

TATA POWER



The Tata Power Company Ltd

February 2011

Lighting up Lives!



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Agenda

Part A: Overview of Tata Power

Part B: Sustainability

Part C: Tata Power Generation

Part D: Projects

Part E: Transmission & Distribution

Part F: Other Businesses

Part G: Financials



Part A: Overview of Tata Power



A Tata Company

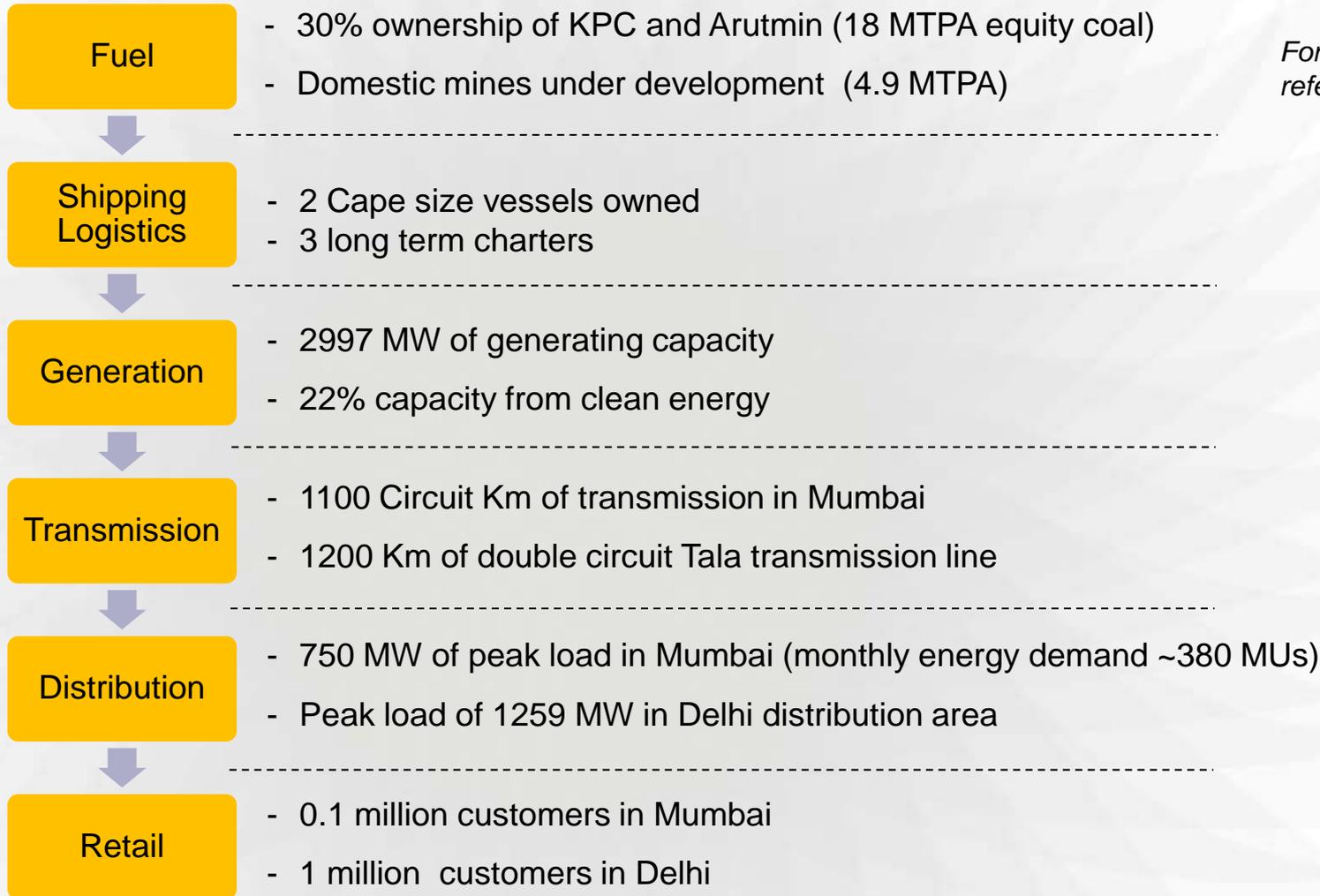


Tata Group FY10 Total Revenue	Rs. 3,195.3 bn	USD 67.4 bn
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<i>All figures in Rs. bn</i>	Market Capitalization (as on 27Jan'11)	Operating Income (as of 31Mar'10)	PAT (as of 31Mar'10)
Tata Consultancy Services	2,347	230.44	56.18
Tata Motors	756.09	353.73	22.40
Tata Steel	623.78	249.41	50.47
Tata Power	307.27	71.04	9.48
Titan	158.12	46.74	2.50
Tata Chemicals	89.46	54.12	4.35
Taj Hotels, Resorts and Palaces	71.43	14.73	1.53
Voltas	70.18	45.42	3.44
Tata Communications	68.63	32.18	4.83
Tata Global Beverages	65.30	16.98	3.91



Integrated Across the Value Chain



For [Industry Overview](#) refer to appendix

*Tata Power is
India's largest,
integrated
private power
utility*

Businesses



Power Business

Fuel & Logistics

• Indonesian Coal Mines	[30%]	(34)
• Tubed	[40%]	(25)
• Mandakini	[33%]	(25)
• Trust Energy	[100%]	(36)

Generation

• Trombay	(14)	• CGPL	[100%]	(22)
• Hydro	(14)	• Maithon	[74%]	(24)
• Jojobera	(16)	• IEL	[74%]	(17)
• Belgaum	(17)	• Dagachhu	[26%]	(26)
• Haldia	(15)	• OTP Geothermal		
• Wind Farms	(18)	• Solar SPV		(27)

Transmission

• Mumbai	(30)	• Powerlinks	[51%]	(31)
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Distribution

• Mumbai	(32)	• NDPL		(33)
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Trading

• TPTCL	[100%]
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Other Business

• SED	(49)
• Tata BP Solar	[49%] (50)
• Tata Projects	[48%]

Investments

Technical

• Exergen	[5%]
• Geodynamics	[10%]

Financial

• TTML	[7%]
• TTSL	[8%]
• Panatone	[40%]
• Tata Comm	[17%]*

* Includes indirect holding in Tata Comm through Panatone

Division
 Other SPVs
 [] – Percentage Holding, () -Slide numbers for details



Part B: Sustainability



Our Sustainability Model

Care For the Environment	Care For the Community	Care For our Customers	Care For our people
<ul style="list-style-type: none"> ▪ Growth thru renewables , clean / green energy ▪ Efficient technologies, investments in energy startups ▪ Emission & waste reduction ▪ Carbon footprint reduction ▪ Green Buildings ▪ Bio-Diversity conservation ▪ Resource Conservation 	<ul style="list-style-type: none"> ▪ Principles of Community Engagement ▪ Programmes on livelihood, infrastructure and natural resources ▪ Helping communities become self-reliant and empowered ▪ Participatory development ▪ Carbon neutral village clusters 	<ul style="list-style-type: none"> ▪ Energy Clubs ▪ Customer Care Centres ▪ Demand Side Management, energy audits ▪ Going beyond mere transactions 	<ul style="list-style-type: none"> ▪ Safety and Health ▪ Organisational Transformation ▪ Employee Learning & Development ▪ Developing managers that are stewards of the environment and society, are deeply customer centric, across domains/ functions ▪ Buildings and interiors that are friendly, and help create the right culture



