

**RattanIndia**

# **RattanIndia Power Ltd.**

(Formerly known as Indiabulls Power Ltd.)

Earnings Update

Q3 FY 2018



# Safe Harbor Statement

*This document contains certain forward-looking statements based on current expectations of RattanIndia management. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India, volatility in interest rates and in Securities markets, new regulations and government policies that might impact the business of RattanIndia, the general state of the Indian economy and the management's ability to implement the company's strategy. RattanIndia doesn't undertake any obligation to update these forward-looking statements.*

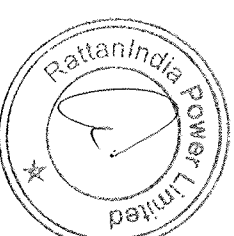
*This document does not constitute an offer or recommendation to buy or sell any securities of RattanIndia or any of its subsidiaries or associate companies. This document also doesn't constitute an offer or recommendation to buy or sell any financial products offered by RattanIndia.*

## Investor Contact

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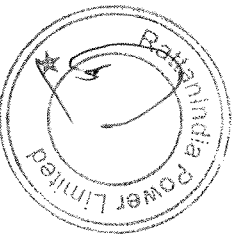
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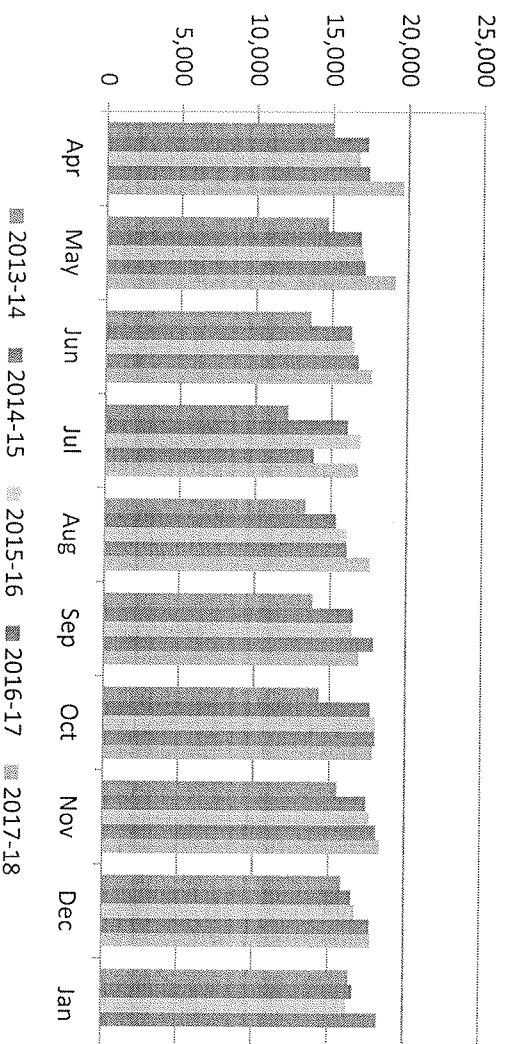
# RattanIndia Power Update

- With 2700 MW commissioned capacity (Amravati and Nashik Phase 1 each of 1350 MW), *the Company is amongst top 10 IPP generators in the Country*
- Recent decision of Hon'ble Supreme Court (SC) in matter of Tata and Adani (Mundra plants) establishes change in law principle for change in domestic policies affecting coal supplies and strengthens RattanIndia's claim under change in law provisions of PPA for pass through of incremental coal cost procured due to shortage in coal supplies by Coal India Ltd under Coal Linkage
- RattanIndia having 22 mtpa coal linkage for its 5400 MW capacity (Amravati 1350 MW Phase 1 + 1350 MW Phase 2 and Nashik 1350 MW Phase 1 + 1350 MW Phase 2) has the largest quantum of Coal Linkage amongst IPPs which is extremely valuable as new linkages are available only through auction under SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) announced on 17<sup>th</sup> May 2017
- Amravati power plant has PPA with one of the better distribution utilities of the country having credit rating of A in the 5<sup>th</sup> Integrated Rating for State Power Distribution Utilities (Rating table – on page 12)



