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# The Tata Power Company Ltd.

Analyst Call – 24<sup>th</sup> May, 2016

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# Q4 FY2016 Financials - Snapshot



All figures in Rs cr

Particulars	Op. Income			EBITDA			PAT (Before Exceptional Items)		
	Q4 FY16	Q4 FY15	Q3 FY16	Q4 FY16	Q4 FY15	Q3 FY16	Q4 FY16	Q4 FY15	Q3 FY16
Tata Power-Standalone	2,044	2,165	2,065	740	833	731	278	213	199
Tata Power-Consolidated	9,626	8,240	8,728	2,137	1,949	1,855	453	159	211
<b>Key Subsidiaries</b>									
CGPL (Mundra UMPP)	1572	1601	1381	386	394	228	9	(76)	(157)
MPL (Maithon Power)	589	557	582	224	215	192	74	57	41
IEL (Captive Power)	132	127	152	77	59	66	22	29	16
TPDDL (Delhi Discom)	1663	1445	1096	290	239	74	118	60	(53)
TPTCL (Power Trading)	1471	1038	1560	16	14	16	6	7	6
Tata Power Solar (Solar Mfg)	429	287	401	35	7	22	4	(24)	-4
Powerlinks (Transimission)	58	59	58	58	58	58	29	27	28

Note: Please see Annexure for Variance Analysis of Standalone and Consolidated financials

# FY2016 Financials - Snapshot



All figures in Rs cr

Particulars	Op. Income		EBITDA		PAT (Before Exceptional Items)	
	FY16	FY15	FY16	FY15	FY16	FY15
Tata Power-Standalone	8438	8678	3215	3139	998	1010
Tata Power-Consolidated	36461	34035	8070	7357	1154	168
<b>Key Subsidiaries</b>						
CGPL (Mundra UMPP)	5819	5894	1164	886	-306	-898
MPL (Maithon Power)	2312	2283	793	841	189	211
TPREL (Renewables Generation)	240	149	226	157	19	6
IEL (Captive Power Plant)	514	517	227	240	66	12
TPDDL (Delhi Discom)	6116	6529	913	1061	258	336
TPTCL (Power Trading)	6022	4242	49	56	18	29
Tata Power Solar (Solar Mfg)	1489	873	85	1	-22	-114
Powerlinks (Transmission)	232	240	229	239	109	112

Note: Please see Annexure for Variance Analysis of Standalone and Consolidated financials

# Details of Borrowings

Rs cr

Particulars	FY16	FY15	FY14
<b>Standalone Debt (Gross)</b>	<b>11258</b>	<b>11037</b>	<b>11080</b>
Rupee Loans	10437	10308	7938
Foreign Currency Loans	822	729	817
Current Maturities of Long Term Debt	738	477	2325
<b>Consolidated Debt</b>	<b>40120</b>	<b>40842</b>	<b>40173</b>
Rupee Loans	24122	28090	24247
Foreign Cur Loans	15998	12752	10930
Current Maturities of Long Term Debt	2869	3637	4996
<b>Standalone Equity</b>	<b>16632</b>	<b>15967</b>	<b>14362</b>
<b>Consolidated Equity</b>	<b>17595</b>	<b>16535</b>	<b>12824</b>
Cash - Standalone	34	308	68
Cash – Consolidated	1456	1885	1555
<b>Debt : Equity Ratios</b>			
Standalone D:E (Gross)	0.68	0.69	0.79
Standalone D:E (Net)	0.67	0.67	0.79
Consolidated D:E (Gross)	2.28	2.47	2.66
Consolidated D:E (Net)	2.20	2.36	2.56

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## Key Business Highlights

# CGPL and Coal Business: Key highlights

CGPL	Q4 FY16	Q4 FY15	Q3 FY16	FY16	FY15
Generation (MUs)	6,919	6,958	6,497	25,680	26,578
Sales (MU)	6,394	6,418	5,996	23,679	24,502
Availability (%)	87%	92%	81%	80%	80%
FOB price of coal (USD/T)	43	51	45	47	53
Revenue (₹ /Unit)	2.52	2.55	2.50	2.54	2.45
Under Recovery ((₹ /Unit)	(0.25)	(0.33)	(0.34)	(0.30)	(0.43)

