



# INVESTOR PRESENTATION



Q3 FY 2018-19

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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 : Q3 FY 2018-19
4.	Overview of Upcoming Projects
5.	Investment Rationale
6.	Five Year Trend : Key Financial & Technical Statistics

# 1. Torrent Group



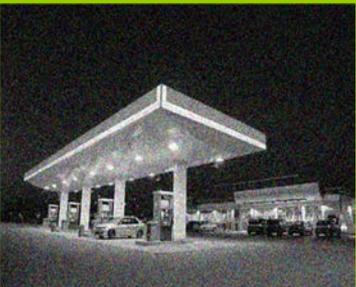
## TORRENT PHARMACEUTICALS LIMITED

- A generics pharmaceutical major with strong global footprint
- Ranked in top 10 in Indian pharma market with leading position in niche therapeutic areas
- Largest Indian pharma company in Brazil & Germany



## 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
- 10 CGD areas won in the 9th Round of Bidding conducted by PNGRB involving project capex of approx. ₹ 9,000 crore over 5 year period.

**Turnover** \$ 2674 Mn

**Enterprise Value** \$ 7620 Mn



*Spreading smiles Illuminating Lives*

**Market Cap** \$ 6003 Mn

**Employees** 22,000+



*Not just healthcare... Lifecare*

Turnover: \$ 904 Mn

Enterprise Value: \$ 4513 Mn

Market Cap: \$ 4329 Mn

Employees: 14500+

*Generating Trust. Distributing Opportunities.*

Turnover: \$ 1770 Mn

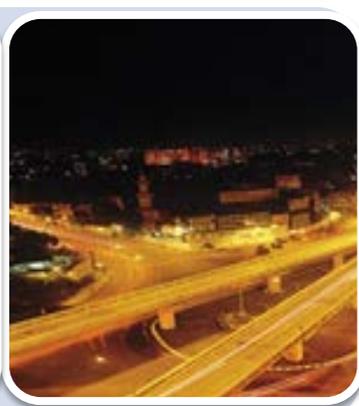
Enterprise Value: \$ 3107 Mn

Market Cap: \$ 1674 Mn

Employees: 7500+

Building pan-India state-of-art city gas distribution networks in 12 GAs across 7 States

## 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 projects

### Wind

- 433 MW operational capacity over 5 projects
- 941 MW projects under development

### 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	1 147.5 MW (3 x 382.5)	382.5 MW (1 x 382.5)	1 200 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 (pending approval of Regulator)	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			To be phased out by Dec 2022

## PORTFOLIO OF ASSETS : RENEWABLE GENERATION

	Solar	Solar	Wind	Wind	Wind	Wind	Wind
<b>Capacity (MW)</b>	51	87	49.6	201.6	60.8	50.4	120
<b>Location</b>	Patan in Gujarat	Adjacent to SUGEN Plant, Gujarat	Lalpur, Jamnagar in Gujarat	Bhuj in Gujarat	Rajkot in Gujarat	Bhavnagar in Gujarat	Gulbarga & Raichur in Karnataka
<b>COD</b>	2015	2016	2012	2017	32 MW commissioned; 28.8 MW under implementation	29.4 MW commissioned; 21 MW under implementation	2018
<b>Tariff (₹/kWh)</b>	10.03	6.74	4.15	4.19	4.19	4.19	3.74
<b>PPA</b>	FiT with Company's Licensed Distribution business						FiT with GESCOM, Karnataka

## 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	1,832 MW	671 MW	58 MW	576 MVA	443 MVA
License validity	Till 2025	Till 2028	Till 2034	25 <sup>th</sup> Jan 2027	31 <sup>st</sup> March 2030
Accolades	<ul style="list-style-type: none"> <li>➤ T&amp;D loss 5.72% during FY 17-18, is amongst the lowest in the country</li> <li>➤ Substantial distribution network undergrounded</li> <li>➤ Consumers enjoy enviable power availability of 99.9%, which is among the highest in the country.</li> </ul>			<ul style="list-style-type: none"> <li>➤ Second Licensee at Dahej SEZ</li> <li>➤ Minimal Distribution losses</li> <li>➤ ~ 100% power reliability</li> </ul>	
				<ul style="list-style-type: none"> <li>➤ Country's first unique PPP distribution franchisee agreement with MSEDCL, now adopted as a standard model for distribution reforms in the country</li> <li>➤ Reduction in AT&amp;C losses from 58% at the time of takeover to 17.28% in FY 2017-18</li> <li>➤ Reliable power supply &amp; improved customer services</li> </ul>	
				<ul style="list-style-type: none"> <li>➤ Reduction in AT&amp;C losses from 58.77% at the time of takeover to 20.89% in FY 2017-18.</li> <li>➤ Reliable power supply &amp; improved customer services</li> </ul>	

