TATA

23rd August 2016
BJ/SH-L2/ 121

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National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
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Bandra-Kurla Complex,
Bandra (East)
Mumbai 400 051

Dear Sirs,

Presentation to Analysts

We forward herewith a presentation that will be made to the Analysts today in connection with the Audited Financial Results (Standalone) and Unaudited Consolidated Financial Results of the Company for the quarter ended 30th June 2016.

Yours faithfully,
**The Tata Power Company Limited**

HMMistry

(H. M. Mistry)
Company Secretary

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# The Tata Power Company Ltd.

Analyst Call – 23rd Aug, 2016

TATA POWER

Lighting up Lives!

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# Key Highlights

- First time adoption of INDAS across the TATA Power group of companies
- Share Purchase Agreement (SPA) signed to acquire Welspun Renewables Energy Private Limited
  - Bonds issued amounting to Rs. 3,500 crore at 7.7%
  - Transaction likely to close in Q2FY17
- Tata Power Renewable Energy Limited (TPREL) wins 245MW solar project under National Solar Mission
  - LOI received for 145MW & awaited confirmation for 100MW.
  - 44MW Lahori wind farm project in Madhya Pradesh successfully commissioned
- Cennergi (Pty) achieves Commercial Operations of both its 134MW Amakhala Emoyeni and 95MW Tsitsikamma Wind Farms in Aug 2016

# Key Changes under INDAS

- Equity method of consolidation of joint ventures
  - Indonesian Coal Companies and Overseas, projects in South Africa and Georgia etc. to be consolidated under this method
  - Revenues & expenses of these companies will no longer be consolidated
- Generation assets at Jojobera and IEL considered as financial lease
- Preference shares treated as debt instrument and Perpetual bonds as Equity
- Effect of changes in forex currency rates & Interest rates considered in the P & L. Earlier, this used to be capitalized.
- MTM impact of hedge instruments (other than those considered under Hedge Accounting) to flow through P & L
- Interest free loans and corporate Guarantees considered at fair value.

- Changes in 'Segment' disclosure -
  - Two segments - Power Business and Others against three Segments Power, Coal and Others under earlier IGAAP.

# Tata Power Consolidated Performance - Summary

Fig in ₹ Cr

| Particulars | Op. Income | | EBITDA | | PAT | |
|---|---|---|---|---|---|---|
| | Q1 FY17 INDAS | Q1 FY16 INDAS | Q1 FY17 INDAS | Q1 FY16 INDAS | Q1 FY17 INDAS | Q1 FY16 INDAS |
| Tata Power-Consolidated | 6566 | 7016 | 1316 | 1749 | 72 | 303 |
| **Standalone & Key Subsidiaries** | | | | | | |
| Tata Power (Standalone)^ | 1754 | 2192 | 634 | 981 | 147 | 334 |
| CGPL (Mundra UMPP)# | 1215 | 1483 | 219 | 319 | -383 | -155 |
| MPL (Maithon Power) | 599 | 576 | 215 | 190 | 67 | 37 |
| IEL (Captive Power) | | | | | 12 | 22 |
| TPDDL (Delhi Discom) | 1784 | 1596 | 275 | 295 | 82 | 91 |
| TPTCL (Power Trading) | 1360 | 1441 | 20 | 16 | 8 | 7 |
| Tata Power Solar (Solar Mfg) | 243 | 302 | - | 17 | -22 | -11 |
| Powerlinks (Transimission) | | | | | 23 | 25 |
| Share of profit of associates and joint ventures less Minority Interest* | | | | | 132 | -44 |

^ Impacted by MYT Tariff Order /ATE Order/Others
# Impacted by lower availability, MTM/Reallignment of FX liability and hedge instruments
* Include Indonesian Coal Joint Companies accounted under Equity Method in IND-AS

# Tata Power (Standalone) – Financial Performance

Fig in ₹ Cr

| | Q1 FY17 INDAS | Q1 FY16 INDAS | Var over Q1FY16 |
|---|---|---|---|
| Operating Income | 1,754 | 2,192 | -20% |
| Operating Profit before Regulatory Adjustments | 588 | 538 | 9% |
| EBITDA | 526 | 675 | -22% |
| Other Income | 108 | 306 | -65% |
| Interest cost | 264 | 340 | 22% |
| Depreciation | 155 | 149 | 4% |
| Tax Expenses | 68 | 158 | 57% |
| PAT | 147 | 334 | -56% |

