

The KROLL logo features the word "KROLL" in a bold, blue, sans-serif font. The letter "O" is replaced by a stylized green and blue circular graphic.

# IL&FS Tamil Nadu Power Company Limited

Investment Teaser

November 2023



# Investment Opportunity

## Company Overview

- IL&FS Tamil Nadu Power Company Limited (ITPCL or Company) is a subsidiary of IL&FS Energy Development Company (IEDCL) Limited under IL&FS Group incorporated to set up an integrated 3,180 MW thermal power plant.
- Currently operates 1,200 MW thermal power plant with two units of 600 MW each based at Cuddalore, Tamil Nadu (50 Km from Pondicherry)
- Executed a long-term Power Purchase Agreement (PPA) for Unit 1 with Tamil Nadu Generation and Distribution Co. Ltd (TANGEDCO) for 15 years

## Key Investment Highlights

- Fully operational power plant with more than 7 years of operational history
- Equipment sourced from best-in-class Original Equipment Manufacturer (OEM)
- Equipped with Flue Gas De-sulphurisation system (FGD), sea-in take and desalination plants for water consumption
- Owns 47 KM transmission line connecting to national grid (PGCIL Substation)
- Low auxiliary consumption of less than 8.0%
- Huge potential of capacity expansion by 1,980 MW with common infrastructure already in place and ~1,350 acres of land acquired
- The plant availability has been in the range of ~ 90.0% with an optimal heat rate ranging around 2,400 (Kcal/kWh) since inception
- For H1 FY2024 combined PLF for both the units was at ~ 61.0%

## Shareholding Pattern

Shareholders	Holding %
IL&FS Energy Development Company Limited	80.31 %
Infrastructure Leasing & Financial Services Limited (IL&FS)	12.11 %
A.S. Coal Resources Pte Ltd, Singapore	7.58 %

## Transaction Overview<sup>1</sup>

- As a part of IL&FS resolution framework, ITPCL has recently restructured its o/s debt with lenders approval and is in process of filing NCLAT application for conversion from Amber to Green Category company
- IL&FS group is looking to exit from the asset by divesting its complete shareholding in ITPCL held via equity stake of 92.42 % owned by IEDCL and IL&FS; and FCCDs of INR 240 Cr owned by IEDCL

## Asset highlight: Integrated Thermal Power Plant

### Thermal Coal Power Plant

- Coal-based power plant of 1,200 MW (2 x 600 MW) (Phase I)
  - Unit 1 tied up with long term PPA (INR 5.94 per kWh) and Unit 2 with short term PPA's
  - Plant equipped with wet lime-stone based FGD
  - Captive 5 km railway sliding connecting with Indian Railways for coal transportation
  - Dedicated 47 km transmission line connecting the power plant to the Powergrid's pooling stations at Nagapattinam
- Further expansion potential of 1,980 MW (3 x 660 MW) (Phase II) with common infrastructure such as coal handling system, ash pond, sea water intake already in place
- Out of total land available ~ 950 acres has been utilized and ~400 acres is yet to utilized

### Captive Coal Mine - Indonesia

- ITPCL has a license to mine coal block in Upau, South Kalimantan, Indonesia, covering 5,908 hectares.
- Upau Block Resources and Reserves :
  - Mineable Reserves: **104 MT**; Total Resources: **233 MT**;
- Coal Contract of Work (CCOW) permit expires in December 2034.
- Due diligence for operationalization through Mine Developer Operator ('MDO') is in progress and is expected to finalize by Q4 FY2024

### Captive Jetty

- Constructing a captive port, adjacent to the ITPCL power plant
- It is a captive port which shall be used to receive imported coal required for the power plant.
- Handling capacity is 5 MTPA for phase 1 requirements with potential to expand further
- Construction 50% complete, remaining construction shall re-commence by June 2024

<sup>1</sup>For detailed transaction overview, kindly refer the Expression of Interest document

# Thermal Power Plant – Overview

## Key Highlights

### Unit Size

- Unit 1 – 600 MW
- Unit 2 – 600 MW

### CoD

- Unit 1 – September 29, 2015
- Unit 2 – April 30, 2016

### Technology

- Subcritical Boiler, Turbine and Generator
- Plant equipped with wet lime-stone based Flue Gas De-sulphurisation system

### Location

- Located in Cuddalore district, Tamil Nadu
- Adjacent to coast with waterfront of ~ 1.5 kms

### Fuel

- Designed for low ash coal; Imported from Indonesia
- Coal current handled at Karaikal Port, ~133 KMs from the plant and transported through Indian Railways

