



INVESTOR PRESENTATION



Q4 2019-20

Disclaimer

This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. None of the companies described herein or any of their respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the Materials or their contents or otherwise arising in connection with the Materials. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed herein are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the information, opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

Presentation Outline

Sr. No.	Particulars
1.	Torrent Group
2.	Torrent Power Limited
3.	Overview of Operations : FY 2019-20
4.	Investment Rationale
5.	Five Year Trend : Key Financial & Technical Statistics

1. Torrent Group



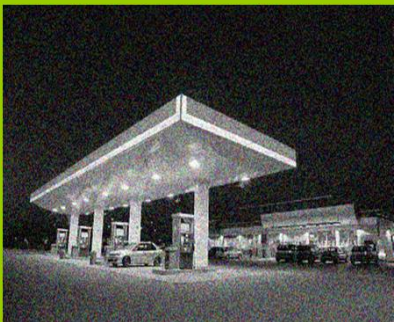
TORRENT PHARMACEUTICALS LIMITED

- A generics pharmaceutical major with strong global footprint
- Ranked in top 10 in Indian pharma market with leading position in niche therapeutic areas
- Ranked No. 1 among Indian Pharma companies in Brazil, Germany & Philippines



TORRENT POWER LIMITED

- Leading private sector Integrated Power Utility with presence across generation, transmission and distribution
- Lowest distribution losses in the country
- 24 X 7 power supply in licensed areas
- Excellent operational track record with delightful customer service



TORRENT GAS PRIVATE LIMITED

- New business vertical for City Gas Distribution business
- 13 CGD areas won in the 9th & 10th Round of Bidding by PNGRB
- 3 CGD areas acquired from incumbent players
- Capex plan of ~ Rs. 8,700 crs over next 5 years.

Torrent Group

(Contd...)

Turnover \$ 2918 Mn

Enterprise Value \$ 8152 Mn



Spreading smiles Illuminating Lives

Market Cap \$ 6204 Mn

Employees 22,100+



Not just healthcare... Lifecare

Turnover: \$ 1109 Mn

Enterprise Value: \$ 5193 Mn

Market Cap: \$ 4426 Mn

Employees: 13800+

Generating Trust. Distributing Opportunities.

Turnover: \$ 1809 Mn

Enterprise Value: \$ 2959 Mn

Market Cap: \$ 1778 Mn

Employees: 7850+

Building pan-India state-of-art city gas distribution networks in 16 GAs across 7 States
Employees: 450+

2. Torrent Power Limited



Thermal

- 2730 MW state-of-art gas based power plants
- 362 MW of coal based plant

Solar

- 138 MW operational capacity over 2 locations

Wind

- 649 MW operational capacity over 7 locations

Transmission

- 355 kms 400 kV & 128 Kms of 220 KV, double circuit lines to evacuate power from gas based plants

Distribution

- Licensed distribution areas covering Ahmedabad / Gandhinagar, Surat, Dahej SEZ & Dholera SIR
- Franchised distribution areas covering Bhiwandi, Agra & SMK

ASSETS AT A GLANCE

PORTFOLIO OF ASSETS : THERMAL GENERATION

	Sugen	Unosugen	Dgen	Amgen
Capacity	1147.5 MW (3 x 382.5)	382.5 MW (1 x 382.5)	1200 MW (3 x 400)	362 MW (1 x 120 MW, 2 x 121 MW)
Plant Type	Gas-based CCPP	Gas-based CCPP	Gas-based CCPP	Coal Based
Location	Near Surat, Gujarat	Near Surat, Gujarat	Near Bharuch, Gujarat	Ahmedabad, Gujarat
COD	August - 2009	April - 2013	December - 2014	1988
Fuel	Domestic gas & Imported LNG	Imported LNG	Imported LNG	Domestic & Imported Coal
PPA	835 MW for Distribution areas of Ahmedabad / Gandhinagar & Surat, and 75 MW with MP	278 MW for Distribution areas of Ahmedabad / Gandhinagar & Surat	No tie up	Embedded generation for licensed areas of Ahmedabad / Gandhinagar
Others	Contracted Storage-cum-Regasification capacity of 1 MTPA with Petronet LNG, Dahej Terminal for 20 years from April 2017			

PORTFOLIO OF ASSETS : RENEWABLE GENERATION

	Solar	Solar	Wind	Wind	Wind	Wind	Wind	Wind	Wind
Capacity (MW)	51	87	49.6	201.6	50.9	50.4	120	126	50
Location	Patan in Gujarat	Adjacent to SUGEN Plant, Gujarat	Jamnagar in Gujarat	Kutch in Gujarat	Rajkot in Gujarat	Bhavnagar in Gujarat	Gulbarga & Raichur in Karnataka	Osmanabad Maharashtra	Kutch, Gujarat
COD	FY 15	FY 16	FY 12	FY 17	FY 19	FY 19	FY 18	FY 20	FY 20
Tariff (₹/kWh)	10.03	6.74	4.15	4.19	4.19	4.19	3.74	2.87	3.46
PPA	FIT with Company's Licensed Distribution business						FiT with GESCOM, Karnataka	MSEDCL (TBCB)	PTC (TBCB thru SECI)
FY 20 PLF	18.54%	16.32%	21.83%	31.47%	27.85%	28.62%	34.17%	21.18%*	9.64%*

