

RattanIndia

February 12, 2020

✓ Scrip Code- 533122

RTNPOWER/EQ

✓ BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

✓ National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
MUMBAI-400 051


Sub: Earnings Update of RattanIndia Power Limited for the quarter ended December 31, 2019.

Dear Sirs,

Please find enclosed an Earnings update of RattanIndia Power Limited for the quarter ended December 31, 2019, for your information and record.

Thanking you,

Yours faithfully,
For RattanIndia Power Limited


Lalit Narayan Mathpati
Company Secretary



Encl : as above

RattanIndia Power Limited

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Website: www.rattanindia.com

CIN: L40102DL2007PLC169082

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RattanIndia

RattanIndia Power Ltd.

Earnings Update

Q3 FY 2019-2020



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.

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Rattannya Power Update

- PAT of Rs. 2,107 Crs. for the Q3 FY 2019-20
- EBITDA of Rs. 3,299 Crs. for the 9-month period from April to December 2019
- Earnings per share of Rs. 7.01 for Q3 FY 2019-20
- Successfully implemented a One Time Settlement (OTS) with erstwhile lenders to the Amravati Power Project



RattanIndia Power Update

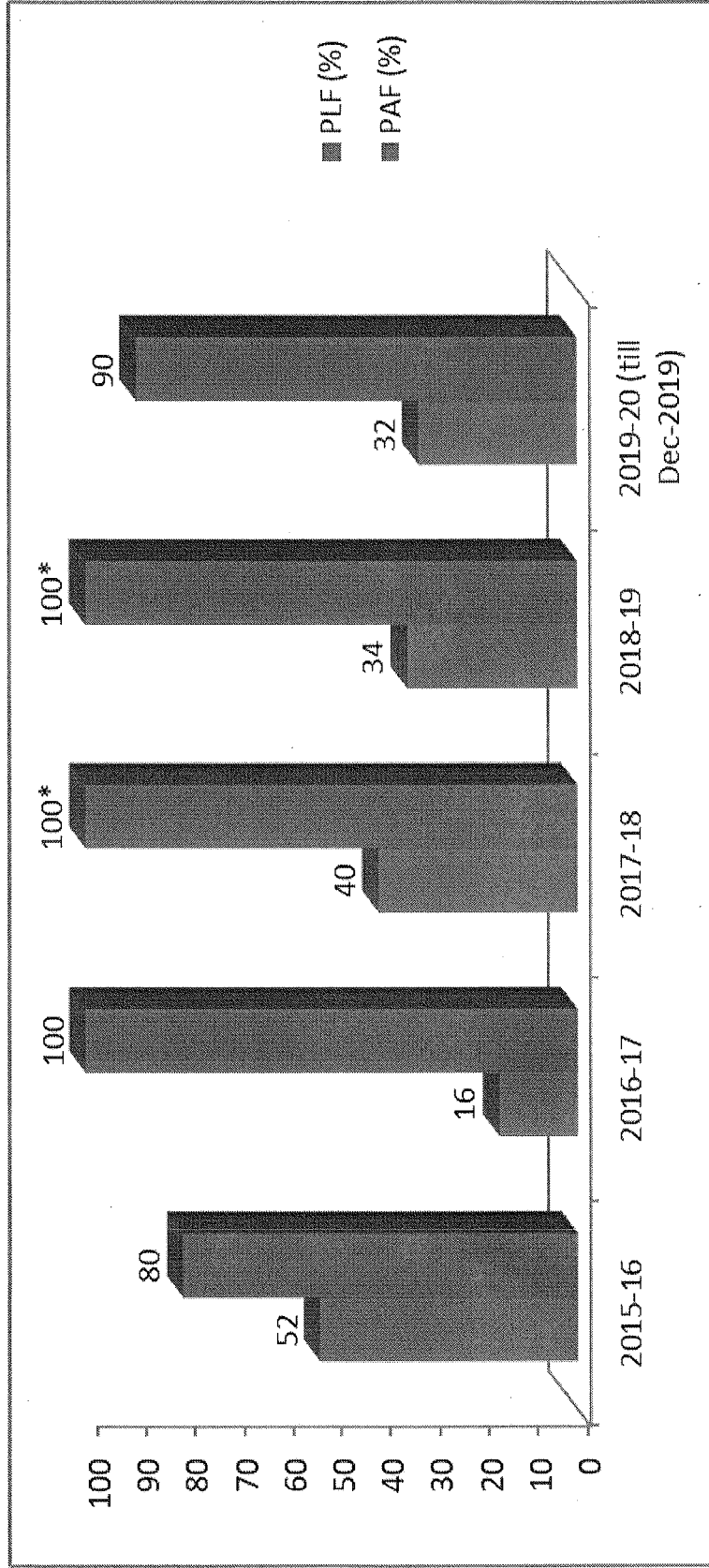
- Successfully operating the 1,350MW Amravati thermal power plant for over 5 years, with best-in-class O&M practices
- Amravati power plant with strong fundamentals has significant and steady EBITDA since its commissioning in year 2015

