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The Tata Power Company Ltd.

Analyst Call – 6 November 2012



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Financial Performance – Standalone

Comparison between Q2FY13 and Q2FY12*

*This comparison (Q2FY13 vs. Q2FY12) is more relevant than comparison with Q1FY13 due to cyclical nature of the business

Standalone Results: Q2FY13



| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 30-Sep-12 | 30-Jun-12 | 30-Sep-11 | 30-Sep-12 | 30-Sep-11 | 31-Mar-12 |
| (A) | MUs | MUs | MUs | MUs | MUs | MUs |
| 1. Generation | 4,272 | 4,259 | 3,772 | 8,531 | 7,661 | 15,230 |
| 2. Sales | 4,235 | 4,227 | 3,793 | 8,462 | 7,725 | 15,240 |
| (B) | ₹ Crore |
| 1. Income from operations | | | | | | |
| a) Revenue from power supply and transmission charges | 2,108.72 | 2,057.57 | 1,731.30 | 4,166.29 | 3,506.06 | 7,322.00 |
| Add: Income to be recovered in future tariff determination | 297.57 | 287.45 | 133.09 | 585.02 | 200.40 | 729.53 |
| Add/(Less): Revenue adjustments pertaining to prior years (Refer Note) | 2.72 | (155.00) | - | (152.28) | - | - |
| Net Revenue | 2,409.01 | 2,190.02 | 1,864.39 | 4,599.03 | 3,706.46 | 8,051.53 |
| b) Other operating income (net of excise duty) | 110.79 | 94.08 | 83.66 | 204.87 | 162.83 | 444.31 |
| Total income from operations (Net) | 2,519.80 | 2,284.10 | 1,948.05 | 4,803.90 | 3,869.29 | 8,495.84 |
| 2. Expenses | | | | | | |
| a) Cost of power purchased | 97.03 | 156.12 | 179.79 | 253.15 | 361.06 | 647.53 |
| b) Cost of fuel | 1,492.01 | 1,405.86 | 1,022.03 | 2,897.87 | 2,026.18 | 4,636.89 |
| c) Cost of components, materials and services in respect of contracts | 36.12 | 27.51 | 18.49 | 63.63 | 45.34 | 154.77 |
| d) Employee benefits expense | 141.62 | 128.61 | 141.62 | 270.23 | 255.44 | 512.80 |
| e) Depreciation and amortisation expense | 155.61 | 154.80 | 135.27 | 310.41 | 268.36 | 570.35 |
| f) Other expenses | 225.12 | 190.05 | 167.70 | 415.17 | 318.46 | 759.22 |
| Total expenses | 2,147.51 | 2,062.95 | 1,664.90 | 4,210.46 | 3,274.84 | 7,281.56 |
| 3. Profit from operations before other income, finance costs and tax (1-2) | 372.29 | 221.15 | 283.15 | 593.44 | 594.45 | 1,214.28 |
| 4. Other Income | | | | | | |
| a) Gain / (Loss) on Exchange (net) | (9.28) | 53.23 | (52.81) | 43.95 | (65.23) | 96.07 |
| b) Others | 205.54 | 292.36 | 385.09 | 497.90 | 645.09 | 887.39 |
| 5. Profit before finance costs and tax (3+4) | 568.55 | 566.74 | 615.43 | 1,135.29 | 1,174.31 | 2,197.74 |
| 6. Finance costs | 164.27 | 138.60 | 115.89 | 302.87 | 245.25 | 514.87 |
| 7. Profit before tax (5-6) | 404.28 | 428.14 | 499.54 | 832.42 | 929.06 | 1,682.87 |
| 8. Tax expense | 108.30 | 115.84 | 186.50 | 224.14 | 334.46 | 513.14 |
| 9. Net Profit after tax (7-8) | 295.98 | 312.30 | 313.04 | 608.28 | 594.60 | 1,169.73 |

Standalone Segmental Results: Q2FY13



₹ Crore

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 30-Sep-12 | 30-Jun-12 | 30-Sep-11 | 30-Sep-12 | 30-Sep-11 | 31-Mar-12 |
| Segment Revenue | | | | | | |
| Power Business | 2,423.55 | 2,206.38 | 1,888.45 | 4,629.93 | 3,744.87 | 8,131.78 |
| Others | 96.25 | 77.72 | 59.60 | 173.97 | 124.42 | 364.06 |
| Total Segment Revenue | 2,519.80 | 2,284.10 | 1,948.05 | 4,803.90 | 3,869.29 | 8,495.84 |
| Less: Inter segment revenue | - | - | - | - | - | - |
| Net Revenue / Income from operations (net) | 2,519.80 | 2,284.10 | 1,948.05 | 4,803.90 | 3,869.29 | 8,495.84 |
| Segment Results | | | | | | |
| Power Business | 400.08 | 204.26 | 278.69 | 604.34 | 601.71 | 1,215.79 |
| Others | 3.65 | 2.53 | (2.01) | 6.18 | 0.78 | 32.39 |
| Total Segment Results | 403.73 | 206.79 | 276.68 | 610.52 | 602.49 | 1,248.18 |
| Less: Finance Costs | 164.27 | 138.60 | 115.89 | 302.87 | 245.25 | 514.87 |
| Add: Unallocable Income (Net) | 164.82 | 359.95 | 338.75 | 524.77 | 571.82 | 949.56 |
| Profit Before Tax | 404.28 | 428.14 | 499.54 | 832.42 | 929.06 | 1,682.87 |
| Capital Employed | | | | | | |
| Power Business | 10,728.19 | 10,144.16 | 8,993.66 | 10,728.19 | 8,993.66 | 9,670.56 |
| Others | 156.93 | 131.02 | 115.83 | 156.93 | 115.83 | 109.70 |
| Unallocable | 2,954.65 | 3,394.54 | 4,121.85 | 2,954.65 | 4,121.85 | 3,613.14 |
| Total Capital Employed | 13,839.77 | 13,669.72 | 13,231.34 | 13,839.77 | 13,231.34 | 13,393.40 |