* Commissioned during the year

PORTFOLIO OF ASSETS : DISTRIBUTION

Particulars	Licensed Distribution			Franchised Distribution				
	Ahmedabad/ Gandhinagar	Surat	Dahej	Bhiwandi	Agra			
Licensed Area	~ 356 sq. km.	~ 52 sq. km.	~ 17 sq. km.	~ 721 sq. km.	~ 221 sq. km.			
Peak Demand	2,018 MW	695 MW	72 MW	580 MVA	473 MVA			
License validity	Till 2025	Till 2028	Till 2034	25 th Jan 2027	31 st March 2030			
Accolades	<ul style="list-style-type: none"> ➤ T&D loss 4.53% during FY 20, is amongst the lowest in the country ➤ Substantial distribution network undergrounded ➤ Consumers enjoy enviable power availability of 99.9%, which is among the highest in the country. 			<ul style="list-style-type: none"> ➤ Second Licensee at Dahej SEZ ➤ Minimal Distribution losses ➤ ~ 100% power reliability 		<ul style="list-style-type: none"> ➤ Country's first unique PPP distribution franchisee agreement with MSEDCL, now adopted as a standard model for distribution reforms in the country ➤ Reduction in AT&C losses from 58% at the time of takeover to 11.93% in FY 20. ➤ Reliable power supply & improved customer services 		<ul style="list-style-type: none"> ➤ Reduction in AT&C losses from 58.77% at the time of takeover to 12.51% in FY 20. ➤ Reliable power supply & improved customer services

PORTFOLIO OF ASSETS : UPCOMING DISTRIBUTION LICENSE AREA

- ✓ The Company has been awarded distribution license for **Dholera Special Industrial Region (Dholera SIR)** of ~920 Sq Kms for 25 years as additional licensee
- ✓ Dholera SIR is a major project in the Delhi-Mumbai Industrial Corridor (DMIC), to be developed into a global manufacturing hub supported by world class infrastructure
- ✓ ~Rs 500 Crs of capex is estimated in the licensed area over 5 years, depending on how industries come up in the area
- ✓ Cost plus ROE business model, ensuring atleast post-tax ROE of 14%
- ✓ A new state-of-art network & a large industrial base will ensure minimal T&D losses & low cost of supply.
- ✓ Network development work is under progress;
 - ✓ Aggregate capex incurred till date ~ Rs 67 crs;

PORTFOLIO OF ASSETS : UPCOMING DISTRIBUTION FRANCHISE AREA

- ✓ TPL has been awarded the distribution franchise for Shil, Mumbra & Kalwa area by MSEDCL, based on competitive bidding process for **20 years**.
- ✓ The operations have been taken over w.e.f. March 01, 2020.
- ✓ The ~65 Sq Kms area is part of Thane Urban Circle of MSEDCL and is emerging as one of the fast growing satellite urban centre of Mumbai with promising growth prospects.
- ✓ Bid Levelised input power purchase Rs. 4.87/kWh (Benchmark Levelised input power purchase Rs. 4.82 / kWh)
- ✓ ~Rs 300 Crs of capex is estimated in the franchised area over the term, of which ~Rs 150 Crs of capex is estimated to be invested in first 5years.
- ✓ Reported AT&C loss for base year 2016-17 is 47%
 - ✓ March 20 AT&C ~ 75% (includes COVID-19 impact)
 - ✓ Expected reduction by 15th year – 12%
- ✓ P&L accretive in 5 years

3. Overview of Operations – FY 2019-20

CONSOLIDATED INCOME STATEMENT

Particulars (Rs. Cr.)	Q4 19-20 Audited	Q4 18-19 Audited	Growth %	FY 19-20 Audited	FY 18-19 Audited	Growth %
Revenue from Operations	2,984	2,925	2%	13,641	13,151	4%
Power Purchase Cost	1,584	1,717		7,960	8,136	
Material Cost & Change in Inventory	54	121		306	470	
Contribution	1,346	1,087	24%	5,375	4,545	18%
Other Income	37	40		178	190	
Gen. & Admin Exp.	519	377		1,819	1,346	
PBDIT	864	750	15%	3,734	3,389	10%
Finance Cost	222	216		955	899	
Depreciation & amortization	335	313		1,304	1,227	
OCI / (Exp.)	(25)	(11)		(45)	(10)	
Profit Before Exceptional Items and Tax	282	210	34%	1,430	1,254	14%
Exceptional Items	(1,000)	-		(1,000)	-	
Profit Before Tax	(718)	210	(442%)	430	1,254	(66%)
Tax Expenses	(428)	192		(720)	356	
TCI	(290)	18	(1709%)	1,150	898	28%