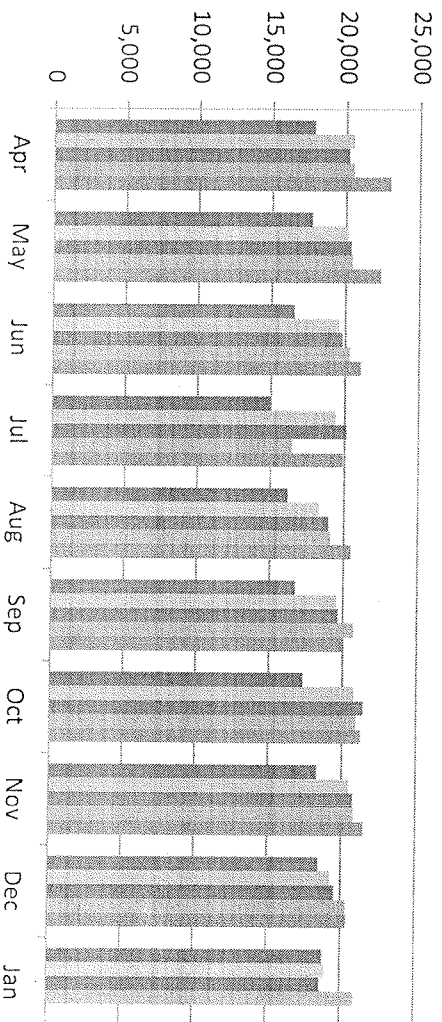
## Demand trend

MSMEDCL MAX DEMAND (MW)



MSMEDCL MAX DEMAND - MONTHWISE					
	2013-14	2014-15	2015-16	2016-17	2017-18
Apr	14,945	17,327	16,795	17,411	19,688
May	14,694	16,897	17,039	17,166	19,155
Jun	13,612	16,299	16,455	16,779	17,647
Jul	12,143	16,102	16,953	13,830	16,783
Aug	13,345	15,351	16,019	16,063	17,591
Sep	13,830	16,523	16,461	17,881	16,912
Oct	14,314	17,694	18,054	18,013	17,851
Nov	15,522	17,464	17,699	18,116	18,401
Dec	15,865	16,518	16,725	17,764	17,796
Jan	16,383	16,678	16,254	18,283	

STATE MAX DEMAND (MW)

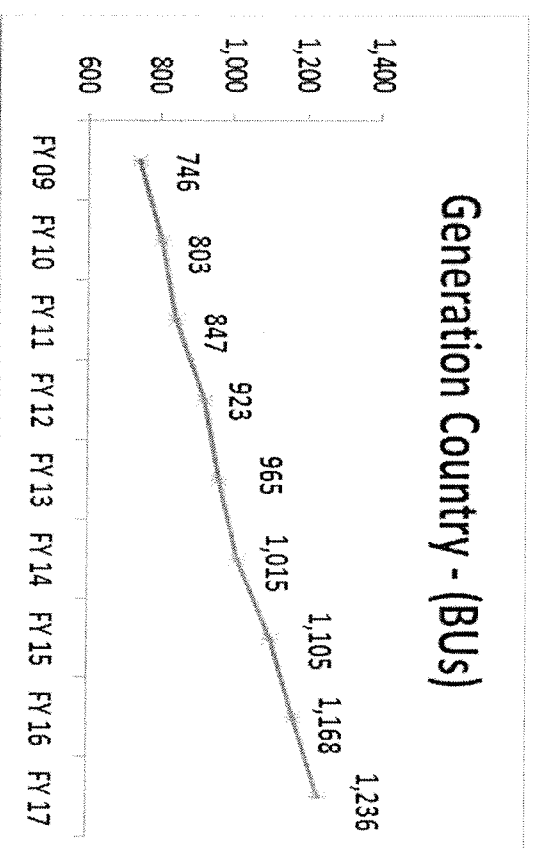


STATE MAX DEMAND - MONTHWISE					
	2013-14	2014-15	2015-16	2016-17	2017-18
Apr	17,849	20,534	20,204	20,522	22,994
May	17,725	20,124	20,367	20,451	22,346
Jun	16,567	19,584	19,828	20,318	21,073
Jul	14,972	19,345	20,141	16,463	19,913
Aug	16,193	18,287	18,982	19,105	20,481
Sep	16,760	19,541	19,681	20,714	20,069
Oct	17,326	20,795	21,414	20,954	21,257
Nov	18,307	20,490	20,760	20,805	21,466
Dec	18,474	19,262	19,554	20,366	20,402
Jan	18,812	18,967	18,647	20,954	20,954

