	20.51	16.44
	43.92	38.95	24.17
Other provisions			
Provision for indirect tax	0.23	0.39	0.34
	0.23	0.39	0.34
	44.15	39.34	24.51

NOTE - 34 : CURRENT TAX LIABILITIES

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for taxation (net of advance tax and tax deducted at source)	7.03	-	36.54
	7.03	-	36.54

NOTE - 35 : REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from power supply	9,549.01	10,960.81
Revenue from sale of cable products (including excise duty)		
Manufactured goods	260.26	332.10
Traded goods	0.49	-
	9,809.76	11,292.91
Less: Discount for prompt payment of bills	11.39	49.68
	9,798.37	11,243.23
Other operating income		
Street lighting maintenance contracts	0.49	1.31
Cable laying service	2.40	0.05
Hire of meters	51.05	49.64
Provision of earlier years written back	25.71	280.53
Provision for doubtful debts no longer required	7.71	4.97
Provision for doubtful advances no longer required	-	2.70
Recovery of bad debts	45.75	24.53
Insurance claim receipt	9.09	3.66
Deferred income on		
Transfer of assets from consumers	48.86	41.25
Capital grant	2.71	2.71
Income from Renewable Energy Certificate & Generation Based Incentive	7.92	10.98
Miscellaneous income	53.50	50.28
	255.19	472.61
	10,053.56	11,715.84

NOTE - 36 : OTHER INCOME

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest income from financial assets at amortised cost		
Deposits	49.29	77.07
Consumers	26.14	32.28
Contingency reserve investments	0.48	0.36
Others	2.24	0.15
	78.15	109.86
Miscellaneous income	29.30	87.96
Rent income from investment property (note 7)	1.32	0.91
Gain on disposal of property, plant and equipment	2.67	3.68
Profit on sale of investments in mutual funds	60.77	70.64
Net gain arising on financial liabilities measured at amortised cost	-	16.34
Net gain / (loss) arising on investments in mutual funds mandatorily measured at fair value through profit or loss	0.63	(7.46)
Net gain on foreign currency transactions	18.04	-
	190.88	281.93

NOTE - 37 : COST OF MATERIALS CONSUMED

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Cost of materials consumed	299.43	311.66
Less: Allocated to capital works	102.87	76.17
	196.56	235.49

NOTE - 38 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Inventory of finished goods		
Opening stock	3.54	6.44
Less: Closing stock	7.44	3.54
	(3.90)	2.90
Less: Excise duty on stock	0.16	0.33
	(4.06)	2.57
Inventory of work-in-progress		
Opening stock	6.26	10.43
Less: Closing stock	6.50	6.26
	(0.24)	4.17
Less: Allocated to capital works	-	(0.09)
	(4.30)	6.83

NOTE - 39 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries, wages and bonus	480.23	442.50
Contribution to provident and other funds	31.50	27.64
Employees welfare expenses	20.98	21.58
Compensated absences	20.57	19.02
Gratuity	14.23	10.39
	567.51	521.13
Less: Allocated to capital works, repairs and other relevant revenue accounts	150.32	130.39
	417.19	390.74

NOTE - 40 : FINANCE COSTS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest expense for financial liabilities not classified as fair value through profit or loss		
Term loans	870.05	946.51
Non convertible debentures	88.04	87.45
Working capital loans	0.03	2.73
Security deposits from consumers	61.61	60.58
Others	0.19	1.50
Other borrowing costs	11.15	12.38
Amotisation of borrowing costs	11.47	-
Unwinding of discount	22.16	23.20
	1,064.70	1,134.35
Less: Allocated to capital works	6.72	3.57
	1,057.98	1,130.78

NOTE - 41 : DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Depreciation expense on property, plant and equipment	1,004.09	912.81
Amortization expense on intangible assets	4.72	5.16
	1,008.81	917.97
Less: Transfer from others	0.20	0.19
Less: Allocated to capital works	2.75	2.04
	1,005.86	915.74

NOTE - 42 : OTHER EXPENSES

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Fuel	2,525.76	3,862.08
Consumption of stores and spares	144.77	167.69
Consumption of packing materials	0.38	0.26
Rent and hire charges	17.07	16.38
Repairs to		
Buildings	12.00	14.24
Plant and machinery	281.51	271.62
Others	12.62	10.15
	306.13	296.01
Insurance	19.39	19.99
Rates and taxes	9.94	8.18
Excise duty on sale of goods	40.50	35.37
Miscellaneous expenses	107.56	92.17
Vehicle running expenses	28.87	21.18
Electricity expenses	28.21	27.27
Security expenses	32.75	29.82
Water charges	15.23	27.72
Loss on sale / discarding of property, plant and equipment	12.18	11.79
Commission to non-executive directors	1.33	1.28
Directors sitting fees	0.99	0.96
Statutory auditors remuneration (note 52)	2.63	1.36
Legal, professional and consultancy fees	31.89	26.73
Donations	29.99	24.77
Net loss on foreign currency transactions	0.03	16.26
Goodwill written off	10.00	-
Bad debts written off	60.13	87.81
Allowance for doubtful advances	3.74	-
Allowance for doubtful debts	7.45	4.90
	3,436.92	4,779.98
Less: Allocated to capital works, repairs and other relevant revenue accounts	87.73	65.04
	3,349.19	4,714.94

NOTE 43: COMPOSITION OF THE GROUP

(a) Subsidiaries

(1) Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Torrent Solargen Limited	Power Generation	India	100%	100%	100%
Torrent Pipavav Generation Limited	Power Generation	India	95%	95%	95%
Torrent Power Grid Limited	Transmission of Power	India	74%	74%	74%
AEC Cements and Constructions Limited	Company under Liquidation	India	69%	69%	69%

(2) Statement containing salient features of the financial statement of subsidiaries is given in note 64.

(3) Consolidated financial statements include the financial statements of Parent Company - Torrent Power Limited and subsidiaries (together referred to as Group):

Particulars	Torrent Power Limited@	Torrent Solargen Limited	Torrent Pipavav Generation Limited	Torrent Power Grid Limited		Total
	Parent	Subsidiary	Subsidiary	Subsidiary	Non-controlling Interests	
Percentage holding	-	100.00%	95.00%	74.00%	-	-
As % of consolidated net assets	96.67%	1.16%	0.66%	1.09%	0.42%	100.00%
Consolidated net assets - (₹ in Crore)	6,690.31	80.42	45.98	75.38	28.93	6,921.02
As % of consolidated PAT	99.51%	(0.03)%	(0.27)%	0.59%	0.19%	100.00%
Consolidated profit - (₹ in Crore)	427.69	(0.12)	(1.17)	2.55	0.84	429.79
As % of consolidated total comprehensive income	99.51%	(0.03)%	(0.28)%	0.60%	0.20%	100.00%
Consolidated total comprehensive income - (₹ in Crore)	421.33	(0.12)	(1.17)	2.54	0.84	423.42

@ Net of consolidation adjustments

Footnotes:

1. Amount of consolidated net assets and consolidated profit is determined based on the amounts included in the consolidated financial statement i.e. after inter-company eliminations.
2. Financial Statements of AEC Cements and Constructions Limited, which has become subsidiary pursuant to amalgamation of Torrent Cables Limited has not been consolidated as the same is under liquidation and insignificant to the Group.

NOTE 43: COMPOSITION OF THE GROUP (Contd.)

(b) Associates and Joint ventures

(1) Details of the Company's associates and joint ventures at the end of the reporting period are as follows:

Name of Associate / Joint venture	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tidong Hydro Power Limited (Associate)	Power Generation	India	49%	49%	49%
Tornascent Care Institute (Joint Venture)	CSR Activities (Section 8 Company)	India	50%	50%	50%
UNM Foundation (Joint Venture)	CSR Activities (Section 8 Company)	India	50%	50%	NA

(2) Investment in associate and joint venture are as under:

Particulars	Tidong Hydro Power Limited (Audited)^	Tornascent Care Institute	UNM Foundation
	Associate	Joint venture	Joint venture
No. of equity shares	24,500	25,000	25,000
Cost of investment (₹ in Crore)	0.02	0.03	0.03
Percentage holding	49.00%	50.00%	50.00%
Our share of net assets (₹ in Crore)	0.02	-	-
Our share of profit / (loss) for the year (₹ in Crore)	*	-	-

^ Audited Financial Statements for 18 months ended 31st March, 2016.