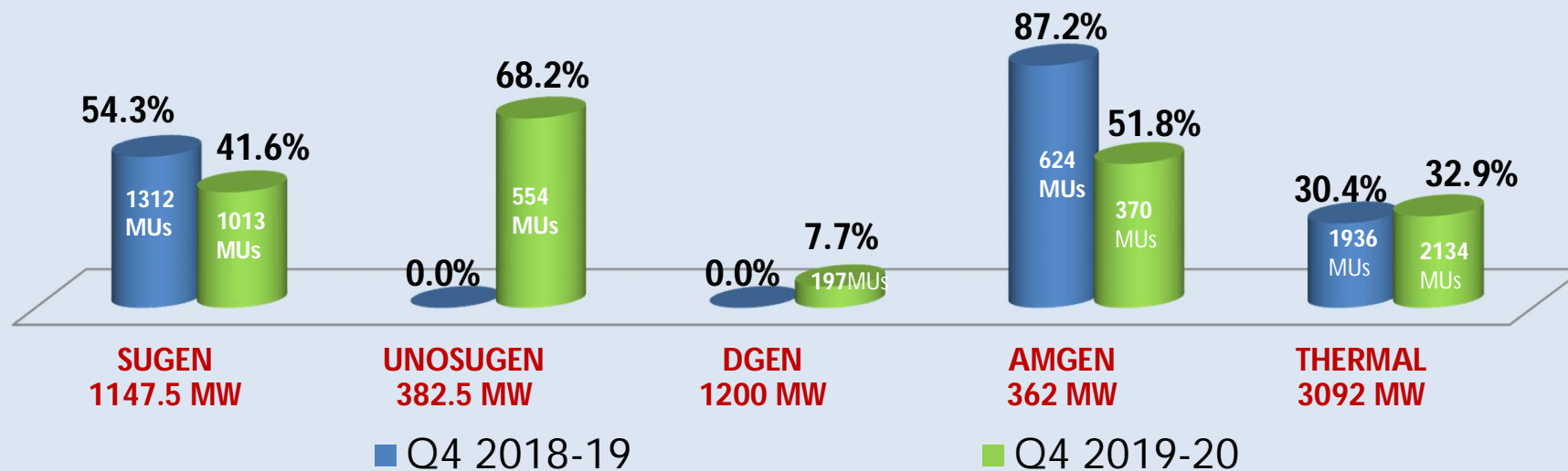
The major drivers of increase in the reported Total Comprehensive Income for the year are:

- ↑ Increase in contribution from gas-based power plants, due to operationalization of long term PPA for 278 MWs capacity from Q2 19-20 & higher merchant power sales after offsetting loss in contribution due to reduction in tariffs in new CERC Tariff Regulations;
- ↑ Improved performance of licensed & franchised distribution businesses, primarily driven by volume growth (net of COVID-19 impact), reduction in T&D losses and favourable settlement of past regulatory dispute on carrying cost, partially set off by initial costs on takeover of Shil-Mumbra-Kalwa operations and additional provision for doubtful debts in its franchised distribution business due to COVID 19 impact;
- ↑ Increase in contribution from Renewable generation due to new capacity addition;
- ↑ Recognition of net deferred tax credit mainly due to reduction in MAT rate vide Taxation Laws (Amendment) Act, 2019, provision for impairment in the carrying value of DGEN Power Plant, provision for certain onerous contracts and reassessment of management's reasonable estimate for the future taxable profits, which would be available to utilize such accumulated MAT Credit in future years;
- ↓ The TCI includes non-recurring charges on account of, (a) provision for impairment loss (non-cash book adjustment under applicable accounting standard) on carrying value of Property, Plant & Equipment pertaining to 1,200 MW DGEN Mega Power Project; and (b) provision towards potential damages and other project related costs arising from expected delays or cancellation of 2 wind power projects won under competitive bidding process in an earlier year due to reasons beyond the control of the Company;
- ↓ Increase in depreciation and interest cost, reflecting additional capex in distribution and renewable projects.

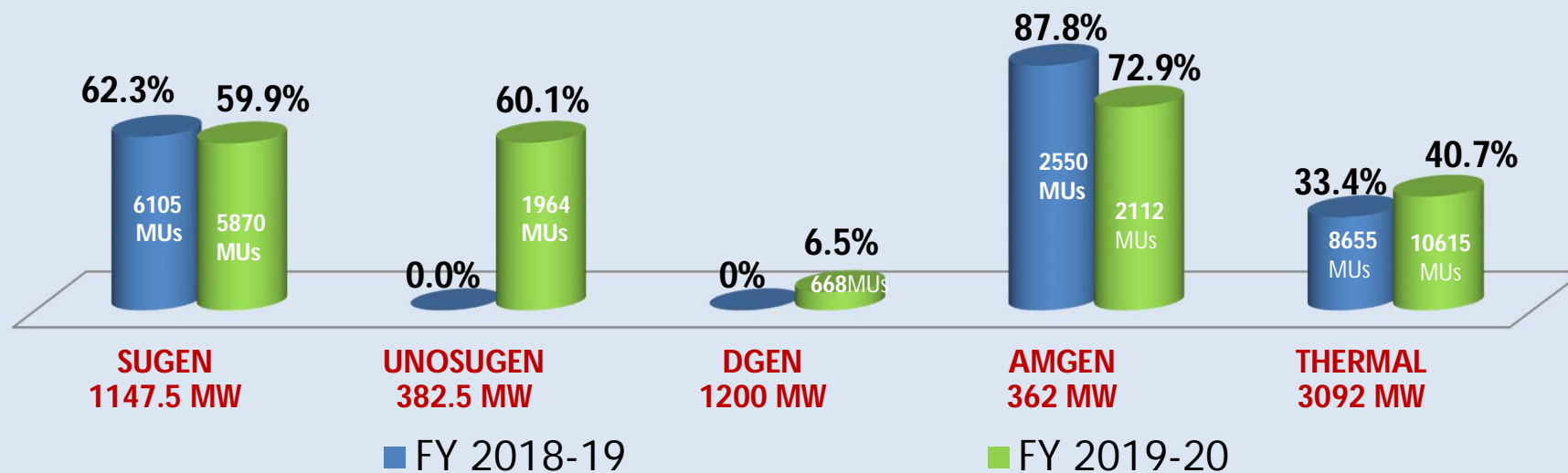
Dividend:

The Company had announced an Interim dividend (including Special dividend) for FY 2019-20 of ₹ 11.60 per equity share (including ₹ 5.00 as special dividend), which was paid in February 2020. The Board has not considered any further dividends for FY 2019-20.