### 3. Overview of Operations – Q3 FY 2018-19

₹ in Crore

Particulars	Q3 18-19 Unaudited	Q3 17-18 Unaudited	Growth %	YTD 18-19 Unaudited	YTD 18-19 Unaudited	Growth %	FY 17-18 Audited
Revenue from Operations	3,254	2,749	18%	10,226	8,702	18%	11,512
Power Purchase Cost	2,155	1,599		6,594	5,145		6,822
Material Cost & Change in Inventory	50	52		174	160		235
<b>Contribution</b>	<b>1,049</b>	<b>1,098</b>	<b>(4%)</b>	<b>3,458</b>	<b>3,397</b>	<b>2%</b>	<b>4,455</b>
Other Income	53	44		150	165		264
Gen. & Admin Exp.	312	304		969	969		1,338
<b>PBDIT</b>	<b>790</b>	<b>838</b>	<b>(6%)</b>	<b>2,639</b>	<b>2,592</b>	<b>2%</b>	<b>3,381</b>
Finance Cost	229	214		683	638		848
Depreciation and amortization Exp.	307	270		914	828		1,132
Other Comprehensive Income / (Exp.)	0	2		1	6		21
<b>Profit Before Tax</b>	<b>254</b>	<b>356</b>	<b>(28%)</b>	<b>1,044</b>	<b>1,132</b>	<b>(8%)</b>	<b>1,421</b>
Tax Expenses	16	148		164	397		456
<b>Profit After Tax</b>	<b>238</b>	<b>208</b>	<b>14%</b>	<b>879</b>	<b>735</b>	<b>20%</b>	<b>965</b>

