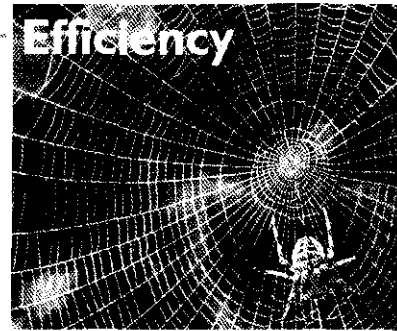


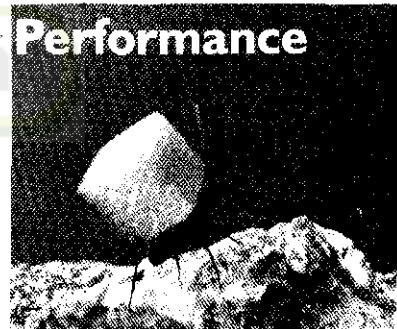
Smooth **Transformation**



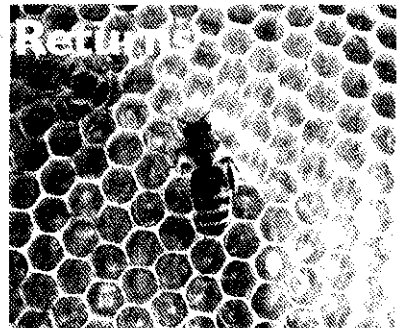
Greater **Efficiency**



Superior **Performance**



Better **Returns**



Annual Report 2004-05

Report  junction.com

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We would like to wish you a very Happy New Year.
That's right. A very happy and prosperous New Year.
If our wishes have surprised and puzzled you,
allow us to explain.

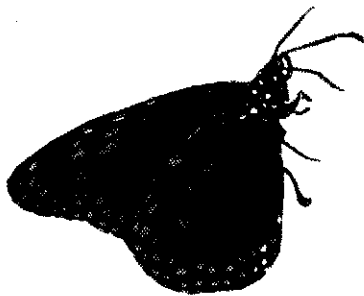
We are feeling pleased and satisfied.
Having completed yet another year of successful operations.
And we have reasons to celebrate.

In the past one year, we have transformed just like the way a
caterpillar transforms to a butterfly.

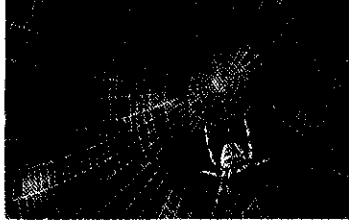
We changed our name to Torrent Power AEC Limited.

We have drastically reduced our T&D losses to 12.63%,
generated consistently at above 82% PLF and
achieved power availability of 99.84%.

What's more, we achieved all of this while
improving standards of customer service.



A year well spent, we feel.
For all our stakeholders.
And for all of us at Torrent Power.



In a few hours, a spider can weave webs of up to 70 cms in diameter.

Greater Efficiency

We have woven a strong and reliable network. Today we are confident of supplying power to a customer, however far he/she may be in our license area, within a matter of days.

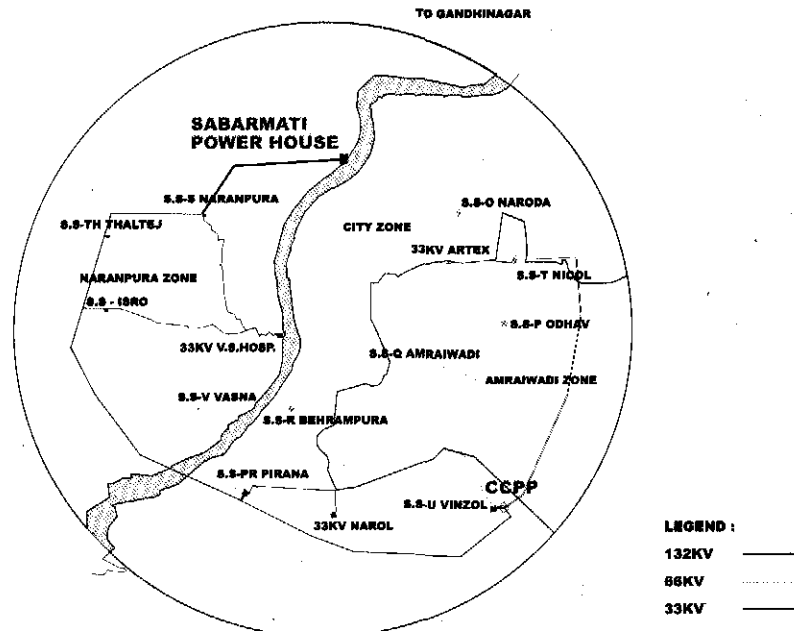
Our customers have not heard about power cuts or load shedding. Nor about power stabilisers or inverters.

