

Torrent Power reports its FY 2013-14 results

May 12, 2014: The Ahmedabad-based Torrent Power Limited (the “Company”) today announced its financial results for the year ended 31st March, 2014. The consolidated total income from operations for FY 2013-14 stood at Rs. 8,681.12 Crores, up by 5.60% from Rs. 8,221.01 Crores in the previous year.

Consolidated EBDIT (including other income) for FY 2013-14 stood at Rs. 1,533.85 Crores, up by 2.65% from Rs. 1,494.28 Crores in the previous year. The Company earned Net profit (after minority interest) of Rs.105.26 Crores in FY 2013-14 as against Net profit (after minority interest) of Rs. 386.70 Crores during the previous year.

The following are major reasons for variation of FY 2013-14 results in relation to FY 2012-13 results:

- ▶ The continued non-supply of domestic gas from KG-D6 basin has adversely impacted the PLF at the Company’s SUGEN Mega Power Plant which has reduced from 41.21% in FY 2012-13 to 22.87% in FY 2013-14.
- ▶ Such reduced supply of power from SUGEN Mega Power Plant to the Company’s regulated distribution areas at Ahmedabad and Surat necessitated purchase of short term power, whose part cost continued to remain unrecovered despite a revision in FPPPA formula.
- ▶ Under-recovery of approximately Rs. 293 Crores of fixed cost of Sugen Expansion as its tariff (as determined by Hon’ble CERC) is yet to be adopted by Hon’ble GERC.
- ▶ Increase in T&D loss at Bhiwandiby 3% in FY 2013-14 vis-à-vis FY 2012-13, due to continuing agitation at Bhiwandi and consequent reduction in vigilance activities.

The Board of Directors of Torrent Power Limited has recommended dividend of 5% i.e. Rs. 0.50 per equity share in line with the Company’s policy of endeavouring to distribute 30% of its annual profits after tax as dividend.

Torrent Power Limited also announced a composite scheme of amalgamation, the details of which are as under:

- ▶ Torrent Energy Limited and Torrent Cables Limited are part of the Torrent Group. Torrent Energy Limited is a wholly owned subsidiary of Torrent Power Limited and both are engaged in the similar business. Torrent Cables Limited is one of the major suppliers of power cables for the power transmission and distribution activities of Torrent Power Limited as well as Torrent Energy Limited.

- ▶ In view of similar business of Torrent Energy Limited and Torrent Power Limited and complementary business relationship between Torrent Cables Limited on one hand and Torrent Energy Limited & Torrent Power Limited on the other hand, it is proposed to consolidate the activities of Torrent Cables Limited, Torrent Energy Limited and Torrent Power Limited by way of amalgamation.
- ▶ The proposed amalgamation is expected to benefit all the three companies and their stakeholders in terms of synergies of operations, higher integration, concentrated management focus, increased shareholders' value and enhanced reputation of Torrent Group.

In this regard, a composite scheme of amalgamation under the provisions of Sections 391-394 of the Companies Act, 1956 of Torrent Energy Limited and Torrent Cables Limited with Torrent Power Limited (Scheme) was recommended by the Audit Committee and approved by the Board of Directors of the Company today.

The salient features of the Scheme, inter alia, are as under:

- a) The Appointed date of the Scheme would be 1st April 2014.
- b) All assets and liabilities of Torrent Energy Limited and Torrent Cables Limited are to be transferred and vested in Torrent Power Limited.
- c) Torrent Power Limited to issue its shares to the shareholders of Torrent Cables Limited, based on a Share exchange ratio determined by the valuer, M/s. Price Waterhouse & Co., LLP, Chartered Accountants and fairness opinion provided by IDFC Securities Limited, Merchant Bankers, as under:
 - Every shareholder holding 20 (Twenty) fully paid up equity shares of Rs. 10/- each of Torrent Cables Limited, shall be entitled to receive 19 (Nineteen) fully paid up equity shares of Rs 10/- each of Torrent Power Limited
 - Since Torrent Energy Limited is a wholly owned subsidiary of Torrent Power Limited, the investment of the Company in Torrent Energy Limited shall stand cancelled and no shares to that extent shall be issued by Torrent Power Limited.
- d) The Scheme is conditional upon inter alia
 - (i) regulatory approvals including that of Gujarat Electricity Regulatory Commission, Central Electricity Regulatory Commission, SEBI, Stock Exchanges, and High Court of Gujarat / National Company Law Tribunal;
 - (ii) proposals from the lenders on re-organisation of consolidated long term financing arrangements on such terms and conditions including appropriate moratorium, repayment period and security structure as may be acceptable to the Board.

About Torrent Power Limited:

Torrent Power Limited, the Rs. 8,932 Crores integrated power utility of the Torrent Group, is one of the largest private sector players in the country present in power generation, transmission and distribution. Its current generation capacity is 2002 MW and it distributes nearly 13.25 billion units to over 2.87 million customers in cities of Ahmedabad, Gandhinagar and Surat in Gujarat, Bhiwandi in Maharashtra and Agra in Uttar Pradesh. TorrentPower Limited, in its licensed areas in Gujarat has the distinction of having one of the lowest T&D losses in the country, high power reliability indices and also enjoys high levels of customer satisfaction. The 1200 MW Gas based DGEN Mega Power Project is being implemented, through its subsidiary Torrent Energy Limited, at Dahej SEZ in Gujarat.