Footnotes:

1. Associate has not been considered for consolidation being insignificant to the Group.
2. Tornascent Care Institute and UNM Foundation are Section 8 Companies under the Companies Act, 2013, promoted jointly with Torrent Pharmaceuticals Limited, with the purpose of promoting charitable activities.

   In absence of any control, as defined under Ind AS - 110 "Consolidated Financial Statement", by the Company with respect to Tornascent Care Institute and UNM Foundation, the same have not been consolidated.
3. Provision has been made against investment made in Tidong Hydro Power Limited.

NOTE 44: INCOME TAX EXPENSES

(a) Income tax expense recognised in statement of profit and loss

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax		
Current tax on profits for the year	130.30	265.63
	130.30	265.63
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	(155.07)	(275.18)
(Decrease) / increase in deferred tax liabilities	188.67	393.73
	33.60	118.55
Adjustment for current tax of prior periods	(6.35)	3.21
Income tax expense attributable to continuing operations	157.55	387.39

(b) Reconciliation of current tax

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax from continuing operations	587.34	1,289.63
Current tax expense calculated using MAT tax rate at 21.3416% (Previous year - 21.3416%)	125.34	275.22
Tax effect of amounts which are not deductible (taxable) in calculating taxable book profit :		
Add:		
Effect of different tax rates of subsidiaries	0.26	0.28
Expenses not allowable under MAT	4.73	1.05
1/5th of opening Ind AS adjustments transferred to retained earnings	3.70	-
Others / rounding off adjustments	-	0.09
Less:		
Income on which MAT already paid in past years	(1.65)	(1.06)
Other comprehensive income / (expense)	(2.08)	(2.24)
Ind AS adjustments not to be considered for FY 2015-16	-	(7.71)
Current tax expense	130.30	265.63

The base tax rate used for the year ended 31st March, 2017 and year ended 31st March, 2016 reconciliations given above is at the MAT tax rate of 18.50% (excluding surcharge 12% and cess 3%) payable by corporate entities in India on taxable book profits under the Indian tax law.

(c) Income tax recognised in other comprehensive income

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(9.75)	(10.50)
Income tax expense / (income) recognised in other comprehensive income	(3.38)	(3.65)

NOTE 44: INCOME TAX EXPENSES (Contd.)

(d) Deferred tax balances

(a) The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax assets	503.83	345.37	66.55
Deferred tax liabilities	(1,840.16)	(1,651.49)	(1,257.76)
	(1,336.33)	(1,306.12)	(1,191.21)

(b) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2017

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,644.71)	(190.40)	-	(1,835.11)
Expense allowable for tax purposes when paid	27.66	27.24	-	54.90
Impact on account of effective interest rate on long term borrowings	(6.08)	1.94	-	(4.14)
Financial assets at fair value through profit and loss	(0.70)	(0.21)	-	(0.91)
Remeasurement of the defined benefit plans	3.69	(3.67)	3.38	3.40
Unabsorbed depreciation	314.03	131.50	-	445.53
	(1,306.12)	(33.60)	3.38	(1,336.33)

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2016

(₹ in Crore)

	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	(1,256.27)	(388.44)	-	(1,644.71)
Expense allowable for tax purposes when paid	25.91	1.75	-	27.66
Impact on account of effective interest rate on long term borrowings	-	(6.08)	-	(6.08)
Financial assets at fair value through profit and loss	(1.49)	0.79	-	(0.70)
Remeasurement of the defined benefit plans	0.03	0.01	3.65	3.69
Unabsorbed depreciation	40.61	273.42	-	314.03
	(1,191.21)	(118.55)	3.65	(1,306.12)

(c) Unrecognised deferred tax assets

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unused tax losses	41.63	151.48	705.70
Unused tax credits	1,076.95	946.67	681.13
	1,118.58	1,098.15	1,386.83

NOTE 45: DEFERRED REVENUE

(a) Contribution received from consumers

(1) Nature of contribution received from consumers

Contributions received from consumers towards the item of property, plant and equiment has been recognised as deferred revenue.

(2) Movement of contribution received from consumers

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Opening balance	781.51	654.21	573.40
Add: Contribution received during the year	117.86	168.55	114.86
Less: Transfer to statement of profit and loss	(48.86)	(41.25)	(34.05)
Closing balance	850.51	781.51	654.21
Non-current portion (note 28)	798.28	735.55	617.14
Current portion (note 32)	52.23	45.96	37.07
	850.51	781.51	654.21

(b) Government grant

(1) Nature of government grant

Ministry of Power, Government of India (GoI), had introduced the Accelerated Power Development & Reforms Programme (APDRP) to achieve reduction in AT&C losses, to strengthen the T&D network and to ensure reliable and quality power supply with adequate consumer satisfaction. The projects approved for financing under the programme are eligible for a grant and soft loan each equivalent to 25% of the project cost from the GoI. The Balance 50% was required to be funded by the group.

(2) Movement of government grant

(₹ in Crore)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Opening balance	32.44	35.15	37.86
Add: Grants during the year	-	-	-
Less: Transfer to statement of profit and loss	(2.71)	(2.71)	(2.71)
Closing balance	29.73	32.44	35.15
Non-current portion (note 28)	27.02	29.73	32.44
Current portion (note 32)	2.71	2.71	2.71
	29.73	32.44	35.15

NOTE 46: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND CAPITAL COMMITMENTS

(a) Contingent liabilities

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Disputed income tax matters	30.89	32.59	31.07
Disputed sales tax matters	4.29	4.29	4.29
Disputed custom duty matters	18.50	18.50	18.78
Disputed excise duty matters	2.45	0.23	0.18
Disputed stamp duty matters	0.35	0.73	0.35
Disputed VAT matters	2.94	2.15	2.15
Disputed CST matters	2.72	2.52	1.14
Claims against the Group not acknowledged as debt	16.42	12.55	11.31
Bills discounting	-	-	1.06

Footnotes:

1. The Group does not have any contingent liability with respect to it's associates and joint ventures.
2. In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute. No reimbursement is expected.

(b) Contingent assets

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Coal grade slippage claim	13.16	-	-
	13.16	-	-

(c) Capital commitments

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
Property, plant and equipment	611.80	1,929.85	756.83

NOTE 47:

As per the consistent policy followed by the Company, it accounts for the truing-up adjustment claims as and when billed to the consumers. Hon'ble Gujarat Electricity Regulatory Commission (GERC) vide its Tariff Order dated 31st March, 2016 has approved recovery of Regulatory Charge of 45 paisa / kWh to address the gap of earlier years for the Company's distribution areas at Ahmedabad and Surat, against which, review petitions were filed. Subsequently, Hon'ble GERC had issued a Order dated 1st July, 2016 revising the Regulatory Charge to 18 paisa / kWh and 17 paisa / kWh for Ahmedabad and Surat license area, respectively, with effect from 1st July, 2016 against which the Company had filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL). The Hon'ble APTEL, vide judgement dated 30th March, 2017, has remanded back the matter to Hon'ble GERC for review of Tariff Order dated 31st March 2016 and directed to hear the review Petitions afresh and to pass appropriate order thereon. Pending further orders from Hon'ble GERC, the Company has continued to bill to the consumers the Regulatory Charge of 18 paisa / kWh and 17 paisa / kWh for Ahmedabad and Surat license area, respectively.