## **Increase in the Total Comprehensive Income for the period was driven by:**

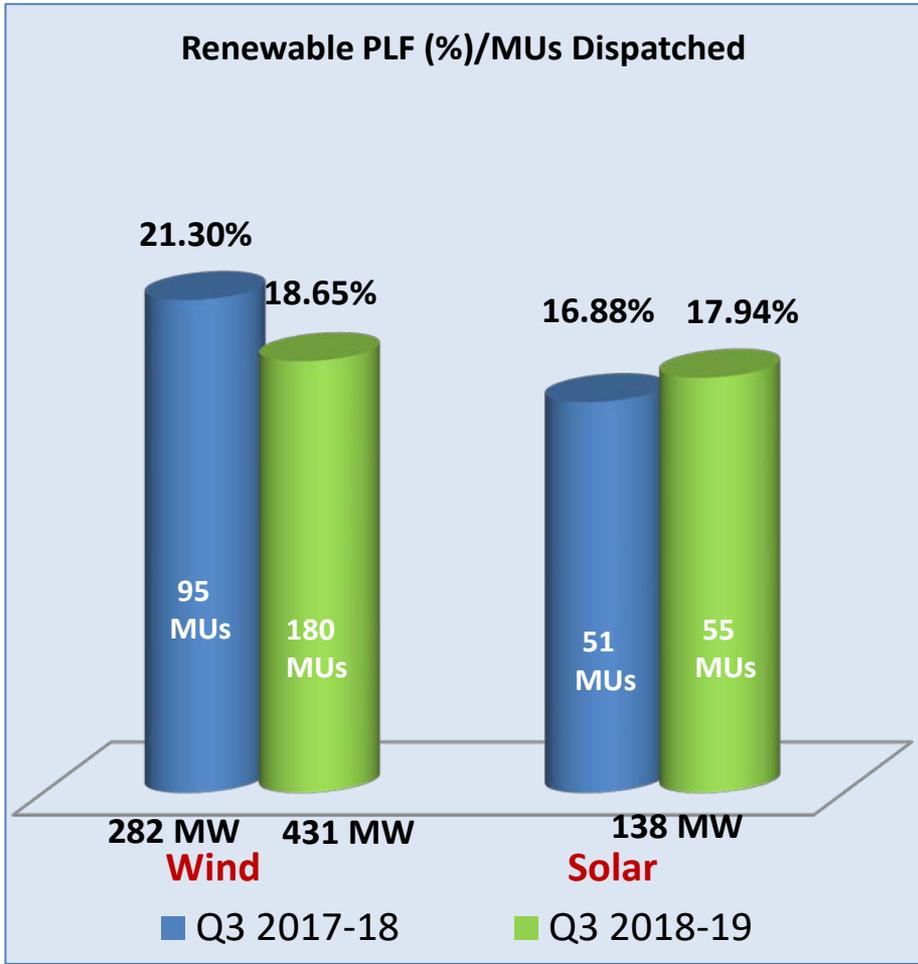
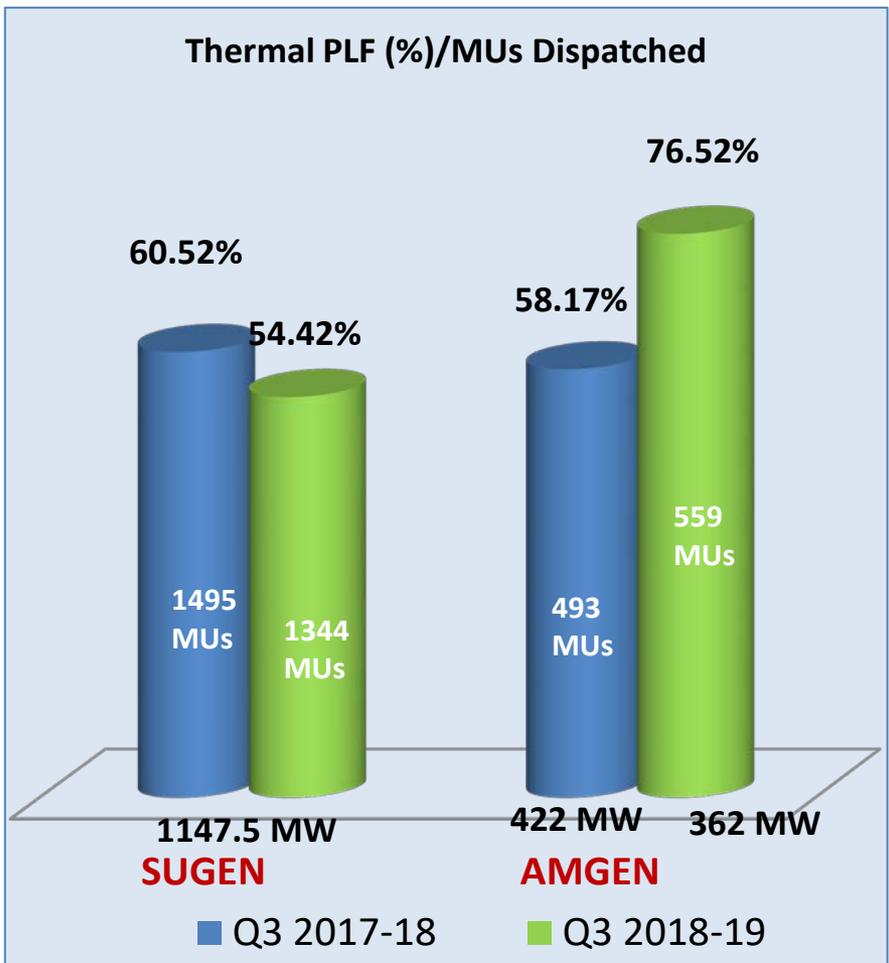
- ↑ Improved performance of franchised distribution businesses primarily driven by reduction in T & D losses;
- ↑ Higher profits from Renewables business due to increased capacity of wind power projects;
- ↑ Favourable movement in deferred tax charge arising from a change in computation method adopted in the previous year, which resulted in additional charge in the comparative quarter;
- ↓ Recognition of regulatory gap balance on accrual basis effective from 1<sup>st</sup> April, 2018 (due to change in accounting policy in compliance with new accounting standard Ind AS 115 Revenue from contract with customers);
- ↓ Increase in finance and depreciation costs, reflecting additional capex in distribution and renewable projects.

