

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF
TORRENT POWER LIMITED

Report on the audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements

Opinion

1. 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, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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, 2019, total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>i) Impairment assessment for Power Plant located at Dahej (Refer to note 41(1) of the standalone Ind AS financial statements) :</p> <p>Property, Plant & Equipment (“PPE”) includes carrying amount of ₹4,365 Crore pertaining to 1,200 MW DGEN Mega Power Project located at Dahej, India (“DGEN”). DGEN started its commercial operations in November 2014 (“COD”) and thereafter due to various factors such as unavailability of domestic gas, high prices of imported gas and non-availability of power purchase agreements it was not operated after COD, except for intermittent periods during FY 2015-16. During the periods of non-operation, DGEN was maintained in cold standby mode for immediate start-up, as and when required. As a result of above, there are indicators of potential impairment of carrying value of DGEN.</p> <p>The management carried out an impairment assessment of DGEN in accordance with Ind AS 36 ‘Impairment of Assets’ and measured the recoverable amount based on value in use which requires estimating the discounted cash flow projections over the estimated useful life of the DGEN with the help of an external valuer (“expert”). The expert estimated the value in use under two scenarios i.e. management case and alternate case by taking varied sets of assumptions reflective of likely future operating scenarios. The assessment of value in use involved several key assumptions including expected demand, future price of fuel, exchange rate, expected tariff rates, discount rate and current electricity market scenario which the management considered reasonable based on past trends and current and likely future state of the industry.</p> <p>The value in use arrived at by the expert under both the scenarios is higher than the carrying amount of PPE pertaining to DGEN and accordingly no impairment provision is considered necessary as at 31st March, 2019 by management.</p> <p>We considered this to be a key audit matter as the carrying value of DGEN at 31st March, 2019 is significant to the Company’s balance sheet and there is significant judgement and uncertainty involved in estimating future cash flows in the discounted cash flow (DCF) model used by the management to support the carrying value of DGEN. Further, the assumptions used in the DCF model are subject to inherent uncertainties.</p>	<p>Our procedures in relation to management’s impairment assessment of DGEN include the following:</p> <p>Assessed and tested the design and operating effectiveness of the Company’s controls over impairment assessment.</p> <p>Perused the report issued by the external valuer (“expert”) engaged by the management.</p> <p>Evaluated competence, capability and objectivity of the expert.</p> <p>Evaluated the reasonableness of cash flow projections used by the Company and the key assumptions in respect of expected demand, future price of fuel, exchange rate, expected tariff rates and discount rate.</p> <p>Involved auditors experts to review the external expert’s report and the reasonableness of the assumptions considered in the report.</p> <p>Discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness.</p> <p>Checked the arithmetic accuracy of the computation of projections.</p> <p>Based on the above procedures performed, we considered management’s assessment of impairment of the carrying value of DGEN as at 31st March, 2019 to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>ii) Assessment of recoverability of Deferred tax asset on unutilised tax credits (Refer to note 42 to the standalone Ind AS financial statements)</p> <p>The Company has recognised deferred tax asset on unutilised tax credits, representing Minimum Alternate Tax (MAT) paid on accounting profit in the current year and earlier years in which the Company did not have normal taxable profit due to availment of tax holiday incentives and set off of carried forward unabsorbed depreciation. The asset has been recognised on the basis of Company's assessment of availability of future taxable profits to offset the MAT credit. The future taxable profit projections involve several key assumptions including expected demand, future prices of fuel, expected tariff rates of electricity, exchange rate and current electricity market scenario covering the period over which MAT Credit can be claimed as per the Income tax Act, 1961. In preparing the profit projections, management has considered, past trends, applicable tariff regulations/agreement and current and likely future state of the industry.</p> <p>We considered this a key audit matter as the amount of deferred tax asset is material to the financial statements and significant management judgement is required in assessing the recoverability of MAT credit based on significant assumptions underlying the forecast of taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's business plans.</p>	<p>Our audit procedures included the following:</p> <p>Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax asset.</p> <p>Reviewed the Company's accounting policy in respect of recognizing deferred tax asset on unutilised tax credits.</p> <p>Assessed the reasonableness of the assumptions underlying profit projections made by management, in particular, the assumptions in respect of expected demand, future price of gas, expected tariff rates and exchange rate by reviewing the past trends and available tariff orders.</p> <p>Assessed the reasonableness of management's business plans considering the relevant economic and industry indicators.</p> <p>Evaluated whether the tax credit entitlements are legally available to the Company for the forecast recoupment period, considering the provisions of Income tax Act, 1961.</p> <p>Checked the mathematical accuracy of the underlying calculations of the projections.</p> <p>Performed sensitivity analysis on the projected taxable profits by varying key assumptions, within reasonably foreseeable range.</p> <p>Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes.</p> <p>Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax asset to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>iii) Appropriateness of additional revenue recognised on adoption of Ind AS 115 (Refer to notes 2.12 and 57 to the standalone Ind AS financial statements)</p> <p>During the year the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' retrospectively with the cumulative effect of initial application recognized in the Opening Retained Earnings on 1st April, 2018.</p> <p>The adoption has resulted changes in accounting policies and adjustment to the amounts recognized in the financial statements. Prior to adoption of Ind AS 115, the Company had been recognising the Fuel and Power Purchase Price Adjustment ("FPPPA") claims as and when approved by the regulatory authorities and the truing up adjustment claims as and when these were billed to consumers subsequent to approval by the regulatory authorities.</p> <p>The Company has in the current year recognized revenue in respect of FPPPA claims and other true up adjustments, as per the applicable tariff regulations, management's probability estimate and the past trends of approval, by applying the guidance on variable consideration under Ind AS 115.</p> <p>We considered this as a key audit matter in view of this being a material change in the accounting policy for revenue recognition, exercise of management judgement and estimates and significance of the amount involved as described in notes 2.12 and 57 to the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <p>Assessed and tested the design and operating effectiveness of the Company's controls over the revenue recognition.</p> <p>Read the relevant multi-year tariff regulations (MYT), tariff orders and other communication between the Company with various regulatory authorities to determine the quantum of Company's entitlement to recover costs from consumers.</p> <p>Evaluated management workings that set out all the outstanding claims for approval placed by the Company with regulatory authorities and the basis adopted by management in determining undisputed and disputed claims.</p> <p>Assessed the reasonableness of management's assessment of recoverability of claims by comparing earlier years' assessment with actual approvals by the regulatory authorities.</p> <p>Checked mathematical accuracy of management workings for use of correct tariffs, and for the impact of Ind AS 115 on the opening reserves and on the current year's revenue arising from outstanding claims with regulatory authorities.</p> <p>Evaluated the impact of first time adoption of Ind AS 115 and the appropriateness of the related disclosures in respect of the additional revenue recognized in opening reserves and that recognized in the current year statement of Profit and Loss.</p> <p>Based on the procedures performed as described above, we assessed that the recognition of additional revenue under Ind AS 115 was adequately supported by the available evidence.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report (including shareholders information), management discussion and analysis, business responsibility report, report on corporate governance, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Responsibilities of management and those charged with governance for the Standalone Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 of 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.
7. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, 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 Statement of Changes in Equity and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
 - 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, 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 as at 31st March, 2019 on its financial position in its standalone Ind AS financial statements – Refer Notes 31 and 44;
 - ii. The Company has long-term contracts as at 31st March, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at 31st March, 2019;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019;
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2019.

