

Agility Care
 Integrity
Excellence Collaboration
Trust Respect



The Tata Power Company Ltd. October 2016



Disclaimer

This document does not constitute or form part of and should not be construed as a prospectus, offering circular or offering memorandum or an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into investment activity. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not financial, legal, tax or other product advice.

This presentation should not be considered as a recommendation to any investor to subscribe for, or purchase, any securities of the Company and should not be used as a basis for any investment decision. This document has been prepared by the Company based on information available to them for use at a presentation by the Company for selected recipients for information purposes only and does not constitute a recommendation regarding any securities of the Company. The information contained herein has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the document. Furthermore, no person is authorized to give any information or make any representation, which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. This document is highly confidential and is given solely for your information and for your use and may not be retained by you nor may this document, or any portion thereof, be shared, copied, reproduced or redistributed to any other person in any manner. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any person in possession of this presentation should inform themselves about and observe any such restrictions. By accessing this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.

The statements contained in this document speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

This document has not been and will not be reviewed or approved by a regulatory authority in India or by any stock exchange in India. This presentation is meant to be received only by the named recipient only to whom it has been addressed. This document and its contents should not be forwarded, delivered or transmitted in any manner to any person other than its intended recipient and should not be reproduced in any manner whatsoever.

This presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration, or an exemption from registration, under the U.S. Securities Act of 1933, as amended. Any public offering in the United States may be made only by means of an offering circular that may be obtained from the Company and that will contain detailed information about the Company and management, as well as financial statements.

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company's business, its competitive environment, information, technology and political, economic, legal and social conditions in India. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. In addition to statements which are forward looking by reason of context, the words 'anticipates', 'believes', 'estimates', 'may', 'expects', 'plans', 'intends', 'predicts', or 'continue' and similar expressions identify forward looking statements.

- Tata Sons is the principal shareholder of the Tata Group
- 66% of Tata Sons owned by Charitable Trusts
- Approx. 6,40,000 employees
- Group Revenue US\$ 103 billion and Market capitalization of around US\$123 billion
- Presence across 150 countries

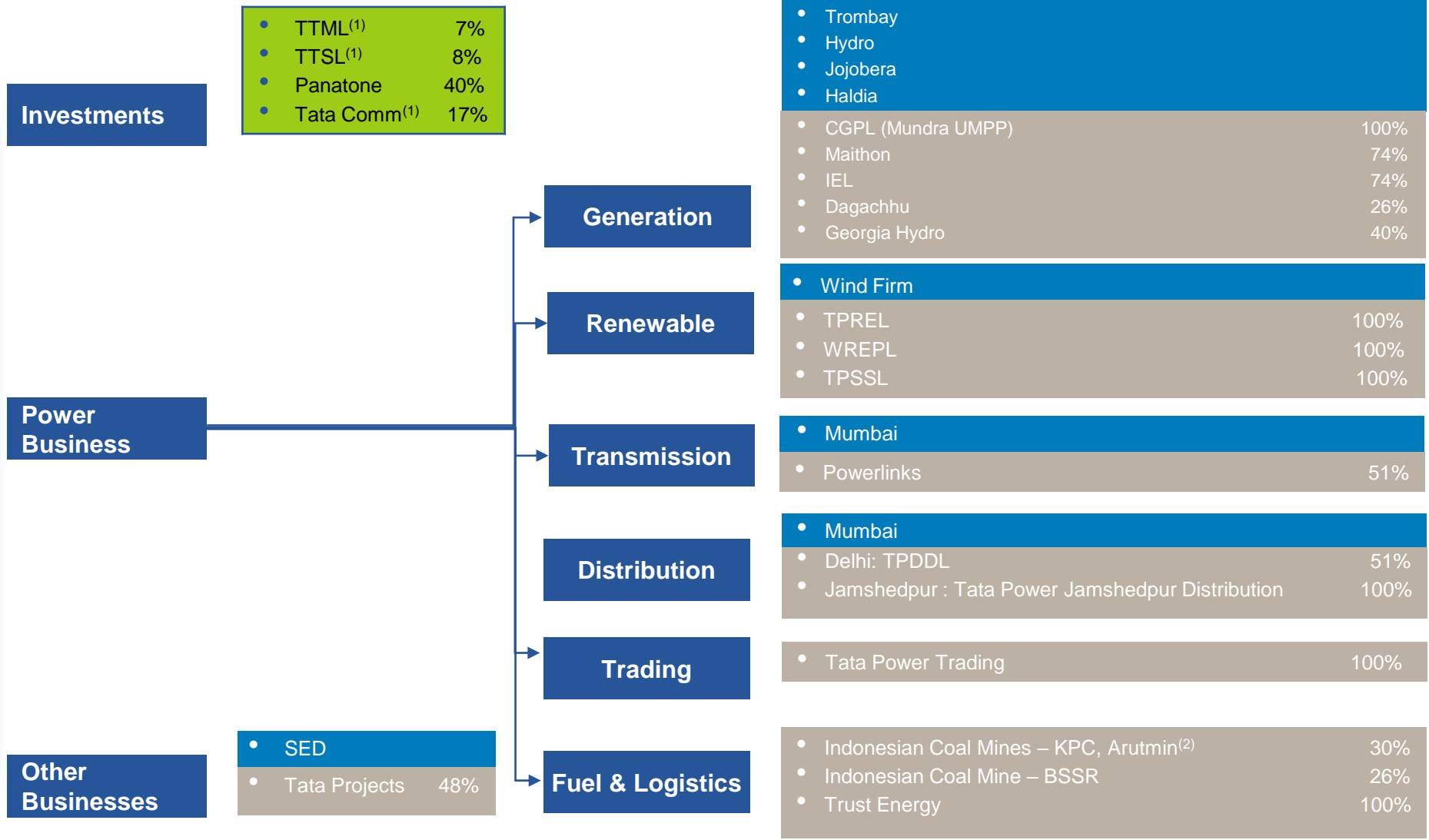
Listed Companies	Mkt Cap (\$ bn) ²	Promoter Shareholding (%) ¹
Tata Consultancy Services	75.67	73.4
Tata Motors	23.88	33.0
Tata Steel	5.51	31.4
Titan	5.36	53.1
Tata Power	3.09	33.0
Tata Communications	2.14	75.0
Tata Chemicals	2.11	31.0
Tata Global Beverages	1.32	35.7
Indian Hotels	1.93	38.9
Voltas	1.92	30.3
Trent	0.97	32.6
Rallis	0.67	50.1