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**Q2FY13 vs. Q2FY12
Financial Performance – Standalone**

Q2 FY 13 Highlights – Standalone



Gross generation at 4272 MUs as against 3772 MUs in PY up by 13%

- Generation in Mumbai Operations was 2807 MUs as against 2615 MUs in PY up by 7%
- Generation outside Mumbai Operations was 1466 MUs as against 1157 MUs in PY up by 27%
 - Higher in Jojobera due to higher demand from Tata Steel
 - Higher PLF from existing wind farms and full operation of Agaswadi and Poolavadi wind farms
 - Higher demand from KPTCL in Belgaum

Sales (net of eliminations) at 4235 MUs as against 3793 MUs in PY up by 12%

- Sales in Mumbai Operations were 2993 MUs as against 2808 in PY up by 6%
 - Mainly due to growth in distribution business
- Sales outside Mumbai Operations were 1397 MUs as against 1082 MUs in PY up by 29%

- Haldia merchant sales at 200 MUs as against 199 MUs in PY

- Merchant realizations at Rs. 3.02/kwh as compared to Rs. 2.89/kwh in PY up by 4%

Q2 FY13 Financial Highlights – Standalone



- Revenue at Rs. 2409.01 Cr (PY Rs. 1864.39 Cr) up by 29%
 - *Revenue to be recovered in future tariff higher due to improved operational performance, higher capitalization in FY 12 and unrecovered FAC in Mumbai Operations*
 - *Higher fuel costs (Rs. 470 Cr)*
 - *Receipt of favourable ATE judgement in Mumbai Operations (Rs. 37 Cr)*
 - *Higher in Jojobera mainly due to higher entitlement relating to higher fuel costs (Rs. 69 Cr)*
- Other Operating Income at Rs. 110.79 Cr (PY Rs. 83.66 Cr) higher by 32%
 - *Mainly due to higher revenue from new projects in SED (Rs. 22 Cr) and higher O&M services fees mainly due to Maithon and external party (Rs. 14 Cr) partially offset by low PMSA fees from Maithon*
- Cost of Power Purchased at Rs. 97.03 Cr (PY Rs. 179.79 Cr) down by 46%
 - *Mainly due to lower power purchase cost per unit : Rs. 3.50/kwh (Rs. 4.88/kwh in PY) in Mumbai operations and lower auxiliary consumption in Haldia due to auxiliary segregation in Q3FY12*

Q2 FY13 Financial Highlights – Standalone



- Cost of Fuel at Rs. 1492.01 Cr (PY Rs. 1022.03 Cr) higher by 46%
 - *Rs. 312 Cr due to higher fuel prices, Rs. 258 Cr due to higher generation in Trombay, Jojobera and Belgaum offset Rs. 70 Cr due to change in fuel mix and better fuel efficiency of Rs. 29 Cr*
- Cost of components, materials and services in respect of contracts at Rs. 36.12 Cr. (PY Rs. 18.49 Cr) up by 95%
- Employee Benefits Expense at Rs. 141.62 Cr (PY Rs. 141.62 Cr)
- Depreciation and Amortisation at Rs. 155.61 Cr (PY Rs. 135.27 Cr) up by 15%
 - *Higher mainly due to higher capitalization of transmission projects and distribution network in Mumbai Operations (Rs. 13 Cr), commissioning of 99 MW of Poolavadi and 45 MW of Agaswadi wind farms in Q4FY12 (Rs. 6 Cr), and higher amortisation due to impact of AS11 policy change (Rs. 2 Cr)*
- Other Expenses at Rs. 225.12 Cr (PY Rs. 167.70 Cr) higher by 34%
 - *Higher in Mumbai operations mainly due to increase in transmission charges (Rs. 47 Cr)*
 - *Higher OMSA expenses mainly due to Maithon and external party (Rs. 12 Cr)*
 - *Higher ash disposal expenses in Jojobera (Rs. 3 Cr)*

Q2 FY13 Financial Highlights – Standalone

- Profit from Operations before Other Income, Finance costs and Exceptional Items at Rs. 372.29 Cr (PY Rs. 283.15 Cr) up by 31%
- Other Income
 - *Loss on Exchange at Rs. 9.28 Cr compared to loss on exchange of Rs. 52.81 Cr in PY. Details of Gain on Exchange for Q2FY13 is given below. The rupee appreciated during the quarter*

| <i>Figures in Cr.</i> | Q2FY13 |
|--|--------|
| Realignment of long term borrowings - Amortisation | (14) |
| Realignment of short term borrowings | (21) |
| Realignment of receivables/loans and advances | (1) |
| Realignment of Others (mostly fuel) | 26 |
| Total | (9) |

- *Others at Rs. 205.54 Cr (PY Rs. 385.09 Cr) lower mainly due lower dividend income from coal SPVs (Rs. 187 Cr) offset by higher treasury income (Rs. 9 Cr)*