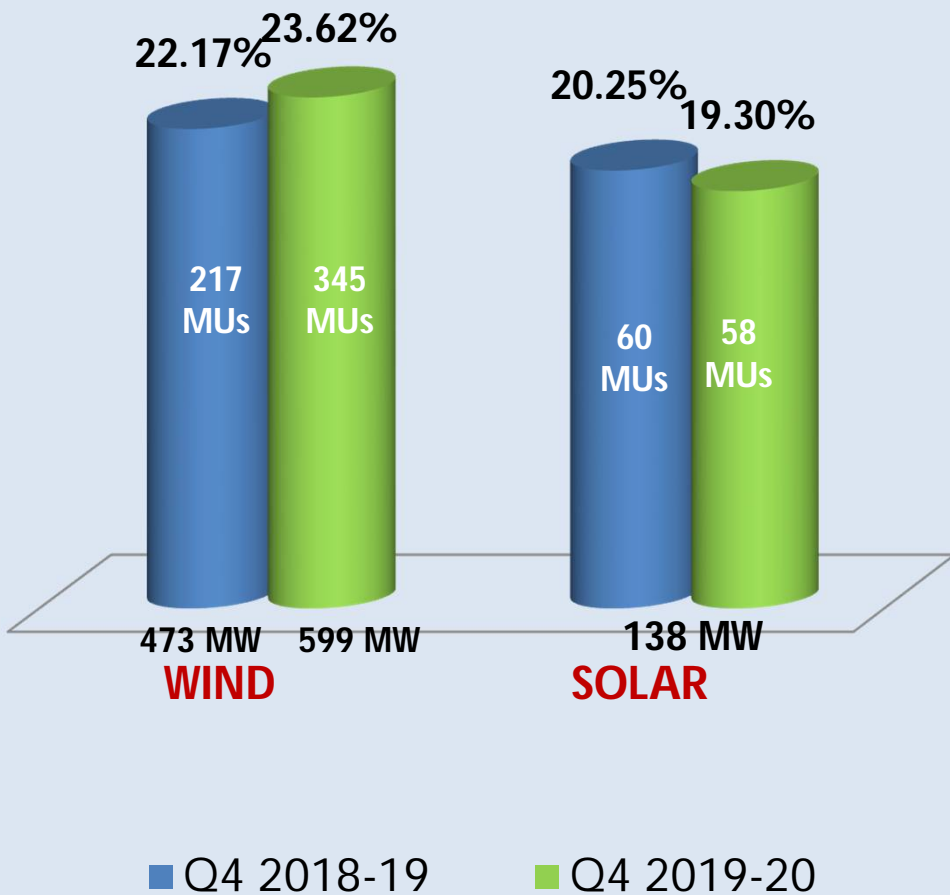
Q4 Thermal PLF (%) / Net Generation (MUs)



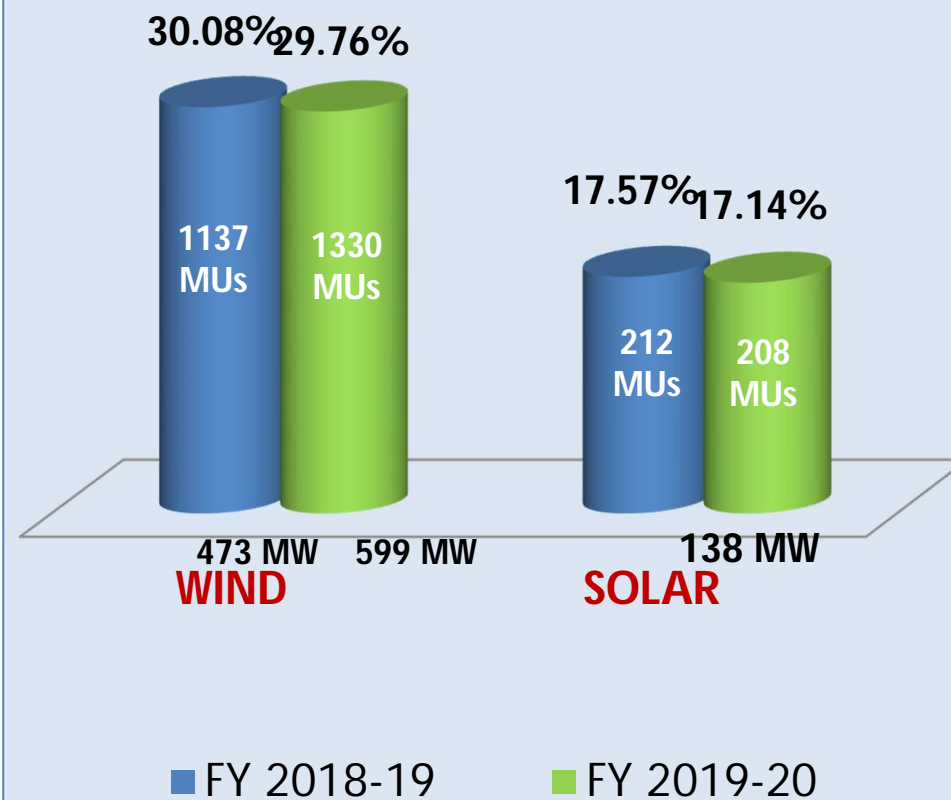
FY Thermal PLF (%) / Net Generation (MUs)