Part C: Tata Power Generation



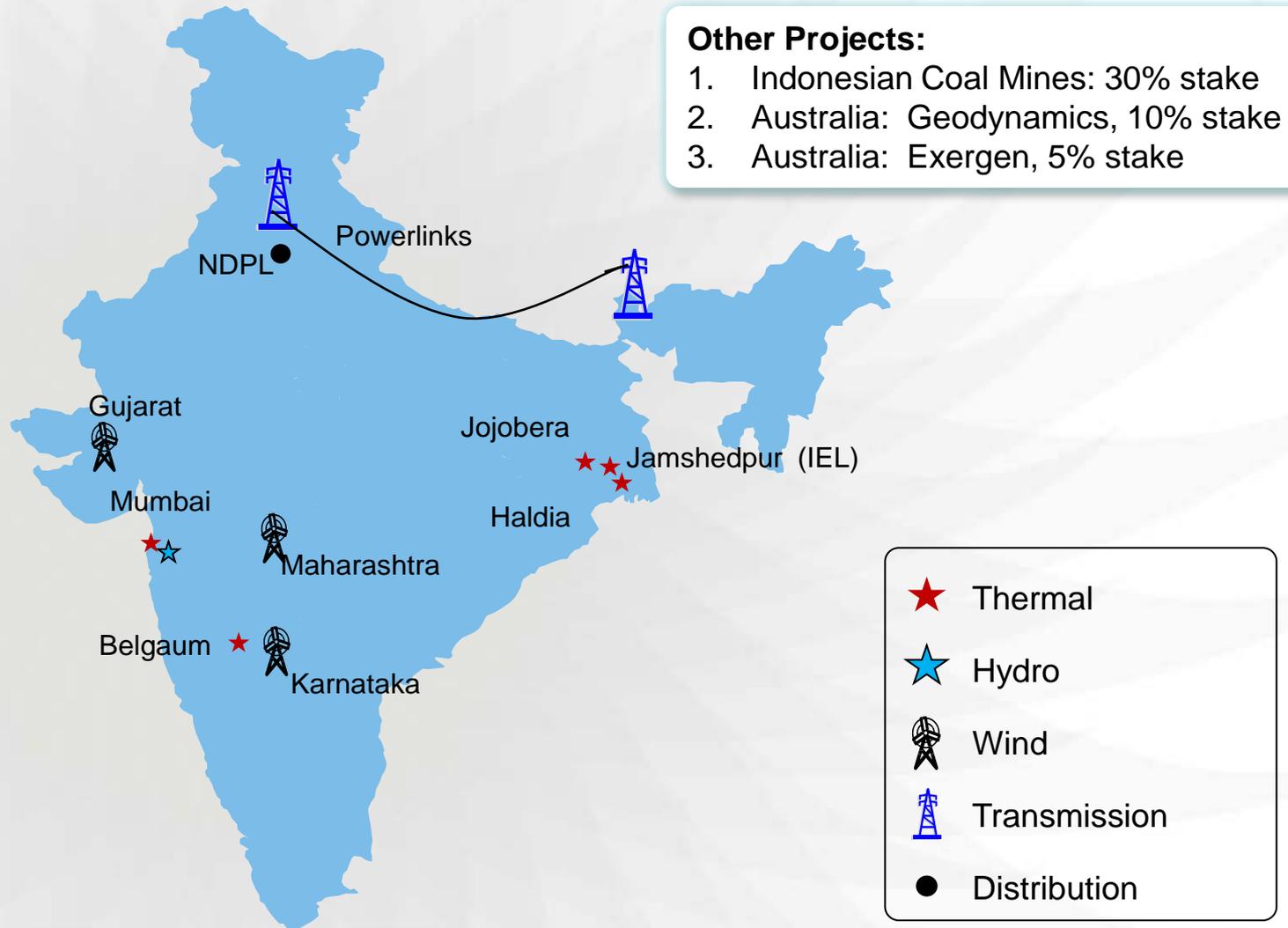
Generation: Business Models



Model (Capacity MW)	Current (Targeted) Capacity	Returns	Upside	Value Drivers	Our Projects
Regulated Returns (1906 MW)	64% (25%-35%)	Normative RoE	Savings on Norms. + PLF incentive	Operational Efficiency	Mumbai Operations, Maithon
Regulated Tariff (Renewables) (221 MW)	7% (10%-13%)	Tariff + PLF driven	Savings on capex + CDM / REC as applicable	Capex and Operational Efficiency	Wind, Solar
Captive Power Plant (548 MW)	18% (10%-20%)	PPA driven	Merchant sales + Saving on agreed terms + PLF incentive	Trading Capabilities + Operational Efficiency	Jamshedpur (PH6), Jojobera
Merchant (200 MW)	7% (10%-20%)	Market Driven	No cap on returns	Trading Capabilities	Haldia (100 MW) Unit 8 (100 MW)
MoU / Bilateral	<1%	PPA Driven	As per PPA	Operational Efficiency	Haldia (20MW)
Case 1 (For Supply)	0% (25%-35%)	Bid Driven	PLF incentives	Control on fuel and capital costs	
Case 2 (For Project) (81 MW)	3% (10%-20%)	Bid Driven	PLF incentives	Control on Capital Costs and fuel costs	Mundra UMPP, Belgaum



Existing Presence



Capacity Details and Fuel Mix

Location	Capacity (MW)
Trombay	1480
Trombay – Merchant	100
Jojobera	428
IEL, Jamshedpur	120
Haldia	120
Belgaum	81
Hydros, Near Mumbai	447
Wind*, West/South India	221

Fuel	Capacity (MW)	Percentage of Total Capacity
★ Coal	1195	40%
★ LNG/Natural Gas	595	20%
★ Oil	300	10%
★ Production Gas	239	8%
⚡ Wind	221	7%
★ Hydro	447	15%

* 21 MW of wind assets in process of acquisition



Mumbai Operations - Generation

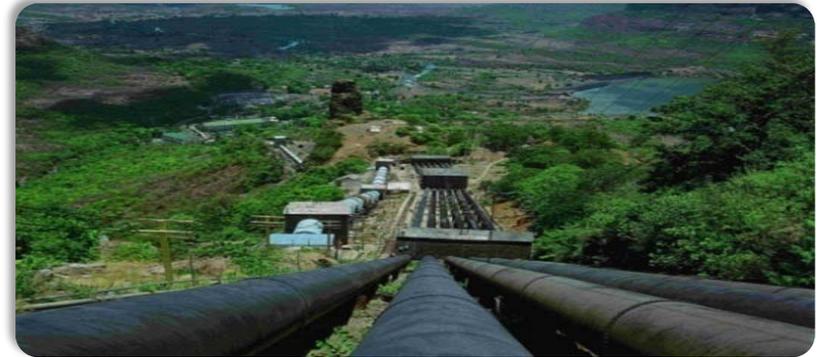
Thermal



<u>Unit</u>	<u>Capacity</u>	<u>Fuel</u>
Unit 4*	150 MW	Oil & Gas
Unit 5	500 MW	Oil, Coal & Gas
Unit 6	500 MW	Oil & Gas
Unit 7	180 MW	Gas
Unit 8	150 MW	Coal
Total	1480 MW	

* Unit 4 on standby

Hydro



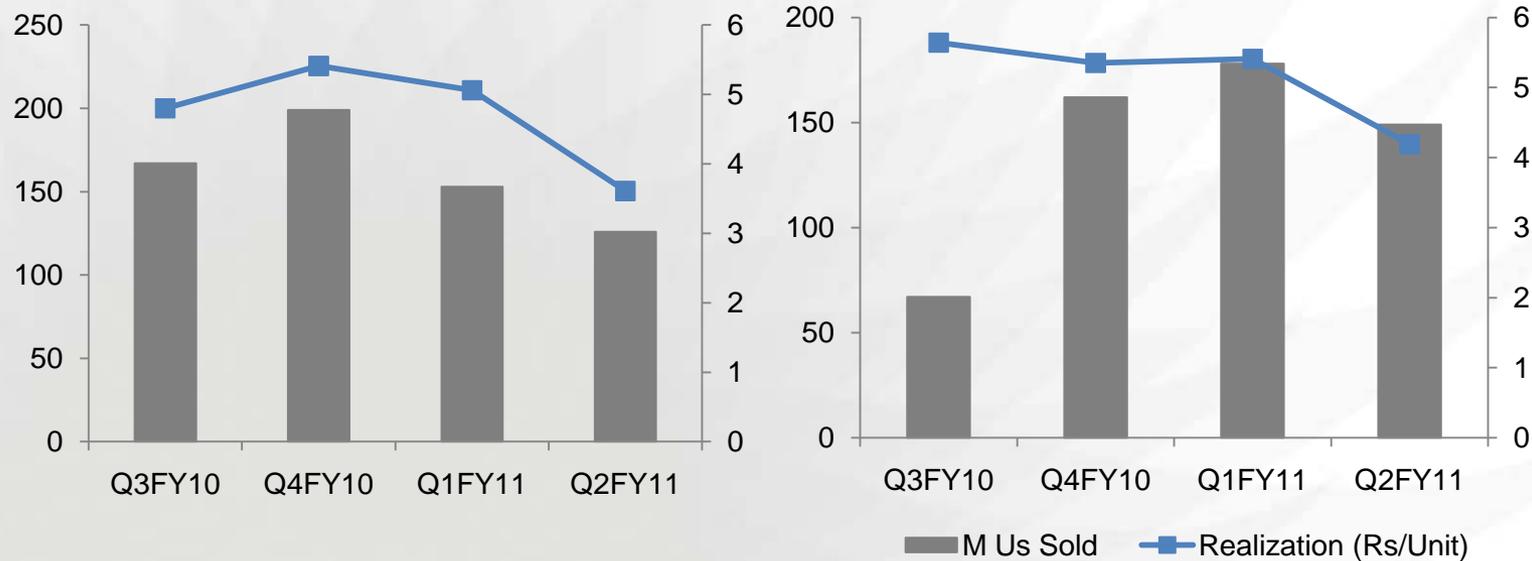
<u>Location</u>	<u>Capacity</u>
Khopoli	72 MW
Bhivpuri	75 MW
Bhira	300 MW
Total	447 MW

Regulated Equity: Rs 14.17 bn (H1 FY 11)

RoE:14%



Merchant Capacity

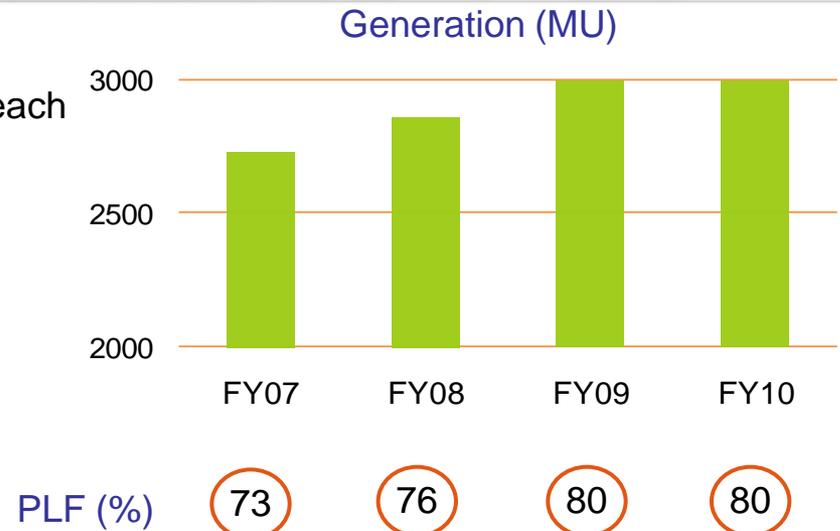


	Haldia*	Trombay - Unit 8
Project Capacity	100 MW	100 MW
Customers	PPA with Tata Power Trading	PPA with Tata Power Trading
Fuel	Hot flue gases from Hoogly Metcoke	Imported Coal

* Remaining 20 MW in Haldia under PPA to WBSEDCL; MUs sold include 20 MW

Jojobera

- Capacity**
 - 428 MW
 - Unit 1: 67.5 MW, Unit 2-4: 120 MW each
- Fuel Type**
 - Domestic Coal
- Customer**
 - Tata Steel
 - 20 year PPA till 2017
- Model**
 - Fuel and Interest are a pass through
 - Other expenses on normative basis



1st Prize for Ash management from Jharkhand State Pollution Control Board

PPA Equity	Rs 4.90 bn
RoE	14 -19%

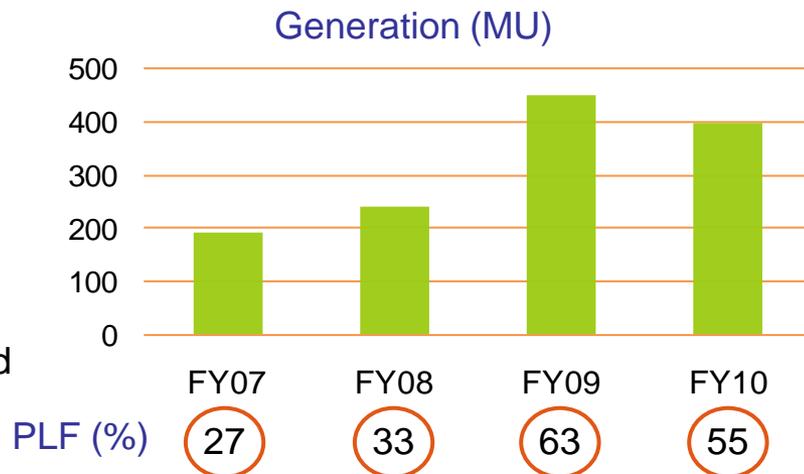


Belgaum & IEL



Belgaum

Capacity	81 MW
Fuel Type	Heavy Fuel Oil
Customer	KPTCL
	12 year PPA till 2012
Business Model	<ul style="list-style-type: none"> ▪ Fuel charge is a pass through ▪ Other charges recovered as fixed cost



