



RattanIndia Power Ltd.

(Formerly known as Indiabulls Power Ltd.)

Earnings Update

FY 2016

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.

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Best ever results: highlights of the quarter

- Highest ever revenue: Rs. 1,012 Cr (**549%** increase over Q4 FY15)
- Highest ever EBITDA*: Rs. 513 Cr (**5030%** increase over Q4 FY15)
- Highest ever PAT*: Rs 281 Cr (Loss of Rs. 129 Cr. in Q4 FY15)
- Amravati power plant achieved availability of **100%** for March 2016, 98% in Q4 FY16

Quarter-on-Quarter: Q4 FY16 vs. Q4 FY15

Particulars	Q4 FY 16	Q4 FY 15	% growth
Revenue ¹ (Rs. In Cr.)	1,012	156	549%
EBITDA* (Rs. In Cr.)	513	10	5030%
EBIDTA* Margin (%)	51%	6%	750%
PAT* (Rs. In Cr.)	281	(129)	-

Quarter-on-Quarter: Q4 FY16 vs. Q3 FY16

Particulars	Q4 FY 16	Q3FY 16	% growth
Revenue ¹ (Rs. In Cr.)	1,012	890	14%
EBITDA* (Rs. In Cr.)	513	378	36%
EBIDTA* Margin (%)	51%	43%	19%
PAT* (Rs. In Cr.)	281	52	440%

1 The Company was restrained from sourcing the shortfall on account of linkage coal through alternate sources, as was required pursuant to the decision of the Cabinet Committee on Economic Affairs of June 2013, followed by change in the National Coal Distribution Policy and direction from the Ministry of Power to the regulatory commissions in July 2013. Further, as per the Power Purchase Agreements ("PPAs") entered into between the Company and Maharashtra State Electricity Distribution Company Limited ("MSEDCL"), MSEDCL was to make arrangements for evacuation of entire contracted capacity of 1200 MW. However due to transmission constraints, MSEDCL could arrange for evacuation of only 750 MW. As a result of the above, during the year, the Company has raised its claim estimated at Rs. 396.89 Crores with MSEDCL in respect of resultant unscheduled units and is in the process of filing its petition for the same with the appropriate authority. The same has not been recognized in the financial statements of FY 2016 and appears as note number 7 in the announced results filed with NSE and BSE.

* For Amravati project only

Best ever results: highlights of the year

- Highest ever revenue: Rs. 2,916 Cr (**325%** increase over FY15)
- Highest ever generation*: 6,192 MUs (**193%** increase over FY15)
- Highest ever EBITDA*: Rs. 1,281 Cr (**783%** increase over FY15)
- Highest ever EBITDA margin*: 45% (**105%** increase over FY15)

Year-on-Year: FY16 vs. FY15

Particulars	FY 16	FY 15	% growth
Revenue# (Rs. In	2,916	686	325%
EBITDA* (Rs. In Cr.)	1,281	145	783%
EBIDTA* Margin (%)	45%	22%	105%
PAT* (Rs. In Cr.)	117	(340)	-

Rs 396.89 Cr not recognized in the financial statements of FY 2016 (refer note number 1 on slide number 3)