Particulars	Q4 FY16	Q4 FY15	Q3 FY16	FY16	FY15
Coal Mined (MT)	20.27	21.73	21.0	81.0	82.8
Coal Sold (MT)	21.43	21.13	20.9	80.8	82.2
FOB Revenue (\$/T)	41.16	43.05	42.1	44.9	51.4
Net Revenue after royalty (\$/T)	35.76	39.11	36.8	39.3	44.9
COGS (\$/T)	28.31	33.06	26.3	29.6	33.3
Depreciation (USD mn) for 100%	46.99	46.86	56.3	210.3	212.5
* Coal numbers only include KPC and Arutmin					

# Regulated Equity & Assets



Regulated Equity (Rs Cr)	Q4 FY16	Q4 FY15	Q3 FY16
TPDDL	1,211	1,142	1,197
Mumbai Operations	3,632	3,389	3,507
Total	4,843	4,531	4,704

Regulatory Asset (Rs Cr)	Q4 FY16	Q4 FY15	Q3 FY16
TPDDL	4,720	5,358	4,471
Mumbai Operations	1,721	2,222	1,649
Total	6,441	7,580	6,120



# Tata Power Renewable: Key Highlights

Operating and Planned Capacity	Capacity (MW)
Operating Capacity	294
-Wind 240	
-Solar 54	
Projects Under Execution	495
Wind Projects 250	
Solar Capacity Bids Won 245	
Renewable Asset Under Carve-out process	~ 500
Total Capacity	1,289

*Rs cr*

Financials	FY16
Operating Income	240
EBITDA	216
PAT	20

# International Projects: Updates



Project->	Shuakhevi Hydro , Georgia(185 MW)	South Africa, Wind (134 + 95 = 229 MW)	ITPC Zambia, Hydro (120 MW)
JV Partner(s)	Clean Energy (40%) + IFC (20%)	Exxaro (50%) – A SA based mining group	ZESCO (50%)
Tata Power's stake	40%	50%	50%
Project Cost	US\$400 mn for the first phase	~USD 480 mn for entire 229 MW	US\$200 mn
Power offtake	Primarily to Turkey on a merchant basis	PPA with Eskom for 20 years	PPA with ZESCO for 25 years.
Construction update	Nearly 75% of work completed	All works completed	All works completed
Commissioning	Expected by March 2017	Expected by July / August 2016	Commissioned

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Q4 FY2016 vs. Q4 FY2015  
Variance Analysis – Standalone

# Q4 FY2016 Operational Highlights – Standalone



	Q4 FY2016	Q4 FY2015	Variance
<b>Gross generation (MUs)</b> up by 5%	2716	2596	120
• Generation in Mumbai Operations (MUs) is higher 6%	1703	1601	102
• Higher generation in Trombay			
• Generation outside Mumbai Operations (MUs) up by 2%	1013	995	18
• Higher generation in Jojobera			
<b>Sales (MUs)</b>	2842	2956	(114)
• Sales in Mumbai Operations (MUs) down by 6%	1922	2039	(117)
• Sales outside Mumbai Operations (MUs) is flat	920	917	3

# Q4 FY2016 Financial Highlights – Standalone



(All figs. in Rs Cr)	Q4 FY2016	Q4 FY2015	Variance
<b>Net Revenue</b> down by 9% <sup>[1]</sup> <ul style="list-style-type: none"> <li>Lower revenue due to lower fuel and Power Purchase Cost in MO</li> </ul>	1693	1865	(172)
<b>Other Operating Income</b> up by 17% <ul style="list-style-type: none"> <li>Increase in revenue from SED and Services</li> </ul>	351	300	51
<b>Cost of Power Purchased</b> down by 34% <ul style="list-style-type: none"> <li>Higher purchase in PY due to Unit 8 outage</li> </ul>	149	223	(75)
<b>Cost of Fuel</b> down by 10% <ul style="list-style-type: none"> <li>Lower fuel prices in CY</li> </ul> Offset by <ul style="list-style-type: none"> <li>Higher fuel cost of Unit 5 in CY</li> </ul>	552	611	(58)
<b>Transmission Charges</b> down by 51% <ul style="list-style-type: none"> <li>Impact of MYT order</li> </ul>	55	111	(57)
<b>Cost of components consumed</b> up by 27% <ul style="list-style-type: none"> <li>On account of higher sales in SED</li> </ul>	186	146	40
<b>Employee Benefits Expense</b> down by 23%	155	202	(47)
<b>Depreciation and Amortization</b> up by 8% <ul style="list-style-type: none"> <li>Due to higher capitalization</li> </ul>	169	158	11
<b>Other Expenses</b> up by 13% <ul style="list-style-type: none"> <li>Higher R&amp;M Maintenance in CY</li> </ul>	322	284	38