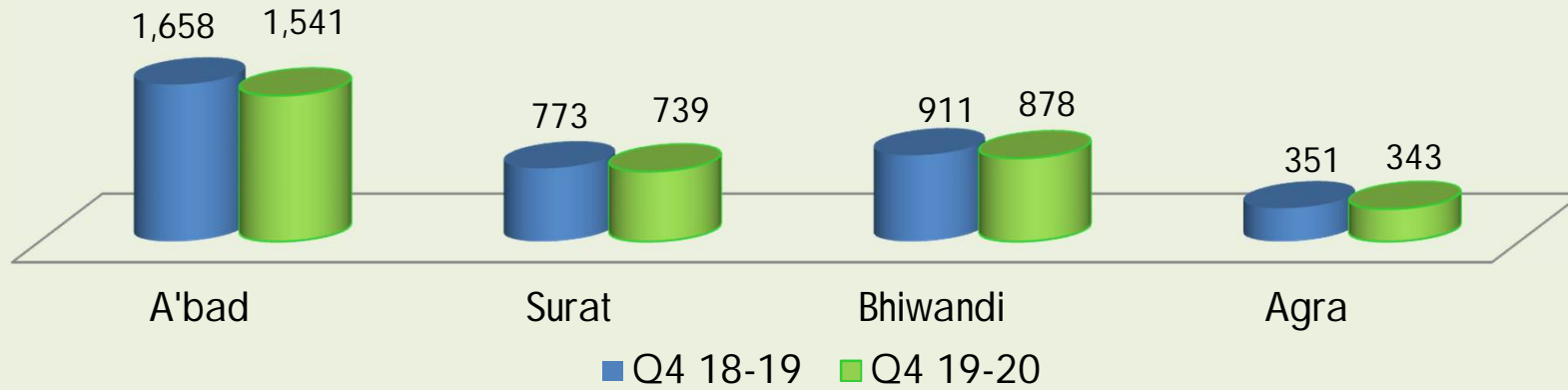
Q4 Renewable PLF (%) / MUs Dispatched



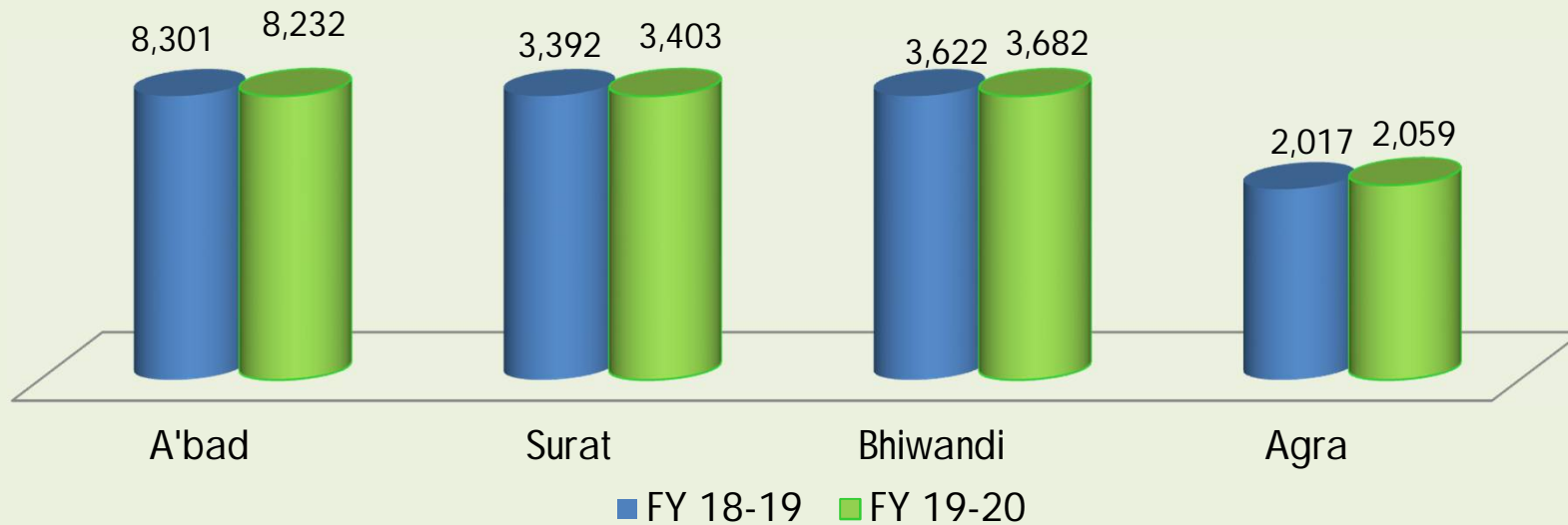
Q4 Renewable PLF (%) / MUs Dispatched



Q4 USO/Purchase (MUs)



FY USO/Purchase (MUs)



4. Investment Rationale

- State of the art gas based plants
- Direct import of LNG at efficient cost
- Low environmental footprint & large quantum of renewables in power system creates a favourable conditions for sustainable operations of unutilised capacities
- Govt contemplating scheme for revival of gas based plants – expected to benefit Dgen

Thermal Generation



- Huge growth potential in renewables; expect the returns to rise above COE as bidding intensity moderates
- Company's right to win : strong project development, O&M & financial capabilities
- Opportunity of flexible generation to sell pooled RTC power [Renewable + Gas] at competitive cost on a long term basis

Renewable Generation



- Need for a robust grid to support huge increase in renewables capacity presents attractive opportunities for private transmission players
- Robust regulations & limited project risks
- Company's right to win : strong project development & financial capabilities