Financial Year	EBITDA (Rs. Crs.) (As per IGAAP)
FY 2016	1,281
FY 2017	1,116
FY 2018	1,100
FY 2019	1,105
FY 2020 (upto Dec 2019)	1,969*

*Equivalent IndAS EBITDA of Rs. 3,299 Crs.



Amravati Project : PLF and PAF



* Plant was technically available to supply 100% capacity to MSEDCL



Unique features of OTS

- Biggest debt resolution in the sector, whereby foreign funds (rupee loan) replaced Indian banks/institutions, with **infusion of fresh capital into the Indian economy**
- One of its kind resolution in the sector, without change in existing management
- One of the biggest debt resolutions outside of the NCLT framework and the first one post notification of RBI's Prudential Framework for Resolution of Stressed Assets of 7 June 2019
- Entire existing principal debt amount of approx. Rs. 6,575 Crs. assigned to new set of Lenders for Rs. 4,050 Crs.
- Reaffirms the faith in management by both Indian lenders as well as the foreign investors – all stakeholders appreciated the management's efforts of having done its very best to operate the plant and alleviate the stress, against strong sectoral headwinds



OTS – Implications on Power Sector

- Huge positive for the Indian power sector, demonstrating ability of public sector banks and financial institutions to carry out stress resolution outside NCLT through OTS.
- Reaffirms foreign investors' confidence in the India growth story and the importance of power sector in the Indian Economy
- Amravati OTS will pave the way for such similar deals for other stressed plants in the country and will raise the interest level of large international investors to look into India with a new positive perspective



Recent positive developments in Power Sector

- Operationalization of the recommendations made by High Level Empowered Committee by Ministry of Power.
 - Mandatory payment of Late Payment Surcharge
 - Flexibility for the IPP to cancel the PPA on account of Discom's Payment Defaults, without cancellation of coal linkage for the project
 - Retirement of old & inefficient power plants
 - Carry-forwarding of coal quantity
 - Increase in coal allocation through forward auction for power plants
- Mandatory implementation of Letter of Credit as Payment Security by Discoms towards payment for procurement of power
- Recommendations by the Central Electricity Authority:
 - Usance LC for coal payments to CIL
 - Up to 50% advance payment against estimated monthly bill of ensuing month
 - Bill discounting facility for power plants