NOTE 48: CAPITALIZATION OF EXPENDITURE INCURRED DURING THE YEAR

(₹ in Crore)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Pre-operative expenditure			
Opening balance	13.26	10.25	402.36
Expenditure incurred during the year			
Employee benefits expense	2.14	1.13	12.65
Other expenses	6.74	5.90	374.08
Depreciation and amortization expense	-	-	8.98
Total expenditure incurred during the year	8.88	7.03	395.71
Less: Adjustments			
Sale of infirm power	-	-	154.93
Capitalized during the year	11.80	4.02	629.05
Rebate on capital payments	0.47	-	-
Written off during the year	0.04	-	3.84
Total adjustments	12.31	4.02	787.82
Closing balance	9.83	13.26	10.25

NOTE 49: DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

(1) The Company uses forward contracts to hedge certain of its risk associated with foreign currency fluctuations relating to firm commitments. The Company does not use forward contracts for speculative purposes. Outstanding foreign exchange forward contract as at 31st March, 2017 is ₹ Nil (31st March, 2016 - ₹ Nil, 1st April, 2015 - ₹ Nil)

(2) Foreign currency exposure hedged by way of forward exchange contract is as under:

(in Crore)

Nature of transactions	Currency	As at 31st March,2017		As at 31st March,2016		As at 1st April, 2015	
		Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
Capital liability	USD	-	-	-	-	0.70	44.05

(3) Foreign currency exposures not hedged by derivative instruments are as under:

(in Crore)

Nature of transactions	Currency	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loan	USD	-	-	5.23
Interest payable	USD	-	-	0.13
Trade payable	USD	0.02	0.54	0.12
Capital liability	USD	0.06	0.35	1.55
Trade payable	EURO	2.11	2.15	3.82
Trade receivables (*7,350 EURO)	EURO	-	-	*

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

(a) Outstanding forward commodity contract as at 31st March, 2017 is Nil.

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

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

(c) Outstanding forward commodity contract as at 1st April, 2015 is Nil.

NOTE 50: OPERATING LEASE

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

Leasing arrangements with respect to land range between 25 years to 99 years generally.

NOTE 51: EMLOYEE BENEFIT PLANS

51.1 Defined contribution plan:

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are determined under the relevant schemes and / or statute and charged to the statement of profit or loss.

The Group's contribution to provident fund and superannuation fund aggregating to ₹31.50 Crore (Previous year - ₹27.64 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

51.2 Defined benefit plans:

(a) **Gratuity**

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting.

The Group makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. The liability in respect of plan is determined on the basis of an actuarial valuation.

(b) **Risk exposure to defined benefit plans**

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Indian government securities; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

NOTE 51: EMLOYEE BENEFIT PLANS (Contd.)

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(c) **Significant assumptions**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	7.20%	8.00%	8.00%
Salary escalation rate	8.50%	8.50%	8.50%

(d) **The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:**

Balances of defined benefit plan

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Present value of funded defined benefit obligation	236.73	221.03	204.31
Fair value of plan assets	206.46	201.10	196.25
Net (asset) / liability arising from gratuity	30.27	19.93	8.06

NOTE 51: EMLOYEE BENEFIT PLANS (Contd.)

(e) **Expenses recognised for defined benefit plan and movement of plan assets and liabilities**

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability and movement in plan assets:

(₹ in Crore)

		Funded plan - Gratuity	
		As at 31st March, 2017	As at 31st March, 2016
(1)	**Movements in the present value of the defined benefit obligation:**		
	Obligation at the beginning of the year	221.03	204.31
	Current service cost	12.63	11.72
	Interest cost	17.68	16.34
	Actuarial (gains) / losses arising changes in financial assumptions	13.03	0.08
	Actuarial (gains) / losses from experience adjustments	(2.33)	8.78
	Liability transferred in	0.44	-
	Liability transferred out	(0.18)	-
	Benefits paid directly by employer	(2.32)	(1.03)
	Benefits paid	(23.25)	(19.17)
	Obligation at the end of the year	236.73	221.03
(2)	**Movements in the fair value of the plan assets:**		
	Plan assets at the beginning of the year, at fair value	201.10	196.25
	Interest income	16.08	17.67
	Return on plan assets (excluding interest income)	0.95	(1.65)
	Contributions	11.58	8.00
	Benefits paid	(23.25)	(19.17)
	Plan assets at the end of the year, at fair value	206.46	201.10
(3)	**Gratuity cost recognized in the statement of profit and loss**		
	Current service cost	12.63	11.72
	Interest cost	1.60	(1.33)
	Net gratuity cost recognized in the statement of profit and loss	14.23	10.39
(4)	**Gratuity cost recognized in the other comprehensive income (OCI)**		
	Return on plan assets, excluding interest income	(0.95)	1.65
	Actuarial (gains) / losses on obligation for the period	10.70	8.85
	Net (income) / expense for the year recognized in OCI	9.75	10.50

(f) **Category wise plan assets**

Contributions to fund the obligations under the gratuity plan are made to the Life Insurance Corporation of India, who has invested the funds substantially as under:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Government securities	54.63%	47.42%
Debentures and bonds	29.89%	34.01%
Equity shares	8.91%	6.20%
Fixed deposits	5.10%	12.37%
Others	1.47%	-
	100.00%	100.00%

NOTE 51: EMLOYEE BENEFIT PLANS (Contd.)

(g) **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crore)

Change in assumptions	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on defined benefit obligation of gratuity		
50 basis points increase in discount rate	(8.33)	(6.94)
50 basis points decrease in discount rate	8.99	7.44
50 basis points increase in salary escalation rate	11.73	9.95
50 basis points decrease in salary escalation rate	(5.64)	(4.59)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The weighted average duration of the gratuity plan based on average future service is 16 years (Previous year - 16 years).

(i) Expected contributions to the plan for the next annual reporting period is ₹30.27 Crore.

(j) **Cash flow projection from the fund**

Projected benefits payable in future years from the date of reporting

(₹ in Crore)

	Funded Plan - Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
1st following year	26.89	25.86
2nd following year	18.36	16.71
3rd following year	23.81	28.97
4th following year	23.36	23.37
5th following year	26.61	22.86
sum of years 6 to 10th	101.63	109.65

51.3 Other long-term employee benefit obligations:

The leave obligation covers the Group's liability for sick and earned leave. Under these compensated absences plans, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation; at the rate of daily salary, as per accumulation of leave days as at the end of relevant period. Refer note 27, 33 and 39 with respect to item of balance sheet and profit or loss where such provision / charge has been presented.

NOTE 52: STATUTORY AUDITORS REMUNERATION

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
As auditor		
Audit fees	0.98	0.85
Tax audit fees	0.02	0.08
Other services- certificates etc.	1.17	0.24
Reimbursement of expenses	0.12	-
For service tax	0.34	0.19
	2.63	1.36

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

NOTE 53: CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
(a) Gross amount required to be spent by the Group	13.86	9.96
(b) Amount spent during the year on		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	14.26	10.72
	14.26	10.72

NOTE 54: DONATIONS INCLUDING POLITICAL CONTRIBUTIONS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Satya Electoral Trust	10.50	10.00
	10.50	10.00

NOTE 55: C.I.F VALUE OF IMPORTS

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw material	22.61	22.25
Components, stores, fuel and spare parts	568.49	244.30
Capital goods	171.14	266.69

NOTE 56: EXPENDITURE IN FOREIGN CURRENCY

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Subscription	0.17	0.13
Travelling	0.24	0.40
Professional and consultation fees	-	0.05
Others	3.45	50.73
	3.86	51.31

NOTE 57: EARNINGS IN FOREIGN CURRENCY

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Refund of premium	-	15.91
Other income	-	34.58
	-	50.49

NOTE 58: EARNINGS PER SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Basic earnings per share (₹)	8.93	18.73
Diluted earnings per share (₹)	8.93	18.73

Basic and diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit / (loss) for the year attributable to the Group used in calculation of basic earnings per share (₹ in Crore)	428.95	900.20
Weighted average number of equity shares (in Crore)	48.06	48.06

The Company does not have any dilutive potential ordinary shares and therefore diluted earnings per share is the same as basic earnings per share.

NOTE 59: IMPAIRMENT ASSESSMENT OF DGEN POWER PLANT

The Company has implemented the 1200 MW gas based power plant at Dahej (DGEN), which started its commercial operations from November 2014. In FY 15-16, the Company could operate the plant for intermittent periods and for the current period it did not operate the plant but maintained it in cold standby mode for immediate start-up, when required.

On account of supply exceeding the demand, there has been substantial reduction in the LNG prices all-over the world. The over-supply position in the world market is expected to continue as more LNG plants are being commissioned in coming 2 to 3 years and as global demand for LNG is expected to be subdued. With this scenario, both the issues relating to gas based power plants in terms of availability and affordability of gas are expected to be resolved to a large extent. Considering the above, the estimated value in use do not indicate any requirement for impairment provision in the carrying amount of the fixed assets of ₹4,861.81 Crore of DGEN plant as at 31st March, 2017.