Q2 FY 13 Financial Highlights – Standalone



- Profit Before Finance costs and Tax at Rs. 568.55 Cr (PY Rs. 615.43 Cr) down by 7%
- Finance costs at Rs. 164.27 Cr (PY Rs. 115.89 Cr) up by 41%
 - *Mainly due to higher capitalization, higher working capital in Mumbai Operations, increased FAC and tariff adjustments (Rs. 46 Cr) and full operation of Poolawadi and Agaswadi wind farms in Q4FY12 (Rs. 11 Cr)*
- Profit before Tax at Rs. 404.28 Cr (PY Rs. 499.54 Cr) down by 19%
- Tax Expense at Rs. 108.30 Cr (PY Rs. 186.50 Cr) down by 42% *mainly due to lower profits and higher wind capitalization in PY*

| In Rs. Cr. | Q2FY13 |
|--------------|--------|
| Current Tax | 93.13 |
| Deferred Tax | 14.75 |

- PAT at Rs. 295.98 Cr (PY Rs. 313.04 Cr) down by 5%

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**H1FY13 vs. H1FY12
Financial Performance – Standalone**

H1FY 13 Highlights – Standalone



Gross generation at 7969 MUs as against 7661 MUs in PY up by 4%

- Generation in Mumbai LA was 5738 MUs as against 5422 MUs in PY up by 6%
- Generation outside Mumbai LA was 2793 MUs as against 2239 MUs in PY
 - Mainly due to higher generation in Jojobera due to higher demand from Tata Steel and higher wind generation

Sales (net of eliminations) at 8462 MUs as against 7725 MUs in PY up by 10%

- Sales in Mumbai Operations were 6062 MUs as against 5742 in PY up by 6%
 - Mainly due to growth in distribution business
- Sales outside Mumbai Operations were 2659 MUs as against 2147 MUs in PY up by 23%

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- Haldia merchant sales at 411 MUs as against 420 MUs in PY down by 2%
 - Merchant realizations at Rs. 3.02/kwh as compared to Rs.3.11/kwh in PY down by 3%

H1FY13 Financial Highlights – Standalone



- Revenue at Rs. 4599.03 Cr (PY Rs. 3706.46 Cr) up by 24%
 - *Revenue to be recovered in future tariff higher due to improved operational performance and higher capitalization in FY 12 (Rs. 412 Cr)*
 - *Higher fuel costs*
 - *Receipt of favourable ATE judgement (Rs. 37 Cr) offset by reversal of revenue due to ATE order in Jojobera (Rs. 34 Cr)*
 - *Offset by excess revenue of Rs. 155 Cr based on MYT regulations reversed in Q1FY13*
- Other Operating Income at Rs. 204.87 Cr (PY Rs. 162.83 Cr) up by 26%
 - *Mainly due to higher revenue from new projects in SED (Rs. 27 Cr) and higher O&M services fees mainly due to Maithon and external party partially offset by low PMSA fees from Maithon (Rs. 23 Cr)*
- Cost of Power Purchased at Rs. 253.15 Cr (PY Rs. 361.06 Cr) down by 30%
 - *Mainly due to lower power purchase cost per unit : Rs. 4.04/kwh (Rs. 5.51/kwh in PY) and lower auxiliary consumption in Haldia due to auxiliary segregation in Q3FY12*

H1 FY13 Financial Highlights – Standalone



- Cost of Fuel at Rs. 2897.87 Cr (PY Rs. 2026.18 Cr) up by 43%
 - *Rs. 656 Cr due to higher fuel prices, Rs. 316 Cr due to higher generation in Trombay, Jojobera and Belgaum offset by change in fuel mix (Rs. 57 Cr) and better fuel efficiency of Rs. 42 Cr*
- Cost of components, materials and services in respect of contracts at Rs. 63.63 Cr. (PY Rs. 45.34 Cr) up by 40%
- Employee Benefits Expense at Rs. 270.23 Cr (PY Rs. 255.44 Cr) up by 6%
- Depreciation and Amortisation at Rs. 310.41 Cr (PY Rs. 268.36 Cr) up by 16%
 - *Higher mainly due to higher capitalization of transmission projects and distribution network (Rs. 20 Cr), commissioning of 99 MW of Poolavadi and 45 MW of Agaswadi wind farms in Q4FY12 (Rs. 16 Cr), and higher amortisation due to impact of AS11 policy change (Rs. 5 Cr)*
- Other Expenses at Rs. 415.17 Cr (PY Rs. 318.46 Cr) higher by 30%
 - *Higher in Mumbai operations mainly due to increase in transmission charges in distribution business (Rs. 64 Cr)*
 - *Higher OMSA expenses mainly due to Maithon and external party (Rs. 19 Cr)*

H1 FY13 Financial Highlights – Standalone

- Profit from Operations before Other Income, Finance costs and Exceptional Items at Rs. 593.44 Cr (PY Rs. 594.45 Cr)
- Other Income
 - *Gain on Exchange at Rs. 43.95 Cr compared to loss on exchange of Rs. 65.23 Cr in PY. Details of Gain on Exchange for H1FY13 is given below. The rupee depreciated during H1FY13*

| <i>Figures in Cr.</i> | H1FY13 |
|--|--------|
| Realignment of long term borrowings - Amortisation | (37) |
| Realignment of short term borrowings | (37) |
| Realignment of receivables/loans and advances | 108 |
| Realignment of Others | 10 |
| Total | 44 |

- *Others at Rs. 497.90 Cr (PY Rs. 645.09 Cr) lower mainly due lower dividend income from coal SPVs (Rs. 172 Cr) offset by higher treasury income (Rs. 30 Cr)*