### **ACCOUNTING POLICY CHANGE:**

Indian Accounting Standard (Ind AS) 115 “Revenue from Contracts with Customers”, replaces, inter alia, the existing Ind AS 18 “Revenue” and is mandatory for reporting periods beginning on and after 1st April, 2018. The application of Ind AS 115 has impacted the Group’s policy with respect to revenue recognition of licensed electricity distribution business. The Group has applied the Modified Retrospective Approach for transition adjustments. Due to the application of Ind AS 115, retained earnings as at 1st April, 2018 are higher by ₹ 647 crs, while Revenue from Operations and Profit for the quarter ended & nine months ended 31st December 2018, are higher by ₹ 66 Crore & ₹ 197 Crore respectively.

# Overview of Operations – Q3 2018-19

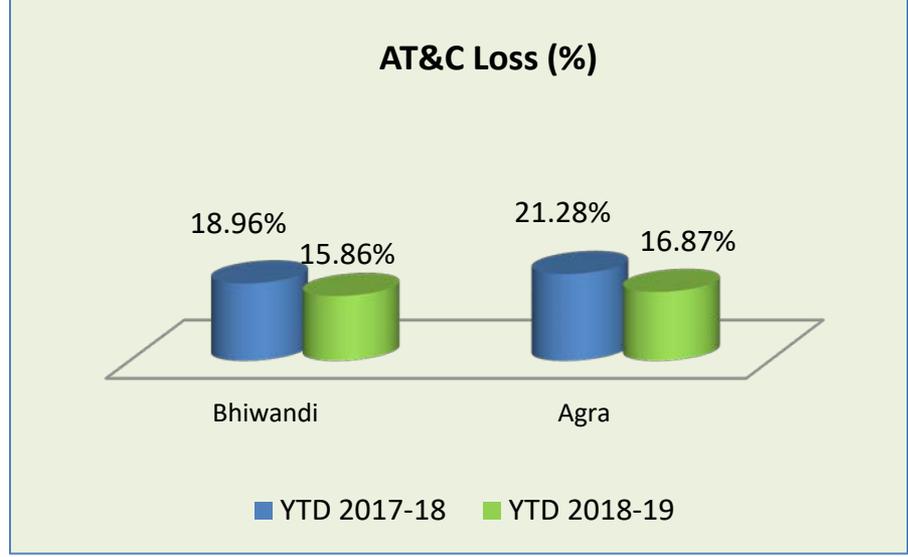
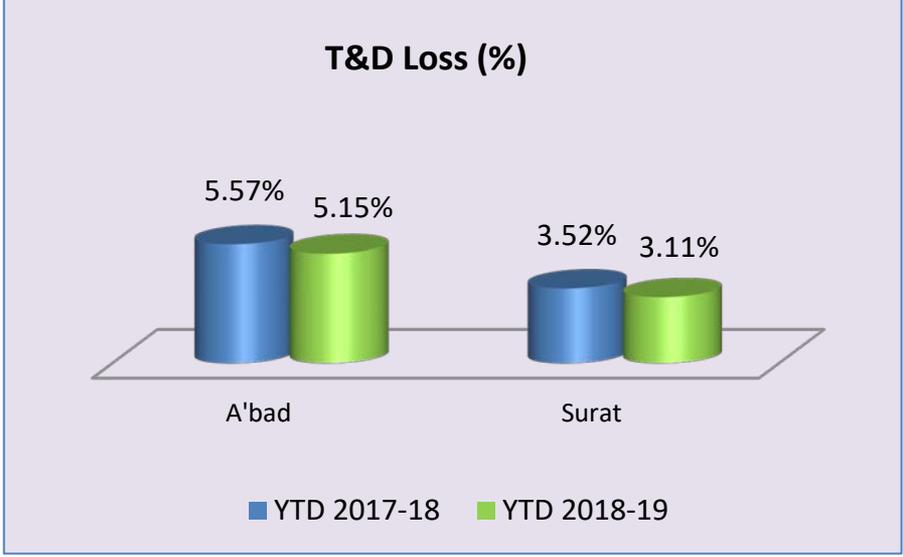
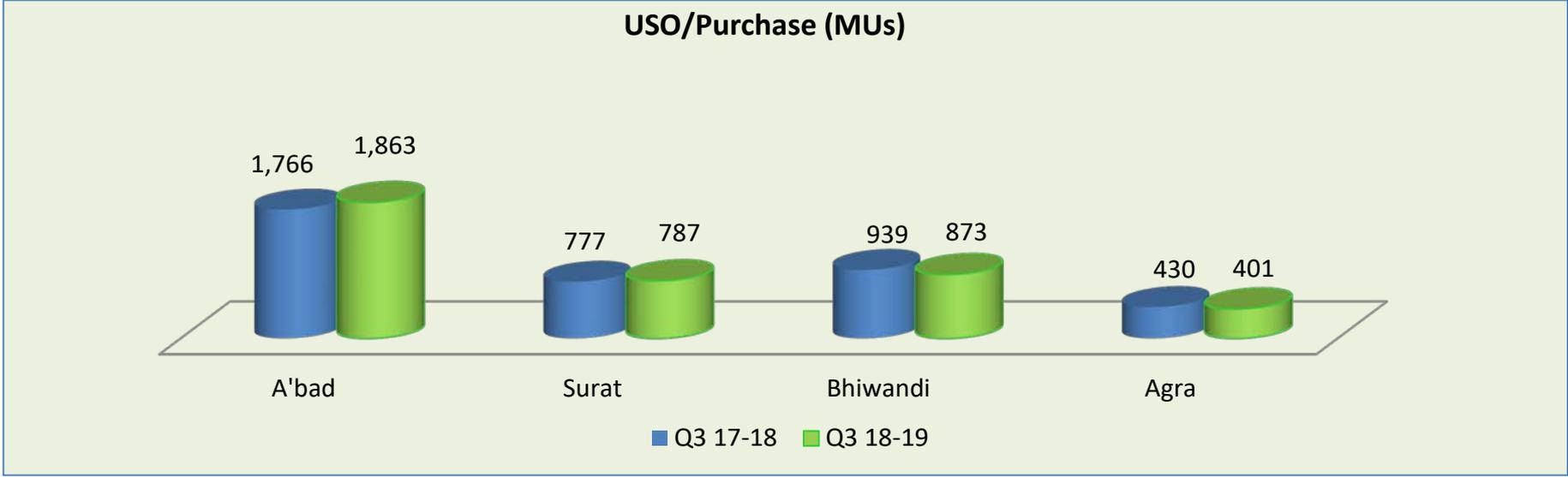
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- NIL generation in UNOSUGEN and DGEN during Q3 17-18 and Q3 18-19
- 60 MW C station of AMGEN plant retired w.e.f 2<sup>nd</sup> April, 2018