## Generation trend

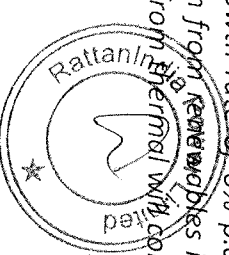
Country	Total	CAGR
FY 05-06	618	
FY 06-07	660	6.80%
FY 07-08	699	6.02%
FY 08-09	746	6.66%
FY 09-10	803	7.69%
FY 10-11	847	5.42%
FY 11-12	923	8.99%
FY 12-13	965	4.61%
FY 13-14	1,015	5.14%
FY 14-15	1,105	8.92%
FY 15-16	1,168	5.69%
FY 16-17	1,236	5.82%
FY 17-18 *	961	10.78%

\*Generation for April 17 to Dec 17 and CAGR over 1st 9 months of FY 2017



- **Very robust generation growth of 10.78% at national level for first nine months of FY 2018**
- FY 2016-17 All India Generation – 1236 BUs of which 81 BUs i.e. approx. 7% is from Renewables (57 GW installed capacity of Renewables).
- If additional 100 GW renewable plants are commissioned over next 5 years, the generation from renewables is expected to increase to approx. 300 BUs against the expected all India generation of approx. 1650 BUs assuming current growth rate of 6% p.a. This means the generation from renewables shall be approx. 18% of total generation. However if the addition from renewables is only 50GW then the corresponding share of Renewables shall be 200 BUs (~12% share). Hence, the generation from thermal will continue to be major contributor to power generation of India.

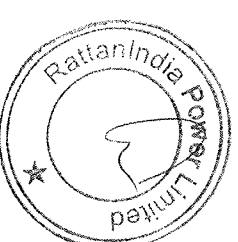
Source: CEA, MSIDC



# **RattanIndia Power Update**

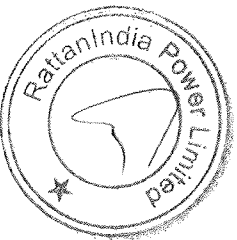
**Amravati plant: Hugely valuable and robust asset: (all numbers from beginning till 31<sup>st</sup> Dec 17)**

- Total amount of money received from MSSEDCL: Rs 5,940.81 crs
- Total interest income of lenders from Amravati project: Rs 4,596.58 crs
- Total money paid back to lenders: Rs 4,678.41 crs
  - Rs 670.81 crs as principal
  - Rs 4,007.60 crs as interest