H1 FY 13 Financial Highlights – Standalone



- Profit Before Finance costs and Tax at Rs. 1135.29 Cr (PY Rs. 1174.31 Cr) down by 3%
- Finance costs at Rs. 302.87 Cr (PY Rs. 245.25 Cr) up by 23%
 - *Mainly due to higher capitalization and higher working capital in Mumbai Operations due to increased FAC and tariff adjustments (Rs. 74 Cr) and full operation of Poolawadi and Agaswadi wind farms in Q4FY12 (Rs. 25 Cr)*
- Profit before Tax at Rs. 832.42 Cr (PY Rs. 929.06 Cr) down by 10%
- Tax Expense at Rs. 224.14 Cr (PY Rs. 334.46 Cr) down by 33%
- PAT at Rs. 608.28 Cr (PY Rs. 594.60 Cr) up by 2%

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Financial Performance – Consolidated

Q2FY 13 Financial Results (Consolidated)



| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--|-----------------|-----------------|-------------------|------------------|------------------|-------------------|
| | 30-Sep-12 | 30-Jun-12 | 30-Sep-11 | 30-Sep-12 | 30-Sep-11 | 31-Mar-12 |
| | (Reviewed) | | | (Reviewed) | | (Audited) |
| | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore |
| 1. Income from operations | | | | | | |
| a) Revenue | 7,398.66 | 6,714.12 | 5,326.82 | 14,112.78 | 10,700.22 | 23,349.81 |
| Add : Income to be recovered in future tariff determination (net) | 248.11 | 638.45 | 921.51 | 886.56 | 1,352.93 | 2,519.06 |
| Add / (Less): Revenue adjustments pertaining to prior years (Refer Net Revenue) | 2.72 | (155.00) | - | (152.28) | - | - |
| b) Other operating income (net of excise duty) | 7,649.49 | 7,197.57 | 6,248.33 | 14,847.06 | 12,053.15 | 25,868.87 |
| | 50.28 | 56.32 | 33.93 | 106.60 | 53.62 | 132.53 |
| Total Income from Operations (net) | 7,699.77 | 7,253.89 | 6,282.26 | 14,953.66 | 12,106.77 | 26,001.40 |
| 2. Expenses | | | | | | |
| a) Cost of power purchased | 1,792.61 | 1,660.57 | 1,676.86 | 3,453.18 | 3,124.52 | 6,122.61 |
| b) Cost of coal purchased | - | - | 0.16 | - | 15.37 | 76.74 |
| c) Cost of fuel | 2,432.75 | 2,110.67 | 1,415.39 | 4,543.42 | 2,784.79 | 6,309.12 |
| d) Raw materials consumed | 74.73 | 44.66 | 108.86 | 119.39 | 181.63 | 358.87 |
| e) Purchase of goods / spares / stock for resale | 9.26 | 11.77 | 14.12 | 21.03 | 27.14 | 62.14 |
| f) Cost of components, materials and services in respect of contracts | 36.12 | 27.51 | 18.49 | 63.63 | 45.34 | 154.77 |
| g) (Increase) / Decrease in stock-in-trade and work-in-progress | (252.37) | (0.18) | (77.15) | (252.55) | (139.90) | (177.01) |
| h) Royalty towards coal mining | 248.93 | 274.24 | 267.25 | 523.17 | 506.72 | 1,101.12 |
| i) Coal processing charges | 631.73 | 593.52 | 540.76 | 1,225.25 | 1,106.61 | 1,953.22 |
| j) Employee benefits expense | 345.32 | 309.79 | 302.55 | 655.11 | 545.73 | 1,146.41 |
| k) Depreciation and amortisation expense | 542.04 | 505.97 | 306.62 | 1,048.01 | 578.50 | 1,334.64 |
| l) Deferred stripping costs (net) | - | - | (31.94) | - | (242.59) | 659.44 |
| m) Other expenses | 871.35 | 808.42 | 662.36 | 1,679.77 | 1,297.81 | 2,908.70 |
| Total expenses | 6,732.47 | 6,346.94 | 5,204.33 | 13,079.41 | 9,831.67 | 22,010.77 |
| 3. Profit from operations before other income, finance costs, exceptional items and tax (1-2) | 967.30 | 906.95 | 1,077.93 | 1,874.25 | 2,275.10 | 3,990.63 |
| 4. Other income | | | | | | |
| a) (Loss) / Gain on exchange (net) | (31.63) | (45.23) | (736.85) | (76.86) | (647.01) | (425.05) |
| b) Others | 100.08 | 107.81 | 107.48 | 207.89 | 141.97 | 268.76 |
| 5. Profit before finance costs, exceptional items and tax (3+4) | 1,035.75 | 969.53 | 448.56 | 2,005.28 | 1,770.06 | 3,834.34 |
| 6. Finance costs | 622.92 | 548.11 | 331.12 | 1,171.03 | 640.15 | 1,527.09 |
| 7. Profit before exceptional items and tax (5-6) | 412.83 | 421.42 | 117.44 | 834.25 | 1,129.91 | 2,307.25 |
| 8. Exceptional items - | | | | | | |
| Provision for impairment (Refer Note 5) | 250.00 | - | 823.00 | 250.00 | 823.00 | 1,800.00 |
| 9. Profit / (Loss) before tax | 162.83 | 421.42 | (705.56) | 584.25 | 306.91 | 507.25 |
| 10. Tax expense | 222.51 | 226.29 | 453.42 | 448.80 | 961.94 | 1,475.54 |
| 11. Net (Loss) / Profit after tax | (59.68) | 195.13 | (1,158.98) | 135.45 | (655.03) | (968.29) |
| 12. Share of profit of associates | 5.34 | 1.26 | 11.54 | 6.60 | 20.46 | 70.77 |
| 13. Less: Minority interest | 29.46 | 50.46 | 39.88 | 79.92 | 122.31 | 190.16 |
| 14. Net (Loss) / Profit after tax, minority interest and share of profit of associates | (83.80) | 145.93 | (1,187.32) | 62.13 | (756.88) | (1,087.68) |