# Overview of Operations – Q3 2018-19

(Contd...)



## 4 (a) Overview of Dholera SIR, New Licensed Distribution 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 besides UGVCL/PGVCL
- ✓ Dholera SIR is a major project under the Delhi-Mumbai Industrial Corridor (DMIC) Project with an aim to make it 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 business model ensuring atleast post-tax ROE of 14%
- ✓ Parallel network & industrial base will ensure minimal T&D losses & low cost of supply.

## 4 (b) Overview of SMK, New Franchised Distribution Area

- ✓ TPL has been awarded the distribution franchise for Shil, Mumbra & Kalwa area by MSEDCL, based on competitive bidding process for **20 years**.
- ✓ The ~65 Sq Kms area is part of Thane Urban Circle of MSEDCL and is emerging as one of the preferred real estate investment destination 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 5 years.
- ✓ Reported AT&C loss for base year 2016-17 is 47%. Expected reduction by 15th year – 12%
- ✓ P&L accretive in 5 years

## 4 (c) Overview of Wind Projects under Development

Particulars/ Project	SECI I	SECI III	MSEDCL	SECI V
Capacity (In MW)	150	499.8	126	115
SCOD	Oct, 2018*	Nov, 2019	Jan, 2020	18 Months from PPA effective date
Location (District, State)	Kutch, Gujarat	Kutch, Gujarat	Osmanbad, Maharashtra	Kutch, Gujarat
Fixed Tariff (₹/kWh)	3.46	2.44	2.87	2.76
PPA with	PTC	SECI	MSEDCL	SECI (yet to be signed)
Total Cost (₹ in Crore)	1030	3329	918	800
Debt	670	2330	643	560
Equity	360	999	275	240
Debt : Equity	65:35	70:30	70:30	70:30