But if you ask us, we feel it's only a matter of planning. Well, efficient planning.

Highlights:

- 254 km of EHV lines
- Over 2900 kms of HV network
- 82 EHV power transformers
- 4228 distribution transformers
- Peak load demand of 731.7 MW met without any load shedding

Torrent Power's T&D Network



Corporate Information

Directors

Rohit C. Mehta	Chairman
Markand Bhatt	
G. K. Choksi	
I. P. Gautam, IAS	Govt. Nominee
S. B. Kunwar	LIC Nominee
S. Majumder	GIC Nominee
Sudhir Mehta	
Samir Mehta	
P. K. Taneja, IAS	Govt. Nominee
G. Venkataraman	
Murli Ranganathan	Director and Chief Executive Officer

Audit Committee

Rohit C. Mehta	Chairman
G. K. Choksi	
G. Venkataraman	

Shareholders' /Investors'

Samir Mehta	Chairman
Murli Ranganathan	

Grievance Committee

Committee of Directors

Samir Mehta	Chairman
Markand Bhatt	
Murli Ranganathan	

Company Secretary

Shrikar S. Bhattbhatt

Auditors

C. C. Chokshi & Co. Chartered Accountants

Registered Office

Electricity House, Lal Darwaja, AHMEDABAD 380 001
Telephone: 25502881, Fax: 25506386

Plants

Power House, Sabarmati, AHMEDABAD 380005
Vatva Gas Power Station, GIDC, Phase IV, Vatva, AHMEDABAD 382 445

Website

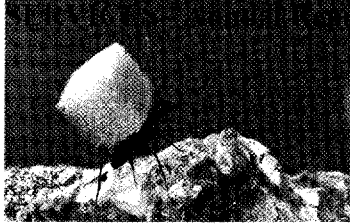
www.torrentpower.com

Registrars and

Share Transfer Agents

Sharepro Services (India) Pvt. Limited
Satam Estate, 3rd floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (East), MUMBAI 400 099

Telephone: 022-2821 5168, 2821 5991, 2832 9828
Fax: 022 - 2837 5646
Email: sharepro@vsnl.com



An ant can lift up to 20 times its body weight.

Superior Performance

When we changed our name, we also changed our way of working.
For the better.

Today, we lay strong emphasis on performance through teamwork. A policy that has started generating results. Be it in higher PLF in generation or drastic reduction in T&D losses. Or for that matter, decrease in the number of interruptions.

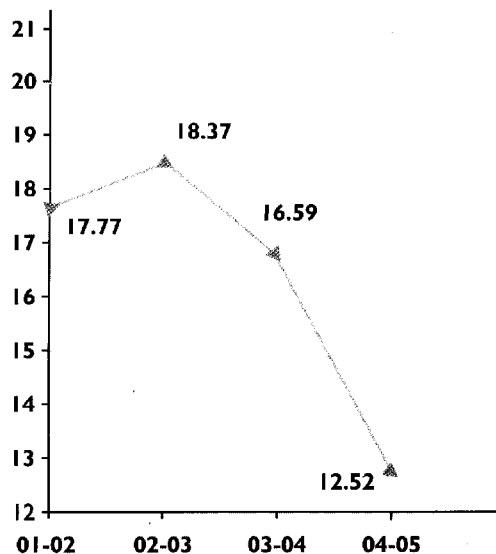
We do it all together. And the results are there for everyone to see.

Highlights:

- AT&C Losses down to 12.52%
- 75% of slums in Ahmedabad electrified
- PAF of 91.61%
- PLF of 82.06%

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AT&C Losses (%)



Directors' Report

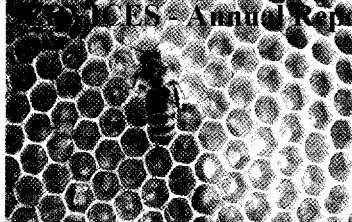
Dear Shareholders,

Your Directors have pleasure in presenting the 93rd Annual Report of the Company together with the audited accounts for the year ended on 31st March 2005.