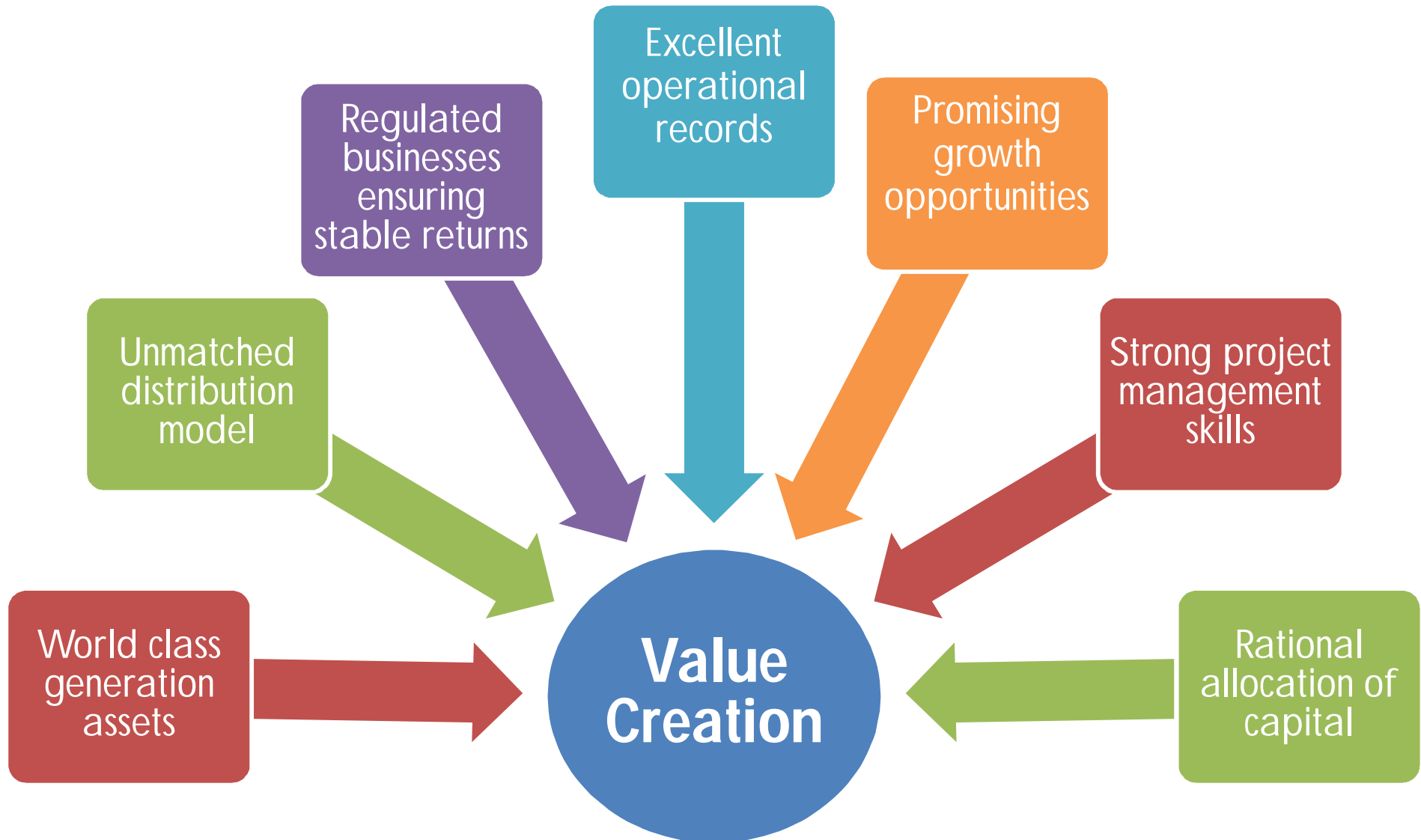
Transmission



- Opportunities for private sector considering the endemic inefficiencies of the public distribution sector
- Torrent has a strong distribution platform to take advantage of upcoming Franchisee & privatisation opportunities in distribution sector

Distribution



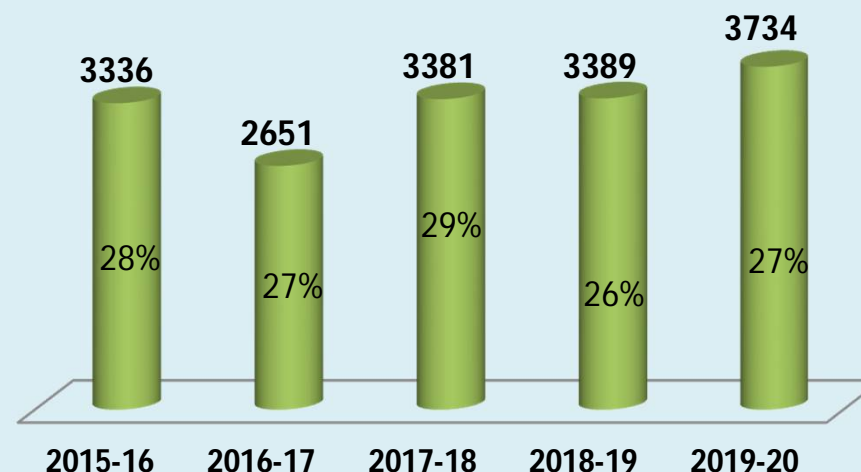


5. Five Year Trend - Key Financial Statistics

Revenues from Operations (₹ Crore)