IEL

Capacity/COD	120 MW, Aug 2009 (PH-6)
Fuel Type	Furnace / Coke Oven Gases of Tata Steel
Customer	Tata Steel
Business Model	Fuel and Interest costs are a pass through, other expenses on normative basis
Generation	FY10 - 563 MU , YTD (till Q3FY11) – 611 MU

- Unit #5 (120 MW) in Jojobera has been synchronized in Jan 2011
- The unit has successfully carried out coal firing and will be commissioned in March 2011



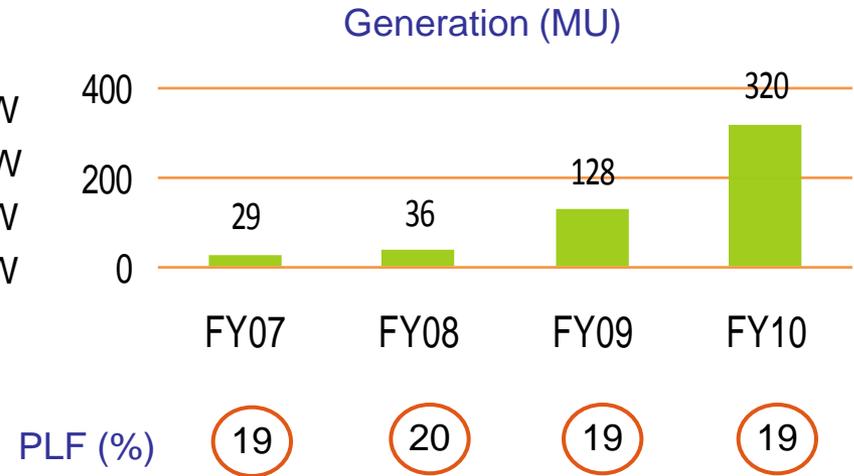
Wind

Capacity

- ~221 MW

Customer

- Maharashtra: TPC-D 100 MW
- 3rd Party 21 MW
- Karnataka: BESCOM 50 MW
- Gujarat: GUVNL 50 MW



	FY11 Tariff* (Rs / kwh)	Annual Escalation
Maharashtra	3.95	Rs 0.15 till 2020
Karnataka	3.40	Nil
Gujarat	3.37	Nil

* Effective tariff currently for our wind assets is Rs. 3.55/ kwh



Part D: Projects

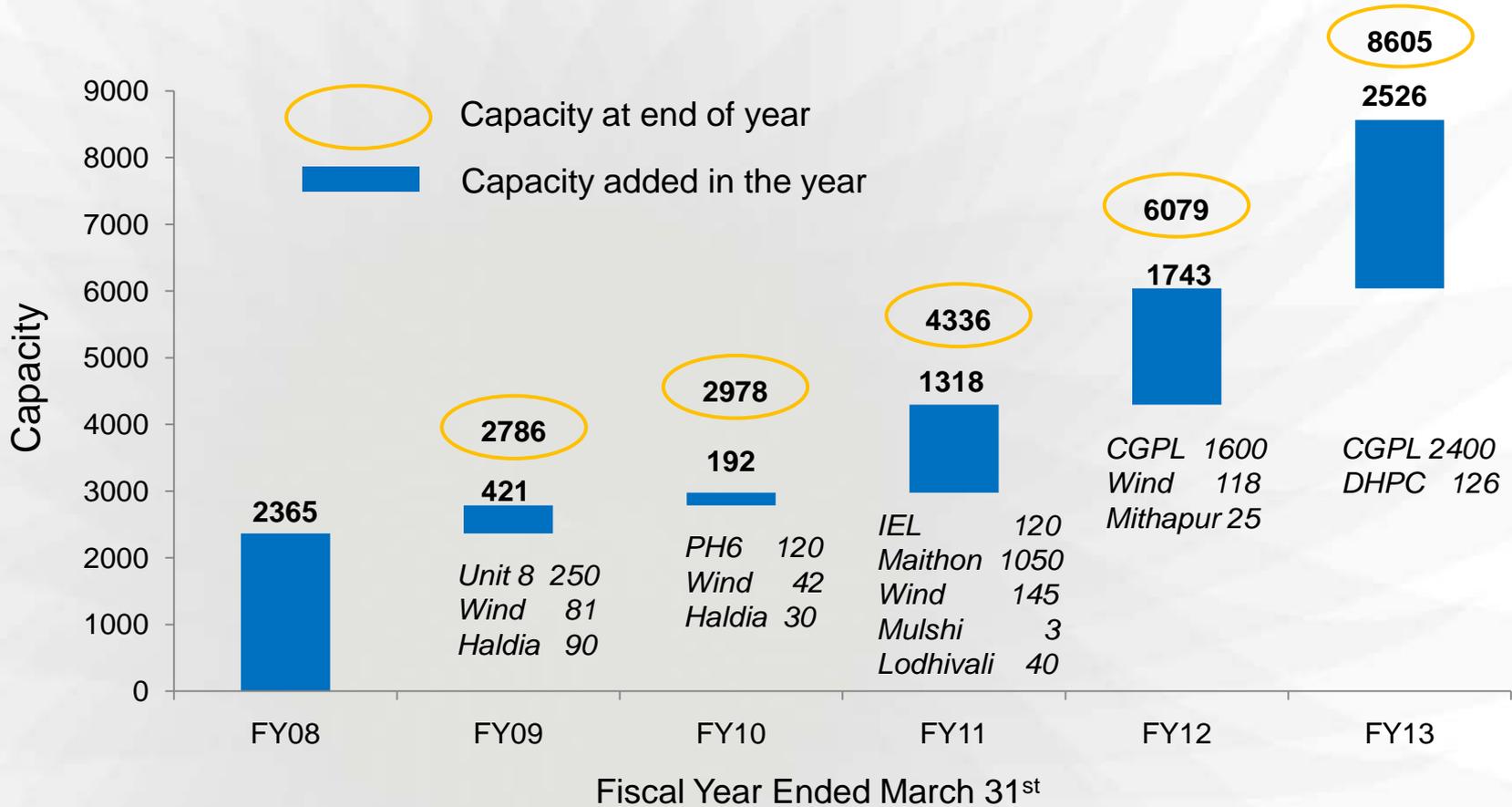


Projects Under Execution



★	Thermal	5210 MW
🌬️	Wind	242 MW
★	Solar	28 MW
★	Hydro	126 MW
●	Coal	13.5 MTPA

Generation Capacity (Tata Power Group)



Only includes Projects Under Construction



Capacity

- 4000 MW (5 X 800 MW)

Customers

- Gujarat (1805 MW), Maharashtra (760 MW), Punjab (475 MW), Haryana (380 MW), Rajasthan (380 MW)

Fuel Requirement & Source

- Imported Coal – 11-12 mtpa
- Offtake agreement with KPC and Arutmin for 10.11 ± 20%
- Looking for additional mines in Australia, Mozambique, S. Africa, Indonesia

Funding

- Project Cost: Rs 170 bn (D/E: 75:25)
- As of Q2FY11: Debt drawn – Rs.58.16 bn, Equity invested – Rs.29.37 bn

Completion

- Overall ~71% work completed
- Unit 1 CoD targeted by Sep, 2011; all units by 2012
- PPAs revised to reflect accelerated schedule

For details refer to Appendix

De-aerators for erection



CW pumphouse



Mundra
UMPP



Mundra UMPP: Payment Security Mechanism



- Letter of Credit (LC) for 1.1x of the average monthly bill for supply of electricity
- An escrow account into which all the payments are made (incl. 1.1 month's average bill amount)
- If the LC is drawn upon, the escrow account will be used to re-instate the LC; the SEB will not be able to withdraw from the escrow account till all Mundra dues are paid and LC restored
- In the event the SEB still has dues, the Mundra UMPP can stop supply to the SEB
 - Mundra UMPP has to offer this surplus generation capacity to the other PPA holders
 - If these PPA holders do not want the electricity, it may be sold as merchant power
- For the Escrow Mechanism:
 - New receivables will be distributed in the order in which the generation bids were awarded
 - Mundra is very high on the list in all States and ahead of all new projects / PPAs being signed
 - Therefore, all future proceeds will first have to be used to service Mundra bill before servicing subsequent project/ PPA bill payments
- Acute shortage and competitive tariff should ensure dispatch for Mundra generation



- Capacity**
 - 1050 MW (2 X 525 MW)
- Customers**
 - DVC (300 MW), NDPL (300 MW), WBSEB (150 MW), PSEB (300 MW)
 - Long term (30 yr) PPAs commence on CoD for DVC & 1st April 2012 for NDPL, WBSEB & PSEB. Power generated available for sale in open market in the interim
- Fuel Requirement & Source**
 - Domestic Coal; 100% linkage sanctioned
 - Fuel Supply Agreement (FSA) signed with Bharat Coking Coal for 1.659 mtpa
 - CCL has agreed to supply 1.975 mtpa for Unit 2
 - Off-take agreement signed with Tata Steel for 0.5 - 1 MTPA
- Funding**
 - Project Cost: Rs.48.34 bn; (D/E: 70:30)
 - Q2FY11: Debt drawn – Rs.19.88 bn, Equity – Rs.9.39 bn
- Expected Returns**
 - Regulated: 15.5% ROE + Performance Incentives
- Completion**
 - Overall ~92% work completed
 - Unit 1 by March 2011; Unit 2 - 4 months after Unit 1