Notes:

1 As of June 30, 2016: Source NSE

2 Conversion rate of 1US\$ = INR 67

Tata Power Company – Truly Diversified...

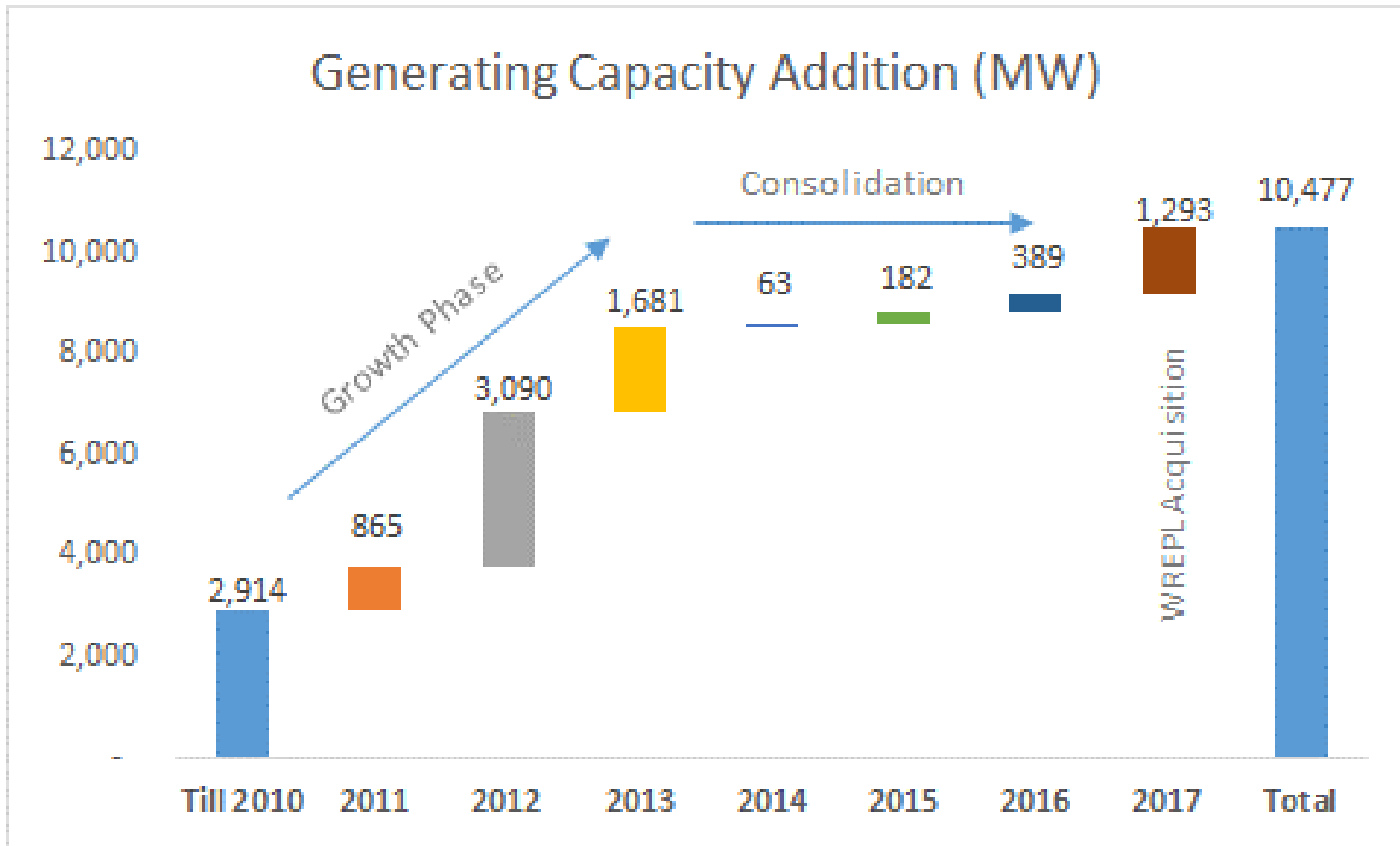


Notes:
 (1) TTML: Tata Teleservices (Maharashtra) Ltd, TTSL: Tata Teleservices, Tata Comm: Tata Communications Ltd
 (2) On January 30, 2014, Tata Power signed an agreement for the sale of its 30% interest in Arutmin and associated companies subject to certain closing adjustments, certain conditions and restructuring

Division
 Other SPVs
 Investment
 % stakes

Well Calibrated Growth Strategy...

(In MW)



Notes: (1) Figures have been rounded off

Pan-Indian portfolio with global presence....