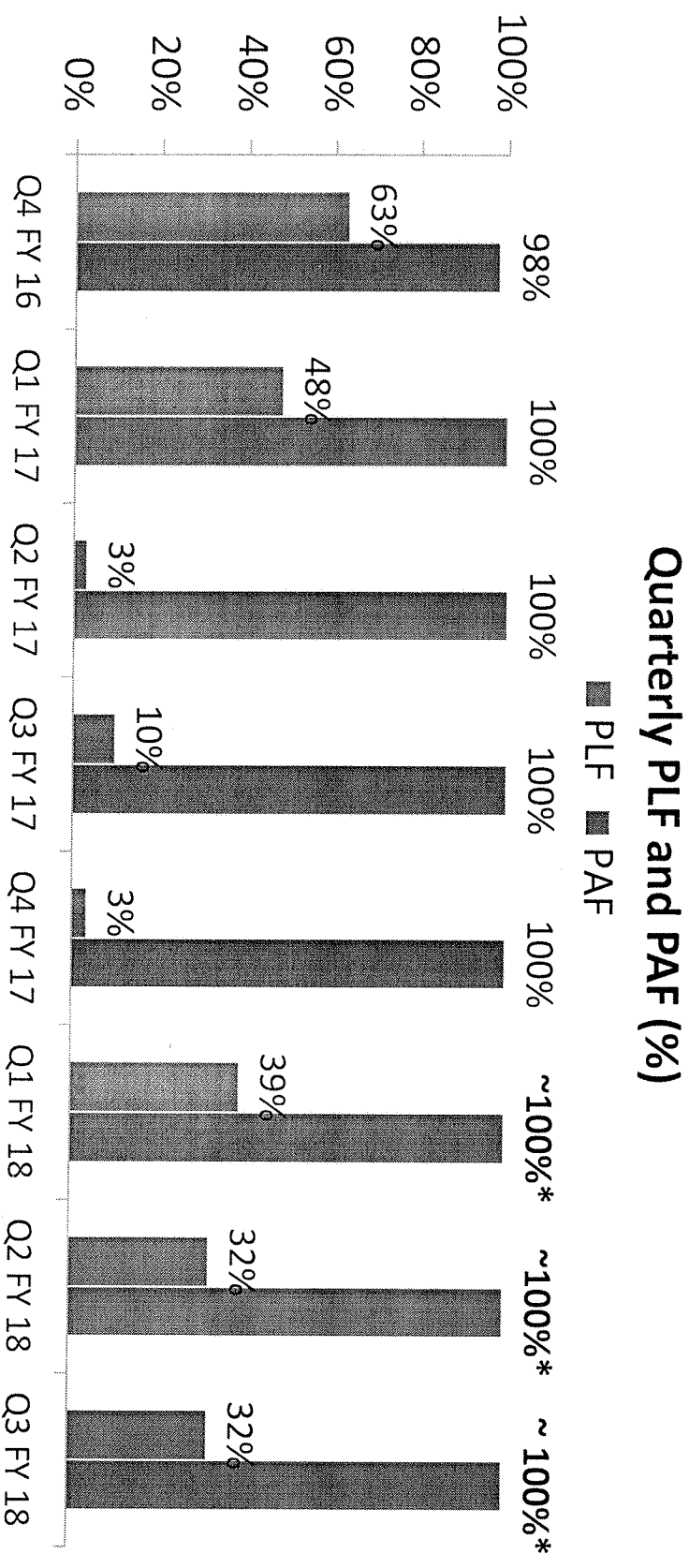


## RattanIndia Power Update - Amravati

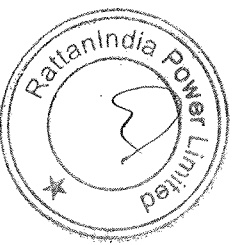
- Currently Amravati plant is receiving 100% schedule. However, plant suffered shortage of coal supplies from SECL which is a nation wide issue currently with shortages in coal supplies by coal company as well as insufficient rakes allocation by Railways. Further, Maharashtra State Electricity Distribution Company Ltd (MSEDCL) is yet to implement MERC's decision given in 2014 to allow pass-through of incremental coal cost. Owing to these constraints, the company could not arrange coal required for running all 5 units on a continuous basis and could only generate to the extent of coal supplied by SECL.
- Pursuant to Hon'ble SC's decision, appeals pending before Appellate Tribunal For Electricity (APTEL) on incremental coal pass through allowed by Maharashtra Electricity Regulatory Commission (MERC) are remanded back to MERC for fresh assessment to permit pass-through under change in law principles, where the generator is required to be put to same economic position as if the change in law has not arisen which will lead to complete recovery of incremental expenses.
- Owing to the financial stress faced by the project, it was informed earlier that pursuant to the meeting of Joint Lenders Forum (JLF) of the consortium lenders held on 24.08.2017, lenders have proposed a Corrective Action Plan as part of which S4A may be carried out keeping 24.08.2017, being the date of meeting/decision, as reference date subject to and in line with relevant conditions/guidelines/regulations imposed/issued by RBI from time to time in this regard.



## Amravati Project : PLF and PAF



\* Plant was available 100%. However, shortage of coal resulted in less despatch than scheduled capacity. We expect to claim this difference as part of ongoing case related to short supply of coal under coal linkage.





