

19 June 2020

The Sr. General Manager
Department of Corporate Services
BSE Limited
1st Floor, P. J. Towers
Dalal Street
Mumbai 400 001

Ref.: Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020 issued by the Securities & Exchange Board of India (“SEBI”) (the “Circular”)

Dear Sirs

Sub.: Disclosure under applicable regulation(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) in relation to material impact of COVID-19 pandemic on the Company

Pursuant to the Circular and in terms of applicable regulation(s) of SEBI LODR, the key impact of the COVID-19 pandemic, on the operations and performance of the Company, based on a management assessment are, as under:

The generation and supply of electricity have been notified as essential services, pursuant to the order of the Ministry of Home Affairs dated 24 March 2020. During the lockdown imposed by the Central and State Governments to combat the spread of the COVID-19 pandemic, the Ministry of Power (the “MoP”) instructed various bodies and agencies of State Governments and Urban local administration to ensure that, generation of power continues on an uninterrupted basis. Though after outbreak of the COVID-19 pandemic and start of the nationwide lockdown, power demand has subdued due to lack of industrial and commercial demand of power as energy consuming sectors like auto, steel, etc., are facing uncertainties.

The Company’s 1,320 MW super critical coal-fired thermal power plant at Jhajjar in the state of Haryana (“Power plant”), operated at a lower Plant Load Factor (“PLF”) since the declaration of the lockdown until 7 June 2020, i.e. for nearly a period of three months owing to lower demand, due to disruption of the industrial activities on account of the lockdown. The Power plant however, was continuously available for dispatch, and the Company has claimed payment of capacity charges from the Off-taker on that basis.

The Company has assessed the COVID-19 impact on the following grounds:

- **Availability of Manpower:** Though the availability of contractual manpower has been impacted, the Company has extensive in-house capabilities to carry out the operations and maintenance of its Power plant, with an experienced workforce and thereby there is no impact the Company's performance.
- **Availability of Machines and Material:** The Company's Power plant and its registered office, both situated in the state of Haryana are fully operational and in adherence with the preventive guidelines issued by statutory bodies. All operations of the Company are in full compliance with the applicable regulatory norms. The availability of fuel supply for the Company has not been affected in the current scenario. The Company has maintained sufficient inventories of fuel, consumable and capital spares, to ensure uninterrupted operation of the Power plant. Moreover, the supply of domestic coal is covered under the Essential Supply and Maintenance Act, 1968, similar to the supply of power and therefore the supply of fuel to the Power plant remains uninterrupted.
- **Assets:** Management has performed an impairment assessment of Property, Plant & Equipment and Trade Receivables and has concluded that no significant adjustments are required to the carrying values of such assets. Due to lockdown, Management was unable to perform a physical inventory verification as at year end. However, Management has performed alternate procedures, including roll forward procedures to obtain comfort over the existence and condition of inventory as at year end. No provision is required to the carrying amount of inventory on account of COVID-19, as the inventory will be utilized subsequent to year end in order to generate and supply electricity.
- **Liquidity:** The Company has a healthy cash position, with cash and cash equivalents. Management has carried out a detailed assessment of its liquidity position for the next one year as also of the recoverability and carrying values of Property, Plant & Equipment and Trade Receivables. Based on the Company's liquidity position at 31 March 2020 and review of cash flow projections over the next twelve months, Management believes the Company will have sufficient liquidity to operate its businesses in the ordinary course, including to service all its debts and other financing arrangements.
- **Working Arrangements for labour and staff:** The Company has taken adequate measures such as issuing social distancing norms, managing workforce shifts and remote working, etc. to counter this pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

- **Existing contract/arrangements with Offtakers:** Long term tie ups under the Power Purchase Agreements, covering the entire capacity, exist with financially sound, State-owned distribution companies of the state of Haryana, Tata Power Delhi Distribution Limited and Tata Power Trading Company Limited. In the month of March 2020, the Company received Force Majeure notice issued by a major customer citing inability to pay capacity charges in light of COVID-19 disruption. However, based on the clarifications issued by Ministry of Power dated 28 March 2020 instructing power companies to pay outstanding debts including capacity charges, the Company has received its undisputed outstanding trade receivables subsequent to the year end.
- **Government policies/support:** Besides the above, the recently announced financial packages by the Hon'ble Finance Minister, aimed at providing liquidity to discoms by lending against their receivables, are expected to ease the transmission of cash flows into the power sector. Given the continuing lockdowns, disruptions and partial resumption, presently it is difficult to estimate the impact and that full assessment would be made, once normalcy in economic and business activities is fully restored and appropriate disclosures, if required, would be made by the Company.

Given the continuing disruptions in industrial activity owing to changing COVID-19 scenario, lockdowns and partial resumption of all economic activities, presently it is difficult to estimate the impact arising from the pandemic. However, the impact assessment is a continuing process given the uncertainties associated with its nature, extent and duration. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any. The eventual outcome of the impact of the COVID-19 pandemic on the Company's business may be different from that estimated as on the date of this disclosure.

We request your good office to take the same on record.

Yours faithfully
For **Jhajjar Power Limited**

Mitesh Trivedi
Compliance Officer