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**Q2 FY 13 vs. Q2 FY12
Financial Performance – Consolidated**

Q2 FY 13 Financial Highlights – Consolidated



- Total Income at Rs. 7699.77 Cr (PY Rs. 6282.26 Cr) up by 22%
 - *Higher in Tata Power by Rs. 571 Cr as explained earlier*
 - *Higher in TPTCL by Rs. 500 Cr mainly due to higher volume traded and higher price per unit*
 - *Higher in Maithon by Rs. 408 Cr since Unit#1 and Unit#2 have been commissioned*
 - *Higher in CGPL due to commissioning of Unit#1 in Q4FY12 and Unit#2 in July 2012 (Rs. 363 Cr)*
 - *Higher in Trust Energy by Rs. 83 Cr due to higher income from shipping business*
 - *Higher in EEPL by Rs. 27 Cr due to higher income from shipping business*
 - *Higher in IEL by Rs. 19 Cr due to higher generation and higher fuel cost*
 - *Higher in TPREL due to commissioning of 25 MW solar plant on 25 January 2012 (Rs. 13 Cr)*
 - *Offset by lower income by Rs. 173 Cr in coal companies (Rs. 389 Cr due to lower realization, Rs. 120 Cr due to lower quantity of coal sold offset by Rs. 336 Cr due to rupee depreciation)*
 - *Offset by intercompany eliminations on account of Maithon power traded by TPTCL (Rs.404 Cr)*

Q2 FY 13 Financial Highlights – Consolidated



- Key reasons for variation in the Total Expenditure are as follows:
 - Employee Benefits expense up by Rs. 43 Cr mainly due to rupee depreciation in Coal companies (Rs. 15 Cr) and other increments (Rs. 25 Cr)
 - Cost of Power Purchased higher by Rs. 116 Cr mainly due to Rs. 492 in TPTCL due to higher volume traded and higher rate of purchase and volume in TPDDL (Rs. 55 Cr) offset by lower cost of power purchased in Tata Power (Rs. 83 Cr) as explained earlier and inter company eliminations of Rs. 322 Cr
 - Cost of fuel higher by Rs. 1017 Cr mainly due to higher fuel cost in Tata Power as explained earlier (Rs.470 Cr), higher fuel cost in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 284 Cr), higher in Maithon due to commissioning of Unit#1 and Unit#2 (Rs. 249 Cr), higher in coal companies by Rs. 86 Cr mainly due to rupee depreciation (Rs. 66 Cr) and higher cost of fuel per ton (Rs. 39 Cr) offset by lower quantity of coal sold (Rs. 19 Cr) and higher in IEL by Rs. 19 Cr due to higher generation and higher fuel cost per unit offset by inter company eliminations of Rs. 76 Cr
 - Depreciation/Amortization higher by Rs. 235 Cr mainly due to higher depreciation in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 93 Cr), higher depreciation charge in Arutmin due to deferred exploration costs coupled with higher assets capitalised (Rs. 42 Cr), commissioning of Maithon Unit#1 and Unit#2 (Rs. 45 Cr) and higher in Tata Power as explained earlier (Rs. 20 Cr)
 - Coal Processing charges higher by Rs. 91 Cr due to higher cost of processing per ton (Rs. 18 Cr), depreciation of rupee (Rs. 108 Cr) offset by lower quantity of coal sold (Rs. 35 Cr)
 - Other Expenses higher by Rs. 209 Cr mainly due to Rs. 83 Cr in coal companies due to rupee depreciation (Rs. 73 Cr) and Rs. 75 Cr in Tata Power Standalone as explained earlier
- Profit from Operations before Other Income, Finance costs and Exceptional Items at Rs. 967.30 Cr (PY Rs. 1077.93 Cr) down by 10%

Q2 FY 13 Financial Highlights – Consolidated



- Other Income
 - Loss on exchange of Rs. 31.63 Cr (PY Loss on exchange Rs. 736.85 Cr) up by 96% mainly since in PY forex loss on realignment of borrowings capitalised in CGPL book but charged off in P&L (Rs. 650 Cr) and higher gain on exchange in Tata Power Standalone compared to PY (Rs. 44 Cr) as explained earlier
 - Others at Rs. 100.08 Cr (PY Rs. 107.48 Cr) down by 7%
- Finance costs of Rs. 622.92 Cr (PY Rs. 331.12 Cr) higher by 88%
 - *Mainly due to interest charges in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 109 Cr), interest charges in Maithon due to commissioning of Unit#1 and Unit#2 (Rs. 73 Cr) and interest on short term loans in TPDDL (Rs. 40 Cr)*
- Provision for impairment in CGPL of Rs. 250 Cr due to change in long term USDINR exchange rate view from 45.00 to 50.00
- Tax lower at Rs. 222.51 Cr (PY Rs. 453.42 Cr) down by 51% mainly due to lower profits in coal companies by Rs. 137 Cr and in Tata Power by Rs. 78 Cr as explained earlier
- Net Profit after tax at Rs. (59.68) Cr (PY Rs. (1158.98) Cr)
- Net Profit after Tax, minority interest and share of profit of associates at Rs. (83.80) Cr (PY Rs. (1187.32) Cr)

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**H1 FY 13 vs. H1 FY12
Financial Performance – Consolidated**