## **RattanIndia Power Update - Nashik**

- Plant is located in western region of Maharashtra which is the load centre of State. There is no other plant in this area other than Maharashtra State Generation Company Ltd's Eklahara plant near Nashik which is old and is proposed for abandonment
  - Eklahara plant is currently a must run plant due to its location near load center inspite of being on top of Merit Order Disptach due to higher variable charge.
  - Hence, these plants (Eklahara as well as RPL's Nashik plant) cannot be compared with pit-head plants in Chhattisgarh, Odhisa etc.
- Although the plant has approval for 950 MW power procurement from Govt of Maharashtra, PPAs could not have been executed and implemented owing to litigations which has led to non operations of plant inspite of being commissioned and ready for generation.
- Owing to non-operations of plant, inspite of being commissioned, the plant is under sever financial distress and hence, the Joint Lenders Forum of the consortium of lenders have under the guidelines issued by RBI decided to undertake a Strategic Debt Restructuring (SDR) Scheme for the Phase I of Nashik Thermal Power Plant of the Company, developed through its wholly owned subsidiary RattanIndia Nasik Power Limited.



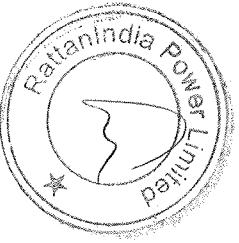
## Amravati Project: Standalone Financial Results

### Statement of Standalone Unaudited Financial Results for the Quarter Ended December 31, 2017

(Rs. in Crores)

Particulars	Quarter Ended	
	31.12.2017 (Unaudited)	31.12.2016 (Unaudited)
1 Revenue from operations	414.21	300.27
2 Other income	39.35	46.72
<b>Total income</b>	<b>453.56</b>	<b>346.99</b>
<b>3 Expenses</b>		
(a) Cost of fuel, power and water consumed	254.46	75.62
(b) Employee benefits expense	11.25	11.42
(c) Finance costs	278.59	249.11
(d) Depreciation and amortisation expense	57.50	52.52
(e) Other expenses	39.38	17.83
<b>Total expenses</b>	<b>641.18</b>	<b>406.50</b>
<b>4 Profit/ (Loss) before exceptional items and tax (1+2-3)</b>	<b>(187.62)</b>	<b>(59.51)</b>
5 Exceptional items	-	-
<b>6 Profit/ (Loss) before tax (4-5)</b>	<b>(187.62)</b>	<b>(59.51)</b>
<b>7 Tax expenses</b>		
(a) Current tax	-	-
(b) Deferred tax	-	-
<b>Total tax Expenses</b>	<b>-</b>	<b>-</b>
<b>8 Profit/ (Loss) for the period (6-7)</b>	<b>(187.62)</b>	<b>(59.51)</b>
9 Other comprehensive income	0.07	-
Items that will not be reclassified to Profit or loss	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-
<b>Other comprehensive income (net of tax)</b>	<b>0.07</b>	<b>-</b>
<b>10 Total comprehensive income/ (loss) for the period (8+9)</b>	<b>(187.55)</b>	<b>(59.51)</b>
11 Paid-up equity share capital (Face Value of Rs. 10 per Equity Share)	2,952.93	2,952.93
12 Earnings Per Share (EPS) (Face Value of Rs. 10 per Equity Share)		
EPS for the quarter are not annualised		
-Basic (Rs.)	(0.64)	(0.20)
-Diluted (Rs.)	(0.64)	(0.20)