[1] Net Revenue includes Rate Regulated Activities

# Q4 FY2016 Financial Highlights – Standalone



<i>(All figs. in Rs Cr)</i>	<b>Q4 FY2016</b>	<b>Q4 FY2015</b>	<b>Variance</b>
<b>Profit from operations before other income, finance cost and tax up by 6%</b>	456	429	27
<b>Other Income (including gain/(loss) on exchange) down by 53%</b> <ul style="list-style-type: none"> <li>Lower due to waiver of CGPL interest</li> <li>Higher FD income in PY due to income on Rights Issue fund</li> </ul>	115	246	(131)
<b>Profit Before finance cost and tax down by 15%</b>	571	675	(104)
<b>Finance Cost up by 6%</b> <ul style="list-style-type: none"> <li>Due to increase in borrowing</li> </ul>	282	266	16
<b>Profit before tax down by 29%</b>	289	408	(119)
<b>Exceptional Item</b> <ul style="list-style-type: none"> <li>Provision for diminution in value of TTSL investments</li> </ul>	(226)	-	(226)
<b>Tax expense</b> <ul style="list-style-type: none"> <li>Higher Deferred Tax in PY</li> <li>Lower provisioning in CY</li> </ul>	11	195	(184)
<b>Net profit after tax down by 76%</b>	52	213	(161)

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FY2016 vs. FY2015  
Variance Analysis – Standalone

# FY2016 Operational Highlights – Standalone



	FY2016	FY2015	Variance
<b>Gross generation (MUs)</b>	12075	11974	101
• Generation in Mumbai Operations (MUs) up by 3% <ul style="list-style-type: none"> <li>• PY had forced outage of Unit # 7 &amp; Unit # 5</li> <li>• Lower generation at Hydro due to Water Restrictions</li> </ul>	7707	7461	246
• Generation outside Mumbai Operations (MUs) down by 3% <ul style="list-style-type: none"> <li>• Lower generation in Haldia &amp; Jojobera</li> </ul>	4367	4512	(145)
<b>Sales (MUs)</b>	13204	13602	(398)
• Sales in Mumbai Operations (MUs) down by 3%	9371	9626	(255)
• Sales outside Mumbai Operations (MUs) down by 3%	3833	3977	(144)
• Haldia merchant sales (MUs)	580	668	(80)



# FY2016 Financial Highlights – Standalone

(All figs. in Rs Cr)	FY2016	FY2015	Variance
<b>Net Revenue</b> down by 4% <sup>[1]</sup> <ul style="list-style-type: none"> <li>Lower fuel and power purchase cost as compared to PY</li> </ul>	7551	7874	(323)
<b>Other Operating Income</b> up by 10% <ul style="list-style-type: none"> <li>On account of increase in Revenue from Services and SED</li> </ul>	887	803	84
<b>Cost of Power Purchased</b> down by 17% <ul style="list-style-type: none"> <li>Higher purchase in PY due to forced outage of Unit 7 and Unit 5</li> </ul>	793	953	(160)
<b>Cost of Fuel</b> down by 19% <ul style="list-style-type: none"> <li>Lower fuel prices in CY</li> <li>Higher fuel cost in PY due to operating of Unit 6 in absence of Unit 7 &amp; 5</li> </ul>	2550	3142	(592)
<b>Transmission Charges</b> down by 40% <ul style="list-style-type: none"> <li>Reduction based on Tariff Order</li> </ul>	263	437	(174)
<b>Cost of components consumed</b> up by 6% <ul style="list-style-type: none"> <li>On account of higher operations in SED</li> </ul>	398	374	24
<b>Employee Benefits Expense</b> down by 5%	656	687	(31)
<b>Depreciation and Amortization</b> up by 16% <ul style="list-style-type: none"> <li>Due to higher capitalization in Mumbai operations</li> </ul>	666	575	90
<b>Other Expenses</b> up by 15% <ul style="list-style-type: none"> <li>Higher R&amp;M Expenses in CY</li> </ul>	1061	923	138

