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The Tata Power Company Ltd.

Analyst Call – 13th August, 2015



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**Q1 FY2016 vs. Q1 FY2015
Variance Analysis – Standalone**

Q1 FY2016 Operational Highlights – Standalone



	Q1 FY2016	Q1 FY2015	Variance
Gross generation (MUs) down by 5%	3126	3301	(175)
• Generation in Mumbai Operations (MUs) down by 2%	2053	2086	(33)
• Lower hydro generation			
• Generation outside Mumbai Operations (MUs) down by 12%	1072	1215	(143)
• Lower generation in Haldia due to lower gas availability			
Sales (MUs)	3504	3778	(274)
• Sales in Mumbai Operations (MUs) down by 5%	2581	2716	(135)
• Sales outside Mumbai Operations (MUs) down by 11%	1018	1149	(131)
• Haldia merchant sales (MUs)	189	215	(26)

Q1 FY2016 Financial Highlights – Standalone



<i>(All figs. in Rs Cr)</i>	Q1 FY2016	Q1 FY2015	Variance
Net Revenue down by 6% ^[1] <ul style="list-style-type: none"> • Lower fuel cost due to <ul style="list-style-type: none"> • Lower RLNG prices • Higher proportion of coal-based generation 	2055	2181	(127)
Other Operating Income down by 3%	157	161	(4)
Cost of Power Purchased down by 8% <ul style="list-style-type: none"> • Lower volume of power purchased 	229	248	(19)
Cost of Fuel down by 33% <ul style="list-style-type: none"> • Decrease in RLNG price and change in fuel mix as explained above 	677	1017	(339)
Transmission Charges down by 7%	99	107	(7)
Cost of components consumed down by 20% <ul style="list-style-type: none"> • Reduction in consumption in SED 	68	85	(17)
Employee Benefits Expense up by 3%	161	156	5
Depreciation and Amortization up by 16% <ul style="list-style-type: none"> • Due to higher capitalization 	164	142	23
Other Expenses up by 57% <ul style="list-style-type: none"> • Provision towards investment in domestic coal mines 	285	182	103

[1] Net Revenue includes Rate Regulated Activities

Q1 FY2016 Financial Highlights – Standalone



<i>(All figs. in Rs Cr)</i>	Q1 FY2016	Q1 FY2015	Variance
Profit from operations before other income, finance cost and tax up by 30%	528	407	121
Other Income (including gain/(loss) on exchange) <ul style="list-style-type: none"> • Lower dividend from coal SPVs Offset by <ul style="list-style-type: none"> • Lower exchange loss • Interest on delayed payments in MO Transmission 	212	221	(10)
Profit Before finance cost and tax up by 18%	740	628	112
Finance Cost up by 36% <ul style="list-style-type: none"> • Interest on delayed payments in MO Distribution 	342	252	90
Profit before tax up by 6%	398	376	22
Tax expense <ul style="list-style-type: none"> • Impact of higher PBT & deferred tax liability 	155	120	35
Net profit after tax down by 5%	242	256	(14)

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**Q1 FY2016 vs. Q1 FY2015
Variance Analysis – Consolidated**

Q1 FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	Q1 FY2016	Q1 FY2015	Variance
Revenue up by 3%^[1] <ul style="list-style-type: none"> Higher sales volume in TPTCL Higher sales volume in TPSSL Offset by <ul style="list-style-type: none"> Lower revenue in Tata Power standalone as explained earlier Lower coal revenues 	9065	8818	247
Cost of power purchased up by 11% <ul style="list-style-type: none"> Higher sales volume in TPTCL Partly offset by <ul style="list-style-type: none"> Lower in TPDDL due to lower per unit cost 	2145	1937	208
Cost of fuel down by 17% <ul style="list-style-type: none"> Lower in Tata Power standalone as explained earlier Lower in CGPL due to reduction in coal prices Lower in Coal Companies 	2141	2586	(444)