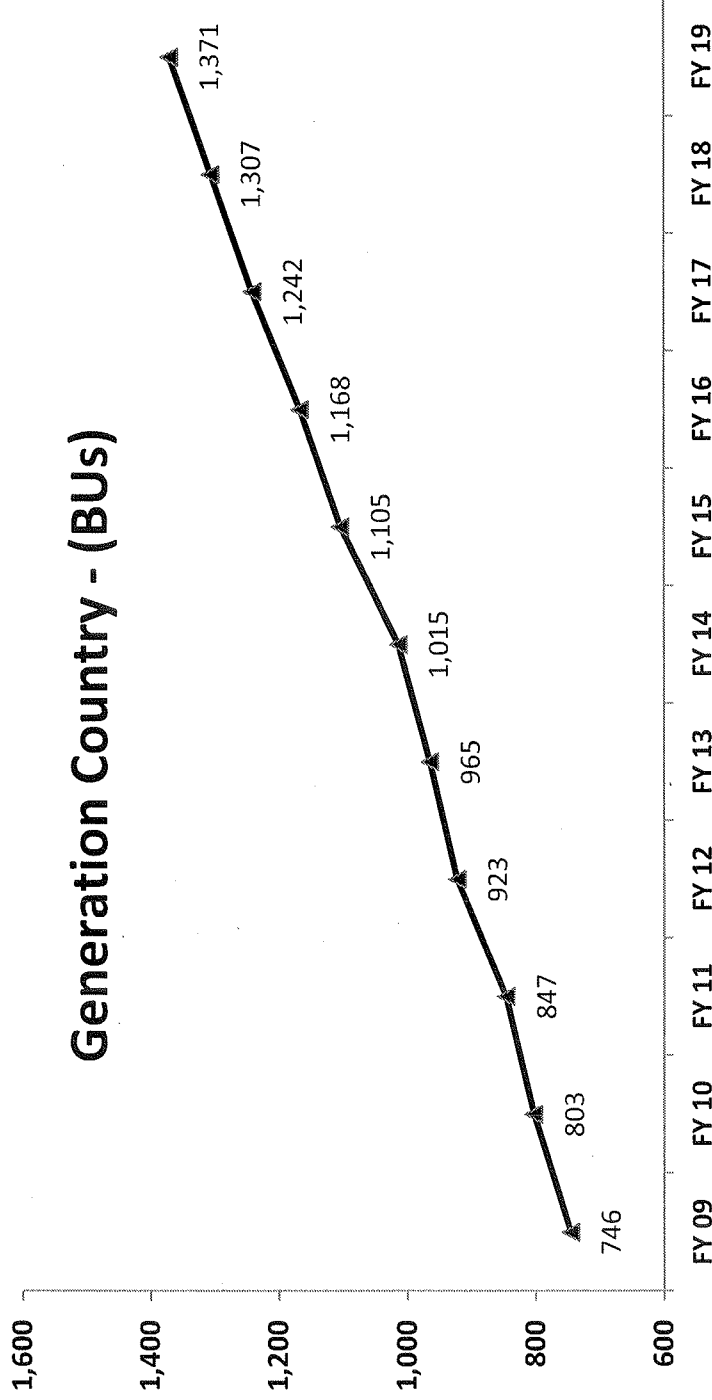
Brief on Nashik Power Project

- Letter of Intent received for long term supply of 507MW by MSEDCL for 25 years
 - Working closely with the lenders to execute the PPA
- Company is working closely with the lenders to the Nashik plant to resolve the current stress
- One of the options being explored is the potential take over of part stake by Maharashtra State Power Generating Company Limited (MSPGCL):
 - MSPGCL's existing vintage Ekalhara plant in Nashik is proposed for retirement in FY 2020-21*
 - Any new plant would take time (5-7 years) and will also be more expensive in tariff terms
 - MSPGCL may be able to unlock real estate value of the existing Ekalhara plant site in Nashik
 - MSPGCL may then be able to have at least one plant near the load center (i.e., western Maharashtra)



Generation trend of India

Generation All India (BUs)	
Country	Total
FY 06	618
FY 07	660
FY 08	699
FY 09	746
FY 10	803
FY 11	847
FY 12	923
FY 13	965
FY 14	1,015
FY 15	1,105
FY 16	1,168
FY 17	1,242
FY 18	1,307
FY 19	1,371
FY 20*	1,050
(till Dec 19)	
	CAGR
	6.29%



- Very robust generation growth of 5% at national level for FY 2019
- FY 2018-19 All India Generation – 1,371 BUs of which 126 BUs i.e. approx. 9.24% is from Renewables (69 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. 1,610 BUs assuming growth rate of 6% p.a. This means the generation from renewables shall be approx. 16% of total generation. However if the addition from renewables is only 50GW, then the corresponding share of Renewables shall be 200 BUs (~11% share). Hence, the generation from thermal will continue to be major contributor to power generation of India.