[1] Net Revenue includes Rate Regulated Activities

# FY2016 Financial Highlights – Standalone

<i>(All figs. in Rs Cr)</i>	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
<b>Profit from operations before other income, finance cost and tax up by 29%</b>	2052	1587	465
<b>Other Income (including gain/(loss) on exchange) down by 49%</b> <ul style="list-style-type: none"> <li>Lower due to waiver of CGPL interest</li> <li>PY had FD interest on Rights Issue funds</li> </ul>	497	976	(479)
<b>Profit Before finance cost and tax</b>	2549	2563	(14)
<b>Finance Cost up by 10%</b> <ul style="list-style-type: none"> <li>Higher interest cost due to increased borrowing offset by</li> <li>Lower Hedging cost compared to PY</li> </ul>	1156	1048	108
<b>Profit before tax</b>	1393	1516	(123)
<b>Exceptional Item</b> <ul style="list-style-type: none"> <li>Provision for diminution of value of TTSL investment</li> </ul>	(226)	0	(226)
<b>Tax expense</b> <ul style="list-style-type: none"> <li>Higher Deferred Tax in PY</li> <li>Lower provisioning in CY</li> </ul>	395	505	(110)
<b>Net profit after tax down by 24%</b>	772	1010	(238)

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

# Q4 FY2016 Financial Highlights – Consolidated



(All figs. in Rs Cr)	Q4 FY2016	Q4 FY2015	Variance
<b>Revenue</b> up by 17% <sup>[1]</sup> <ul style="list-style-type: none"> <li>Higher revenue due to higher volume of sale in TPTCL</li> <li>Higher revenue in TPDDL</li> <li>Higher Revenue in TPIPL and Tata Power Solar</li> </ul> Partly Offset by <ul style="list-style-type: none"> <li>Lower revenue in Tata Power standalone</li> <li>Lower Revenue of Coal Mines</li> </ul>	9626	8240	1386
<b>Cost of power purchased</b> up by 73% <ul style="list-style-type: none"> <li>Higher volume of Purchase in TPTCL</li> <li>Higher Power Purchase Cost in TPDDL</li> </ul> Partly Offset by <ul style="list-style-type: none"> <li>Reduction in power purchase cost in Tata power Standalone</li> </ul>	2476	1430	1046
<b>Cost of fuel</b> down by 1% <ul style="list-style-type: none"> <li>Lower in Tata Power standalone</li> <li>Lower in CGPL</li> </ul>	1999	2029	(29)

*[1] Revenue includes Rate Regulated Activities*

# Q4 FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	Q4 FY2016	Q4 FY2015	Variance
<b>Transmission Charges</b> down by 52% <ul style="list-style-type: none"> <li>Reduction in Tata Power standalone based on Tariff Order</li> </ul>	52	118	(66)
<b>Cost of Components</b> up by 28% <ul style="list-style-type: none"> <li>Higher operations in SED</li> </ul>	186	146	40
<b>Raw Material Consumed</b> up by 144% <ul style="list-style-type: none"> <li>Increase in sales volume of Tata Power Solar</li> </ul>	310	216	94
<b>(Increase) /Decrease in Inventories</b> <ul style="list-style-type: none"> <li>Increased sales in Tata Power Solar and Coal</li> </ul>	108	11	97
<b>Royalty towards Coal Mining</b> up by 6% <ul style="list-style-type: none"> <li>Higher quantity of Coal Sold partly Offset by</li> <li>Lower price per ton of Coal</li> </ul>	244	231	13
<b>Employee Benefit Expenses</b> down by 23%	328	428	(100)
<b>Depreciation/Amortization</b> up by 7% <ul style="list-style-type: none"> <li>Additional capitalization</li> </ul>	592	554	38
<b>Other expenses</b> up by 7% <ul style="list-style-type: none"> <li>Due to higher R&amp;M cost in Tata Power standalone</li> <li>Increase in Rates &amp; Taxes and Cost of Services</li> </ul>	1407	1316	91

# Q4 FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	<b>Q4 FY2016</b>	<b>Q4 FY2015</b>	<b>Variance</b>
<b>Profit from Operations before other income, finance costs, exceptional items and tax up by 12%</b>	1572	1408	164
<b>Other income (including gain/(loss) on exchange)</b> <ul style="list-style-type: none"> <li>Lower interest income</li> </ul>	(27)	(12)	(15)
<b>Finance cost down by 5%</b> <ul style="list-style-type: none"> <li>Lower interest costs due refinancing of loans</li> </ul>	858	901	(43)
<b>Profit before tax up by 39%</b>	687	494	193
<b>Tax expenses</b> <ul style="list-style-type: none"> <li>Due to lower tax in Tata Power</li> </ul>	137	285	(148)
<b>Exceptional Item</b> <ul style="list-style-type: none"> <li>Mainly on account of provision for Impairment loss in OTP Geothermal</li> </ul>	(93)	0	(93)
<b>Share in profit of associates and Minority Interest</b>	(97)	(50)	(47)
<b>PAT up by 126%</b>	360	159	201