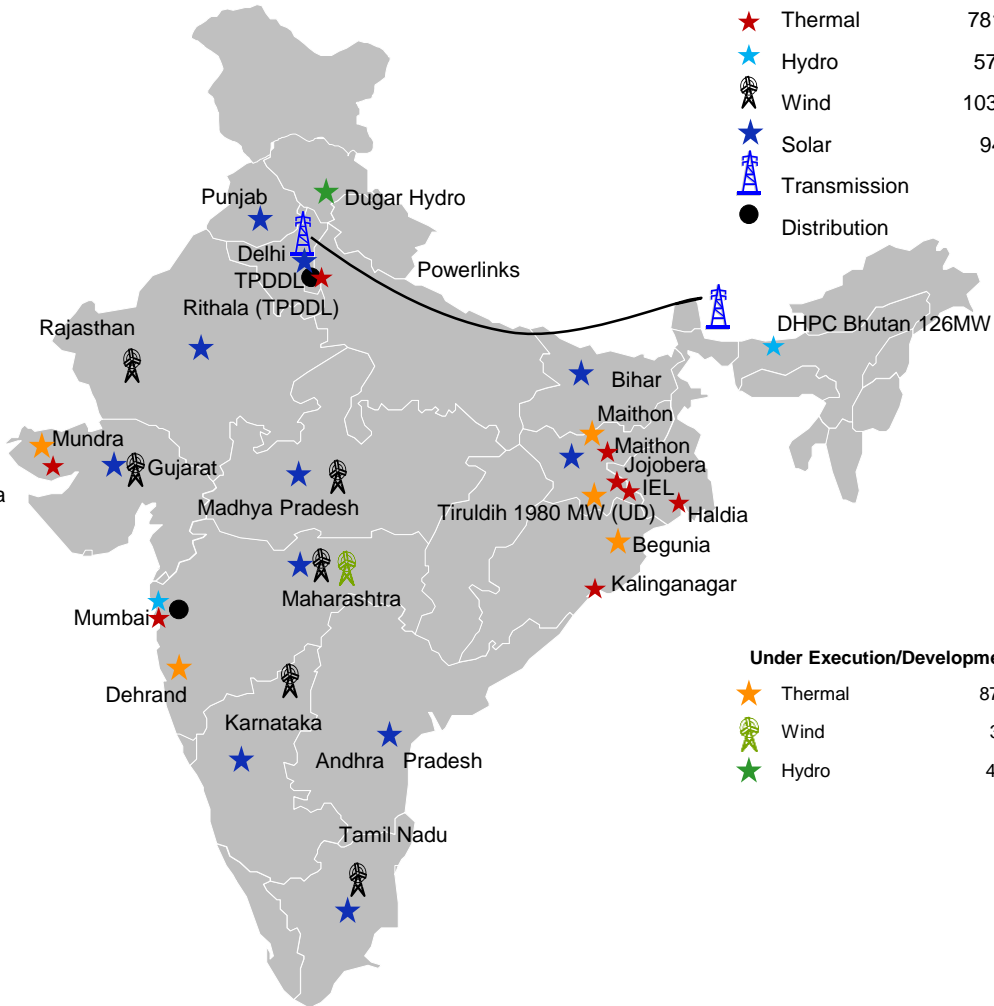
India & neighboring countries

Operational:

★ Thermal	7810 MW
★ Hydro	573 MW
🌬 Wind	1032 MW
★ Solar	942 MW
📡 Transmission	
● Distribution	

Under Execution/Development:

★ Thermal	8712 MW
🌬 Wind	377 MW
★ Hydro	449 MW



International presence



SOUTH AFRICA

- 229 MW Wind Power Projects (Operational)
- 50:50 JV with Exxaro Resources



GEORGIA

Development of three hydro projects in 2 phases of 185 MW and 115 MW

Under Execution/Development:
Hydro 400 MW



ZAMBIA

- 120 MW Itezhi Tezhi Hydro Power Project (Operational)
- 50:50 JV with ZESCO



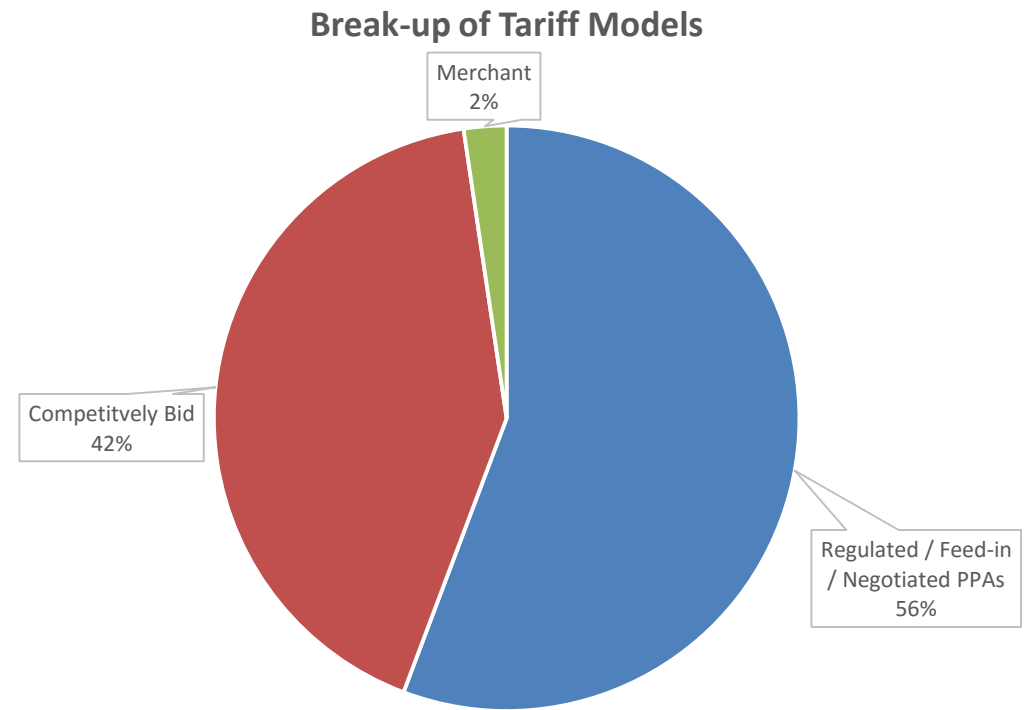
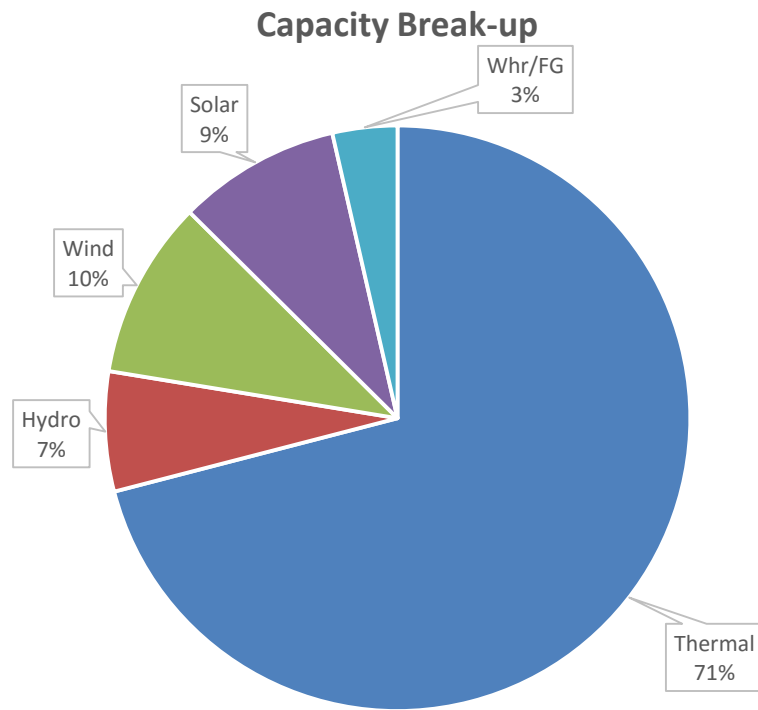
INDONESIA

- 30% stake in coal mines – KPC
- 26% stake in PT Baramulti Sukses Sarana Tbk

Total Gross capacity of 10,477 MW

Notes:
 (1) Mumbai includes the power plants in Trombay, Bhira, Bhivpuri, Khopoli and certain Wind projects
 (2) Projects under execution / development: UE – under execution; UD – under development
 (3) Some projects under execution/development are overseas

...High Quality Risk Management in a tough Market



Non-Fossil fuel capacity nearly 30%

Almost entire capacity on Long-term PPAs with majority on Regulated / Pass-through PPAs

Diversified across fuel and tariff models

... with presence across the Value Chain

TRANSMISSION

Transmission – Mumbai

- Tata Power is amongst the 3 transmission licensees that bring power into Mumbai
- 1,100 CKm of 220KV / 110KV lines and 20 receiving stations
- Network upgrade and capacity expansion projects are being carried out to meet the load growth in Mumbai

Powerlinks Transmissions Limited

- JV between Tata Power (51%) and Power Grid Corporation of India Ltd. (49%)
- India's first private sector inter-state transmission project, on a Build Operate Own and Transfer (BOOT) basis
- Formed to distribute power from the Tala Hydro project in Bhutan and north eastern and eastern states to New Delhi and adjoining areas
- Consists of 1,166 Kms of 400 KV double circuit EMV transmission line

DISTRIBUTION

Distribution – Mumbai

- Customer base of over 5 lakh retail customers

Tata Power Jamshedpur Distribution Limited

- Distribution franchisee of JSEB in Jamshedpur

Tata Power Delhi Distribution Limited

- Subsidiary of Tata Power (51%) with the remaining 49% held by Government of Delhi
- License to distribute power to north and north-west Delhi
- Amongst the 3 private licensees in Delhi
- Over 13 lakh customers

Other Key Businesses

Tata Power Trading

- 100% subsidiary, holds a trading license for a period of 25 years starting from 2004
- Holds a Category I trading license, which permits it to trade any amount of power

Shipping Subsidiaries

- Trust Energy Resources Pte Ltd incorporated in Singapore for owning bulk carriers to meet shipping requirements and trading in fuel, Energy Eastern Pte Ltd incorporated for chartering of ships
- To be met through a combination of long term charters and out right purchases of cape size vessels – 3 long term charters signed and 2 cape size ships purchased

Tata Power Solar Systems Ltd.

- Solar Cell Manufacturing Facility at Bengaluru, Karnataka
- Has four main business lines:
 - manufacturing and sale of solar photovoltaic cells and modules
 - providing engineering, procurement and construction/commissioning
 - services as well as operations and management services to solar project developers, developing and selling solar photovoltaic products in rural markets
 - developing and selling solar thermal (water heating) products in urban markets