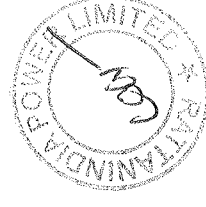
Factors driving electricity demand

- Policy shift towards 100% household electrification and 24x7 Power for All, with zero load shedding
- Direct Benefit Transfer of subsidies directly to end users
- Payment Security Mechanism implemented
- Proposal for a new Power Tribunal for time-bound payment dispute resolution
- Regulation being proposed for timely and full recovery of cost (taxes, cess, etc.) under Change in Law – many of these components under Change in Law been settled for recovery at the highest levels of the judicial system
- Replacement of existing DG (Diesel Geneset) capacity of 80GW
- Adoption of EVs to significantly increase demand in the country



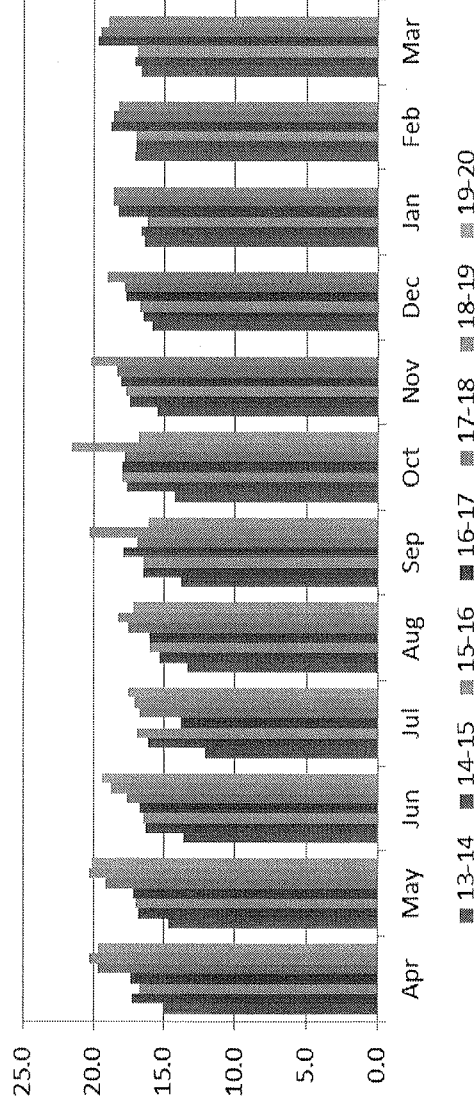
Impact of Electric Mobility

- Indian automobile industry is the 4th largest in the world, with sales increasing by a CAGR of 6-7% annually. Even then, the number of automobile owners per capital continues to remain low (50 vehicles per 1,000 people) compared to 231 in China and 910 in the US
- According to a Survey by the Economic Times, 90% of car owners in India are willing to shift to EVs, provided the appropriate enabling infrastructure is in place.
 - At present, EV Market, penetration is only 1% of the total vehicles in India – of which 95% are two-wheelers
- Indian government has created momentum through its FAME and EV schemes to encourage faster adoption of EV with a goal of reaching 30% EV penetration by 2030
- If 20% of the vehicles move to EV by 2030, it would require an additional energy requirement of approx. 1,930 billion units (1.4x of current generation) of electricity annually to meet the requirements of these EVs. However, at a 10% conversion rate, this additional energy requirement would be ~967 BUs (0.7x of current generation). This assumes that various categories of vehicles grow at their 10 year CAGR