[1] Revenue includes Rate Regulated Activities

Q1 FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	Q1 FY2016	Q1 FY2015	Variance
Transmission Charges down by 1%	111	112	(1)
Raw Material Consumed up by 8% <ul style="list-style-type: none"> Increase in sales volume of Tata Power Solar 	228	211	17
Cost of Components down by 20% <ul style="list-style-type: none"> Decrease in Tata Power standalone as explained earlier 	68	85	(17)
Royalty towards Coal Mining down by 9% <ul style="list-style-type: none"> Lower volumes in coal companies 	239	263	(24)
Coal Processing Charges down by 25% <ul style="list-style-type: none"> Lower cost of processing per ton 	511	683	(172)
Employee Benefit Expenses up by 4%	386	371	15
Depreciation/Amortization up by 7% <ul style="list-style-type: none"> Increase in Tata Power standalone as explained earlier 	579	543	37
Other expenses up by 37% <ul style="list-style-type: none"> Provision for impairment in domestic coal mines Higher rehabilitation cost in KPC and Arutmin Tax penalty in KPC 	1113	816	298

Q1 FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	Q1 FY2016	Q1 FY2015	Variance
Profit from Operations before other income, finance costs, exceptional items and tax up by 16%	1432	1232	200
Other income (including gain/(loss) on exchange) <ul style="list-style-type: none"> • Lower forex loss in Tata Power standalone • Lower forex loss in coal companies as against PY 	105	(51)	156
Finance cost down by 3% <ul style="list-style-type: none"> • Impact of refinancing of Coal SPV debt Partly offset by <ul style="list-style-type: none"> • Increase in standalone finance cost as explained earlier 	905	934	(30)
Profit before tax up by 156%	633	247	386
Tax expenses	311	314	(3)
Net profit/(loss) after tax (before Minority & Share of Associates)	322	(67)	389

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Subsidiary Performance

Key Subsidiary Performance: Q1 FY2016

All figures in Rs cr

Key Subsidiaries	Op. Income			EBITDA			PAT		
	Q1 FY16	Q1 FY15	Q4FY15	Q1 FY16	Q1 FY15	Q4FY15	Q1 FY16	Q1 FY15	Q4FY15
CGPL	1487	1429	1610	320	166	394	(84)	(305)	(76)
TPDDL	1612	1668	1445	299	288	239	113	100	60
TPTCL	1440	963	1038	15	14	14	7	8	7
MPL	576	566	557	190	172	215	37	19	57
Tata Power Solar	306	228	287	12	1	7	(10)	(28)	(23)
IEL	131	130	127	58	64	59	24	(60)	29
Powerlinks	58	60	59	55	58	58	25	26	27

- CGPL – Improved performance driven by lower coal price and waiver of interest on sub-debt from Tata Power
- TPSSL - Improved performance driven by higher sales volume

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Key Information

Q1 FY2016 Key Information



Gross Debt (Rs Cr)	Q1 FY16	Q1 FY15	Q4 FY15
Tata Power standalone	11,230	8,796	11,037
Tata Power consolidated	41,680	35,485	40,842

Equity (Rs Cr)	Q1 FY16	Q1 FY15	Q4 FY15
Tata Power standalone	16,826	16,248	16,590
Tata Power consolidated*	17,574	17,050	17,158

- Net of impairment of Rs 2650 Cr
- Consolidated equity includes minority interest

Coal Companies	Q1 FY16	Q1 FY15	Q4 FY15
Coal Mined (MT)	18.8	22.6	20.3
Coal Sold (MT)	20.0	21.7	19.9
FOB Revenue (\$/T)	45.9	50.3	47.0
Net Revenue after royalty (\$/T)	40.1	43.8	41.2
Cost of Production (\$/T)	30.0	34.7	32.1*
Depreciation (USD mn) for 100%	57.5	54.0	53.8

* Minor change in COP reported in last analyst presentation due to error in last presentation

Regulated Equity (Rs Cr)	Q1 FY16	Q1 FY15	Q4 FY15
TPDDL	1181	1108	1142
Mumbai Operations	3443	3084	3389

Regulatory Asset (Rs Cr)	Q1 FY16	Q1 FY15	Q4 FY15
TPDDL	5172	5176	5358
Mumbai Operations	1891	1906	1889

CGPL	Q1 FY16	Q1 FY15	Q4 FY15
Generation (MUs)	6,296	6,599	6,958
Sales (MU)	5,795	6,078	6,418
Availability (%)	75%	76%	90%
FOB price of coal (USD/T)	52	52	51

* Higher blending of eco coal in Q1FY15

MPL	Q1 FY16	Q1 FY15	Q4 FY15
Generation (MUs)	1,748	1,793	1,715
Sales (MUs)	1,643	1,691	1,612
Cost of Coal (Rs/MT)	3098	2932	2805
Availability (%)	91%	94%	96%

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