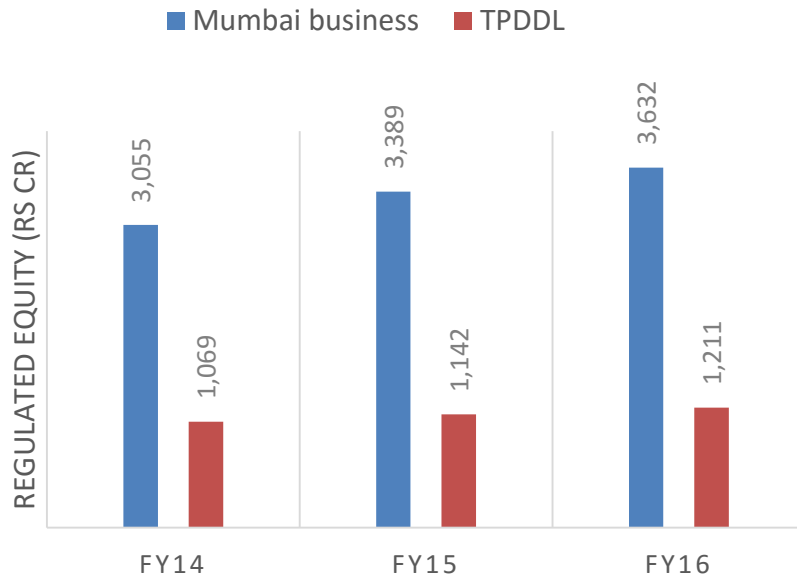
Strategic Engineering Division (SED)

- Originated as an internal R&D unit for power electronics; designs and develops electronic devices
- SED was awarded the order to modernize airfield infrastructure for the Indian Air Force
- **Does not manufacture ammunition or explosives of any kind, including cluster bombs and anti personnel mines**

Agility Care
Excellence Integrity
Trust Collaboration Respect

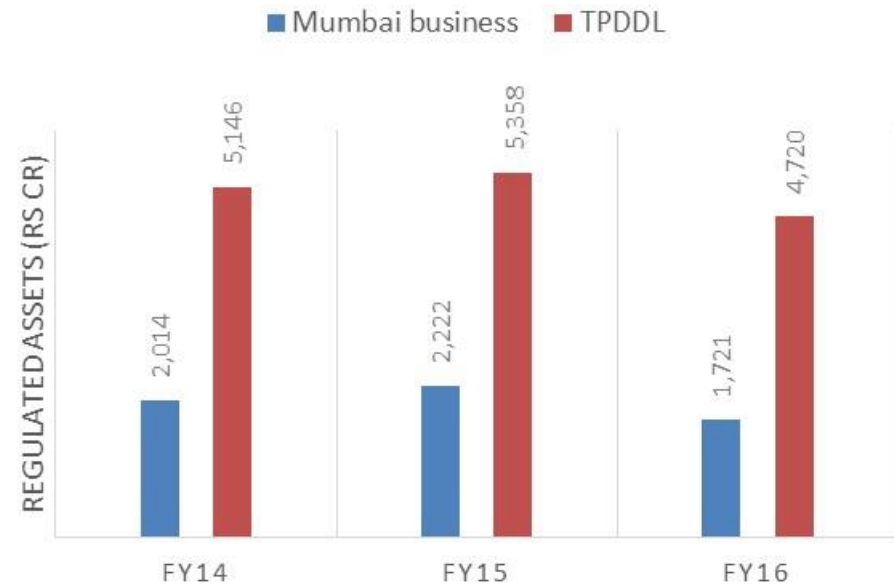
Existing Portfolio – Stabilized Operations

Mumbai and Delhi regulated businesses



- Steady capex towards distribution infrastructure strengthening and network expansion resulting in robust regulated equity growth.

- Regulatory assets at Delhi and Mumbai on declining trend in FY16.



CGPL – Efficient Operations & Lower Fuel Costs leading to improved performance



Particulars	FY14	FY15	FY16
PLF (%)	68.3%	75.9%	73.1%
Revenue (Rs Cr)	5,650	5,894	5,819
EBITDA (Rs Cr)	797	886	1,164
PAT (Rs Cr)	(1,492)	(898)	(306)
Fuel cost under recovery(/kWhr)	-0.58	-0.43	-0.30

- Declining coal costs and improving operational performance have helped improve Mundra's profitability.
- APTEL, in its judgment on April 7th, 2016 had accepted change in Indonesian law as a Force Majeure event
- CERC is in the process of quantifying the relief as per PPA terms,
- Supreme Court to hear the matter once CERC comes out with its order

Maithon Power – Stabilized Performance

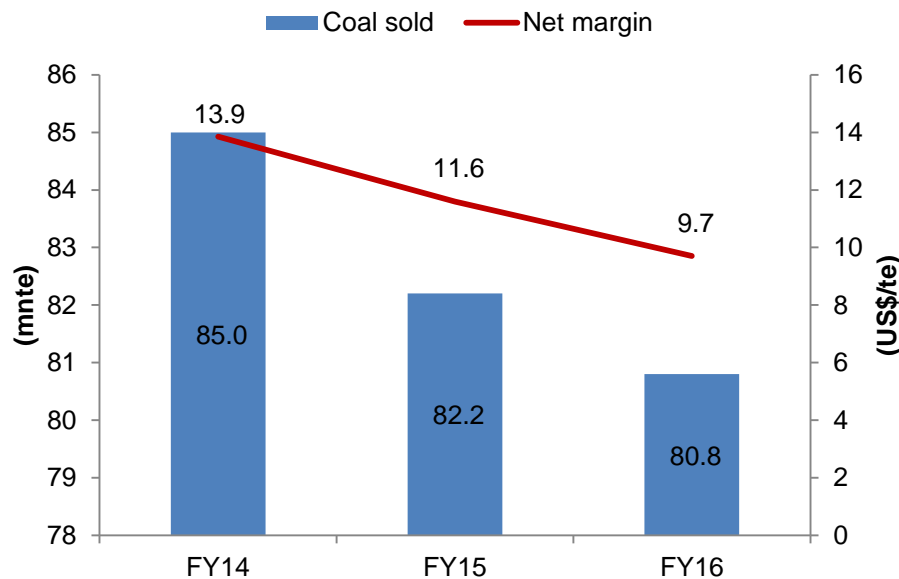
Particulars	FY14	FY15	FY16
PLF (%)	69%	73%	78%
Revenue (Rs Cr)	2,293	2,283	2,312
EBITDA (Rs Cr)	755	841	793
PAT (Rs Cr)	103	211	189