For details refer to Appendix



Maithon



Captive Coal Blocks

Mandakini Coal Block

- 7.5 mtpa (jointly allotted with Jindal Photo Film and Monnet Ispat & Energy - each JV Partner having a share of 2.5 MTPA) at Dist. Angul, Orissa
- Mining plan approved by MoC
- NOC from Central Ground Water Board and Consent to proceed from State Pollution control Board received.
- Land acquisition for the coal block is expected by end 2011. 6(i) notification has already been issued for 8 villages. Rs. 420 mn demand notice received from IDCO for acquisition of private land
- Coal production expected to start from FY12 and rated capacity to be achieved by FY15*
- Project cost expected to be ~Rs. 6 bn

Tubed Coal Block

- 6 MTPA [Jointly allocated with Hindalco at Latehar, Jharkhand – Hindalco (60%) 3.6 MTPA & Tata Power (40%) 2.4 MTPA]
- Mining plan has been approved and submitted to the Govt. of Jharkhand
- Public hearing completed successfully. Land acquisition activities for the coal block are in early stages. 4(1) notification is under issue
- Start of Coal Production from FY13 and rated capacity to be achieved by FY18 *
- Project cost expected to be ~Rs. 5.6 bn

* Subject to timely land acquisition and clearances



Hydro Projects

Dagacchu 126 MW Hydro project

- 2 x 63 MW run of the river Hydro project with Tata Power holding 26% and Royal Govt. of Bhutan holding 74%
- Project cost-USD 200 million with debt equity of 60: 40; debt tied up with ADB and others
- PPA signed with Tata Power Trading
- Bhutan Power Transmission to provide transmission access to Bhutan border
- Construction of access road to the Tail Race Tunnel completed and 2 km tunneling completed
- Commissioning expected by 2013

JV with SN Power

- Exclusive partnership agreement with SN Power, Norway to develop joint hydropower projects in India and Nepal
- Aim to have 2000 MW under construction or in operation by 2015
- Currently exploring possibility to develop two hydro projects in HP of over 500 MW capacity
- Pursuing potential acquisition opportunities in Sikkim



Tata Power Solar Intent

- We expect to have 300 MW solar based capacity over the next 4-5 years.

Indian Solar Scenario
For details refer to Appendix

Mulshi

One of the largest grid-connected solar power plant in Maharashtra

- Capacity 3 MW
- Technology Crystalline silicon modules by Tata BP Solar
- Customer TPC-D – long term 25 yr PPA signed
- Timeline To be commissioned by FY11

Mithapur

One of the largest grid-connected solar power projects in India

- Capacity 25 MW
- Technology Crystalline silicon modules
- Customer Gujarat Urja Vikas Nigam Ltd – long term 25 yr PPA signed. Tariff Rs.15/unit for the first 12 yrs
- Timeline To be commissioned by December 2011

- We are also exploring rooftop solar opportunities within the Tata Group.

Carnac Corporate Centre Rooftop



Projects in Pipeline

Phase 1

Project	Fuel Source	Capacity (MW)	Status
Coastal Maharashtra (Dehrand)	Imported Coal	1600	Land Acquisition in progress
Naraj Marthapur IPP	Captive Coal - Mandakini	660	Land Acquisition in progress Environmental Clearance Granted, PPA to be signed
Tiruldih IPP / CPP	Captive Coal – Tubed + Coal from Tata Steel	1980	Land Acquisition in progress
Sorik Merapi	Geothermal	240	Exploration under planning

Phase 2

Project	Fuel Source	Capacity (MW)	Status
Maithon Phase II	Domestic Coal	1320	Under Planning
Mundra Phase II	Imported Coal	1600	Under Planning
Kalinganagar	Coal/ Production Gas	600	Under Planning
Tamakoshi	Hydro	800	Under Planning
Wind	Wind	200	Under Planning
Bhivpuri CCGT	Gas	400	Under Planning

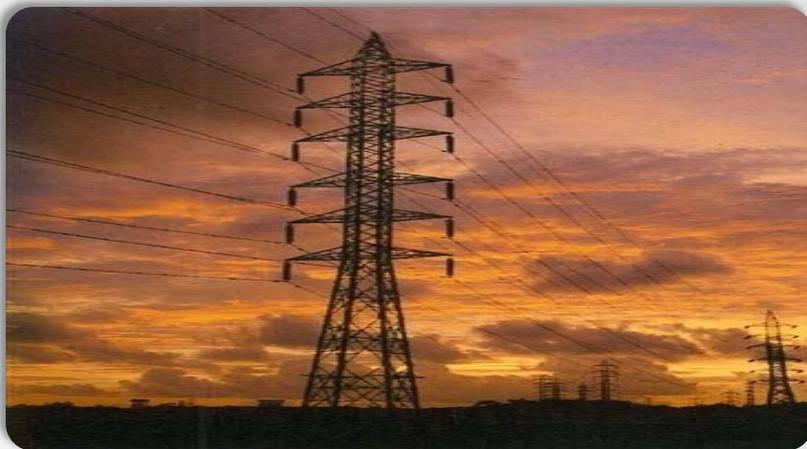


Part E: Transmission and Distribution



Transmission - Mumbai

- Tata Power (TPC-T) is among the 3 transmission licensees that bring power into Mumbai
- The TPC-T transmission network comprises of about 1100 CKm of 220kV/ 110 kV lines and 17 receiving stations that evacuate power from the Trombay and hydro generating stations
- Network upgrade and capacity expansion projects are being carried out to meet the load growth in Mumbai
- Currently, we have projects with capex of ~Rs. 21.3 bn that have been approved by the Regulator



Regulated Equity: Rs 5.3 bn (H1 FY 11)

RoE: 14%





Powerlinks Transmission Limited



- India's first private sector inter-state transmission project on a BOOT basis
- Implemented through a JV between Tata Power (51%) and Powergrid (49%)
- This is a part of the transmission system associated with the 1020 MW Tala hydro-electric Project in Bhutan, East-North inter-connector and Northern region transmission system
- The transmission line evacuates power from Bhutan to India and Powergrid offtakes the entire capacity
- POWERLINKS developed the 1166 km EHV Transmission Line at a cost of Rs.1560 Cr (approved cost Rs. 1612 Cr)

Capacity

- 1200 km 400 kV double-circuit transmission lines

Revenue

- Rs 1.45 bn

(H1 FY11)

Regulated Equity

- Rs 4.64 bn

ROE %

- 15.5%

Incentive Structure

- As a percent of equity on availability above Target of 98%

Dividend

- 18%

Incentives

PAT

(in Rs. Cr.)

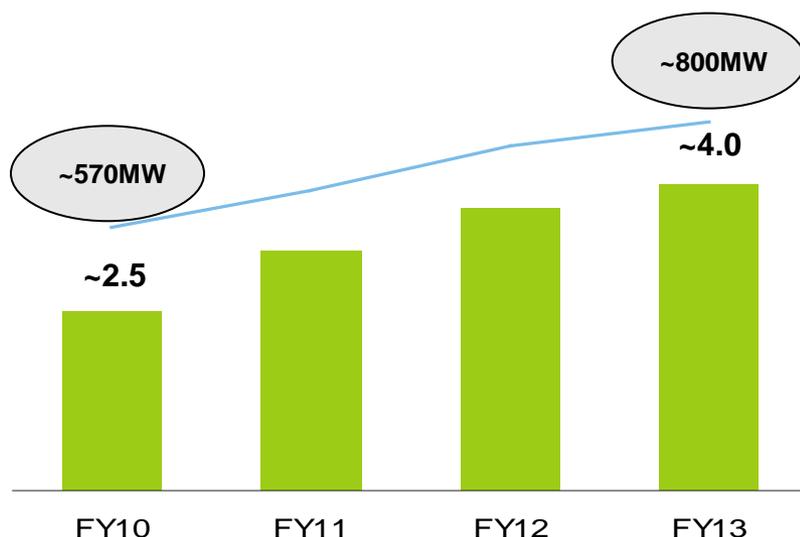


Mumbai Distribution

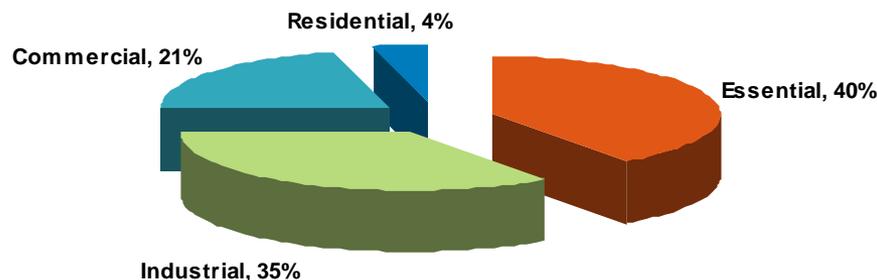


- Among 3 private distribution licensees viz. Tata Power, BEST and R-Infra in Mumbai
- After MERC allowed changeover of customers from R-Infra to Tata Power in Oct 2009, TPC-D has added over 75,000 changeover customers (as of Q3FY11) to build a base of over 100,000 retail customers
- The Regulator has introduced a 5 yr MYT from April 2011 with pre-agreed parameters to set annual tariffs

Energy (BU) and Demand (MW)



Customer Profile by Sales in MU



Top 10 customers (~40% capacity)

- | | |
|-------------------|------------------------|
| 1. Railway | 6. Mahindra & Mahindra |
| 2. RCF Ltd | 7. Godrej & Boyce |
| 3. HPCL | 8. Ordinance Factory |
| 4. BARC | 9. BMC Bhandup Complex |
| 5. Mumbai Airport | 10. Mumbai Port Trust |

Regulated Equity: Rs 1.96 bn (H1 FY 11)

RoE: 16%



- JV between Tata Power and Govt. of Delhi
- Among three private licensees to distribute power in North and North West Delhi
- Consistently overachieved AT&C targets
- The only dividend paying utility in Delhi
- Tariff revision pending with the Regulator (last tariff order in March 2009)