### Captive Jetty

- Captive Jetty under construction (50.0 % completed) adjacent to the plant
- Post completion shall lead to substantial savings in coal transportation cost

### Captive Coal Mine

- Due diligence for operationalization through Mine Developer Operator (MDO) is in progress
- As per studies conducted in 2017, mineable reserves estimated at ~ 104.0 MNT
- Estimated peak annual production of ~ 7.0 MNT

## Technical Highlights

### Power Purchase Agreement

- Unit 1 : 15 Year PPA with TANGEDCO (INR 5.94 per kWh), till Sept 30, 2028
- Unit 2: Operating under short term PPA contracts with various state DISCOMS (ranging from INR 6-7/kWh)

### Power Plant Infrastructure

#### Turnkey



#### Boiler



#### Turbine & Generator



#### FGD



### Supporting Infrastructure

#### Transmission Line EPC



#### Seawater Intake

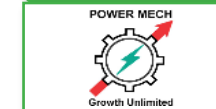


#### Coal Handling & Desalination Plant



### Operation & Maintenance

#### BTG & BoP



#### Coal Handling



#### Transmission



# ITPCL Financial Overview

## Financial Performance

INR Cr.	FY20	FY21	FY22	FY23 <sup>1</sup>	H1 FY24 <sup>1</sup>
Total Revenue	3,433.0	2,789.0	2,642.0	2,457.0	2,247.0
EBITDA	1,127.0	1,168.0	1,232.0	631.0	514.0
Margin %	33.0%	41.0%	47.0%	26.0% <sup>2</sup>	23.0%
Cash and cash equivalents	428.0	1,782.0	1,693.0	2,676.0	1,559.0 <sup>3</sup>
Asset Net Block	7,296.0	6,374.0	6,261.0	6,032.0	NA

## Receivables outstanding as on September 30, 2023

Particulars	Amount (INR Cr)
Late Payment Surcharge Scheme	1,525.4
Regular Bills	530.1
Disputed (Pending in Adjudication with Regulatory Forum)	1,333.1
<b>Total Receivables</b>	<b>3,388.6</b>

Further, regulatory receivables from TANGEDCO amounting ~ INR 360.0 Cr, yet to be claimed

### Other notable information

- The power plant is currently running at above 70.0% PLF and have short term PPA's tied up for Unit 2 for the next four months
- INR 365 Cr to be disbursed for sustainable debt repayment (Documentation in progress):
- ITPCL had raised INR 240 Cr through issuance of 2,40,000 FCCD's to IEDCL with conversion date of Sept 30, 2024

<sup>1</sup>FY2023 represents standalone financial numbers

<sup>2</sup>FY2023 EBITDA margins were impacted due to a sudden increase in international coal prices

<sup>3</sup>Cash and cash equivalents as on October 31, 2023

## Debt Resolution

As a part of IL&FS resolution framework, the Company has recently completed its restructuring under RBI circular June 7<sup>th</sup> 2019. Brief overview of restructuring scheme adopted:

Breakup of Sustainable Debt and Repayment Period (INR Cr)					
Term Loan	FITL	Priority Loan	NCDs	Group Debt	Op. Creditors
3,881.8	1,119.9	74.4	172.2	136.8	447.7
FY24 to FY38	FY24 to FY26	Immediate	FY24 to FY38	FY24 to FY38	FY24 to FY28
Sustainable Term Debt		5,832.3	Total Sustainable Debt : 6,646.7		
Add : Cash Credit		814.5	Interest – Higher of 8.0% p.a. / PNB 1Y MCLR		

Breakup of Unsustainable Debt and Repayment Period (INR Cr)		
NCDs – Senior Secured Lenders	NCDs – Unsecured Loan	Total Unstable Debt
2,655.7	731.9	3,387.7
FY39 & FY40	FY39 & FY40	Coupon payable at 0.001% p.a.

Debt O/s as of Oct 2023 (INR Cr)	Sustainable Debt	Unsustainable Debt	Total Debt
Senior Secured, Unsecured Lenders and Operations & Capex Creditors	6,646.7	3,387.7	10,034.4
Less: Repayments till Oct 2023	(1,925.5)		
<b>Net Debt Outstanding</b>	<b>4,721.2</b>	<b>3,387.7</b>	<b>8,108.9</b>

Bank Guarantees Amounts (INR Cr)		
Bank Guarantees	Bank Guarantees – IL&FS Limited	Total O/s Bank Guarantees
325.3	243.4	568.7

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