Highlights

The key highlights of the operations for the financial year 2004-05 are as follows :

- With the view of aligning with the institutional vision, mission and value of the Torrent Group, the brand "Torrent Power" was unveiled on 13th February, 2005 consequent upon the change of name of the Company to **TORRENT POWER AEC LIMITED**
- Whopping reduction in T&D losses by 4.05 % in a single year — from 16.68 % in 2003-04 to 12.63 % in 2004-05
- The massive drive for Slum Electrification continued vigorously. The Company released 56,438 new connections under Slum Electrification Programme (SEP)
- Further improvement in the reliability indices - the number of interruptions per customer reduced from 20.06 in 2003-04 to 17.17 in 2004-05 and number of customer hours lost decreased from 16.49 in 2003-04 to 14.20 in 2004-05
- Commissioning of two new 33 KV Sub-stations at Narol and Artex and 132 / 33 KV Power Transformers at Naranpura and Nicol
- Highest ever net addition of 341 distribution transformers, enhancing the distribution capacity by around 70 MVA
- Peak system demand of 731.7 MW, showing an increase of 3.2%, was met without any load shedding
- CCPP Vatva fully operational on Natural Gas from 19th May 2004. The event commemorated on 13th June, 2004 in the august presence of Shri Narendrabhai Modi, Hon'ble Chief Minister of Gujarat State, Shri Saurabhbai Patel, Hon'ble Minister of Energy, Gujarat State and Shri Sudhir Mehta, Chairman, Torrent Group
- The generation, Plant Availability Factor (PAF) and the Plant Load Factor (PLF) were highest ever at 3594 MUs, 91.61% and 82.06% respectively
- Gas Turbine Generator-2 suffered forced outage due to breakdown of its Inlet Guide Vane requiring replacement of Compressor Rotor and Stator in an outage lasting 93 days
- The profit after tax at Rs. 106.71 crore is higher by Rs. 60.12 crore representing an increase of 129% over last year



Honey bees have been known to produce honey even when flowers don't bloom.

Better Returns

What does a combination of greater efficiency and superior performance lead to? Well, if you ask us, its simply better returns.

Better returns to our customers by way of tariff, unchanged for the last three years, inspite of increase in costs.

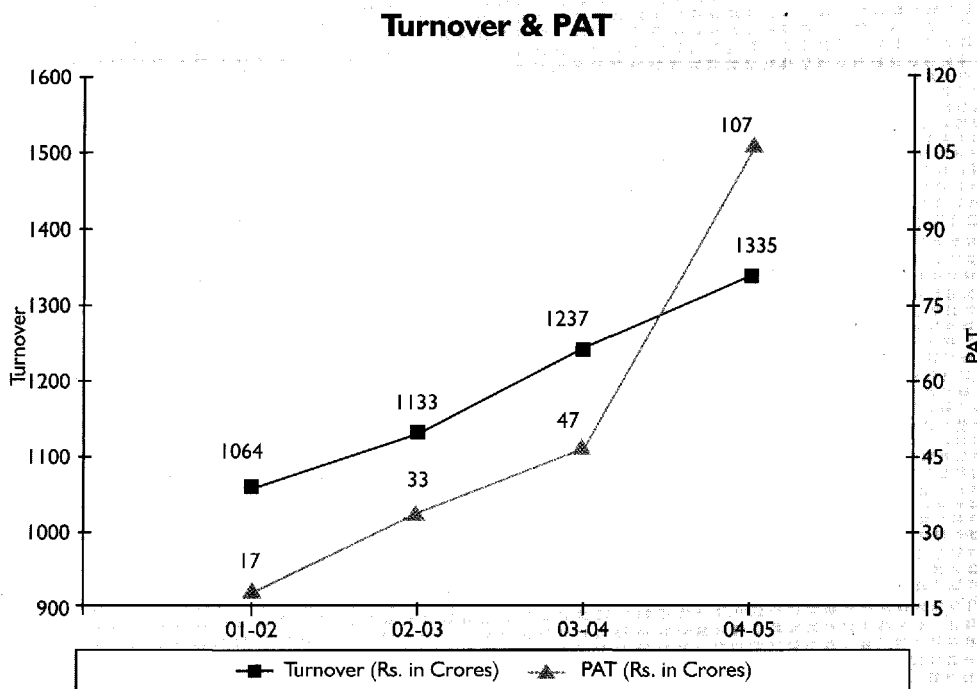
Better returns to our shareholders by way of higher earnings.

Better returns to the society at large by way of value addition to Social Capital.

In short, better returns to all our stakeholders.