Customer Base ▪ >1 million customers with ~7000 MUs of consumption

Revenue (FY10) ▪ Rs 32.77 bn

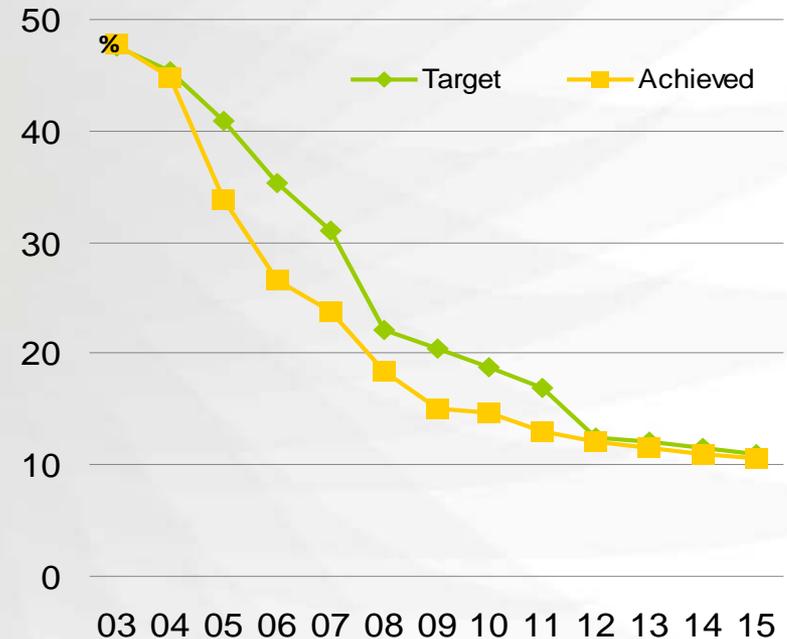
Regulated Equity ▪ Rs 7.20 bn

ROE % ▪ 16% on capitalized asset base

Incentive Structure

- Upto 15% of AT&C losses: retain 50% of additional revenue
- Further, retain total revenue

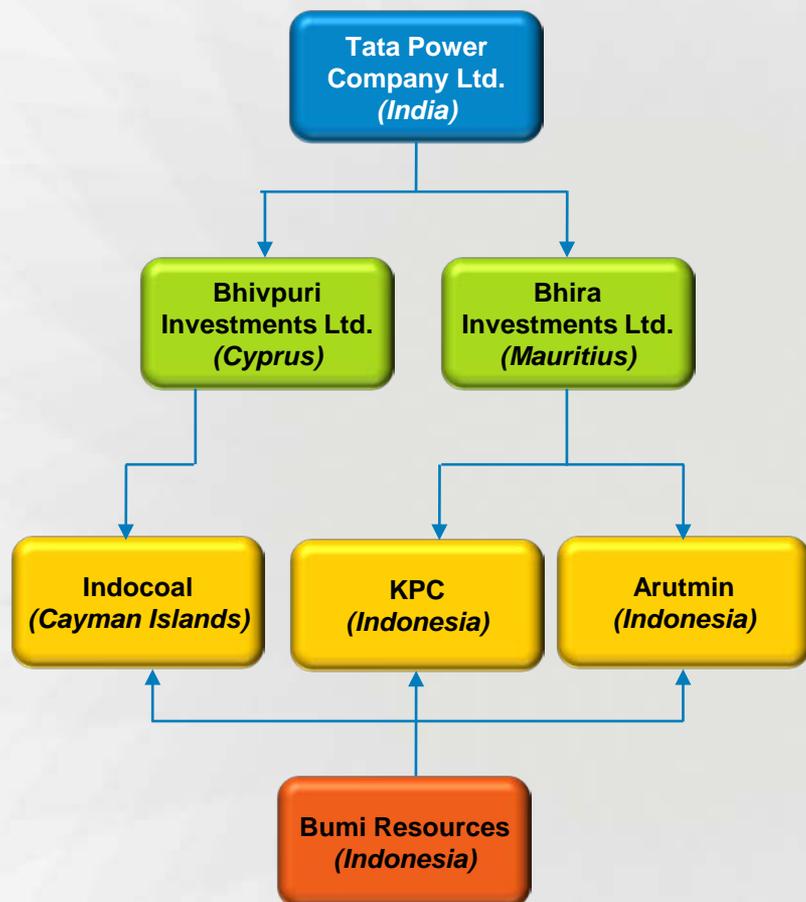
AT&C Losses (%) by Financial Year



Part F: Other Businesses



Structure



Control Considerations

Entitled to proportionate (30%) cash surplus of coal operating companies

- 2 out of 5 on the Board of Commissioners and the Board of Directors with affirmative rights on key issues such as
 - Budgets
 - Capex
 - Major contracts
 - Appointments
- Representation on Management Committee -- looks after day-to-day affairs
- CFOs at KPC & Arutmin nominated by Tata Power
- Overall rights well protected under Shareholders' Agreement



Indonesian Coal Mines

Operating Performance	CY '09	CY '08
Quantity mined (MT)	~63	~53
Average Selling Price (FOB USD/ton)	~62	~73
EBITDA from Operations (USD mn)	815	1131

Source – Bumi Resources

- Production capacity planned to reach 75-80 MTPA by CY 2012
- Further capacity expansion to 100 MTPA planned
- Total planned capex ~USD 1.1 bn through leasing and infrastructure companies

Debt Repayment Schedule (as of February '10)

Loan	Loan Amount (USD mn)	Amount O/S (USD mn)	Interest Rate	Maturity	Repayment Details
Non- Recourse	590	282	1M LIBOR + 3.25%	May 2014	Bullet of USD 150 million
Recourse	270	270	6M LIBOR + 0.9%	April 2014, 2015	Two equal installments at end of 6 th year and 7 th year
Short Term Recourse	70	70	6M LIBOR + 2.2%	July 2013	Bullet



Shipping Subsidiaries

- Trust Energy Resources Pte Ltd incorporated in Singapore for owning ships to meet shipping requirements and trading in fuels, Energy Eastern Pte Ltd incorporated for chartering of ships
- Shipping requirement for Mundra - 6 vessels going up to 8 vessels by FY13
- To be met through a combination of long term charters and out right purchases of Capesize vessels – 3 LT charters signed, 1 under final stages of negotiation and 2 Korean build vessels purchased for delivery in 2011



Strategic Electronics Division (SED)

- Originated as an internal R & D unit for power electronics.
- Revenues of Rs.1.23 bn (Mar 10) against Rs.1.01 bn during the previous year.
- First batch of Pinaka Launchers was successfully subjected to Factory Acceptance Tests (FAT) by the Ministry of Defence.
- SED completed the delivery of Air Defence Systems based on commercial of-the-shelf technology to all 16 designated sites, with installation & commissioning completed at 13 sites.
- Defence spend over Rs. 400 bn, 40% indigenous. Expected growth ~ 15%.
- SED is fast emerging as a Prime Contractor to MoD for Indigenous Defence Products.
- SED part-completed Phase I of its factory upgrade with state-of-the-art facilities covering Assembly, Testing and System Integration, Protoshop, Clean Rooms, etc. and is currently working towards setting up of an advanced EMI - EMC Test facility and an upgraded training infrastructure.

No manufacture of ammunition or explosives of any kind, including cluster bombs and anti personnel mines





Tata BP Solar



- 51:49 JV between BP Solar and Tata Power to manufacture multi-crystalline cells and modules
- Market leader in Solar Photovoltaic technology in India with a turnover of Rs 9.76 bn in FY10
- The turnover of the Co. in India and SAARC region is about Rs. 2.78 bn. With exports to BP Solar accounting for about Rs. 6.98 bn
- The initial focus was on exports to Europe and USA. With the Indian market opening up, increased focus will be on the Indian market
- Plant with Solar cell manufacturing Facility with installed capacity of 84 MW and Module Manufacturing Facility with installed capacity of 125 MW as of March '10



Part G: Financials



Funding Requirement (FY11-FY13)

Own Funds (Rs.47 Billion)

- FCCB proceeds (as on Mar 31, '10):
\$ 250 mn (equivalent to Rs. 12 bn)
- Balance from Internal accruals: Rs.35 bn

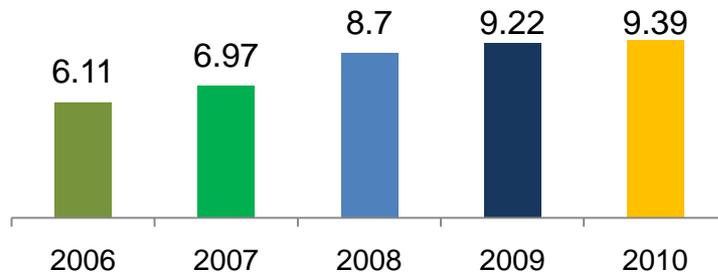
Debt (Rs.132 Billion)

- Domestic loans through domestic financial institutions, banks and capital markets
- Foreign loans through External Credit Agencies and Multilateral Agencies
- Rs. 95 bn (incl. Rs. 3 bn for Mumbai) to be drawn from funds already arranged
- Balance Rs. 37 bn constitutes the following:
 - Rs 14 bn for Ships negotiated, Rs 6.3 bn raised and partially drawn upon
 - Rs. 23 bn required for Mumbai Operations. Of this, Rs. 5 bn needed in FY11 is under final discussions with lenders. The remaining requirements to be arranged annually



Tata Power – Financials (Standalone)

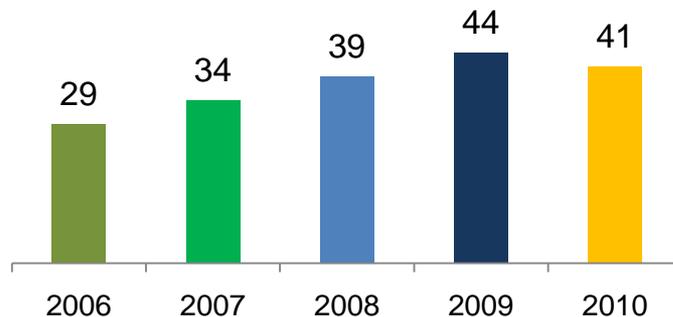
Profit After Tax (In Billion Rs.)



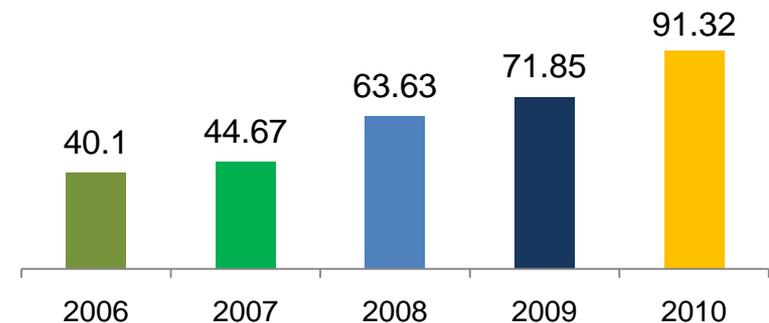
Standalone Numbers (YTD Q3FY11)

Debt: Rs. 65.6 bn
 Equity: Rs. 112.9 bn
 Cash: Rs. 8.5 bn
 D/E: 0.58

EPS (in Rs.)