NOTE 60: OPERATING SEGMENT

The CODM evaluates the Company's performance and applies the resources to its segment viz. "Generation, Transmission and Distribution of Power". Further, the Company's cable business is not a reportable segment in terms of revenue, profit, assets and liabilities. Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

NOTE 61: RELATED PARTY DISCLOSURES

(a) Names of related parties and description of relationship:

1.	Associates & Joint Ventures	Tidong Hydro Power Limited (Associate), Power Grid Corporation of India Limited (Associate), Tornascent Care Institute (Joint Venture), UNM Foundation (Joint Venture)			
2.	Enterprises controlled by the Group	TPL (Ahmedabad) Gratuity Trust, TPL (Ahmedabad) Superannuation Fund, TPL (Surat) Gratuity Trust, TPL (Surat) Superannuation Fund, TPL (SUGEN) Gratuity Trust, TPL (SUGEN) Superannuation Fund, TPG Gratuity Trust, TPG Superannuation Fund, TPL (DGEN) Gratuity Trust (formerly known as TEL Gratuity Trust), TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund), TPL (Cables) Gratuity Trust, TPL (Cables) Superannuation Fund, TSL Gratuity Trust, TSL Superannuation Fund			
3.	Parent Company / enterprises controlled by the Parent Company	Torrent Private Limited (Parent Company), Torrent Pharmaceuticals Limited, Gujarat Lease Financing Limited, Torrent Power Services Private Limited, Heumann Pharma GmbH & Co. Generica KG, Torrent Do Brasil Ltda., Zao Torrent Pharma, Torrent Pharma GmbH., Torrent Pharma Inc., Torrent Pharma Philippines Inc., Torrent Australasia Pty Ltd., Laboratrios Torrent SA de CV, Torrent Pharma (Thailand) Co. Ltd., Norispharm GmbH., Heunet Pharma GmbH., Torrent Pharma (UK) Ltd., Torrent Pharma S.R.L., Laboratories Torrent (Malaysia) Sdn.Bhd., Torrent Financiers, Torrent Pharmaceuticals (Sikkim), Torrent Fincorp Private Limited, Torrent Pharma France S.A.S., Aptil Pharma Limited, GLFL Housing Finance Limited, GLFL Securities Limited, GLFL International Limited, Puro Wellness Private Limited, Radiant Urja LLP			
4.	Key management personnel	Sudhir Mehta Chairman	Samir Mehta Vice Chairman	Markand Bhatt Whole-time Director	Jinal Mehta Whole-time Director
	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 Anjuben Trivedi, Sister Vasudhaben Pandya, Sister Munjal Bhatt, Son Gunjan Bhatt, Son	Nirja Mehta, Wife Sudhir Mehta, Father Anita Mehta, Mother Varun Mehta, Brother Saira Mehta, Daughter Rishaan Mehta, Son
5.	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,Torrel Cosmetics Private Limited, Zeal Pharmachem India Private Limited, Diamond Infrastructure Private Limited, U.N.Mehta Institute of Cardiology & Research Centre, Munjal Bhatt Architects, Shri Vadgam Mahal Kelavani Mandal, Memadpur Kelavani Mandal			

NOTE 61: RELATED PARTY DISCLOSURES (Contd.)

(b) Related party transactions

(₹ in Crore)

	Associates & Joint Ventures		Enterprises controlled by the Company		Parent Company / enterprises controlled by the Parent Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16
Nature of transactions												
Purchase / (return) of materials	**-**	**-**	**-**	**-**	**(0.08)**	**0.11**	**-**	**-**	**-**	**-**	**(0.08)**	**0.11**
Torrent Pharmaceuticals Ltd.	-	-	-	-	(0.08)	0.11	-	-	-	-	(0.08)	0.11
Sale of cables	**-**	**-**	**-**	**-**	**0.03**	**0.52**	**-**	**-**	**-**	**-**	**0.03**	**0.52**
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.03	0.52	-	-	-	-	0.03	0.52
Dividend paid	**1.64**	**1.29**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.64**	**1.29**
Power Grid Corporation of India Ltd.	1.64	1.29	-	-	-	-	-	-	-	-	1.64	1.29
Transfer of gratuity / leave liability to / (from)	**0.03**	**-**	**-**	**-**	**0.34**	**-**	**-**	**-**	**-**	**-**	**0.37**	**-**
Torrent Pharmaceuticals Ltd.	-	-	-	-	0.34	-	-	-	-	-	0.34	-
UNM Foundation	0.03	-	-	-	-	-	-	-	-	-	0.03	-
Services provided (rent income)	**-**	**-**	**-**	**-**	**1.52**	**1.04**	**-**	**-**	**-**	**-**	**1.52**	**1.04**
Torrent Pharmaceuticals Ltd.	-	-	-	-	1.52	1.04	-	-	-	-	1.52	1.04
UNM Foundation	*	-	-	-	-	-	-	-	-	-	*	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	*	-	-	-	-	-	*	-
Services received	**1.47**	**1.41**	**-**	**-**	**-**	**-**	**-**	**-**	**1.36**	**1.09**	**2.83**	**2.50**
Munjal Bhatt Architects	-	-	-	-	-	-	-	-	0.82	0.51	0.82	0.51
Power Grid Corporation of India Ltd.	1.47	1.41	-	-	-	-	-	-	-	-	1.47	1.41
Aman Mehta	-	-	-	-	-	-	-	-	0.01	0.04	0.01	0.04
Varun Mehta	-	-	-	-	-	-	-	-	0.53	0.54	0.53	0.54
Bills raised	**50.69**	**56.28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50.69**	**56.28**
Power Grid Corporation of India Ltd.	50.69	56.28	-	-	-	-	-	-	-	-	50.69	56.28
Shared expenditure	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**-**
UNM Foundation	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Managerial remuneration@	**-**	**-**	**-**	**-**	**-**	**-**	**36.72**	**44.13**	**-**	**-**	**36.72**	**44.13**
Sudhir Mehta (Chairman)	-	-	-	-	-	-	5.04	5.02	-	-	5.04	5.02
Samir Mehta (Vice Chairman)	-	-	-	-	-	-	5.00	5.00	-	-	5.00	5.00
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	21.00	30.44	-	-	21.00	30.44
Jinal Mehta (Whole-time Director)	-	-	-	-	-	-	5.68	3.67	-	-	5.68	3.67
Donation	**11.92**	**9.45**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.20**	**11.92**	**10.65**
U. N. Mehta Charitable Trust	-	-	-	-	-	-	-	-	-	1.20	-	1.20
Tornascent Care Institute	9.82	8.20	-	-	-	-	-	-	-	-	9.82	8.20
UNM Foundation	2.10	1.25	-	-	-	-	-	-	-	-	2.10	1.25
Contribution to funds (net)	**-**	**-**	**15.72**	**12.51**	**-**	**-**	**-**	**-**	**-**	**-**	**15.72**	**12.51**
TPL (Ahmedabad) Gratuity Trust	-	-	9.52	6.50	-	-	-	-	-	-	9.52	6.50
TPL (Ahmedabad) Superannuation Fund	-	-	3.54	3.06	-	-	-	-	-	-	3.54	3.06

NOTE 61: RELATED PARTY DISCLOSURES (Contd.)

(₹ in Crore)