* For Amravati project only

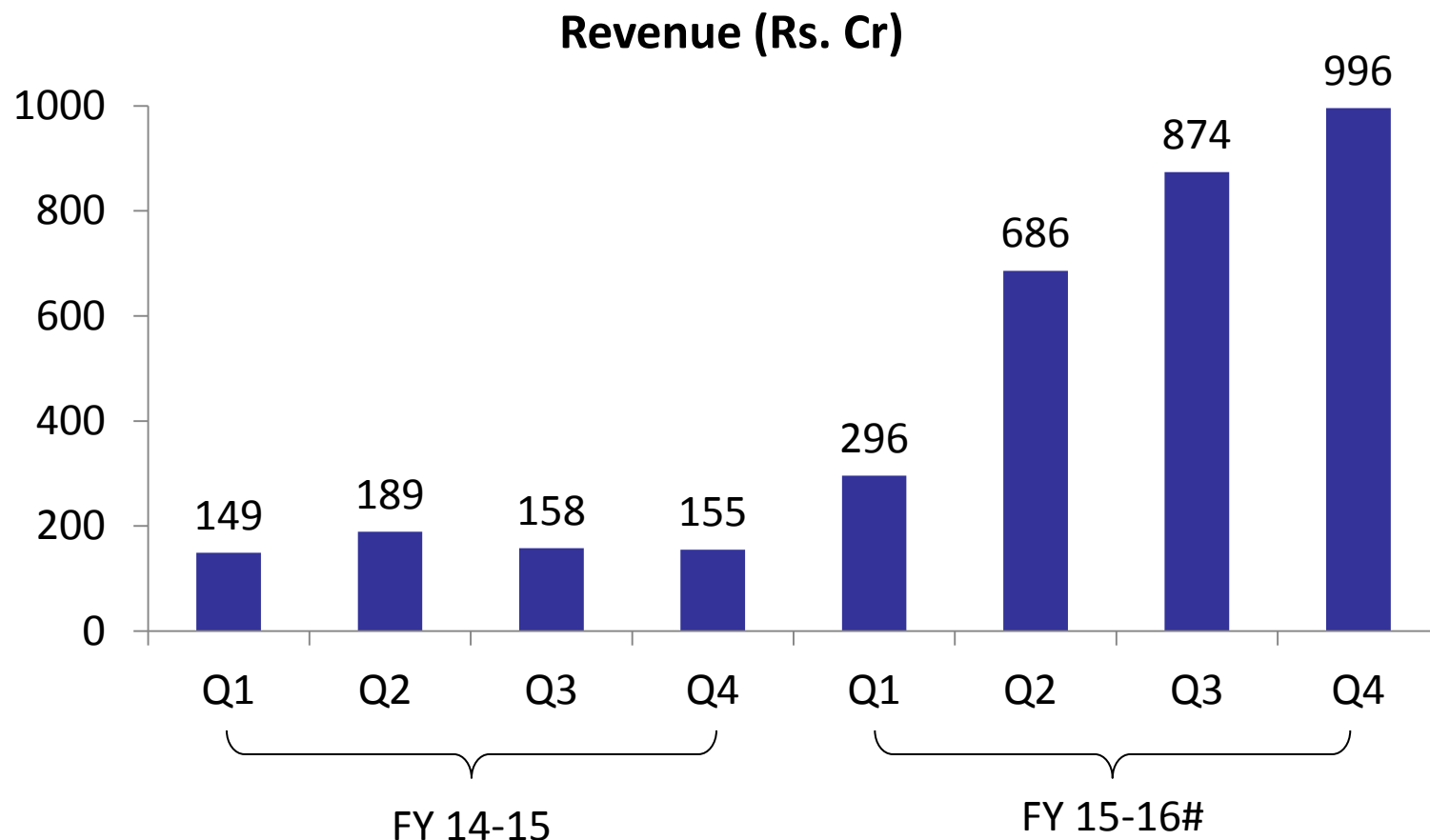
Amravati Project: Standalone Financial Results

Particulars	Rs Cr			
	Q4 FY 16	Q3 FY 16	FY 16	FY 15
Revenue #	996	874	2,852	651
EBITDA	513	378	1,281	145
EBITDA Margin (%)	51%	43%	45%	22%
Interest	254	252	969	362
Depreciation *	(23)	74	195	123
Profit Before Tax	281	52	117	(340)
Profit After Tax	281	52	117	(340)

Rs 396.89 Cr not recognized in the financial statements of FY 2016 (refer note number 1 on slide number 3)

* The Company revised the useful life of certain P&M, w.e.f 01/04/2015 from 25 years to 40 years in line with Schedule II of the Companies Act, 2013

Amravati Project : Quarterly Revenue



Rs 396.89 Cr not recognized in the financial statements of FY 2016 (refer note number 1 on slide number 3)