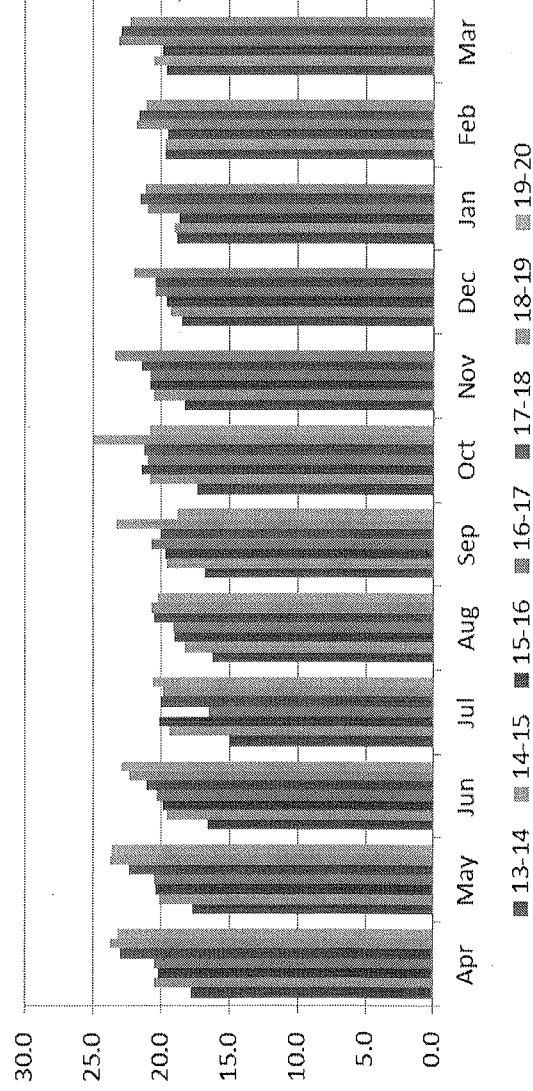


Demand trend of MSEDCL

MSEDCL MAX DEMAND (GW)

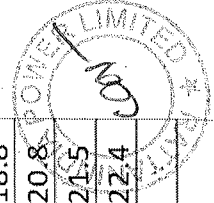


STATE MAX DEMAND (GW)



	MSEDCL MAX DEMAND - MONTHWISE (GW)						
	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Apr	14.9	17.3	16.8	17.4	19.7	20.3	19.7
May	14.7	16.9	17.0	17.2	19.2	20.3	20.1
Jun	13.6	16.3	16.5	16.8	17.6	18.8	19.5
Jul	12.1	16.1	17.0	13.8	16.8	17.1	17.5
Aug	13.3	15.4	16.0	16.1	17.6	18.3	17.2
Sep	13.8	16.5	16.5	17.9	16.9	20.3	16.1
Oct	14.3	17.7	18.1	18.0	17.9	21.6	17.4
Nov	15.5	17.5	17.7	18.1	18.4	20.2	18.5
Dec	15.9	16.5	16.7	17.8	17.8	19.1	19.5
Jan	16.4	16.7	16.3	18.3	18.7	18.7	
Feb	17.2	17.0	17.0	18.8	18.6	18.3	
Mar	16.7	17.1	16.9	19.7	19.5	19.0	

	STATE MAX DEMAND - MONTHWISE (GW)						
	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Apr	17.8	20.5	20.2	20.5	23.0	23.7	23.2
May	17.7	20.1	20.4	20.5	22.3	23.8	23.6
Jun	16.6	19.6	19.8	20.3	21.1	22.4	22.9
Jul	15.0	19.3	20.1	16.5	19.9	19.9	20.6
Aug	16.2	18.3	19.0	19.1	20.5	20.7	20.3
Sep	16.8	19.5	19.7	20.7	20.1	23.3	18.8
Oct	17.3	20.8	21.4	21.0	21.3	25.0	20.8
Nov	18.3	20.5	20.8	20.8	21.5	23.3	21.5
Dec	18.5	19.3	19.6	20.4	20.4	22.0	22.4
Jan	18.8	19.0	18.6	21.0	21.5	21.1	
Feb	19.6	19.7	19.5	21.8	21.6	21.0	
Mar	19.5	20.5	19.9	23.1	22.9	22.2	