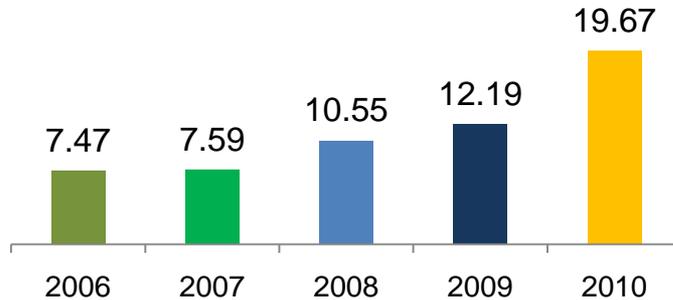


Net Worth (In Billion Rs.)



Tata Power – Financials (Consolidated)

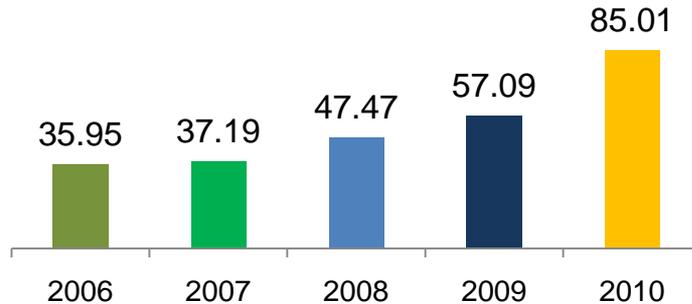
Profit After Tax (In Billion Rs.)



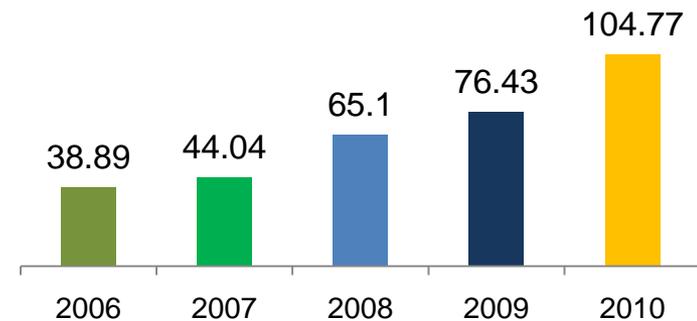
Consolidated Numbers (YTD Q3FY11)

Debt: Rs. 231.3 bn
 Equity: Rs. 137.1 bn
 Cash: Rs. 22.9 bn
 D/E: 1.7
 Net D/E: 1.5

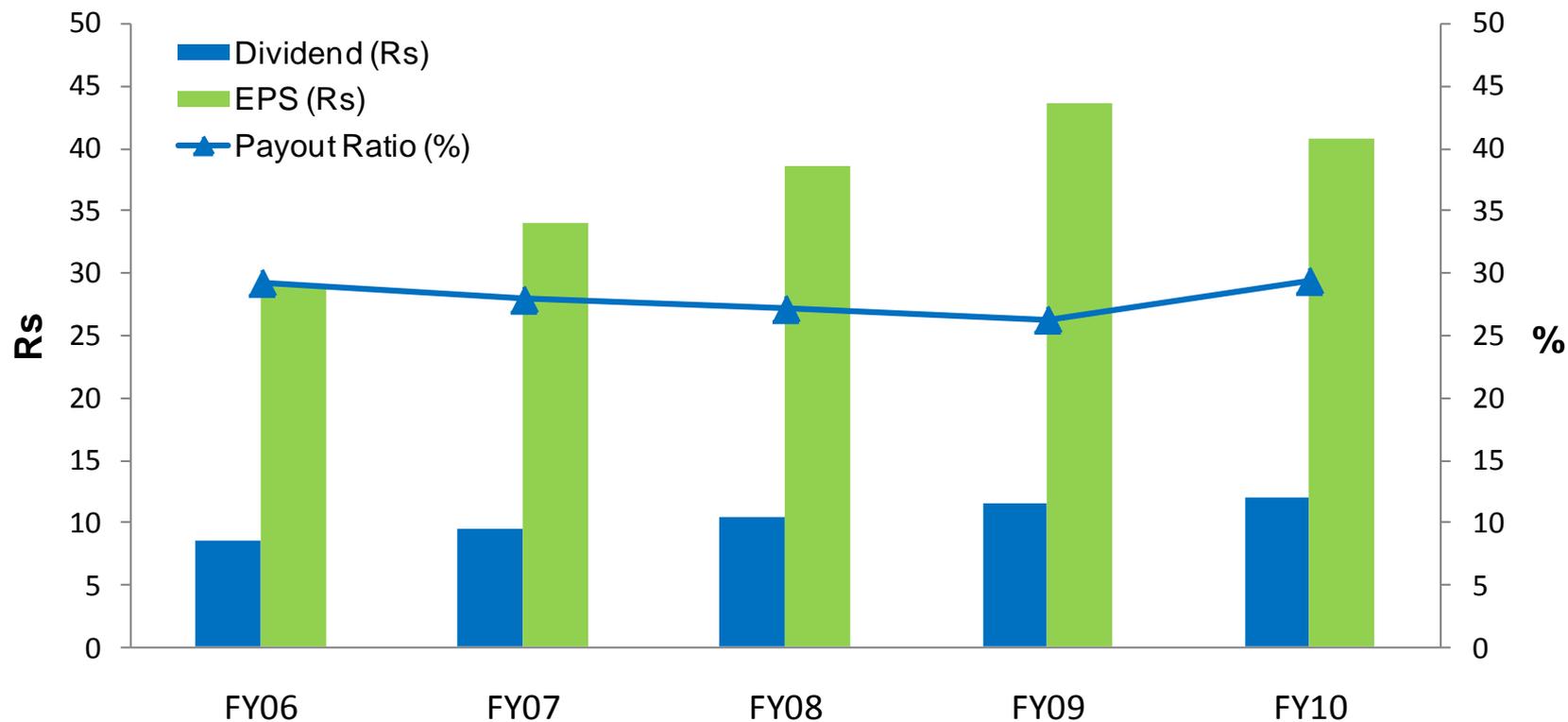
EPS (in Rs.)



Net Worth (In Billion Rs.)



Dividend History



Thank you

We take pride in Lighting up Lives!