- Entire capacity fully tied-up through Long Term PPAs
- Steady improvement in Plant Load Factor (PLF)
- Plant operating with healthy operating margin of over 35%

Coal business – Efficiency improvements mitigate margin pressures



	FY14	FY15	FY16
Coal mined (mnte)	83.0	82.8	81.0
Coal sold (mnte)	85.0	82.2	80.8
Net revenue after royalty (US\$/te)	52.6	44.9	39.3
COGS (US\$/te)	38.8	33.3	29.6
Net margin (US\$/te)	13.9	11.6	9.7



- Weakness in global coal prices affected business's net margins
- Efficiency improvements reduce costs
- Recent revival in coal prices to improve margins
- Company has entered into an agreement to sell its 30% stake in Arutmin coal mines
- The deal closure is pending for satisfaction of Condition precedent
- The deal is expected to be consummated this quarter.

Timely completion of Overseas Projects



	South-Africa	Zambia	Georgia (under construction)
Capacity (MW)	229 [Wind]	120 [Hydro]	185 [Hydro]
JV Partner(s)	Exxaro (50%) – A SA based mining group	ZESCO (50%)	Clean Energy (40%); IFC 20%
Tata Power's stake	50%	50%	40%
Project Cost	~ZAR6,800 mn for entire 229 MW	US\$200 mn	US\$404 mn
Power offtake	PPA with Eskom for 20 years	PPA with ZESCO for 25 years.	Primarily to Turkey on Merchant basis
Financial Closure	Done for the project	Done for the project	Done for the Project
Commissioning	August 2016	March 2016	FY2017

SA and Zambian Projects to start contributing to cash flows from this fiscal

Agility Care
Excellence Integrity
Trust Collaboration Respect

Growth Opportunities and Strategies

Indian Power Sector - Growth drivers

GDP growth to drive demand for power

- GDP of India projected to grow at nearly 8%
- Strong correlation between GDP growth and demand for power

Government focused on providing Electricity to All

- India has one of the lowest per capita consumption of power (1/3 rd of world average)
- Government initiatives targeting 100% electrification
- Significant growth potential supported by latent demand in Rural areas

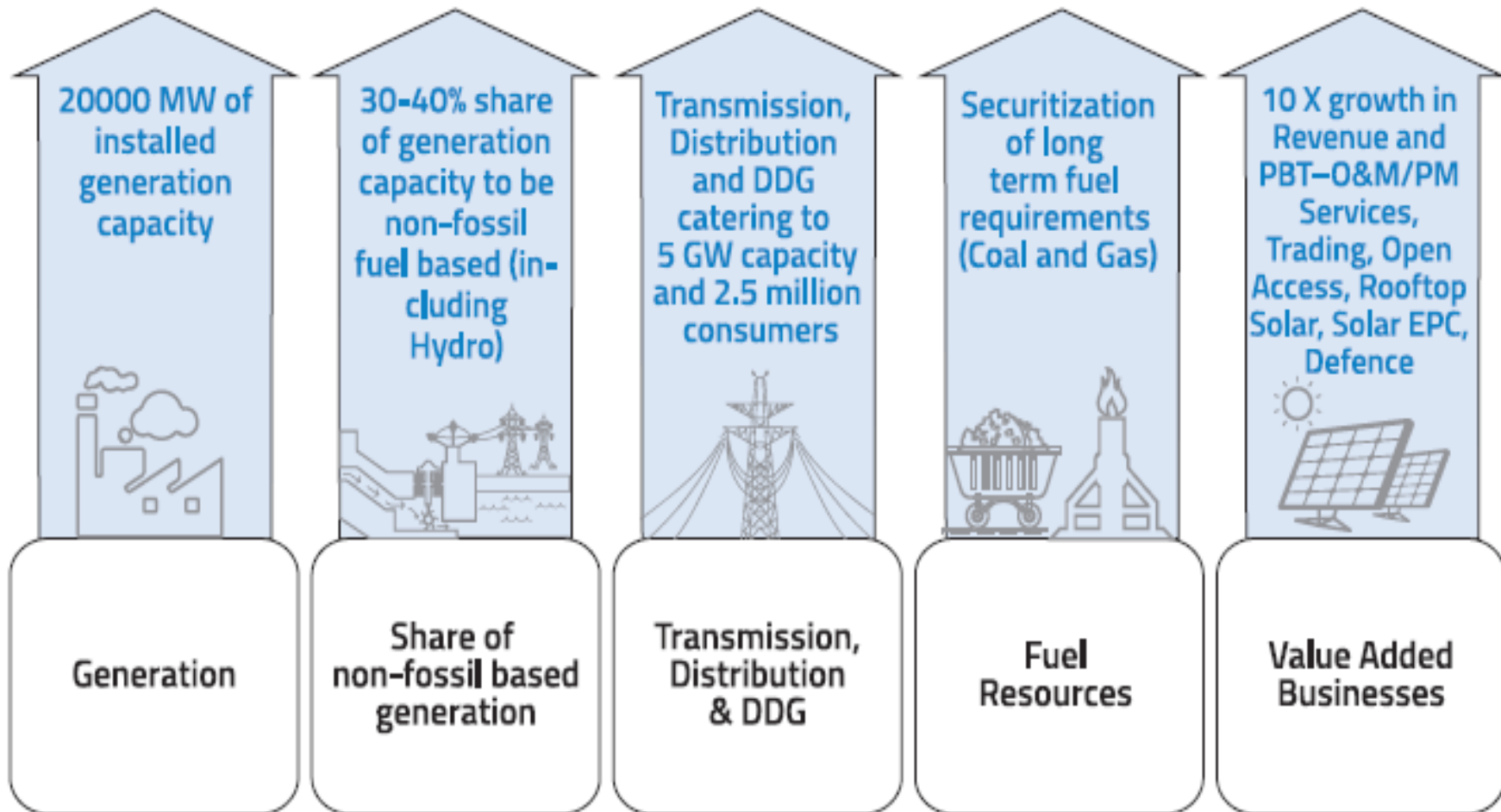
Successful implementation of UDAY to drive demand