	Associates & Joint Ventures		Enterprises controlled by the Company		Parent Company / enterprises controlled by the Parent Company		Key management personnel		Enterprises controlled by key management personnel / relatives of key management personnel		Total	
	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.17	Year ended 31.03.16
TPL (Surat) Gratuity Trust	-	-	0.10	0.08	-	-	-	-	-	-	0.10	0.08
TPL (Surat) Superannuation Fund	-	-	0.92	0.77	-	-	-	-	-	-	0.92	0.77
TPL (SUGEN) Gratuity Trust	-	-	0.49	1.08	-	-	-	-	-	-	0.49	1.08
TPL (SUGEN) Superannuation Fund	-	-	0.31	0.33	-	-	-	-	-	-	0.31	0.33
TPL (DGEN) Gratutity Trust (formerly known as TEL Gratuity Trust)	-	-	0.49	0.26	-	-	-	-	-	-	0.49	0.26
TPL (DGEN) Superannuation Fund (formerly known as TEL Superannuation Fund)	-	-	0.33	0.33	-	-	-	-	-	-	0.33	0.33
TPG Superannuation Fund	-	-	0.02	-	-	-	-	-	-	-	0.02	-
TPG Gratuity Trust	-	-	-	0.03	-	-	-	-	-	-	-	0.03
TSL Gratutity Trust	-	-	-	0.07	-	-	-	-	-	-	-	0.07
Equity contribution	**-**	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**
UNM Foundation	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Advances written off	**-**	**2.38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2.38**
AEC Cements & Constructions Ltd.$	-	2.38	-	-	-	-	-	-	-	-	-	2.38
Advance recovered	**-**	**0.32**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.32**
AEC Cements & Constructions Ltd.$	-	0.32	-	-	-	-	-	-	-	-	-	0.32
Deposit given for nomination of directors	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**	**-**
Tornascent Care Institute	0.01	-	-	-	-	-	-	-	-	-	0.01	-
UNM Foundation	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Deposit received back on appointment of directors	**0.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.03**	**-**
Tornascent Care Institute	0.01	-	-	-	-	-	-	-	-	-	0.01	-
UNM Foundation	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Deposit received	*	**-**	**-**	**-**	*	**-**	**-**	**-**	**-**	**-**	*	**-**
UNM Foundation	*	-	-	-	-	-	-	-	-	-	*	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	*	-
Torrent Power Services Private Ltd.	-	-	-	-	*	-	-	-	-	-	*	-
Provision against Investment	**-**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**
Tidong Hydro Power Ltd.	-	0.02	-	-	-	-	-	-	-	-	-	0.02

@ Excluding provision for gratuity and leave encashment, insurance premium for group personal accident and group mediclaim.

$ Subsidiary company but not consolidated for the reasons stated in Note 43.

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence sale of electricity, by the Company as per GERC tariff order, have not been reported as related party transactions.

(c) Key management personnel compensation

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Short-term employee benefits	36.72	44.13
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
	36.72	44.13

NOTE 61: RELATED PARTY DISCLOSURES (Contd.)

(d) Related party balances

(₹ in Crore)

	Associates & Joint Ventures			Parent Company / enterprises controlled by the Parent Company			Key management personnel			Enterprises controlled by key management personnel / relatives of key management personnel			Total		
	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15	As at 31.03.17	As at 31.03.16	As at 01.04.15
Balances at the end of the year															
Current liability	**0.03**	**-**	**-**	**-**	**-**	**0.03**	**22.74**	**22.00**	**3.14**	**-**	**-**	**-**	**22.77**	**22.00**	**3.17**
Torrent Power Services Private Ltd.	-	-	-	*	-	-	-	-	-	-	-	-	*	-	-
UNM Foundation	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-
Tornascent Care Institute	*	-	-	-	-	-	-	-	-	-	-	-	*	-	-
Torrent Pharmaceuticals Ltd.	-	-	-	-	-	0.03	-	-	-	-	-	-	-	-	0.03
Sudhir Mehta (Chairman)	-	-	-	-	-	-	5.00	5.00	-	-	-	-	5.00	5.00	-
Samir Mehta (Vice Chairman)	-	-	-	-	-	-	5.00	5.00	-	-	-	-	5.00	5.00	-
Markand Bhatt (Whole-time Director)	-	-	-	-	-	-	9.00	11.00	-	-	-	-	9.00	11.00	-
Jinal Mehta (Whole-time Director)	-	-	-	-	-	-	3.74	1.00	3.14	-	-	-	3.74	1.00	3.14
Investment in equities	**0.69**	**0.69**	**0.66**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.69**	**0.69**	**0.66**
AEC Cements & Constructions Ltd.	0.61	0.61	0.61	-	-	-	-	-	-	-	-	-	0.61	0.61	0.61
Tidong Hydro Power Ltd.	0.02	0.02	0.02	-	-	-	-	-	-	-	-	-	0.02	0.02	0.02
Tornascent Care Institute	0.03	0.03	0.03	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03
UNM Foundation	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.03	0.03	-
Loans and advances	**-**	**-**	**2.70**	**0.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.34**	**-**	**2.70**
Torrent Pharmaceuticals Ltd.	-	-	-	0.34	-	-	-	-	-	-	-	-	0.34	-	-
AEC Cements & Construction Ltd.	-	-	2.70	-	-	-	-	-	-	-	-	-	-	-	2.70
Trade receivables	**-**	**-**	**-**	**-**	**0.06**	**0.48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.06**	**0.48**
Torrent Pharmacueticals Ltd.	-	-	-	-	0.06	0.48	-	-	-	-	-	-	-	0.06	0.48

(e) Terms and conditions of outstanding balances

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions, other than interest free loan given to subsidiaries which are also in same line of business.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW

(a) Capital management

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance.

The Group's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves as detailed in notes 22,23) and debt (borrowings as detailed in note 24).

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group's plan is to ensure that the gearing ratio (debt equity ratio) is well within the limit of 2:1.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt	8,732.91	8,565.30	9,245.10
Equity	8,247.34	7,796.83	7,136.51
Net debt to equity ratio	1.06	1.10	1.30

Footnotes:

1. Debt is defined as all long term debt outstanding (including unamortised expense) + contingent liability pertaining to corporate / financial guarantee given + short term debt outstanding in lieu of long term debt.
2. Equity is defined as Equity share capital + all reserve (excluding revaluation reserve) + Non-controlling interests + deferred tax liabilities – deferred tax assets – intangible assets.

(b) Categories of financial instruments

(₹ in Crore)

	As at 31st March,2017	As at 31st March,2016	As at 1st April, 2015
Financial assets			
Measured at Cost			
Investment in equity instruments	0.06	0.06	0.05
Measured at amortised Cost			
Cash and cash equivalent	260.78	542.73	966.91
Other bank balances	8.56	236.92	806.66
Investment in bonds	6.57	4.94	3.62
Trade receivables	975.05	1,056.98	961.22
Other financial assets	692.82	425.02	577.73
	1,943.84	2,266.65	3,316.19
Measured at fair value through profit and loss (FVTPL)			
Mandatorily measured			
Investment in mutual funds	664.27	505.94	612.38
	664.27	505.94	612.38
Financial liabilities			
Measured at amortised Cost			
Borrowing	8,270.02	8,198.41	8,365.67
Trade payable	905.36	952.02	970.67
Other financial liabilities	2,075.08	1,460.01	2,259.97
	11,250.46	10,610.44	11,596.31

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(c) Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations, and projects capital expenditure. The Group's principal financial assets include loans, advances, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks viz regulatory risk, interest rate risk, credit risk, liquidity risk etc. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks. It advises on financial risks and the appropriate financial risk governance framework for the Group.

Regulatory risk

The Group's substantial operations are subject to regulatory interventions, introduction of new laws and regulations including changes in competitive framework. The rapidly changing regulatory landscape poses a risk to the Group. Also, in particular, the distribution segment lacks due recognition or incentives for its efficient operations in the current regulatory framework. Although, the regulator has approved revision in the Fuel and Power Purchase Price Adjustment (FPPPA) mechanism to allow the full recovery of increased power purchase cost and other expenses through true-up mechanism, yet the full recovery of such costs is getting delayed. Further, the issue of non-pass through of renewable energy certificate costs (to fulfill RPO obligation) through the FPPPA mechanism continues to burden the distribution business. All these issues lead to postponement of recovery of the costs, resulting into deferred recovery and carrying costs.

UNOSUGEN project was set up as an expansion to SUGEN Mega Power project. UNOSUGEN tariff has been determined by Central Electricity Regulatory Commission (CERC). However, such tariff is yet to be adopted by relevant regulatory authority pursuent to the electricity regulations.

The proposed segregation of carriage and content in the Electricity Amendment Bill, 2014 would bring about a substantial change in the way the distribution business is conducted, though not impacting the return on equity on the investments in the distribution infrastructure.

Fuel availability and affordability risk

Unavailability of domestic gas has been adversely affecting the Group's gas based generation plants since 2012. Lower priority to power sector in the Gas Allocation Policy also poses risk to the Group. Earlier, due to higher cost of imported Liquid Natural Gas (LNG), there was unwillingness of long term buyers to off take power generated from such LNG. However, in the present scenario, the LNG prices have dropped significantly due to international gas glut. In spite of this, the gas based generation capacity of the Group could not be operated at the desired level due to lack of power demand. The Group has tied up its fuel requirements for the April to December, 2017 for SUGEN plant and it is hopeful for the sustained availability of imported LNG at reasonable rates and increase in power demand due to various Government initiatives.