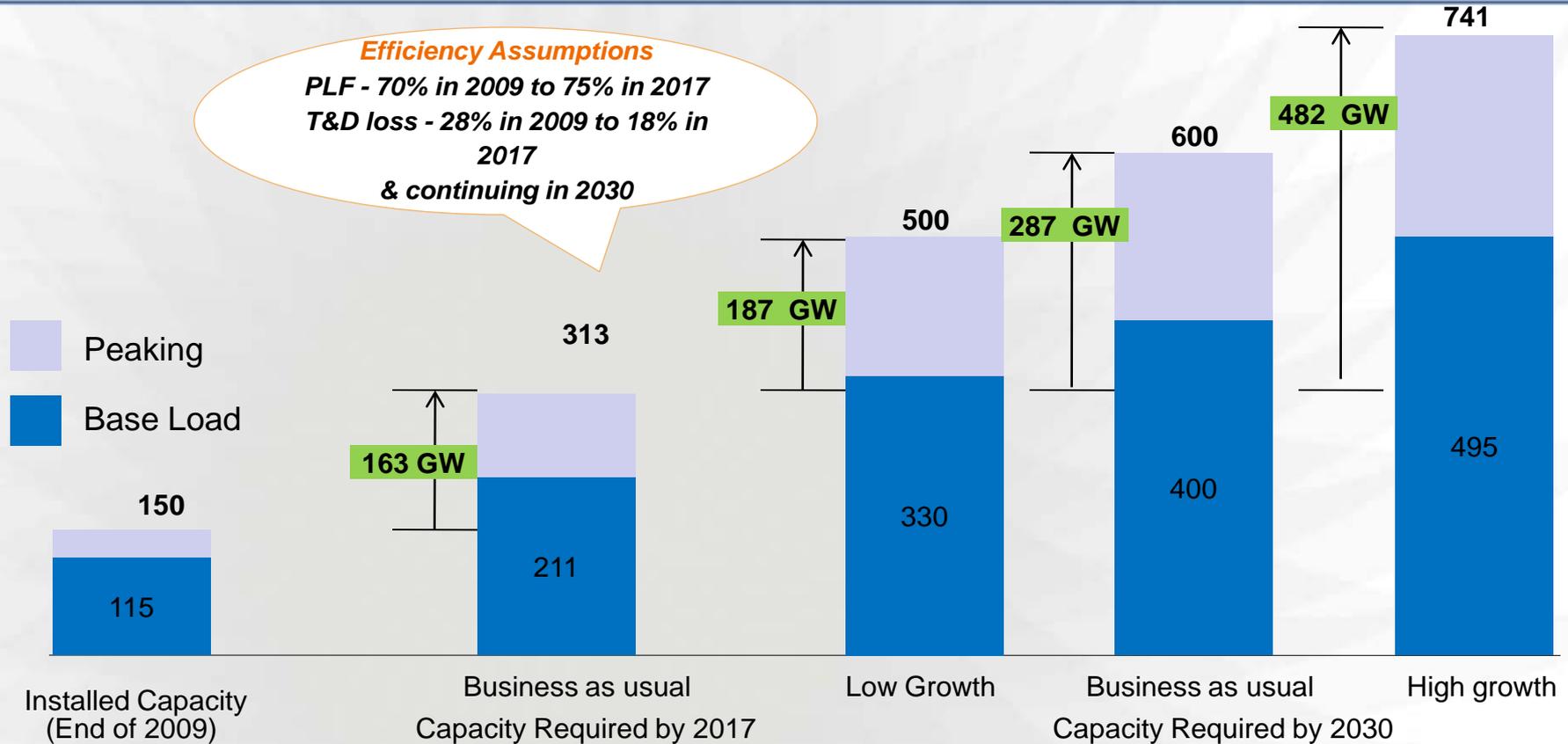




Appendix



India – Capacity Requirement



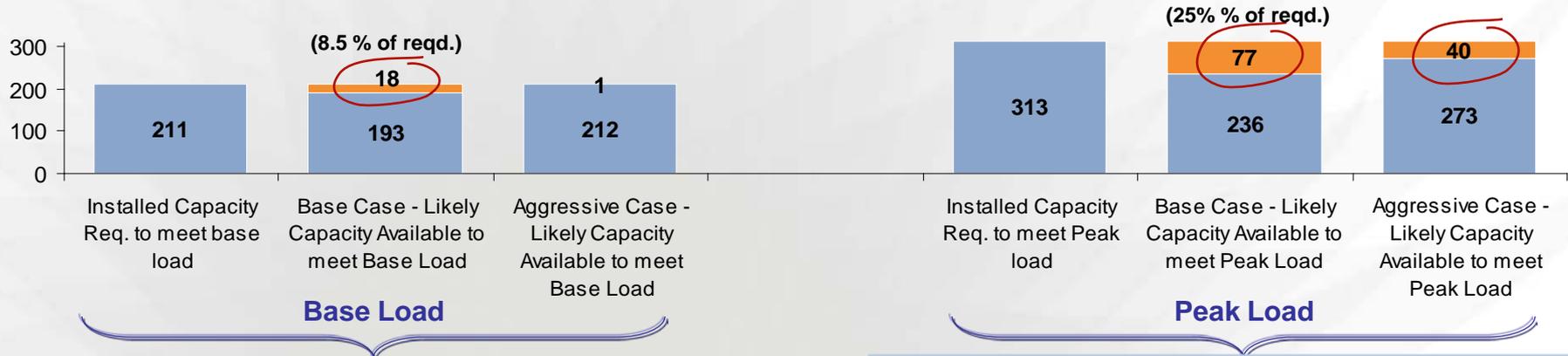
1. Even if India is likely to “eliminate” base load shortages by 2017, far more capacity addition is needed thereafter. (4 to 10 times of current rate of capacity addition !)
2. Peaking will remain in short supply for a long time.
3. The constraints of domestic coal availability , water availability , adequate transmission networks , acquisition of land etc would be necessary to overcome to effectively meet this demand.



As per current plans an aggressive capacity augmentation peak load deficit will still continue with possibly a small base load surplus with an average growth of 7%



Installed Capacity Requirement to meet Base Load and Peak Load Requirement 2017 (GW)



Conservative Capacity Augmentation Scenario: Assumptions

- **XI Plan Addition:** ~ 52 GW (of 78 GW planned) based on the individual status of the projects
- **XII Plan Addition:** Projects announced for the benefit of XII Plan on which there is visibility (~30% of the announced 150 GW = ~ 43 GW). This includes only 10 GW of Hydro
- The shortfall due to unavailability of Coal based on CIL plans is expected to be 7 GW (part of 18GW above).

Aggressive Capacity Augmentation Scenario: Assumptions

- **XI Plan Addition:** ~ 52 GW (of 78 GW planned) based on the individual status of the projects
 - **XII Plan Addition:** 50% of the Projects announced for the benefit of XII Plan (50% of the announced 150 GW = 75 GW)
 - This includes 100% of the Hydro Projects (24 GW)
- Peak Load Deficit may persist even if 100% of the announced hydro capacity (24 GW) comes into the market

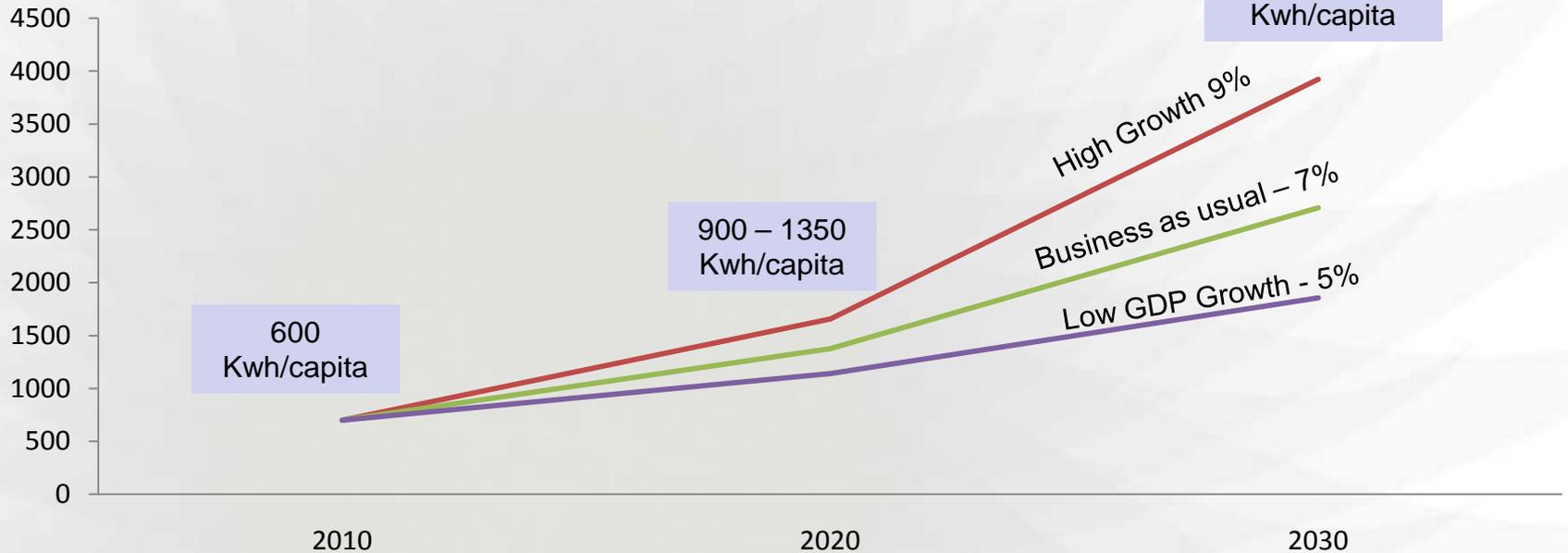
However, in order to support the high growth scenario, base load capacities need to come up by 2017 and beyond



Electricity Consumption



Electricity Consumption in Bn Kwh



Assumptions: Population grows by CAGR of 1.5%

1. High growth would also result in a high growth in per capita electricity consumption to about 5 times the current consumption
2. For India to eradicate poverty, a high growth path is necessary. If 4500-5000 Kwh consumption is considered reasonable, growth would continue beyond 2030.



Key Challenges Remain

Land Acquisition

- Land acquisition will remain a key challenge to overcome
- Land acquisition is viewed as a way to benefit the community
- Our principles of engagement also help avoid / minimize the challenge of using
 - Agricultural land
 - Land for dwelling
 - Forest land
 - Land with tribal population

Statutory Clearances

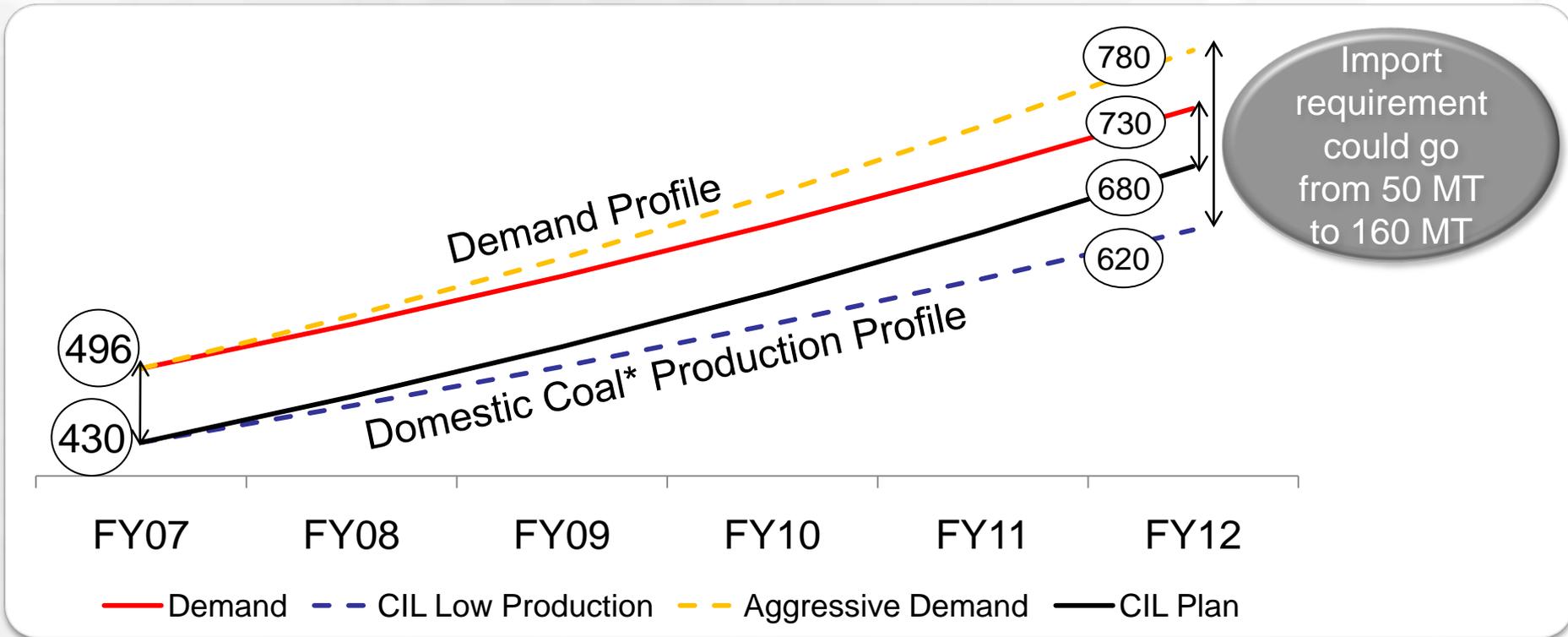
- Working closely with the authorities to reduce 'surprises'
- Focused efforts with continuous follow-up

Fuel Security

- Preference for control on fuel assets
- We are actively looking for mines in Australia, S. Africa and S.E. Asia