- UDAY focusing on improving fundamental of State owned distribution companies
- Measures to improve operational and financial efficiencies
- Successful implementation can lead to increased demand from Discoms for existing as well as new capacities

Strong push for Green Energy

- Target to achieve 175 GW of Renewable Power Capacity by 2022 from the present 43 GW
- Introduction of Renewable Generation Obligation (RGO)
- Draft Renewable Energy Act under discussion
- National Renewable Energy Policy and Plan to be formulated

Tata Power – Strategic Focus



Sustainable Profitable Growth

Strategies for Growth

Generation

- Greenfield projects in India and Overseas [Selectively]
- Expansion of existing sites
- **Acquisition of Operating / Nearly Operating Power Projects in conventional and renewable space**

Distribution

- PPP model successful in the past
- Some states pursuing Franchise Models
- Amendment of Electricity Act to segregate Wires and Supply to open up opportunities in Distribution

Transmission

- Open Access, Inter-Regional Power Transfers and increased Renewable Power Capacity to drive capacity growth
- Potential for expanding transmission network in Mumbai and Delhi License Areas

Value Added Services

- Leveraging experience to provide O&M Services for power plants
- Grow Solar EPC business to tap capacity growth in Solar Power
- Expand Power Trading business to tap into growing volumes in traded power

Renewable Energy - Key growth area

Attractive Sector

- High growth potential – Strong push by Government ie 100GW Solar and 60GW Wind
- Ease of project execution
- No dependence on fuel sources
- Long Term PPAs with fixed tariffs
- Falling Tariff

Strategy for growth

- Improve operational performance of existing assets
- Complete projects under construction in time and at optimal costs to improve returns
- Continue to participate in green field growth opportunities
- Acquire operating assets with potential for value enhancement

TPREL well positioned to capitalize on opportunities

- TPREL has become the largest renewable player in the country
- Has nearly 2,000 MW of operating capacity*
- More than 400 MW of projects under construction

Unique strengths of the portfolio

- Diversified Pan-India presence across 11 states
- Diversified OEM supplier base and tier-1 module suppliers
- Long Terms PPAs at attractive tariff
- Innovative and superior O&M capabilities

* Including 500 MW of renewable assets being carved out from Tata Power

Tata / ICICI Platform

Resurgent Power

- Creation of 'Platform' entity by Tata Power subsidiary along with ICICI Ventures as co-sponsors
- Commitments from other key investors such as CDPQ and SGRF
- Commitment of up to US\$ 850 million as capital by sponsors and investors
- Tata Power International Pte Ltd to have 26% stake

Objective

- Facilitate investments in power projects in India which are in advanced stages of / near operational or operating
- Assets to be acquired over the next 2-3 years

Potential

- More than 25,000 MW of capacities in various stages of completion / operation
- Many of these capacities are in difficult stages and developers are looking to exit and lenders are looking for strong sponsors

Benefits for Stakeholders

- TPIPL to provide technical expertise for identifying assets
- Platform to benefit from Operational & Maintenance management expertise of Tata Power