*\*SECI has been requested for extension of SCOD by four months (i.e. Feb, 2019)*

# 5. 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
- Expected approval of UNOSUGEN tariff by State Regulator
- Govt contemplating scheme for revival of gas based plants via gas pooling mechanism

## Thermal Generation



- Huge growth potential in renewables at returns higher than COE
- 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

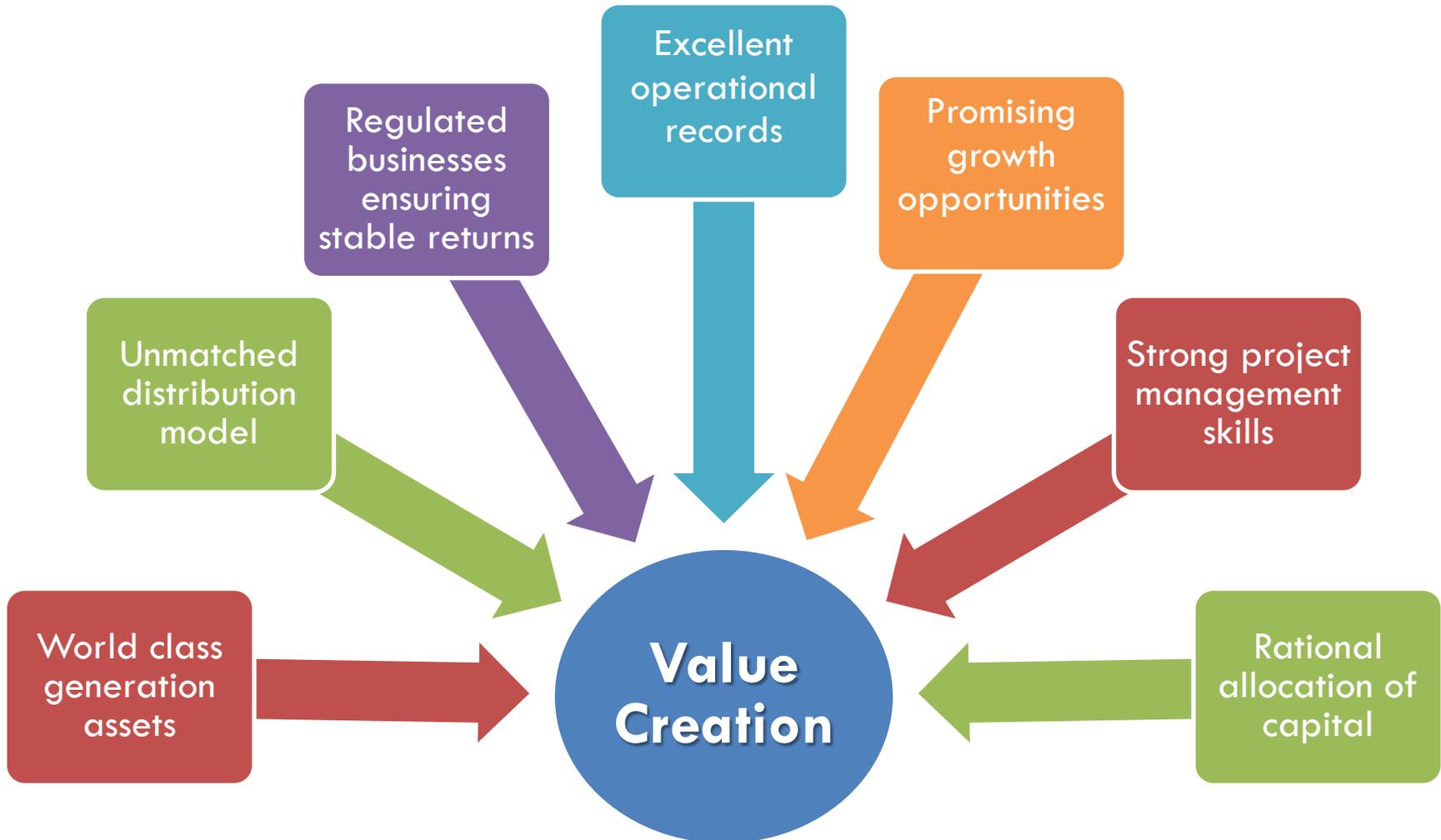
## Transmission



- 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

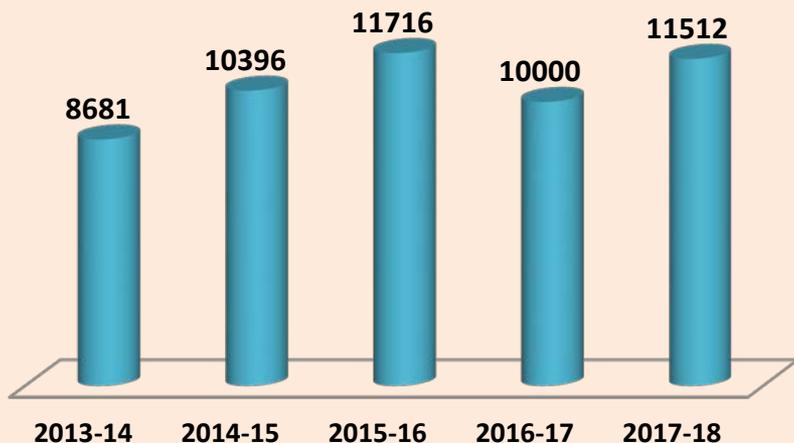
## Distribution





# 6. Five Year Trend - Key Financial Statistics

Revenues from Operations (₹ Crore)