Highlights:

- Total income increased from Rs. 1237 crore to Rs. 1335 crore
- PAT increased from Rs. 47 crore to Rs. 107 crore
- EPS increased from 7.36 to 16.86
- Higher dividend recommended at 30%



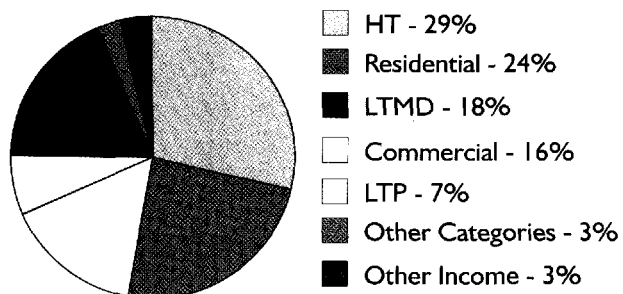
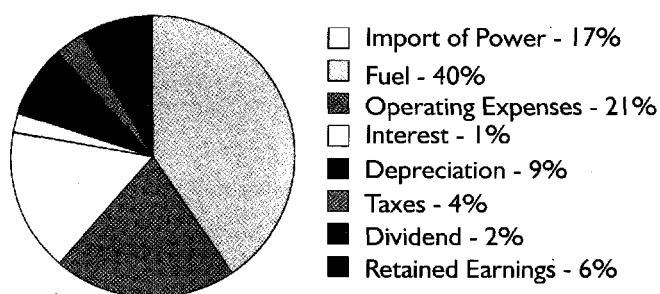
Change of Name

With a view to benefit from the image and brand equity of the “**Torrent Group**” in meeting future challenges, the name of the Company was changed to “**TORRENT POWER AEC LIMITED**”. The changed name and logo were unveiled at a mega employee event, where almost 3500 employees participated in the launching of and migration to the “**TORRENT POWER**” brand. The change of name was communicated to nearly 10,000 high value customers, important dignitaries, State and Central Government officials as well as other stakeholders. To the people at large, the name change was communicated through a media campaign in the major newspapers in the State.

Financial Results, Dividend and Accounts

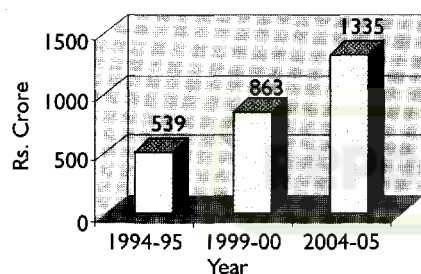
A summary of the financial results for the year under review is as under:

Particulars	(Rs. crore)	
	For the year ended 31 st March, 2005	For the year ended 31 st March, 2004
Total Income	1334.93	1237.05
Gross Profit before Depreciation, Interest and Tax	295.41	190.65
Depreciation	116.26	104.40
Interest	20.09	21.37
Profit before Tax	159.06	64.88
Current Tax	79.27	35.40
Deferred Tax	3.89	(14.99)
Profit After Tax	75.90	44.47
Excess provision for Taxation of earlier years	(30.81)	(2.12)
Profit After Tax but before Contingency Reserve	106.71	46.59
Add : Balance of Profit brought forward	28.11	25.81
Less : Contingency Reserve	4.90	4.30
Balance Available for appropriation	129.92	68.10
Appropriations :-		
Transfer to General Reserve	50.00	25.00
Proposed Dividend	18.98	13.29
Corporate Dividend Tax thereon	2.70	1.70
Balance carried to Balance Sheet	58.24	28.11
	129.92	68.10

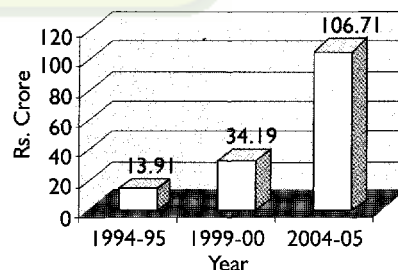
Rupee-Where it came from?**Rupee-Where it went?**

The total income of the Company has increased by Rs. 97.88 crore to Rs. 1334.93 crore. This indicates an increase of 7.91% over FY 2003-04. Profit after tax is higher by Rs. 60.12 crore, mainly on account of reduction of T&D losses, CCPP operation, better performance of generating units, lower incidence of interest and lower import of power despite higher manpower cost, depreciation and other expenses. Though profit after tax has increased, the clear profit of the Company under the Sixth Schedule of the repealed Electricity (Supply) Act, 1948 was still lower as

compared to the Reasonable Return allowable under the said Act.

Total Income

The provision for current tax was higher at Rs. 79.27 crore as compared to Rs. 35.40 crore in FY 2003-04, mainly on account of higher profit. Further an amount of Rs. 3.89 crore being deferred tax liability is provided as against previous year deferred tax assets of Rs. 14.99 crore.

Profit after Tax**Dividend**

Keeping in mind the overall performance and the positive outlook, your Directors have thought it prudent to recommend a higher dividend of Rs. 3 per share (30%) for FY 2004-05 compared to Rs. 2.10 per share (21%) aggregating to Rs. 18.98 crore (Rs. 13.29 crore in previous year) on 6,32,75,187 equity shares of Rs. 10/- each. With corporate dividend tax thereon, the total outflow on this account would be Rs. 21.66 crore (Previous Year Rs. 14.99 crore).