Amravati Project: Highlights

- **Fuel for Amravati power plant:**
 - Better fuel availability: Increased production of coal from Coal India
 - Rail Siding is fully operational and coal offloaded in plant directly from rakes
- **Concrete action plan for improving financing related cash flows:**
 1. **Tenure: 5/25 approved from by all targeted lenders (12 out of 14 lenders except PFC and LIC)**
 - a) Average loan tenure on 31st March, 2015: **11.6 years**
 - b) Average loan tenure on 31st March, 2016: **17.5 years**
 - c) **We intend to increase the average loan tenure to 20 years in the current financial year by increasing tenure of PFC and LIC loans**
 2. **Interest: lot of headroom is available for reducing cost of debt which is currently 13.3% pa**
 - a) Refinancing planned during current FY17 to further reduce interest rate
 - b) Interest rate of PFC (which has 34% share of total loan) expected to reduce in current FY17 under their new policy of interest rate reduction for commissioned projects after 1 year of COD

Huge positive developments for power sector

Recent path breaking reforms for power sector:

1. **Flexibility in coal usage:** approval from Cabinet of GOI dated 4th May 2016 for flexibility in utilization of domestic coal for reducing the cost of power generation

The objective of the proposal is to allow flexibility in optimal use of domestic coal in efficient Generating Stations resulting in reduction in the cost of electricity generation and reduce the power purchase cost of State Distribution companies. Such flexibility will be able to leverage coal to electricity conversion, efficiency of equipment as well as transportation cost optimization.

2. **UDAY:** Ujwal DISCOM Assurance Yojana

Govt. of India has approved UDAY scheme to improve financial health of Discoms thereby directly addressing the biggest reason for woes of power sector.

3. **Amended National Tariff Policy**

Govt. of India has introduced another major reform by amending the National Tariff Policy on 28th Jan, 2016 which will lead to further improvement of power sector in the country.

Huge positive for power sector Flexibility in coal usage

Scheme for flexibility in utilization of domestic coal for reducing the cost of power generation:

- Approved by Cabinet of GOI dated 4th May 2016
- For optimum utilization of coal in efficient power plants to reduce cost of generation
- Proposal in line with the UDAY scheme of GOI which also envisages liberally allowing of coal swaps from inefficient plants to efficient plants
- There shall be flexibility in use of such coal amongst the generating stations of state owned utilities, plants of other state power utilities, company owning the Central Generating stations and IPPs, amongst each other.

Impact

Huge positive for Nashik power plant which is near load centre and can replace other inefficient plants to reduce cost of generation for the state

UDAY scheme:

- **18 States and 1 UT have already agreed to join UDAY which shows that it has been widely accepted.**
- **Benefits to DISCOMs**
 - 75% of debt will be taken over by States through issuance of bonds at sub 9% cost
 - Balance debt from bank will be at their base rate + not more than 0.10% e.g. SBI will charge max 9.40% (SBI base rate 9.30% + 0.10%)
- **Key milestones to be met by DISCOMs by 2018-19:**
 - Reduce average AT&C loss from around 22% to 15%
 - Eliminate the gap between Average Revenue Realized (ARR) & Average Cost of Supply (ACS)

Impact

Overall ecosystem of Power business expected to improve tremendously due to permanent solution of Discoms financial health which will help them procure more power for consumers and make timely payments to generators

Huge positive for power sector Amended National Tariff Policy

Key Amendment – having immediate impact on us:

- Pass-through of imported/e-auction coal bought against shortfall in linkage coal supply by Coal India Ltd. has been incorporated in the National Tariff Policy

Impact

This further adds weight to our case for claiming pass-through of extra cost of coal imported in lieu of shortfall in CIL linkage coal supplies. Our case is being fought at APTEL. Key strengths of our case are:

- a) Order of Govt. of India of July, 2013 allowing pass-through of extra cost of imported coal in lieu of shortfall in coal from CIL.
- b) Favourable MERC order dated 15th July, 2014
- c) The aforesaid amendment in National Tariff Policy.



Thank you