For **Price Waterhouse Chartered Accountants LLP**
Chartered Accountants
Firm Registration Number: 012754N / N500016

Pradip Kanakia
Partner
Membership No.: 039985

Place: Ahmedabad
Date: 15th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2019

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Torrent Power Limited ("the Company") as of 31st March, 2019 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

2. 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 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements for the year ended 31st March, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, 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 **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. As regards underground distribution systems, we have been informed that the same are not physically verifiable.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, plant and Equipment and Note 11 on other non-current assets to the standalone Ind AS financial statements, are held in the name of the Company or in the names of the companies which got amalgamated into the Company through various schemes approved by the courts in earlier years.
- ii. The physical verification of inventory [excluding stocks with third parties] has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 44 to the standalone Ind AS financial statements regarding management's assessment on certain matters relating to provident fund.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise and value added tax as at 31st March, 2019 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount involved (₹ in Crore)	Amount Unpaid (₹ in Crore)	Period to which the amount relates (Financial Year)	Forum where the dispute is pending
Customs Act, 1962	Custom duty	37.00	18.50	2012-13	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	0.17	0.17	1989-90	Central Excise and Service Tax Appellate Tribunal
Kerala General Sales Tax Act, 1963	Sales Tax on Works Contracts	0.20	0.20	2001-02	Sales Tax Appellate Tribunal, Calicut
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax on Works Contracts	0.29	0.29	1993-94 & 1994-95	Andhra Pradesh High Court, Hyderabad
Tamil Nadu General Sales Tax Act, 1959	Sales Tax on Works Contracts	0.47	0.47	1989-90 & 1990-91	Asst. Commissioner of Commercial Tax, Tuticorin
Gujarat Value Added Tax Act, 2003	Value Added Tax	0.21	0.17	2013-14 & 2014-15	Joint Commissioner of Commercial Tax (Appeal)
		0.17	0.14	2011-12	GVAT Tribunal
		4.26	1.63	2009-10 & 2010-11	GVAT Tribunal
		1.73	0.51	2008-09	GVAT Tribunal
		1.00	0.27	2007-08	GVAT Tribunal
Gujarat Sales Tax Act, 1969	Sales tax	4.29	4.29	2002-03 & 2003-04	Joint Commissioner of Commercial Tax (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	3.15	2.51	2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	GVAT Tribunal
		0.65	0.52	2013-14 & 2014-15	Joint Commissioner of Commercial Tax (Appeal)
Income tax Act, 1961	Income Tax	0.14	0.14	2016-17	CIT Appeals
		14.28	5.32	2015-16	CIT Appeals

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Torrent Power Limited on the standalone Ind AS financial statements as of and for the year ended 31st March, 2019

- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pradip Kanakia

Partner

Membership No.: 039985

Place: Ahmedabad

Date: 15th May, 2019