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

# FY2016 Financial Highlights – Consolidated



(All figs. in Rs Cr)	FY2016	FY2015	Variance
<b>Revenue</b> up by 6% <sup>[1]</sup> <ul style="list-style-type: none"> <li>Higher sales volume in TPTCL</li> <li>Higher sales volume in TPSSL</li> </ul> Partly Offset by <ul style="list-style-type: none"> <li>Lower coal revenues</li> <li>Lower in TPDDL due to lower power purchase cost</li> <li>Lower in Tata standalone as explained earlier</li> </ul>	36461	34367	2094
<b>Cost of power purchased</b> up by 25% <ul style="list-style-type: none"> <li>Higher sales volume in TPTCL</li> </ul> Partly Offset by <ul style="list-style-type: none"> <li>Lower cost in Tata Power Standalone</li> <li>Lower cost in TPDDL</li> </ul>	9257	7383	1874
<b>Cost of fuel</b> down by 11% <ul style="list-style-type: none"> <li>Lower in Tata Power standalone as explained earlier</li> <li>Lower in Coal Companies</li> <li>Lower in CGPL</li> </ul>	8269	9261	(992)

*[1] Revenue includes Rate Regulated Activities*



# FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
<b>Transmission Charges</b> down by 40% <ul style="list-style-type: none"> <li>Reduction in Tata Power standalone due to Tariff Order</li> </ul>	282	467	(185)
<b>Raw Material Consumed</b> up by 63% <ul style="list-style-type: none"> <li>Increase in sales volume of Tata Power Solar</li> </ul>	1134	698	437
<b>Cost of Components up</b> by 7% <ul style="list-style-type: none"> <li>Higher operations in SED</li> </ul>	398	374	23
<b>(Increase) /Decrease in Inventories</b> <ul style="list-style-type: none"> <li>Increased sales in Tata Power Solar and Coal Companies</li> </ul>	20	121	(101)
<b>Royalty towards Coal Mining</b> down by 9% <ul style="list-style-type: none"> <li>Lower coal realization</li> </ul>	939	1035	(96)
<b>Coal Processing Charges</b> down by 6% <ul style="list-style-type: none"> <li>Lower cost of processing per ton</li> </ul>	2037	2163	(126)
<b>Employee Benefit Expenses</b> down by 2%	1512	1546	(33)
<b>Depreciation/Amortization</b> up by 9% <ul style="list-style-type: none"> <li>Additional capitalization in Tata Power and Maithon</li> </ul>	2376	2174	202
<b>Other expenses</b> up by 5%	4581	4348	233

# FY2016 Financial Highlights – Consolidated



<i>(All figs. in Rs Cr)</i>	<b>FY2016</b>	<b>FY2015</b>	<b>Variance</b>
<b>Profit from Operations before other income, finance costs, exceptional items and tax up by 18%</b>	5615	4766	848
<b>Other income (including gain/(loss) on exchange)</b> <ul style="list-style-type: none"> <li>• PY had forex gain in coal companies</li> <li>• Waiver of CGPL Interest</li> </ul>	79	417	(338)
<b>Finance cost down by 6%</b> <ul style="list-style-type: none"> <li>• Impact of refinancing</li> </ul> Partly offset by <ul style="list-style-type: none"> <li>• Higher Interest Cost in Tata Power standalone as explained earlier</li> </ul>	3477	3699	(222)
<b>Profit before tax up by 50%</b>	2217	1484	733
<b>Tax expenses</b>	869	1075	(206)
<b>Exceptional Item</b> <ul style="list-style-type: none"> <li>• Impairment of Goodwill with respect to acquisition of Indonesian coal mines</li> <li>• Provision of Impairment loss in OTP Geothermal</li> </ul> Partly offset by <ul style="list-style-type: none"> <li>• Reversal of impairment in CGPL</li> </ul>	(281)		(281)
<b>Share in profit of associates and Minority Interest</b>	(194)	(242)	48
<b>PAT</b>	873	168	705

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critique.”**

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