Foreign exchange risk

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the USD and EUR. Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The Group's exposure with regards to foreign exchange risk which are not hedged are given in note 49. However, these risks are not significant to the Group's operation.

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Interest rate risk

Most of the Group's borrowings are on a floating rate of interest. The Group has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term credit lines besides internal accruals.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

(₹ in Crore)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed rate borrowings	1,127.10	885.92	889.74
Floating rate borrowings	7,564.42	7,628.92	8,355.36
	8,691.52	8,514.84	9,245.10

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rates had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Impact on profit - increase in 50 basis points	(37.82)	(38.14)
Impact on profit - decrease in 50 basis points	37.82	38.14

Credit risk

(1) Exposures to credit risk:

The Group is exposed to the counterparty credit risk arising from the possibility that counterparties (primarily trade receivables, suppliers. contractors etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and the cost of substituting products and services that are not provided.

(2) Credit risk management:

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. The Group has established criteria for admission, approval systems, authorisation levels, exposure measurement methodologies, etc. The concentration of credit risk is limited due to the fact that the customer base is large. None of the customers accounted for more than 10% of the receivables and revenue for the year ended 31st March, 2017 and 31st March, 2016. However, the Group is dependent on the domestic market for its business and revenues.

The Group's credit policies and practices with respect to distribution areas are designed to limit credit exposure by collecting security deposits prior to providing utility services or after utility service has commenced according to applicable regulatory requirements. In respect to generation business, Group generally has letter of credits / bank guarantees to limit its credit exposure.

(3) Other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(4) Age of receivables and expected credit loss

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and the rates as given in the provision matrix.

The age of receivables and provision matrix at the end of the reporting period is as follows.

As at 31st March,2017

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	976.82	2.71%	26.52
More than 6 months but less than or equal to 1 year	38.00	58.13%	22.09
More than one year	89.71	90.15%	80.87
	1,104.53		129.48

As at 31st March,2016

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	1,050.12	3.65%	38.29
More than 6 months but less than or equal to 1 year	57.78	42.06%	24.30
More than one year	78.81	85.19%	67.14
	1,186.71		129.73

As at 1st April, 2015

(₹ in Crore)

	Gross trade receivables	Expected credit loss (%)	Allowance for doubtful Debt
Less than or equal to 6 months	963.17	4.16%	40.08
More than 6 months but less than or equal to 1 year	45.98	54.89%	25.24
More than one year	81.87	78.76%	64.48
	1,091.02		129.80

(5) Movement in the expected credit loss allowance

(₹ in Crore)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening balance	129.73	129.80
Movement in expected credit loss allowance on trade receivable calculated	(0.25)	(0.07)
Closing balance	129.48	129.73

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering the cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

Liquidity table

The Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

As at 31st March, 2017

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	2,284.67	5,945.57	8,230.24
Trade payables^	-	65.30	-	65.30
Other financial liabilities	-	37.76	826.00	863.76
	-	2,387.73	6,771.57	9,159.30
Current financial liabilities				
Borrowings	76.62	-	-	76.62
Trade payables	852.00	-	-	852.00
Other financial liabilities^	1,215.87	-	-	1,215.87
	2,144.49	-	-	2,144.49
Total financial liabilities	2,144.49	2,387.73	6,771.57	11,303.79

As at 31st March, 2016

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	1,762.83	6,480.91	8,243.74
Trade payables^	-	250.27	-	250.27
Other financial liabilities	-	33.91	745.87	779.78
	-	2,047.01	7,226.78	9,273.79
Current financial liabilities				
Borrowings	-	-	-	-
Trade payables	735.85	-	-	735.85
Other financial liabilities^	685.36	-	-	685.36
	1,421.21	-	-	1,421.21
Total financial liabilities	1,421.21	2,047.01	7,226.78	10,695.00

NOTE 62: FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

As at 1st April, 2015

(₹ in Crore)

	Less than 1 year	Between 1 and 5 year	5 years and above	Total
Financial liabilities				
Non current financial liabilities				
Borrowings^	-	3,967.32	4,288.57	8,255.89
Trade payables^	-	380.58	-	380.58
Other financial liabilities	-	36.39	660.00	696.39
	-	4,384.29	4,948.57	9,332.86
Current financial liabilities				
Borrowings	109.78	-	-	109.78
Trade payables	631.05	-	-	631.05
Other financial liabilities^	1,563.58	-	-	1,563.58
	2,304.41	-	-	2,304.41
Total financial liabilities	2,304.41	4,384.29	4,948.57	11,637.27

^ Gross amount including unamortised expense.

NOTE 63: FAIR VALUE MEASUREMENT AND RELATED DISCLOSURES

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(a) Financial assets at fair value through profit and loss (FVTPL)

(₹ in Crore)

	Fair value			**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015		
Investment in mutual fund units	664.27	505.94	612.38	Level 1	Quoted bid prices in an active market
	664.27	505.94	612.38		

(b) Financial assets and liabilities at amortised cost

The carrying amounts of cash and cash equivalent, other bank balances, investment in bonds, trade receivables, loans, other financial assets, current borrowings, trade payables, other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

NOTE 64: STATEMENT PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1

(a) Statement containing salient features of the financial statement of subsidiaries

(₹ in Crore)

(1)	Name of Subsidiary Company	Torrent Solargen Limited	Torrent Pipavav Generation Limited	Torrent Power Grid Limited
(2)	Financial year ended on	31st March, 2017	31st March, 2017	31st March, 2017
(3)	Capital	80.05	50.00	90.00
(4)	Reserves	0.37	(1.57)	11.86
(5)	Total assets	81.05	103.44	242.77
(6)	Total liabilities	81.05	103.44	242.77
(7)	Details of investment (except in case of investment in subsidiaries)	81.04	-	30.32
(8)	Turnover	-	-	38.98
(9)	Profit / (loss) before taxation	0.24	(1.23)	9.05
(10)	Provision for taxation (including deferred tax)	0.36	*	5.60
(11)	Profit / (loss) after taxation	(0.12)	(1.23)	3.45
(12)	Other comprehensive income (net of tax)	-	-	(0.02)
(13)	Total comprehensive income	(0.12)	(1.23)	3.43
(14)	Proposed dividend (including dividend distribution tax)	-	-	3.25
(15)	% of Shareholding	100.00%	95.00%	74.00%

Footnotes :

1. Torrent Pipavav Generation Limited is yet to commence its operations.
2. AEC Cements and Constructions Limited, which has become subsidiary pursuant to amalgamation of Torrent Cables Limited, has not been consolidated as the same is under liquidation and insignificant to the Group.

(b) Statement containing salient features of the financial statement of associates and joint ventures is given in note 43.

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

NOTE 65: SPECIFIED BANK NOTES (SBNs)

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided below:

(₹ in Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November,2016	2.01	0.07	2.08
Add: Permitted receipts	181.83	75.37	257.20
Less: Permitted payments	-	0.47	0.47
Less: Amount deposited in banks	183.84	74.11	257.95
Closing cash in hand as on 30th December, 2016	-	0.86	0.86

'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Closing balance as at 8th November, 2016 includes amount refunded by emlpoyees against advance given to them.