Domestic Coal Requirement



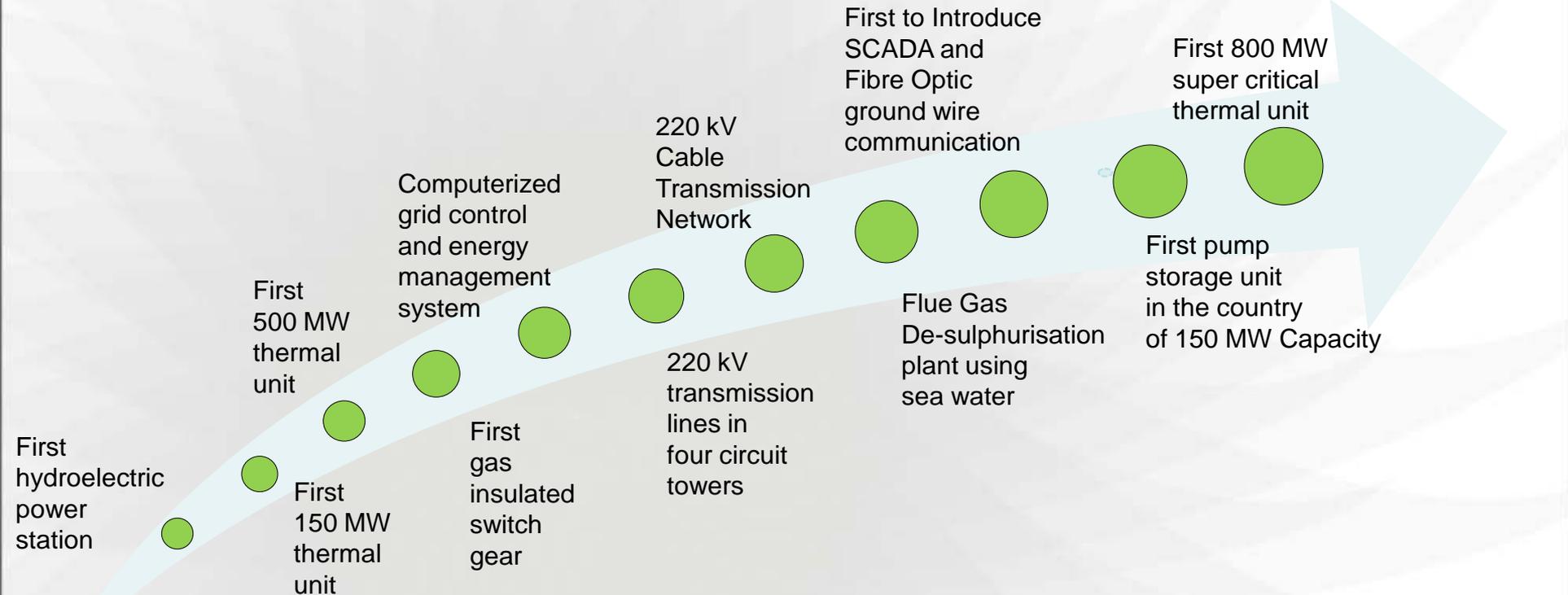
- Difficulties of access to captive coal blocks remain a concern
- Wide range of coal import need can impact both imported coal availability and pricing

Source: CIL, Industry Reports

* Including CIL, SCCL and Other mines



Tata Power - Pioneer in Indian Power Sector



Tata Power Company Limited is India's largest private sector electricity generating company with an installed generation capacity of about 3000 MW



Non-PPA Capacity - Mumbai

- Starting April 1, 2010 we expected to have 358 MW (excl. 42 MW from Unit 4) to be released from any PPA/ allocations
- We expected ~160 MW of this to be used for our new retail customers in FY11 since we are adding ~500 customers daily and we expect this demand to increase to ~360 MW by FY13
- However, the Govt. of Maharashtra intervened in the matter and advised us to continue supplying this 358 MW to Rinfra at regulated rates till June 30, 2010 and 200 MW after that till March 31, 2011. They expected us to adhere to their request.
- We currently supply 100 MW to BEST, 160 MW for Tata Power Distribution and rest to RInfra
- We challenged the Government's memorandum in the Bombay High Court and the Honorable Court held that the memorandum dated 7th May 2010 issued by the Govt. of Maharashtra is ultra vires the Electricity Act, 2003 and has been set aside

[Back](#)



Mundra – Site Photographs



Plant view from Skimmer Bay



Mundra – Site Photographs

View from chimney top – Sea water Intake channel



Mundra – Site Photographs



Mundra – Site Photographs

Stacker Cum Reclaimer work in ICHS area



Mundra – Site Photographs

Sheeting work on coal conveyor



Progress Update

External Linkages

- New Coal Jetty (MPSEZL): 1st vessel berthed in December 2010 at West Port Jetty
- Power Evacuation Lines (Powergrid): Work in progress for 400 KV transmission lines of Mundra-Vadavi, Mundra-Jetpur, Mundra-Limbdi, and Gandhar-Navsari

Unit #1

- TG put in turning gear operation in Feb, 2011
- Feed water hydro-test completed for HP piping
- Cooling water outfall channel and cooling water system erection is in progress
- Structural fabrication (95%) & erection (85%) complete for external coal handling system
- Internal coal handling and ash handling system, LP piping work progressing well
- Equipment testing for 400 KV switchyard in progress; stringing for Unit #1 complete. Evacuation for Unit#1 to be completed by March 2011
- Duct air leak test completed

Unit #2

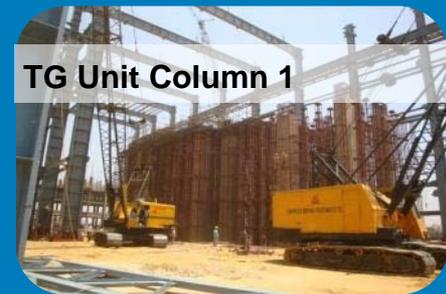
- Flue gas ducting across boiler erection and FD fan alignment completed
- Turbine box-up completed and lube oil piping is in progress

Units #3, #4 and #5 are progressing as per schedule

[Back](#)



Mundra UMPP



TG Unit Column 1



Switch Yard Control Bldg



Maithon – Site Photographs



BTG Area



Maithon – Site Photographs



Unit 1 TG Floor



Progress Update

External Linkages

- Railway siding to undergo some modification due to Delhi-Kolkata rail corridor being planned. Would require additional capex of ~Rs. 3.80 bn due to land acquisition and railwork. Phase I to be completed by December 2011
- Plan to transport coal from BCCL mines by road (a distance of 15 km)
- Connection agreement signed with PGCIL. 400 kV Maithon – Maithon lines from switchyard ready and back charging done.

Unit #1

- Boiler light-up completed
- HP turbine 1 erection and the 400 kV switchyard back charging completed
- Alignment of Generator with LP turbine rotor completed
- Structural work completed for CW Forebay, pipeline and pump house

Unit #2

- Erection of main steam, reheater pipe from boiler completed
- Burner of all four corners fitted in burner panel

[Back](#)



Maithon



The Indian Solar Scenario

NATIONAL SOLAR MISSION (CENTRAL LEVEL)

TARGET Grid-parity for solar power by 2022, and coal-based parity by 2030

ROADMAP

Installed Capacity (in MW)	Phase I 2009 - 2013	Phase II 2013 - 2017	Phase III 2017 - 2022
Grid-connected	1000 - 2000	4000 – 10,000	20,000
Off-grid	200	1000	2000

POLICY HIGHLIGHTS

- NTPC Vidyut Vyapar Nigam Ltd (NVVN) as nodal agency to enter into 25 year PPAs with developers for plants set up before March '13 and grid connected at 33 kV or above
- Feed-in tariff per CERC guidelines: Solar PV – **Rs. 17.91 per kwh**, Solar Thermal – **Rs. 15.31 per kwh**
- Solar power purchase obligation may start with 0.25% in Phase 1 (till 2013) and go upto 3% (by 2022)

SOLAR POLICIES (STATE LEVEL)

- State level policies to be based broadly in line with NSM objectives / CERC guidelines
- Accordingly, Gujarat and Maharashtra have adopted Solar based RPO for respective Discoms
- MERC has already notified Solar based RPO of 0.25% (FY11) going up to 0.50% (FY14)
- Individual SERCs to fix applicable tariffs in respective States

[Back](#)



Standalone – Q3 FY11



Rupee in Billions	Q3 FY11	Q3 FY10	YTD Q3FY11	YTD Q3FY10
Operating Income	16.52	15.66	51.56	53.03
Operating Expenditure	(13.06)	(11.99)	(39.90)	(38.78)
Operating Profit	3.46	3.67	11.66	14.25
Interest	(1.09)	(0.93)	(2.97)	(3.12)
Financial Charges	(0.14)	(0.03)	(0.32)	(0.12)
Depreciation	(1.29)	(1.21)	(3.88)	(3.51)
Other Income	0.85	0.45	4.06	2.28
Profit Before Tax	1.79	1.96	8.55	9.79
Provision for Taxes	(0.26)	(0.48)	(1.81)	(2.71)
Profit After Tax	1.53	1.48	6.74	7.08
Statutory Appropriations	0.01	(0.06)	(0.08)	0.13
Profit After Statutory Appropriations	1.54	1.42	6.66	7.21



Consolidated – Q3 FY11

Rupee in Billions	Q3 FY11	Q3 FY10	YTD Q3FY11	YTD Q3FY10
Operating Income	44.41	45.16	144.35	141.22
Operating Expenditure	(33.71)	(39.64)	(110.62)	(114.06)
Operating Profit	10.70	5.52	33.73	27.16
Interest	(2.11)	(1.86)	(5.91)	(5.79)
Financial Charges	(0.16)	(0.05)	(0.43)	(0.14)
Depreciation / Impairment	(2.49)	(2.21)	(7.31)	(6.46)
Other Income	0.78	0.39	3.05	1.86
Profit Before Tax	6.73	1.79	23.14	16.63
Provision for Taxes	(2.09)	(0.27)	(7.63)	(5.50)
Profit Before Minority Interest	4.64	1.53	15.51	11.14
Profit After Minority Interest	4.42	0.99	14.35	10.20
Profit After Statutory Appropriations	4.43	0.93	14.27	10.33