**Thank you**

## Rating Table

S.No.	Name of Utility	State	Rating Agency	Sub-Grade (Rating)
1	Dashkin Gujarat VII Company Limited	Gujarat	ICRA	A+
2	Uttar Gujarat VII Company Limited	Gujarat	ICRA	A+
3	Maharaja Gujarat VI Company Limited	Gujarat	ICRA	A+
4	Uttarakhand Power Corporation Limited	Uttarakhand	CARE	A+
5	Pachin Gujarat VII Company Limited	Gujarat	ICRA	A+
6	Chamundaeshwar Electricity Supply Corporation Ltd.	Karnataka	ICRA	A
7	Bangalore Electricity Supply Company Limited	Karnataka	ICRA	A
8	Himachal Pradesh State Electricity Board Limited	Himachal Pradesh	CARE	A
9	Madhya Pradesh State Electricity Distribution Company Ltd.	Madhya Pradesh	ICRA	A
10	Mangalore Electricity Supply Company Limited	Karnataka	ICRA	A
11	Eastern Power Distribution Company of AP Limited	Andhra Pradesh	CARE	A
12	Kerala State Electricity Board Limited	Kerala	CARE	B+
13	Punjab State Power Corporation Limited	Punjab	ICRA	B+
14	Multi Electricity Supply Company Limited	Karnataka	ICRA	B+
15	Southern Power Distribution Company of AP Limited	Andhra Pradesh	CARE	B+
16	Southern Power Distribution Company of Telangana Limited	Telangana	CARE	B+
17	North Bihar Power Distribution Co. Ltd.	Bihar	ICRA	B+
18	Madhya Pradesh Power Distribution Co. Ltd.	Madhya Pradesh	CARE	B+
19	Northern Power Distribution Company of Telangana Limited	Telangana	CARE	B+
20	Gulbarga Electricity Supply Company Limited	Karnataka	ICRA	B
21	South Bihar Power Distribution Co. Ltd.	Bihar	ICRA	B
22	Dashkin Haryana Biji Vitan Nigam Limited	Haryana	CARE	B
23	West Bengal State Electricity Distribution Company Ltd.	West Bengal	ICRA	B
24	Uttar Haryana Biji Vitan Nigam Limited	Haryana	CARE	B
25	Tamil Nadu Generation and Distribution Corporation	Tamil Nadu	ICRA	B
26	Madhya Pradesh Power Kshetra Vidyut Vitan Co Ltd	Madhya Pradesh	CARE	B
27	Jodhpur Vidya Vitan Nigam Limited	Rajasthan	CARE	B
28	Chattisgarh State Power Distribution Company Ltd.	Chattisgarh	CARE	B
29	Assam Power Distribution Company Limited	Assam	ICRA	B
30	Apner Vidyut Vitan Nigam Limited	Rajasthan	CARE	C+
31	Kanpur Electricity Supply Company Limited	Uttar Pradesh	ICRA	C+
32	Madhya Pradesh Madhya Kshetra Vidyut Vitan Co Ltd	Madhya Pradesh	CARE	C+
33	Jalgaon Vidyut Vitan Nigam Limited	Rajasthan	CARE	C+
34	Pochamunda Vidyut Vitan Nigam Limited	Uttar Pradesh	ICRA	C+
35	Madhya Pradesh Vidyut Vitan Nigam Limited	Uttar Pradesh	ICRA	C
36	Purvanchal Vidyut Vitan Nigam Limited	Uttar Pradesh	ICRA	C
37	Dashkinmadhya Vidyut Vitan Nigam Limited	Uttar Pradesh	ICRA	C
38	Kanpur State Power Distribution Corporation Limited	Madhya Pradesh	CARE	C
39	Madhya Pradesh Power Distribution Company Limited	Madhya Pradesh	CARE	C
40	Jharkhand Biji Vitan Nigam Limited	Jharkhand	CARE	C
41	Tripura State Electricity Corporation Limited	Tripura	CARE	C

### GRADING SCALE AND GRADES

Score Distribution	Grade	No. of Utilities	Grading Definition
Between 80 and 100	A+	5	Very High Operational and Financial Performance Capability
Between 65 and 80	A	6	High Operational and Financial Performance Capability
Between 50 and 65	B+	8	Moderate Operational and Financial Performance Capability
Between 35 and 50	B	10	Below Average Operational and Financial Performance Capability
Between 20 and 35	C+	5	Low Operational and Financial Performance Capability
Between 0 and 20	C	7	Very Low Operational and Financial Performance Capability

Source: Fifth Annual Integrated Ratings of State Distribution Utilities as per the Framework approved by Ministry of Power.  
[http://www.ptcindia.com/writer/readdata/userfiles/file/goi/5th\\_rating\\_booklet\\_03-05-2017.pdf](http://www.ptcindia.com/writer/readdata/userfiles/file/goi/5th_rating_booklet_03-05-2017.pdf)