NOTE 66:

The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

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

NOTE 67 : FIRST TIME IND AS ADOPTION RECONCILIATIONS

67.1 : Reconciliation of equity

(₹ in Crore)

	Note	As at date of transition 1st April,2015			As at 31st March, 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current assets							
Property, plant and equipment	g & j	15,114.73	(176.07)	14,938.66	15,293.45	(171.22)	15,122.23
Capital work-in-progress		232.27	-	232.27	210.19	-	210.19
Goodwill		10.00	-	10.00	10.00	-	10.00
Investment property	j	-	0.53	0.53	-	0.53	0.53
Other intangible assets		8.02	-	8.02	6.71	-	6.71
Intangible assets under development		-	-	-	3.10	-	3.10
Financial assets							
Investments		3.67	-	3.67	5.00	-	5.00
Loans		-	-	-	-	-	-
Other financial assets		16.90	-	16.90	15.75	-	15.75
Other non-current assets	g	145.32	169.85	315.17	722.56	164.97	887.53
		15,530.91	(5.69)	15,525.22	16,266.76	(5.72)	16,261.04
Current assets							
Inventories		304.55	-	304.55	420.23	-	420.23
Financial assets							
Investments	f	602.91	9.47	612.38	503.93	2.01	505.94
Trade receivables		961.22	-	961.22	1,056.98	-	1,056.98
Cash and cash equivalents		966.91	-	966.91	542.73	-	542.73
Other bank balances		806.66	-	806.66	236.92	-	236.92
Loans		-	-	-	-	-	-
Other financial assets		560.83	-	560.83	409.27	-	409.27
Current tax assets (net)		-	-	-	11.32	-	11.32
Other current assets	g	72.01	5.69	77.70	161.57	5.72	167.29
		4,275.09	15.16	4,290.25	3,342.95	7.73	3,350.68
		19,806.00	9.47	19,815.47	19,609.71	2.01	19,611.72
Equity and liabilities							
Equity							
Equity share capital		472.45	-	472.45	480.62	-	480.62
Other equity		6,333.29	(881.99)	5,451.30	7,054.55	(1,064.71)	5,989.84
		6,805.74	(881.99)	5,923.75	7,535.17	(1,064.71)	6,470.46
Non-controlling interests		30.84	(1.27)	29.57	31.04	(0.98)	30.06
		6,836.58	(883.26)	5,953.32	7,566.21	(1,065.69)	6,500.52
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	b	8,255.89	-	8,255.89	8,243.74	(45.33)	8,198.41
Trade payables	d	380.58	(40.96)	339.62	250.27	(34.10)	216.17
Other financial liabilities		696.39	-	696.39	779.78	-	779.78
Provisions		73.97	-	73.97	80.10	-	80.10
Deferred tax liabilities (net)	c	859.57	331.64	1,191.21	966.53	339.59	1,306.12
Other non-current liabilities	e & h	-	649.58	649.58	-	765.28	765.28
		10,266.40	940.26	11,206.66	10,320.42	1,025.44	11,345.86
Current liabilities							
Financial liabilities							
Borrowings		109.78	-	109.78	-	-	-
Trade payables							
Due to micro and small enterprises		2.13	-	2.13	3.12	-	3.12
Due to others		628.92	-	628.92	732.73	-	732.73
Other financial liabilities	b	1,563.58	-	1,563.58	685.36	(5.13)	680.23
Other current liabilities	e & h	250.25	39.78	290.03	261.25	48.67	309.92
Provisions	a	111.82	(87.31)	24.51	40.62	(1.28)	39.34
Current tax liabilities (net)		36.54	-	36.54	-	-	-
		2,703.02	(47.53)	2,655.49	1,723.08	42.26	1,765.34
		19,806.00	9.47	19,815.47	19,609.71	2.01	19,611.72

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 67 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

67.2 : Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations	e, h & i	11,686.19	29.65	11,715.84
Other income	d & f	273.05	8.88	281.93
Total income		11,959.24	38.53	11,997.77
Expenses				
Electrical energy purchased		3,306.16	-	3,306.16
Purchase of stock-in-trade		0.05	-	0.05
Cost of materials consumed		235.49	-	235.49
Changes in inventories of finished goods and work-in-progress		6.83	-	6.83
Employee benefits expense		401.24	(10.50)	390.74
Finance costs	b	1,134.56	(3.78)	1,130.78
Depreciation and amortization expense	e, g & h	877.49	38.25	915.74
Other expenses	g & i	4,747.02	(32.08)	4,714.94
Total expenses		10,708.84	(8.11)	10,700.73
Profit before exceptional items and tax		1,250.40	46.64	1,297.04
Exceptional items		7.41	-	7.41
Profit before tax		1,242.99	46.64	1,289.63
Tax expenses				
Current tax		265.63	-	265.63
Deferred tax	c	106.94	11.61	118.55
Short / (excess) provision of current tax for earlier years		3.21	-	3.21
		375.78	11.61	387.39
Profit for the period from continuing operations		867.21	35.03	902.24
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the defined benefit plans		-	(10.50)	(10.50)
Income tax relating to remeasurement of the defined benefit plans		-	(3.65)	(3.65)
Other comprehensive income for the year (net of tax)		-	(6.85)	(6.85)
Total comprehensive income for the year		867.21	28.18	895.39

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTE 67 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

67.3 : Equity reconciliations as at 31st March, 2016 and 1st April, 2015

(₹ in Crore)

	Notes	As at 31st March, 2016	As at 1st April, 2015
Total equity as per previous GAAP		7,054.55	6,333.29
Net gain / (loss) arising on financial assets measured at fair value	f	1.86	9.46
Net gain / (loss) arising on financial liabilities measured at amortised cost	d	34.10	40.96
Amortisation of borrowing cost	b	50.46	-
Deferred tax impact on Ind AS adjustments	c	(339.54)	(331.63)
Dividend and dividend distribution tax	a	0.95	87.06
Reclassification from reserves :			
Service line contribution	h	(780.10)	(652.69)
Grant in Aid under Accelerated Power Development Fund Reform Programme (APDRP)	e	(32.44)	(35.15)
Total adjustments		(1,064.71)	(881.99)
Total equity as per Ind AS		5,989.84	5,451.30

67.4 : Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crore)

	Notes	Year ended 31st March, 2016
Profit after tax as per previous GAAP		867.21
Net gain / (loss) arising on financial assets measured at fair value	f	(7.46)
Net gain / (loss) arising on financial liabilities measured at amortised cost	d	(6.86)
Amortisation of borrowing cost	b	50.46
Actuarial (gain) / loss on employee defined benefit funds recognised in other comprehensive income		10.50
Deferred tax impact on Ind AS adjustments	c	(11.61)
Total adjustments		35.03
Profit after tax as per Ind AS		902.24
Other comprehensive income		(6.85)
Total comprehensive income as per Ind AS		895.39

NOTE 67 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

67.5 : Impact of Ind AS adoption on the statement of consolidated cash flow for the year ended 31st March, 2016

(₹ in Crore)

	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Net cash flows from operating activities	2,553.91	(3.61)	2,550.30
Net cash flows from investing activities	(914.14)	3.61	(910.53)
Net cash flows from financing activities	(2,162.93)	-	(2,162.93)
Net increase / (decrease) in cash and cash equivalents	(523.16)	-	(523.16)
Cash and cash equivalents as at beginning of the year	1,569.80	-	1,569.80
Cash and cash equivalents as at end of the year	1,046.64	-	1,046.64

Analysis of cash and cash equivalents as at 31st March, 2016 and as at 1st April, 2015 for the purpose of statement of cash flows under Ind AS

(₹ in Crore)

	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents as per previous GAAP	1,046.64	1,569.80
Cash and cash equivalents as per Ind AS	1,046.64	1,569.80

67.6: Notes to reconciliations

(a) Under previous GAAP, proposed dividends and related dividend distribution tax are recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends to shareholders declared after the end of the reporting period but before the financial statements are authorised for issue are not recognised as a liability at the end of the reporting period, but are disclosed separately in the notes. Accordingly, at the date of transition to Ind AS, a decrease to the extent of such proposed dividend has been recognised in short term provisions and adjusted against retained earnings.

(b) Under previous GAAP, upfront fees paid to the lenders is charged to statement of profit and loss as and when incurred. However, Ind AS - 109 “Financial instruments” requires long term debt to be recognised at amortised cost and upfront fees are charged on the basis of effective interest rate method. The difference resulting from the said treatment has been adjusted against retained earnings as at the date of transition.

(c) Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting income and taxable income for the year i.e., income statement approach. However, under Ind AS - 12 “deferred taxes” are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and their respective tax base i.e. balance sheet approach. Further, deferred tax liability has been created on the fair value of the fixed assets taken over by the Group at the time of past business combination with a corresponding adjustment to retained earnings as at the date of transition.

(d) Under the previous GAAP, the Group had accounted for long term trade payables at the undiscounted value. In contrast, Ind AS requires that where the effect of time value of money is material, the amount of trade payables should be the present value of the amount expected to be required to settle the obligation. The difference arising out of such discounting as at the date of transition has been adjusted against retained earnings.

(e) The grant under the Accelerated Power Development and Reforms Programme (APDRP) of the Ministry of Power, Government of India, received by the Group was treated as capital receipt and accounted as capital reserve in previous GAAP. Depreciation on the related assets was also routed through such assets.

Under Ind AS, Government grants related to assets have been presented in the balance sheet only by setting up the grant as deferred revenue.