Previous Year (PY) had Tribunal (ATE) order (-) ₹ 137 Cr & CY adverse Tariff order for Transmission (-) ₹ 62 Cr
Lower Carrying cost (-) ₹ 20 Cr in MO
Lower Fuel cost mainly due to decrease in RLNG& coal Prices and lower sales

Mainly due to ATE order impact

Lower dividend from Coal SPV (-) ₹ 95 Cr and PY late payment surcharge income (-) ₹ 96 Cr

# CGPL: Key highlights

Fig in ₹ Cr

| | Q1FY17 INDAS | Q1 FY16 INDAS |
|---|---|---|
| Generation (MUs) | 5,420 | 6,296 |
| Sales (MUs) | 4,987 | 5,795 |
| Availability (%) | 63% | 75% |
| FOB price of Coal Used ($/MT) | 42 | 52 |
| Revenue (₹ /Unit) | 2.45 | 2.56 |
| Fuel Under Recovery (₹ /Unit) | -0.30 | -0.42 |

Availability low for the quarter due to overhauls, however expected to meet requirements for getting the full fixed cost entitlement

Lower fuel cost under recovery

| | | |
|---|---|---|
| Operating Income | 1215 | 1483 |
| EBITDA | 219 | 319 |
| Interest and Finance cost | 246 | 274 |
| Depreciation | 115 | 92 |
| **Profit / (Loss) before Forex Gain / (Loss)** | **-142** | **-47** |
| Forex Gain / (Loss) | -241 | -108 |
| **PBT** | **-383** | **-155** |

Forex loss higher due to MTM / Realignment

Note:

- Operating income lower due to lower fuel cost (-) ₹ 170 Cr and Fixed charge under recovery due to lower availability (-) ₹ 90 Cr
- EBITDA lower mainly due to under recovery of Fixed cost
- Interest cost lower due to refinancing of INR debt in Q4FY16

# Coal Business: Key highlights

| | Q1FY17 | Q1FY16 |
|---|---|---|
| Coal Mined (MT) | 19.56 | 18.8 |
| Coal Sold (MT) | 20.62 | 20 |
| FOB Revenue (USD/T) | 39.62 | 45.9 |
| Net Revenue after royalty (USD/T) | 34.21 | 40.1 |
| Cost of Production (USD/T) | 25.05 | 30 |
| COGS ($/T) - Includes Inv Movement | 27.43 | 32.6 |
| Depreciation (USD Mn) [For 100%] | 55.15 | 55.86 |

Note:

Under INDAS Coal Companies consolidated as Joint Venture

# Tata Power Renewable - Key highlights

| Operating and Planned Capacity | | Capacity (MW) |
|---|---|---|
| Operating Capacity | | 312 |
| -Wind | 258 | |
| -Solar | 54 | |
| Projects Under Execution / Development | | 245 |
| Wind Projects | 100 | |
| Solar Capacity Bids Won | 145 | |
| Renewable Asset Under Carve-out process | | ~ 500 |
| **Total Capacity** | | **1,057** |

Fig in ₹ Cr

| Financials | Q1FY17 | Q1FY16 |
|---|---|---|
| Operating Income | 77 | 55 |
| EBITDA | 77 | 55 |
| PAT | 11 | 8 |

Agility Care Integrity Excellence Collaboration Trust Respect

# Other Key Business Highlights

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Lighting up Lives!

# Regulated Equity & Assets

| Regulated Equity (Rs Cr) | Q1 FY17 | Q1 FY16 |
|---|---|---|
| TPDDL | 1,248 | 1,181 |
| Mumbai Operations | 3,640 | 3,443 |
| Total | 4,888 | 4,624 |

| Regulated Assets (Rs Cr) | Q1 FY17 | Q1 FY16 |
|---|---|---|
| TPDDL | 5,032 | 5,172 |
| Mumbai Operations | 1,917 | 1,891 |
| Total | 6,949 | 7,063 |

# 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$416 mn for the first phase | ~USD 480 Mn for entire 229 MW | US$244 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 | Commissioned in Aug 2016 | Commissioned in Q4FY16 |

## "Journey Continues..
## We value your inputs, suggestions and critique."

We take pride in Lighting up Lives!


| | |
|---|---|
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