.....Key Strategic Priorities

Opportunity in stranded Thermal Assets

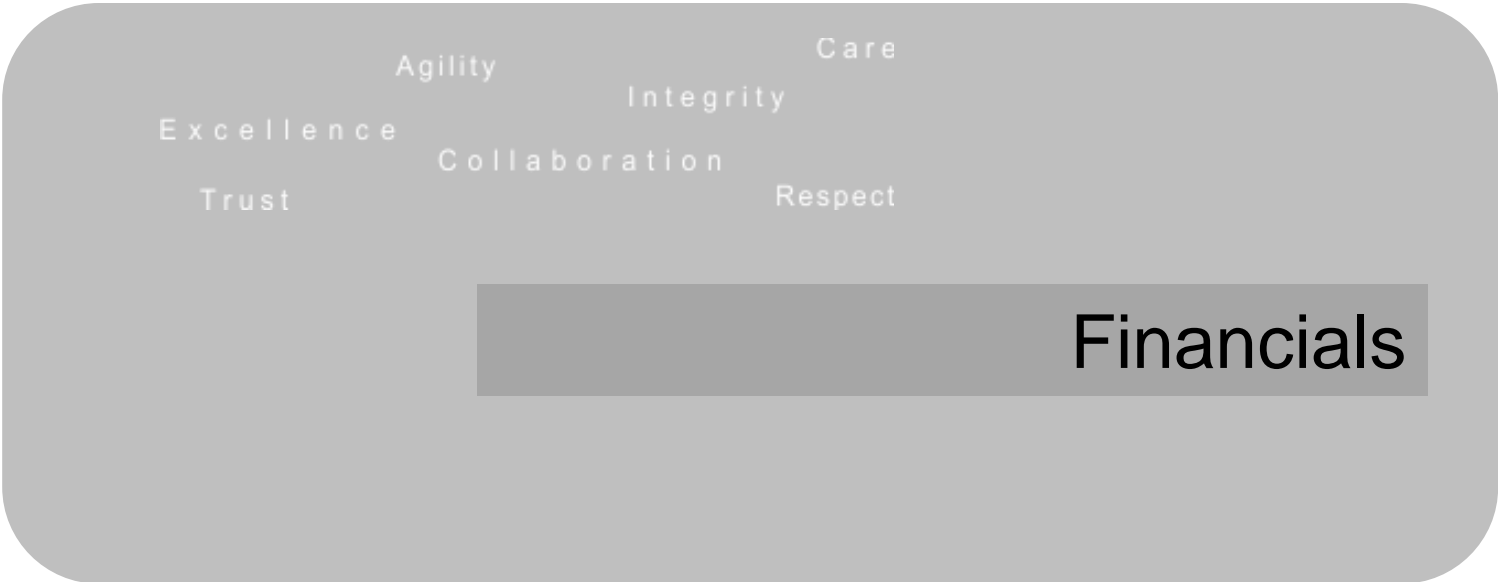
Big Push for Renewables

Select Overseas Investments

Reduction of Non-Core Investments

Maintaining Balance Sheet at target levels

....Careful evaluation of Investment decisions through risk filters



Snapshot Consolidated Financials

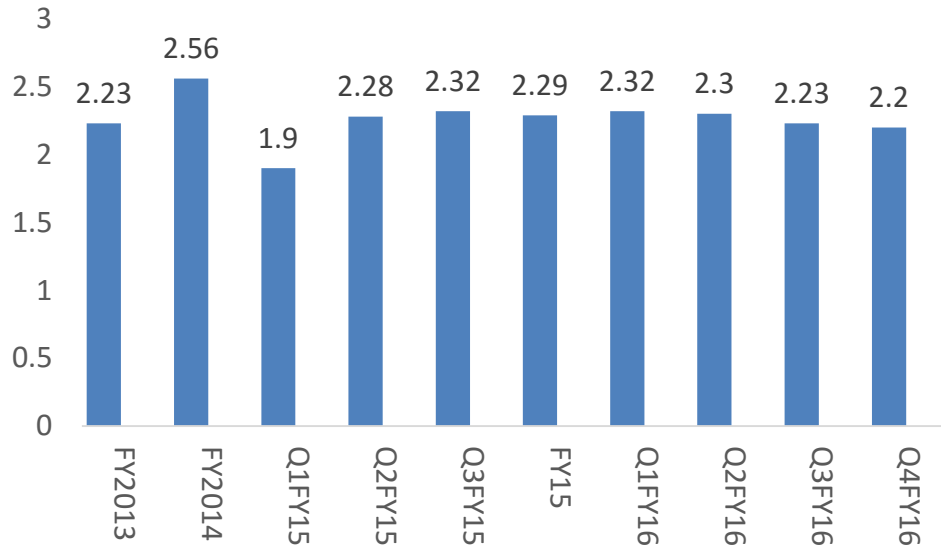


	(in Rs. Cr)			(in US\$ mn)		
	FY16	FY15	FY14	FY16	FY15	FY14
Revenue from Operations (Net)	36,461	34,367	35,649	5,442	5,129	5,321
Operating Expenditure	28,470	27,427	27,942	4,249	4,094	4,170
Operating Profit	7,991	6,940	7,707	1,193	1,036	1,150
Add: Other Income	79	417	(562)	12	62	(84)
EBITDA	8,070	7,357	7,145	1,204	1,098	1,066
Less: Depreciation/ Amortization/Impairment	2,376	2,174	2,730	355	325	407
EBIT	5,694	5,182	4,415	850	773	659
Less: Finance Costs	3,477	3,699	3,440	519	552	513
Profit Before Tax	2,217	1,483	975	331	221	146
Less: Tax Expenses, Exceptional Items	1,150	1,075	1,008	201	160	150
Net Profit/(Loss) after Tax before minority interest	1,067	408	(33)	159	61	(5)

Notes: 1. Figures in USD are at an exchange rate of INR67/USD
2. Other income also includes gain/(loss) from forex

Leverage ratio (Consolidated)

Net Debt / Equity (x)



Outstanding Gross Debt (Rs. Cr)	FY16	FY15	FY14
Tata Power S/A	11,258	11,037	11,080
Tata Power Conso	40,121	40,842	40,173
Outstanding Net Debt (Rs. Cr)	FY16	FY15	FY14
Tata Power S/A	11,224	10,758	11,012
Tata Power Conso	38,665	39,341	38,618

- The Consolidated leverage also reflect the financials of CGPL, Mundra UMPP which is facing under-recoveries over the last few years and has seen an erosion of Net Worth
- The leverage ratios for other generation and distribution business are at much more reasonable levels
- Post acquisition of Welspun renewable assets which has been funded by medium term debt the D:E ratios are projected to increase further
- Management focusing on taking all possible measures to maintain D:E ratios at levels which are reasonable while capitalizing on growth opportunities

Key impact of IND-AS implementation

Change in treatment of generation assets

- Jojobera and IEL power plants to be treated as financial leases

Effect of forex change and MTM impact of hedge instruments to flow through P&L

- Increased volatility in quarterly profits

Interest free loans and corporate guarantees to be considered at fair value

- Imputed interest to be provided on interest free loan given to CGPL, impacting its profitability

Change in 'segment' disclosure

- Coal business ceases to be reported as a separate business segment

TATA POWER

Lighting up Lives!

Website: www.tatapower.com

Email ID: investorrelations@tatapower.com

Investor Relations Kasturi S
Tel : +91 22 6717 1345