H1 FY 13 Financial Highlights – Consolidated



- Total Income at Rs. 14953.66 Cr (PY Rs. 12106.77 Cr) up by 23%
 - *Higher in Tata Power by Rs. 936 Cr as explained earlier*
 - *Higher in CGPL due to commissioning of Unit#1 in Q4FY12 and Unit#2 in July 2012 (Rs. 648 Cr)*
 - *Higher in Maithon by Rs. 601 Cr since Unit#1 and Unit#2 have been commissioned*
 - *Higher in TPTCL by Rs. 484 Cr mainly due to higher volume traded and higher price per unit*
 - *Higher in Trust Energy by Rs. 135 Cr due to higher income from shipping business*
 - *Higher income by Rs. 129 Cr in coal companies (Rs. 746 Cr due to rupee depreciation, Rs. 23 Cr due to higher quantity of coal sold offset by Rs. 639 Cr due to lower realization)*
 - *Higher in IEL by Rs. 55 Cr due to higher generation and higher fuel cost*
 - *Higher in TPREL due to commissioning of 25 MW solar plant on 25 January 2012 (Rs.30 Cr)*
 - *Offset by inter company eliminations of Rs. 415 Cr mainly due to Maithon power traded by TPTCL*

H1 FY 13 Financial Highlights – Consolidated



- *Key reasons for variation in the Total Expenditure are as follows:*
 - *Employee Benefits expense up by Rs. 109 Cr mainly due to rupee depreciation and increase in retiral provisions in Coal companies (Rs. 60 Cr) and Rs. 15 Cr in Tata Power Standalone as explained earlier*
 - *Cost of Power Purchased higher by Rs. 329 Cr mainly due to Rs. 473 in TPTCL due to higher volume traded and rate of purchase and volume in TPDDL (Rs. 260 Cr) offset by lower cost of power purchased in Tata Power (Rs. 108 Cr) as explained earlier and intercompany eliminations of Rs. 109 Cr*
 - *Cost of fuel higher by Rs. 1758 Cr mainly due to higher fuel cost in Tata Power as explained earlier (Rs. 872 Cr), higher fuel cost in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 450 Cr), higher in Maithon due to commissioning of Unit#1 and Unit#2 (Rs. 329 Cr), higher in coal companies by Rs. 157 Cr mainly due to rupee depreciation (Rs. 131 Cr) and higher cost of fuel per ton (Rs. 25 Cr) offset by lower quantity of coal sold (Rs. 2 Cr) and higher in IEL by Rs. 53 Cr due to higher generation and higher fuel cost per unit offset by inter company eliminations of Rs. 88 Cr*
 - *Depreciation/Amortization higher by Rs. 470 Cr mainly due to higher depreciation in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 164 Cr), higher depreciation charge in Arutmin due to deferred exploration costs coupled with higher assets capitalised (Rs. 133 Cr), commissioning of Maithon Unit#1 and Unit#2 (Rs. 78 Cr) and higher in Tata Power as explained earlier (Rs. 42 Cr)*
 - *Coal Processing charges higher by Rs. 118 Cr*
 - *Other Expenses higher by Rs. 382 Cr mainly due to Rs. 180 Cr in coal companies due to rupee depreciation (Rs. 150 Cr) and Rs. 118 Cr in Tata Power Standalone as explained earlier*
- *Profit from Operations before Other Income, Finance costs and Exceptional Items at Rs. 1874.25 Cr (PY Rs. 2275.10 Cr) down by 18%*

H1 FY 13 Financial Highlights – Consolidated



- Other Income
 - Loss on exchange of Rs. 76.86 Cr (PY Loss on exchange Rs. 647.01 Cr) mainly since in PY forex loss on realignment of borrowings capitalised in CGPL book but charged off in P&L (Rs. 650 Cr) and forex loss in KPC and Arutmin due to VAT realignments (Rs. 181 Cr)
 - Others at Rs. 207.89 Cr (PY Rs. 141.97 Cr) up by 46%
- Finance costs of Rs. 1171.03 Cr (PY Rs. 640.15 Cr) higher by 83%
 - *Mainly due to interest charges in CGPL due to commissioning of Unit#1 and Unit#2 (Rs. 217 Cr), interest charges in Maithon due to commissioning of Unit#1 and Unit#2 (Rs. 131 Cr) and interest on short term loans in TPDDL (Rs. 89 Cr)*
- Provision for impairment in CGPL of Rs. 250 Cr due to change in long term USDINR exchange rate view from 45.00 to 50.00
- Tax lower at Rs. 448.80 Cr (PY Rs. 961.94 Cr) down by 53%
- Net Profit after tax at Rs. 135.45 Cr (PY Rs. (655.03) Cr)
- Net Profit after Tax, minority interest and share of profit of associates at Rs. 62.13 Cr (PY Rs. (756.88) Cr)

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**Segment wise Financial Performance –
Consolidated**

