

June 06, 2020

To,
Corporate Relationship Department
BSE Limited,
14th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai-400 001
SCRIP CODE: 532779

To,
Listing Department,
National Stock Exchange of India Limited
"Exch2ange Plaza", C – 1, Block G
Bandra- Kurla Complex, Bandra (East),
Mumbai 400 051
SYMBOL: TORNTPOWER

Dear Sir/ Madam,

Re: Disclosure under Regulation 30 / Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of impact of COVID-19 pandemic on the Company

Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

With reference to the above, please find attached herewith disclosure on impact of COVID-19 pandemic and the resultant lockdown on our Company.

We request you to take note of the above.

Thanking you,

Yours faithfully,

For Torrent Power Limited

Rahul Shah

Company Secretary & Compliance Officer

Encl: As above

Jun 06, 2020

TORRENT POWER LTD

Disclosure relating to impact of COVID-19 pandemic on the Company

Disclosure under Regulation 30 / Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020 the following disclosure relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the Company is submitted here under.

1. Impact of COVID-19 pandemic on the business

Torrent Power Limited (the Company), is an integrated power utility with presence across the power value chain – Generation, Transmission & Distribution.

Power sector operations being categorized as one of the essential services by GOI, the Company continued to operate its generation plants as well as continued to supply electricity in its licensed and franchised distribution areas all through out the lockdown period implemented wef March 25, 2020.

Consequent to the lockdown and related restrictions, the electricity demand has drastically reduced, more particularly from the industrial and commercial consumer segments. The overall reduction in demand in the Company's Licensed and Franchised Distribution areas during the period March 25, 2020 to April 30, 2020 compared with similar period of previous year was 49% and for May 2020 it was 36%.

With the gradual lifting of lockdown restrictions, it is expected that, the demand will further pick up in coming months; however overall electricity demand in FY 21 is likely to be lower than FY 20.

The reduction in electricity demand is expected to have a material impact on the profitability of franchised distribution business comprising Bhiwandi, Agra, and Shil-Mumbra-Kalwa areas. Further, this business is also expected to experience reduction in collection efficiency resulting in likely bad debt losses in FY 21.

State Governments of Gujarat, Maharashtra & UP extended relief to electricity consumers primarily by way of extension of due dates for payment of bills to periods ranging upto May 31, 2020. As a consequence, the Company experienced a drastic fall in collections of dues in April and May 2020. However, due to strong financial position, the Company was able to manage the cashflow deficit and keep its operations running. The collections are likely to normalise between the period of June to Sep 2020, as lockdowns are gradually relaxed and economic activities pick up.

The gas-based generation business will be impacted primarily due to reduced profitability in its merchant power business on account of reduced demand and reduction in power prices.

Company's regulated businesses – primarily 1188 MW of long term PPA for its gas-based generation and licensed distribution business (including the embedded coal-based generation) will likely face insignificant impact. Similarly its Renewables Generation business, being categorized as must run capacity, remains the least affected of all segments.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

As stated earlier, power sector operations being an essential service, the Company operated its generation plants and distribution networks with minimum employee strength, during the lockdown period. "Work From Home" policy was implemented for employees engaged in non-essential activities, non-field activities and corporate offices. With gradual relaxations in lockdown restrictions, the Company has restarted and ramped up some of the non-essential but priority operations like meter reading, bill issuances, revenue protection activities, processing of applications for new connections, network upgradation projects, monsoon preparedness, etc. Administrative work is carried out under "Work From Home" policy until date. This has not impacted the operations or businesses of the Company.

3. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations

As stated previously the Company has largely remained operational during lockdown period.

4. Estimation of the future impact of COVID-19 on its operations

The regulated businesses (1188 MW of long term PPAs for its gas-based generation capacities, licensed distribution business) and Renewable Generation business are insignificantly impacted. The key areas of future impact (ie impact during FY 20-21) are:

- Franchised Distribution business comprising areas of Bhiwandi, Agra and Shil-Mumbra-Kalwa, primarily due to reduction in volumes and higher bad debt losses;
- Merchant power business, primarily due to sharp reduction in merchant power prices;

Impact on both have been explained in a previous paragraph.

5. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, other financing arrangements, assets, internal financial reporting & control, Supply chain, demand for products/services

As of March 31, 2020 Company had adequate liquidity balance and reserve liquidity in form undrawn working capital lines & term loans. These along with low debt to equity ratio of 0.91 and high short term (CRISIL A1+ / IND A1+) and long term (CRISIL AA / Stable) credit rating, enabled the Company to manage the cash crunch arising out of dwindling customer collections (explained earlier) during the period April and May 2020. As of the

date of this disclosure, the management believes it has sufficient liquidity to continue its operations and businesses in the ordinary course over the FY 21.

Apart from what is stated previously, the Company, as at this date, doesn't foresee any other material impact of COVID-19, including that on its ability to service debt, raise additional debt capital, assets, internal financial reporting & controls and supply chain.

6. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

As of the date of disclosure, the Company is well positioned to fulfil its material contractual obligations, except those disclosed in its financial results released on May 18, 2020 and for which full provision has been made in the financial results. The Company also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any counter party.

The disclosures made above are based on impact witnessed so far and current assessment of foreseeable impact of COVID-19. As the pandemic situation is evolving, the actual impact in future may be different than indicated above and there could be other unforeseeable impacts.