Maharashtra - Growth engine of the Country

- Largest contributor to India's GDP (~14.11%). GSDP growth of 12% in FY 2019-20
- Favorable GDP structure, with large contribution from industries (contributes to **one-fourth** of the country's total industrial output)
- Largest in terms of electricity consumption, consuming 12% of total electricity consumption in the country;
 - State's per capita consumption of electricity is 16% more than the national average;
 - High rate of urbanization: More than 45% population in urban areas, against all India average of 31%
- Strong and viable distribution sector
 - One of the best performing Discoms in the country, rated "A" by Ministry of Power
 - MSEDCL is amongst the ones with the best payment track records
 - 90% of the Amravati Plant tied up with MSEDCL under long term PPA for 25 years
- **Strong expected demand in the state will positively impact the Plant**



Future Growth of Maharashtra Electricity Demand

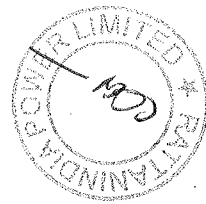
Particulars	2017-18	2020-21	2026-27	CAGR
As per 19 th Electric Power Survey (EPS*-CEA)				
Electricity requirement (BU)	153.3	189.9	249.6	6%
Peak power demand (GW)	22.5	22.8	39.8	7%
As per PFA* document (State Government)				
Electricity requirement (BU)	169.7	230.9	339.4	8%
Peak power demand (GW)	24.7	32.4	45.4	7%

Electricity Growth Estimate

Favorable GDP Structure (Based on historic 5-year GDP growth of ~12% and elasticity of 0.80)	9.60%
Historical Electricity Growth Trend (Last 10 years CAGR)	6.30%
Forecast Electricity Growth Trend (As per average of PFA and 19 th EPS)	7.50%
Average	7.80%

State is expected to add close to 10 GW of demand by FY 2023

* EPS is published by CEA, PFA (Power for All) document is a joint initiative of Ministry of Power, Govt. of India and Govt. of Maharashtra



RPL: Standalone Financial Results



Statement of Standalone Unaudited Financial Results for the Quarter Ended 31 December 2019
(Rs. in Crores)

Particulars	Quarter Ended	
	31.12.2019 (unaudited)	31.12.2018 (unaudited)
1 Revenue from operations	371.79	315.22
2 Other Income	30.36	73.83
Total income	402.15	389.05
3 Expenses		
(a) Cost of fuel, power and water consumed	157.71	181.30
(b) Employee benefits expense	12.62	10.45
(c) Finance costs	624.48	281.21
(d) Depreciation and amortisation expense	57.01	57.09
(e) Other expenses	111.06	47.55
Total expenses	962.88	577.60
4 Profit/ (Loss) before exceptional items and tax (1+2-3)	(560.73)	(188.55)
5 Less: Exceptional items	(2,667.41)	-
6 Profit/ (Loss) before tax (4-5)	2,106.68	(188.55)
7 Tax expenses		
(a) Current tax	-	-
(b) Deferred tax	-	-
Total tax Expenses		
8 Profit/ (Loss) for the period (6-7)	2,106.68	(188.55)
9 Other comprehensive income		
Items that will not be reclassified to Profit or loss	-	0.06
Income tax relating to items that will not be reclassified to profit or loss	-	-
Other comprehensive income (net of tax)		0.06
10 Total comprehensive income/ (loss) for the period (8+9)	2,106.68	(188.49)
11 Paid-up equity share capital (Face Value of Rs. 10 per Equity Share)	4,564.38	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.)	7.01	(0.64)
-Diluted (Rs.)	6.91	(0.64)

Thank you