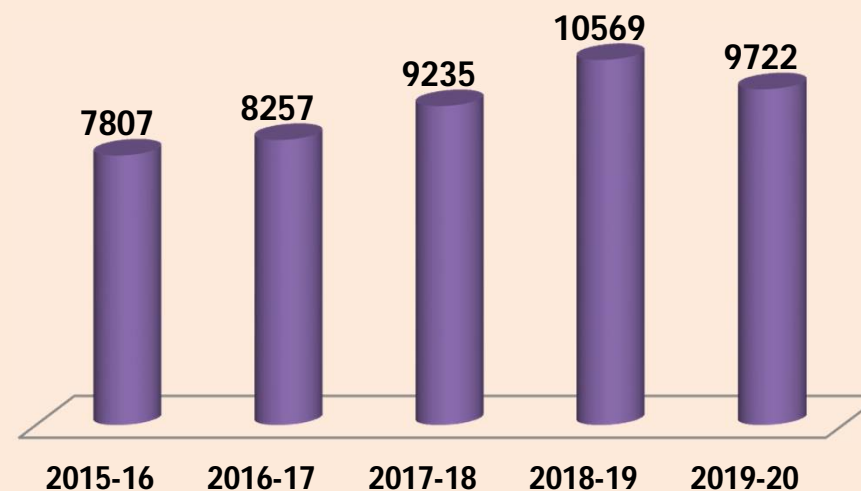
EBIDTA (₹ Crore)/EBIDTA Margin (%)



TCI (₹ Crore)



Net Worth (₹ Crore)

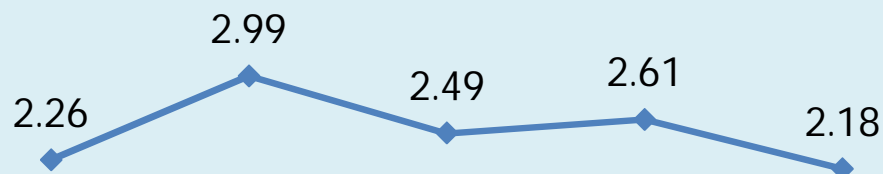


Note: FY 2015-16 onwards Financials are based on IND AS. From 1st April 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, hence the numbers of previous periods are not comparable. Net worth includes DTL.

Five Year Trend - Key Financial Statistics

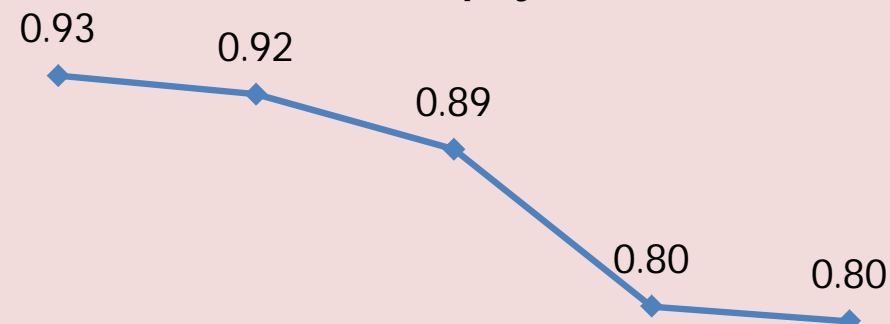
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Net Debt / EBITDA