NOTE 67 : FIRST TIME IND AS ADOPTION RECONCILIATIONS (Contd.)

(f) Under previous GAAP, the Group accounted long term investments (i.e. non-quoted and quoted) at cost less provision other than temporary diminution in the value of investments. Current investments are stated at the lower of cost and fair value. As per the requirements of Ind AS 109, the investments in mutual fund units are to be at fair value. The differences arising out of the above treatment as at the date of transition have been adjusted against retained earnings.

(g) Under previous GAAP, Leasehold land is recorded and classified as fixed assets. However, under Ind AS, lease hold land is recognised as operating lease considering infinite useful life criterion.

(h) Under previous GAAP, amount received from consumer towards overhead / service line contributions was accounted as capital reserve by the Group as the amount was not refundable and subsequently, proportionate amount was transferred to income statement during the expected life of the asset to match the depreciation on total cost of such asset.

Under Ind AS, taking into cognizance of application of Appendix C to Ind AS 18, the balance as at the date of transition towards service line contribution has been transferred to deferred revenue.

(i) Under previous GAAP, the Group accounted the revenue net of excise duties and sales tax. As per requirement of Ind AS, revenue has been shown including excise duty and excise duty has been shown as a part of expenses. Further any sales incentives, discounts or rebates in any form, including cash discounts given to customers has been considered as selling price reductions and accounted as reduction from revenue.

(j) As per the requirement of Ind AS 40, the land held to earn rentals or for capital appreciation or both has been classified as investment property.

NOTE 68: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on 23rd May, 2017.

Signature to Note 1 to 68

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Hemendra L. Shah
Partner

Ahmedabad, 23rd May, 2017

For and on behalf of the Board of Directors

Sudhir Mehta
Chairman
DIN: 00061871

T P Vijayasarathy
Executive Director (Corporate Affairs) &
Chief Financial Officer

Darshan Soni
Company Secretary

Ahmedabad, 23rd May, 2017

5 YEARS' HIGHLIGHTS - CONSOLIDATED

Particulars	UoM	2016-17 (Ind AS)	2015-16 (Ind AS)	2014-15 (IGAAP)	2013-14 (IGAAP)	2012-13 (IGAAP)
TECHNICAL DATA						
Generation Capacity	MW	3,556	3,334	3,253	2,102	1,697
Units Dispatched by Generating Stations	MUs	7,543	9,362	5,327	4,782	6,822
Units Purchased	MUs	8,986	7,504	11,314	11,021	9,743
Units Sold	MUs	14,454	14,673	14,155	13,331	14,075
No. of Consumers	Mn	3.12	3.03	2.95	2.87	2.76
KEY FINANCIALS						
Total Income	₹ in Crore	10,244	11,998	10,762	8,932	8,365
EBDITA	₹ in Crore	2,651	3,336	2,423	1,534	1,494
Profit Before Tax	₹ in Crore	587	1,290	740	275	630
Total Comprehensive Income (after Non-controlling interests)	₹ in Crore	423	893	360	105	387
Equity Share Capital	₹ in Crore	481	481	472	472	472
Other Equity (Reserves and Surplus)	₹ in Crore	6,411	5,990	6,083	5,733	5,631
Loan Funds (Gross)	₹ in Crore	8,733	8,565	9,355	9,463	8,050
Fixed Assets	₹ in Crore	17,136	15,343	15,311	14,724	13,911
KEY FINANCIAL RATIOS						
EBDITA / Total Income	%	25.88	27.80	22.51	17.17	17.86
Total Comprehensive Income / Total Income	%	4.13	7.44	3.35	1.18	4.63
Return on Net Worth*	%	5.26	11.95	5.00	1.54	5.97
Return on Capital Employed	%	8.46	11.79	7.40	4.80	5.79
Debt Equity Ratio*		1.06	1.10	1.26	1.37	1.20
Earning Per Share	₹	8.93	18.73	7.61	2.23	8.19

* Deferred Tax Liability is included as a part of Net Worth

NOTES

ROUTE MAP TO THE AGM VENUE

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068

13th Annual General Meeting
Date: Tuesday, 1st August, 2017
Time: 02.30 p.m.

Venue: J. B. Auditorium, Torrent-AMA Centre,
Ahmedabad Management Association,
Vastrapur, Ahmedabad-380015

TORRENT POWER LIMITED

CIN: L31200GJ2004PLC044068
Regd. Office: "Samanvay", 600, Tapovan, Ambawadi, Ahmedabad-380015, Gujarat, India.
Phone: +91-79-26628300, Fax: +91-79-26764159
Website: www.torrentpower.com; E-mail: cs@torrentpower.com

13th Annual General Meeting – August 1, 2017

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 13th **Annual General Meeting** of the Company at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad - 380015 on Tuesday, 1st August, 2017 at 2.30 p.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

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13th Annual General Meeting – August 1, 2017

PROXY FORM

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

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

I/ We being the member (s) of ____________ equity shares of the Torrent Power Limited, hereby appoint;

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

or failing him/her

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

or failing him/her

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th **Annual General Meeting** of the Company, to be held on the Tuesday, 1st August, 2017 at 2.30 p.m. at J. B. Auditorium, Torrent-AMA Centre, Ahmedabad Management Association, Vastrapur, Ahmedabad – 380015 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution	Vote - Refer Note 4		
	For	Against	Abstain
ORDINARY BUSINESS			
1. Adoption of the Financial Statements (including Consolidated Financial Statements) of the Company and reports of the Auditors and the Directors thereon.			
2. Declaration of Dividend on equity shares.			
3. Vacancy caused by retirement of Shri R. Ravichandran (holding DIN: 06737497) at the 13th Annual General Meeting be not filled up.			
4. Appointment of M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company to hold office from conclusion of 13th Annual General Meeting till conclusion of 18th Annual General Meeting, subject to ratification by the shareholders at every Annual General Meeting.			
SPECIAL BUSINESS			
5. Appointment of Shri Pankaj Joshi, IAS as Director of the Company.			
6. Ratification of remuneration of Cost Auditors.			

Signed this __________day of ____________, 2017.

____

Signature of Member(s)

____

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Thirteenth Annual General Meeting.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. A Proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave ‘for,’ ‘against’ or ‘abstain’ column blank against any or all of the resolutions, your proxy will be entitled to vote in any manner as he/she may deem appropriate.


Meghdhanush- The Residential Colony at DGEN

GREEN AMBIENCE

Embodying the Green Building trend

With our continuous efforts to adopt structures, materials and processes that are environmentally responsible and resource-efficient, we have got to our credit certain green buildings.

Meghdhanush, the residential colony at DGEN, has been rated by Indian Green Building Council (IGBC) in Platinum Category, which is the highest rating in the Green Homes rating scale. The rating is in recognition of Torrent Group's environmental stewardship and efforts for enhancing occupants' health, happiness and well-being by concentrating on design and innovation, efficiency in water & energy usage, resource conservation and quality of indoor ambience.

The recently built Corporate Office of the Company, 'Samanvay', is an excellent example of office space which celebrates working in sync with nature. It integrates various active as well as passive design strategies, to ensure a climate responsive and energy efficient design. 'Urja Dweep' comprising housing (Jarul) and community healthcare facilities (Swadhar) is a self-sustaining energy complex at SUGEN Power Plant. The energy requirement of the complex is met through the bio gas plant based on cow dung and sewage waste.


Samanvay - The Corporate Office


Swadhar - A Community Medical Centre at SUGEN


Jarul - Residential Colony at SUGEN


Green Belt at SUGEN

GREEN AIR

Making a difference in the quality of environment surrounding us

In fulfilling our responsibility of leaving behind a world rich in flora, more than 43% of SUGEN Plant area and 40% of DGEN Plant area is under green cover, higher than that required under the statutory norms. Further, organic horticulture & farming and social forestry in vacant lands in and around SUGEN allows for environmentally friendly and productive use of resources. Trees were also planted across 5500 sq. meters of social forest near SUGEN, the income from which goes to the villagers. To arrest the soil erosion in coastal belt near DGEN, mangrove plantation in 50 hectares was carried out.

Further, development and maintenance of certain public parks in and around areas of our operations is another attempt made towards connecting with the nature.


Green Belt at DGEN


Organic Farming near SUGEN


Mangrove Plantation near DGEN

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