Segment Results (Consolidated): Q2FY13



₹ Crore

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 30-Sep-12 | 30-Jun-12 | 30-Sep-11 | 30-Sep-12 | 30-Sep-11 | 31-Mar-12 |
| Segment Revenue | | | | | | |
| Power Business | 5,488.54 | 4,824.01 | 3,934.43 | 10,312.55 | 7,654.73 | 16,169.59 |
| Coal Business | 2,056.77 | 2,265.04 | 2,167.29 | 4,321.81 | 4,157.98 | 9,196.52 |
| Others | 250.85 | 209.57 | 213.79 | 460.42 | 361.74 | 855.78 |
| Total Segment Revenue | 7,796.16 | 7,298.62 | 6,315.51 | 15,094.78 | 12,174.45 | 26,221.89 |
| Less: Inter segment revenue | 96.39 | 44.73 | 33.25 | 141.12 | 67.68 | 220.49 |
| Net Revenue / Income from operations (net) | 7,699.77 | 7,253.89 | 6,282.26 | 14,953.66 | 12,106.77 | 26,001.40 |
| Segment Results | | | | | | |
| Power Business | 717.39 | 578.24 | 462.15 | 1,295.63 | 1,089.15 | 2,159.75 |
| Coal Business | 290.18 | 257.61 | 596.24 | 547.79 | 1,346.31 | 1,988.05 |
| Others | (16.64) | 2.76 | (15.24) | (13.88) | (44.86) | (69.42) |
| Total Segment Results | 990.93 | 838.61 | 1,043.15 | 1,829.54 | 2,390.60 | 4,078.38 |
| Less: Finance Costs | 622.92 | 548.11 | 331.12 | 1,171.03 | 640.15 | 1,527.09 |
| Less: Exceptional Item - Power Business | 250.00 | - | 823.00 | 250.00 | 823.00 | 1,800.00 |
| Add / (Less: Unallocable Income / (Expense) (net) | 44.82 | 130.92 | (594.59) | 175.74 | (620.54) | (244.04) |
| Profit / (Loss) before tax | 162.83 | 421.42 | (705.56) | 584.25 | 306.91 | 507.25 |
| Capital Employed | | | | | | |
| Power Business | 38,250.35 | 37,591.54 | 32,747.25 | 38,250.35 | 32,747.25 | 35,514.96 |
| Coal Business | 7,289.07 | 7,637.15 | 7,432.62 | 7,289.07 | 7,432.62 | 7,271.72 |
| Others | 2,001.65 | 1,979.62 | 1,683.88 | 2,001.65 | 1,683.88 | 1,592.91 |
| Unallocable | (31,827.17) | (31,091.57) | (25,694.80) | (31,827.17) | (25,694.80) | (28,848.24) |
| Total Capital Employed | 15,713.90 | 16,116.74 | 16,168.95 | 15,713.90 | 16,168.95 | 15,531.35 |

Segment Highlights (Consolidated): Q2FY13



- Revenue from Power Business at Rs. 5488.54 Cr (PY Rs. 3934.43 Cr) up by 40%
 - *Higher in Tata Power Standalone by Rs. 535 Cr as explained earlier*
 - *Higher in TPTCL by Rs. 500 Cr due to higher average rate of power sold and higher volume*
 - *Higher in Maithon by Rs. 408 Cr due to commissioning of Unit#1 and Unit#2*
 - *Higher in CGPL by Rs. 363 Cr due to commissioning of Unit#1 and Unit#2*
 - *Higher in TPDDL by Rs. 44 Cr mainly due to higher power purchase and rate of power purchase*
 - *Higher in IEL by Rs. 19 Cr mainly due to higher generation and higher fuel cost*
 - *Higher in TPREL by Rs. 13 Cr due to commissioning of 25 MW solar plant*
 - *Offset by inter company eliminations of Rs.318 Cr*
- Revenue from the Coal business at Rs. 2056.77 Cr (PY Rs. 2167.29 Cr) down by 5%
 - *Mainly due to by lower realization (Rs. 339 Cr), lower quantity of coal sold (Rs. 124 Cr) offset by depreciation of Rupee (Rs. 352 Cr)*
- Revenue from 'Others' at Rs. 250.85 (PY Rs. 213.79) up by 17%
 - *Higher in Tata Power by Rs. 37 Cr, higher in Trust Energy due to higher income from shipping business (Rs. 19 Cr), higher in EEPL due to higher income from shipping business (Rs. 27 Cr) offset by lower sale in MW in Tata BP Solar (Rs. 24 Cr)*
- PBIT for the Power Business at Rs. 717.39 Cr (PY Rs. 462.15 Cr) up by 55%
 - *Higher in Tata Power Standalone by Rs. 121 Cr as explained earlier, higher PBIT in Maithon of Rs. 102 Cr due to commissioning of Unit#1 and Unit#2 offset by Rs. 34 Cr in CGPL due to commissioning of Unit#1 and Unit#2*
- PBIT for the Coal Business at Rs. 290.18 Cr (PY Rs. 596.24 Cr) down by 51%
 - *Lower PBIT margins in coal companies due to lower realizations (Rs. 291 Cr), lower quantity sold (Rs. 33 Cr) offset by depreciation in rupee (Rs. 50 Cr) and due to deferred stripping cost capitalised in Q2FY12 (Rs. 32 Cr)*

Segment Highlights (Consolidated): H1FY13



- Revenue from Power Business at Rs. 10312.55 Cr (PY Rs. 7654.73 Cr) up by 34%
 - *Higher in Tata Power Standalone by Rs. 887 Cr as explained earlier*
 - *Higher in CGPL by Rs. 648 Cr due to commissioning of Unit#1 and Unit#2*
 - *Higher in Maithon by Rs. 601 Cr due to commissioning of Unit#1 and Unit#2*
 - *Higher in TPTCL by Rs. 484 Cr due to lower average rate of power sold*
 - *Higher in TPDDL by Rs. 214 Cr mainly due to higher power purchase and rate of power purchase*
 - *Higher in IEL by Rs. 55 Cr mainly due to higher generation and higher fuel cost*
 - *Higher in TPREL by Rs. 30 Cr due to commissioning of 25 MW solar plant*
 - *Offset by inter company eliminations of Rs. 249 Cr*
- Revenue from the Coal business at Rs. 4321.81 Cr (PY Rs. 4157.98 Cr) up by 4%
 - *Mainly due to depreciation of Rupee (Rs. 748 Cr), higher quantity of coal sold (Rs. 15 Cr) offset by lower realization (Rs. 600 Cr)*
- Revenue from 'Others' at Rs. 460.42 Cr (PY Rs. 361.74) up by 27%
 - *Higher in Trust Energy due to higher income from shipping business (Rs. 84 Cr), higher in Tata Power as explained earlier (Rs. 37 Cr), higher in EEPL due to higher income from shipping business (Rs. 27 Cr) offset by lower sale in MW in Tata BP Solar (Rs. 47 Cr)*
- PBIT for the Power Business at Rs. 1295.63 Cr (PY Rs. 1089.15 Cr) up by 19%
 - *Higher PBIT in Maithon of Rs. 167 Cr due to commissioning of Unit#1 and Unit#2 ,Rs. 18 Cr in TPREL due to commissioning of 25 MW project offset by Rs. 59 Cr in TPDDL due to impact of ATE order in PY and higher rebate passed on to consumers and Rs. 56 Cr in CGPL due to commissioning of Unit#1 and Unit#2*
- PBIT for the Coal Business at Rs. 547.79 Cr (PY Rs. 1346.31 Cr) down by 59%
 - *Lower PBIT margins in coal companies due to lower realizations (Rs. 655 Cr) offset by depreciation in rupee (Rs. 95 Cr) and higher quantity sold (Rs. 5 Cr) and due to deferred stripping cost capitalised in Q2FY12 (Rs. 243 Cr)*