EBIDTA (₹ Crore)/EBIDTA Margin (%)



PAT (₹ Crore)



Net Worth (₹ Crore)

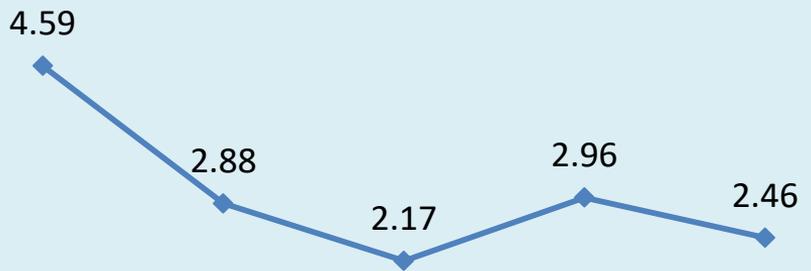


**Note:** FY 2015-16 onwards Financials are based on IND AS

# Five Year Trend - Key Financial Statistics

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### Net Debt / EBITDA



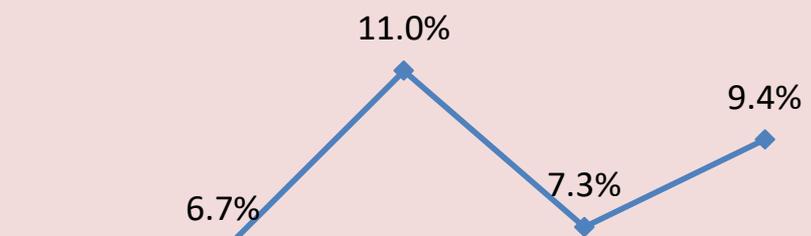
2013-14    2014-15    2015-16    2016-17    2017-18

### Gearing Ratio



2013-14    2014-15    2015-16    2016-17    2017-18

### Return on Capital Employed



2013-14    2014-15    2015-16    2016-17    2017-18

### Return on Network



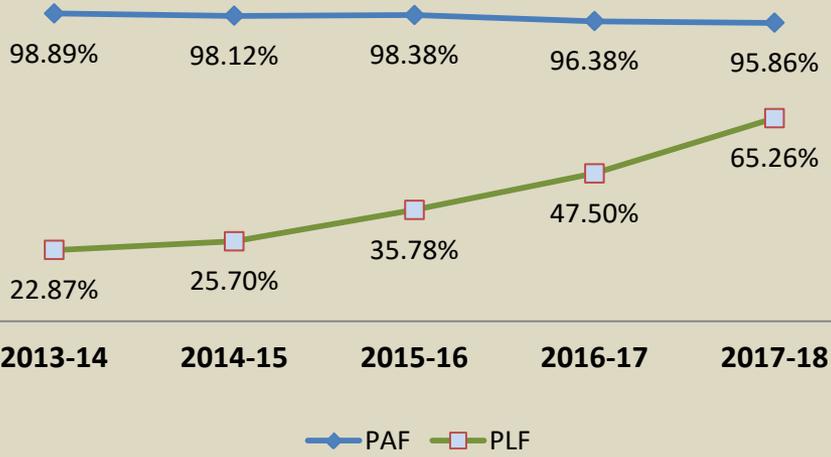
2013-14    2014-15    2015-16    2016-17    2017-18