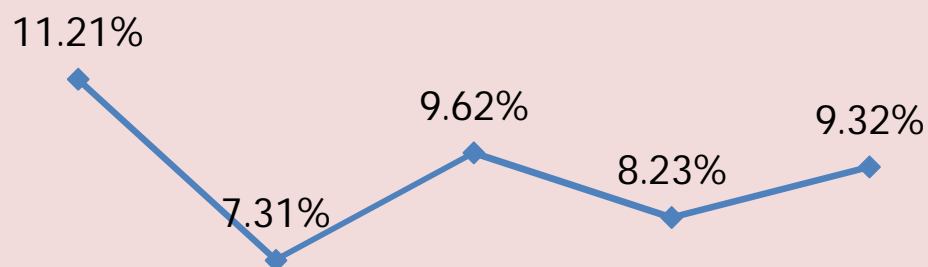
2015-16 2016-17 2017-18 2018-19 2019-20

Net Debt Equity Ratio



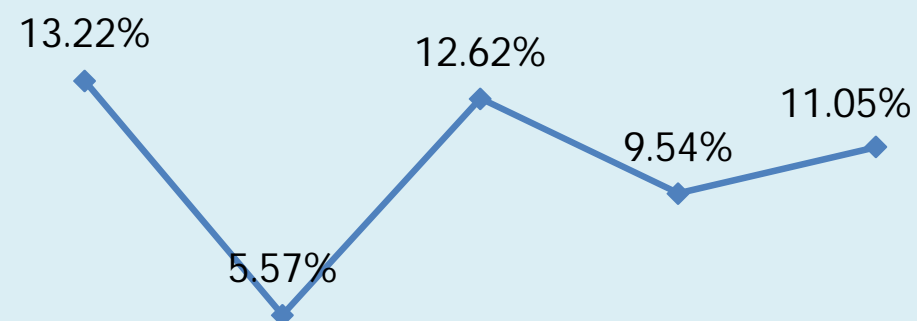
2015-16 2016-17 2017-18 2018-19 2019-20

Return on Capital Employed



2015-16 2016-17 2017-18 2018-19 2019-20

Return on Network



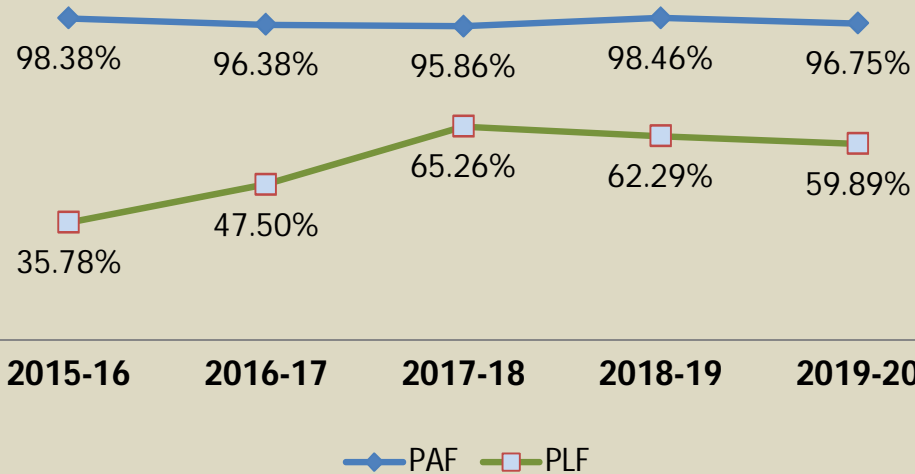
2015-16 2016-17 2017-18 2018-19 2019-20

Note: FY 2015-16 onwards Financials are based on IND AS. From 1st April 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, hence the numbers in previous periods are not comparable.

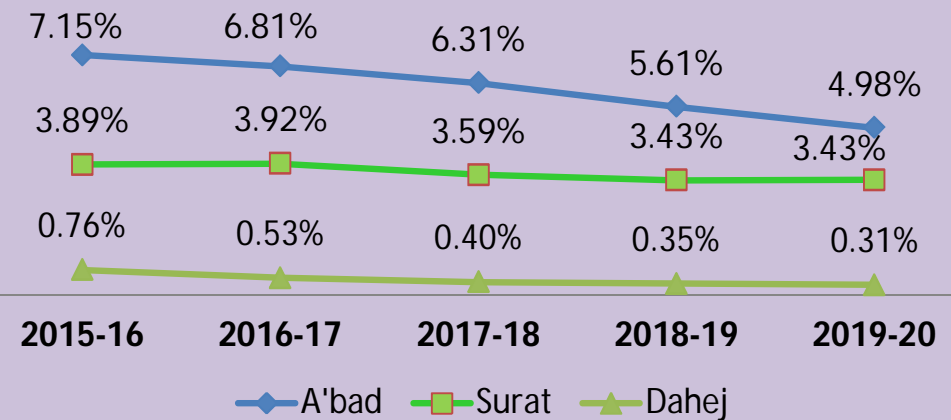
Five Year Trend - Key Technical Statistics

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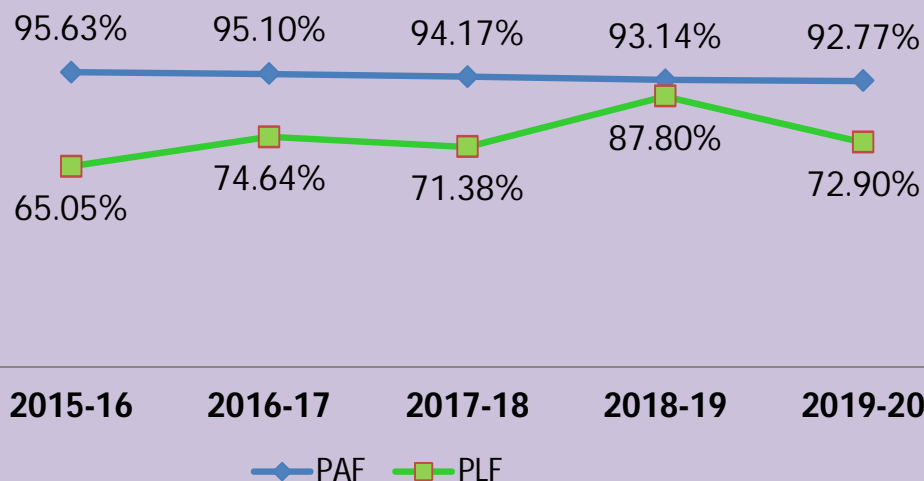
SUGEN PAF-PLF (%)



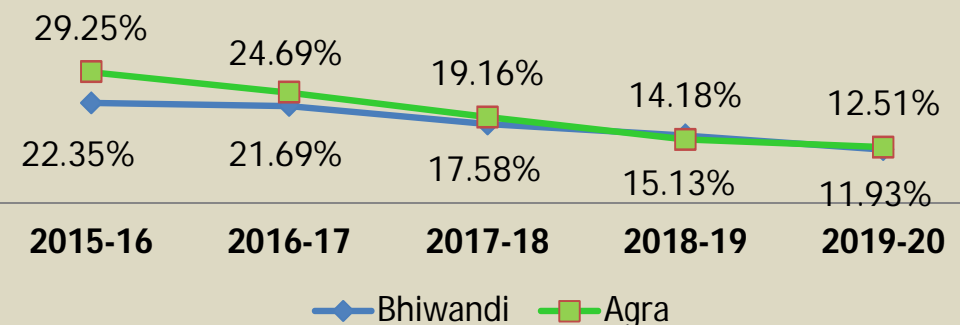
T&D loss (%) Distribution Licensee



AMGEN PAF-PLF (%)



T&D loss (%) Distribution Franchisee



Note: PLF % in Amgen till FY 17-18 is including C Station which has been retired w.e.f. 02nd April 2018.



THANK YOU

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