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Subsidiary Performance

Key Subsidiary Performance: Q2 FY 13



| Key Subsidiaries | Op. Income | | Op. Profit | | PBT | | PAT | | % change in PAT |
|-----------------------------|------------|---------|------------|---------|---------|----------|---------|----------|-----------------|
| | Q2FY 13 | Q2FY 12 | Q2FY 13 | Q2FY 12 | Q2FY 13 | Q2FY 12 | Q2FY 13 | Q2FY 12 | |
| TPDDL | 1537.5 | 1767.4 | 216.4 | 222.0 | 53.6 | 109.8 | 41.4 | 86.2 | -52% |
| Powerlinks | 61.8 | 72.3 | 58.8 | 68.9 | 27.9 | 36.9 | 28.1 | 29.5 | -5% |
| Industrial Energy Ltd (IEL) | 131.4 | 112.2 | 61.8 | 61.7 | 26.6 | 23.0 | 21.3 | 18.4 | 16% |
| Tata Power Trading | 893.0 | 394.2 | 8.3 | 4.3 | 8.8 | 4.8 | 6.0 | 3.4 | 76% |
| Maithon Power Ltd. | 435.4 | 27.3 | 107.2 | (40.4) | (41.4) | (67.1) | (41.4) | (67.1) | -- |
| Coal SPVs (\$ mn) ** | 15.0* | 18.0* | NA | NA | (0.1) | 3.5 | (1.6) | 1.7 | -194% |
| CGPL | 362.9 | 0.0 | (2.3) | (64.6) | (461.2) | (1049.6) | (461.2) | (1049.6) | - |

* **Income pertaining to management and technical fees

- Decline in TPDDL PAT mainly due to impact of ATE/true up orders in PY (Rs. 20 Cr) and regulatory normative rebate to be passed on to consumers (Rs. 10 Cr)
- Increase in PAT of IEL due to higher generation, other income and lower interest costs due to loan repayment
- Increase in PAT in TPTCL mainly due to higher number of units sold and higher trading margins
- Loss in PBT in Maithon mainly due to lower generation (low PLF) in Unit#1 and Unit#2
- Decrease in PAT of coal SPVs since PY included interest income on account of tax settlement
- Loss in CGPL mainly due impairment of Rs. 250 Cr and high fuel charges reducing margins making operating profit inadequate to cover interest and depreciation

Key Subsidiary Performance: H1 FY 13



| Key Subsidiaries | Op. Income | | Op. Profit | | PBT | | PAT | | % change in PAT |
|-----------------------------|------------|---------|------------|---------|---------|----------|---------|----------|-----------------|
| | H1FY 13 | H1FY 12 | H1FY 13 | H1FY 12 | H1FY 13 | H1FY 12 | H1FY 13 | H1FY 12 | |
| TPDDL | 2967.1 | 3001.2 | 465.2 | 514.7 | 147.9 | 296.4 | 115.3 | 234.4 | -51% |
| Powerlinks | 129.8 | 141.9 | 123.4 | 135.2 | 60.7 | 68.9 | 54.3 | 55.1 | -1% |
| Industrial Energy Ltd (IEL) | 276.3 | 221.7 | 124.5 | 124.1 | 53.2 | 47.9 | 42.6 | 38.4 | 1% |
| Tata Power Trading | 1537.1 | 1056.3 | 14.4 | 12.4 | 16.7 | 13.2 | 11.3 | 9.3 | 21% |
| Maithon Power Ltd. | 602.7 | 27.3 | 157.2 | (62.7) | (59.2) | (89.6) | (59.2) | (89.6) | - |
| Coal SPVs (\$ mn)** | 32.0* | 36.0* | NA | NA | 5.5 | (2.0) | 2.1 | (5.8) | 136% |
| CGPL | 647.9 | 0.0 | 8.6 | (118.4) | (625.9) | (1103.4) | (625.9) | (1103.4) | - |

* **Income pertaining to management and technical fees

- Decline in TPDDL PAT mainly due to impact of ATE/true up order in PY (Rs. 118 Cr) and normative rebate to be passed on to consumers (Rs.23 Cr)
- Increase in PAT in TPTCL mainly due to higher number of units sold and higher trading margins
- Loss in Maithon mainly due to lower generation in Unit#1 and Unit#2 (low PLF). Unit#1 boiler failed during the Q1FY13
- Decrease in PAT of coal SPVs since PY included interest income on account of tax settlement
- Loss in CGPL mainly due to impairment and high fuel charges reducing margins making operating profit inadequate to cover interest and depreciation

Thank you