**Note:** FY 2015-16 onwards Financials are based on IND AS

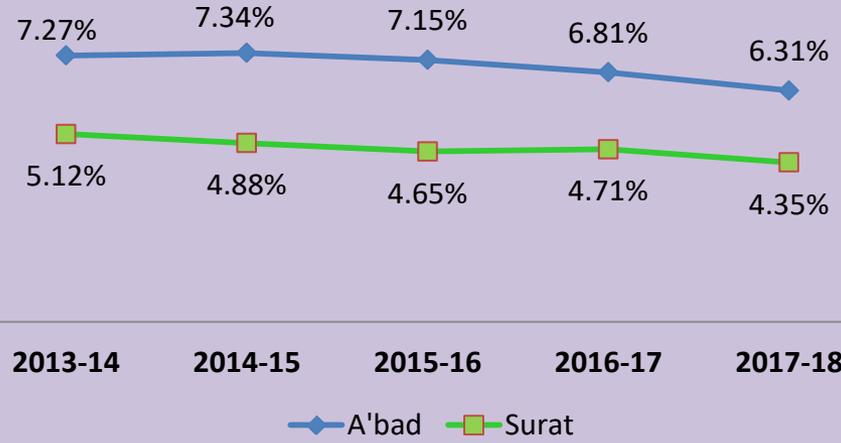
# Five Year Trend - Key Technical Statistics

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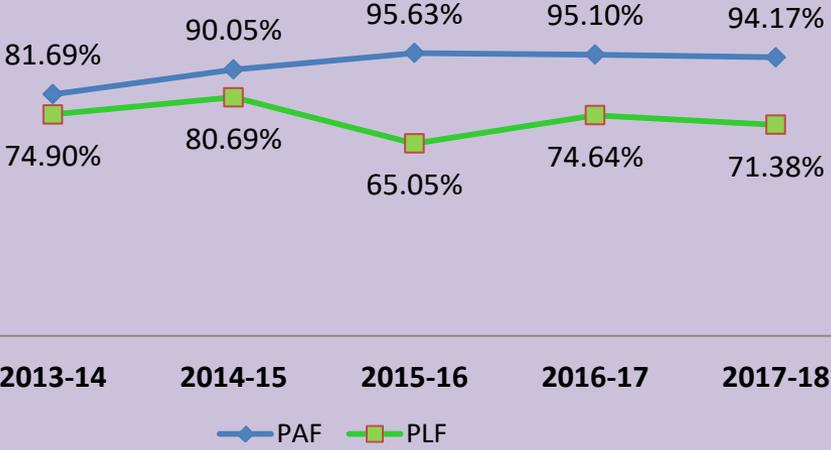
### SUGEN PAF-PLF (%)



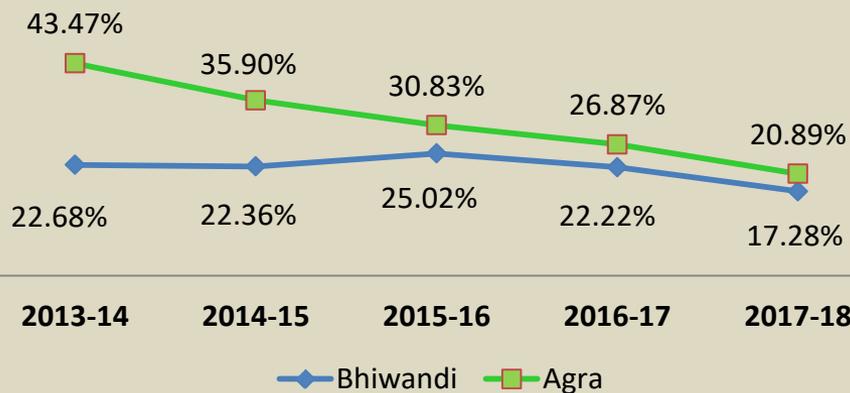
### T&D loss (%)



### AMGEN PAF-PLF (%)



### AT&C loss (%)





torrent  

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POWER

**THANK YOU**

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