

TATA POWER



The Tata Power Company Ltd

Analyst Call - 19th January 2010

Lighting up Lives!



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Financial Performance



Audited Financial Results: Q3 FY10



Particulars	Quarter ended		Nine months ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
(A)	MUs	MUs	MUs	MUs
1. Generation	3,851	3,847	12,157	11,241
2. Sales	3,714	3,711	11,829	11,203
(B)	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
1. a) Revenue from Power Supply and Transmission Charges	1,449.80	1,741.47	4,701.27	5,643.89
Add : Revenue adjustments pertaining to prior years (Refer Notes 5 & 6)	-	-	232.40	-
Income to be recovered in future tariff determination	78.00	-	242.00	11.00
Net Revenue	1,527.80	1,741.47	5,175.67	5,654.89
b) Other Operating Income	38.71	35.40	127.55	106.99
2. Total Income	1,566.51	1,776.87	5,303.22	5,761.88
3. Expenditure				
a) Staff Cost	79.58	69.02	241.61	215.62
b) Cost of Power Purchased	32.63	50.58	106.04	445.58
c) Cost of Fuel	947.62	1,273.93	3,124.56	3,935.23
d) Cost of components, materials and services in respect of contracts	7.54	5.74	17.44	24.25
e) Depreciation	120.79	80.88	350.99	230.29
f) Other expenditure	135.06	121.57	400.38	315.59
4. Total expenditure	1,323.22	1,601.72	4,241.02	5,166.56
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	243.29	175.15	1,062.20	595.32
6. Other Income				
a) Gain on exchange (net)	12.23	20.89	39.66	136.48
b) Others	32.94	25.11	188.60	185.15
7. Profit before Interest and Exceptional Items (5+6)	288.46	221.15	1,290.46	916.95
8. Interest	92.19	95.15	311.66	215.40
9. Profit after Interest but before Exceptional Items (7-8)	196.27	126.00	978.80	701.55
10. Exceptional Items -				
a. Loss on redemption of 6.75% Tax free US 64 Bonds 2008	-	-	-	155.47
Less: Drawn from : Contingencies Reserve	-	-	-	39.38
Deferred Taxation Liability Fund	-	-	-	116.09
b. Adjustments of expenses recoverable through Tariff	-	-	108.83	-
Less: Drawn from Contingencies Reserve	-	-	108.83	-
11. Profit from Ordinary Activities before Tax	196.27	126.00	978.80	701.55
12. Provision for Taxation	48.38	10.92	270.64	133.99
13. Profit after Tax	147.89	115.08	708.16	567.56
14. Statutory Appropriations (Net)	6.00	14.00	(12.89)	51.00
15. Net Profit after Tax and Statutory Appropriations	141.89	101.08	721.05	516.56



Segment Results: Q3 FY10



Rs. Crores

Particulars	Quarter ended		Nine months ended		Year ended
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08	31-Mar-09
Segment Revenue					
Power Business	1,541.24	1,750.66	5,209.90	5,679.20	7,104.87
Others	25.27	26.21	93.32	82.68	131.36
Total Segment Revenue	1,566.51	1,776.87	5,303.22	5,761.88	7,236.23
Less: Inter segment revenue	-	-	-	-	-
Net Revenue	1,566.51	1,776.87	5,303.22	5,761.88	7,236.23
Segment Results (Profit before Interest and Tax)					
Power Business	264.99	179.72	1,111.22	594.04	820.12
Others	(0.34)	4.69	13.76	12.16	7.89
Total Segment Results	264.65	184.41	1,124.98	606.20	828.01
Less: Interest Expense	92.19	95.15	311.66	215.40	305.79
Add: Unallocated Income net of Unallocated Expense	23.81	36.74	165.48	310.75	594.46
Total Profit Before Tax	196.27	126.00	978.80	701.55	1,116.68
Capital Employed					
Power Business	6,972.91	6,246.04	6,972.91	6,246.04	6,695.62
Others	190.71	152.11	190.71	152.11	159.30
Unallocated	3,494.64	2,123.76	3,494.64	2,123.76	1,788.58
Total Capital Employed	10,658.26	8,521.91	10,658.26	8,521.91	8,643.50



Financial Performance – YTD Q3 FY10



Financial Highlights – YTD Q3 FY10

Gross generation at 12157 MUs as against 11241 MUs (PY), up by 8%

- Generation in LA was 8592 MUs as against 8499 MUs (PY) up by 1%
 - Generation outside LA was 3565 MUs as against 2742 MUs (PY) up by 30%
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Sales at 11829 MUs as against 11203 MUs up by 6% over PY

- Sales in LA at 8370 MUs as against 8601 in PY, down by 3%
 - Sales outside LA were 3540 MUs as against 2736 in PY up by 29%
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Total Power Revenue at Rs. 5209.90 crs (PY Rs. 5679.20 crs) down by 9%

- This includes the Rs. 232.40 Cr of Revenue Adjustments in prior years



Financial Highlights – YTD Q3 FY10

- Cost of Power Purchased at Rs. 106.04 Cr (PY Rs. 445.58 Cr) down by 76%
 - *Primarily due to lower power purchase of 415 MUs in Mumbai LA*
- Cost of Fuel at Rs. 3124.56 Cr (PY Rs. 3935.23 Cr) down by 21%
 - *Around Rs. 500 Cr due to change in fuel mix with more gas based generation replacing oil*
 - *Over Rs. 430 Cr due to higher price of coal and APM gas compared to PY*
- Depreciation at Rs.350.99 crs (PY Rs.230.29 crs) up by 52% over PY
 - *Depreciation is higher primarily on account of Unit 8, Haldia and Wind units getting commissioned*
- Other Expenditure at Rs. 400.38 Cr (PY Rs. 315.59 Cr) up by 27%
 - *Rs. 24 crs due to commissioning of units in Haldia and Unit 8, Trombay and for Wind*
 - *Rs. 14 crs due to higher R & M expenses in generation*
 - *Rs. 33 crs on account of provisioning for lower valuation of DG Sets*
- Profit from Operations before Other Income, Interest and Exceptional Items at Rs. 1062.20 Cr (PY Rs. 595.32 Cr) up by 78%



Financial Highlights – YTD Q3 FY10

- Other Income due to Gain on Exchange at Rs. 39.66 Cr (PY Rs. 136.48 Cr) lower by 71%
 - *Due to lower P & L impact on conversion of USD 273 mn of loan to subsidiary into a loan without a specific repayment schedule*
- Profit Before Interest and Exceptional Items at Rs. 1290.46 Cr (PY Rs. 916.95 Cr) higher by 41%
- Interest at Rs.311.66 Cr (PY Rs.215.40 Cr) higher by 45% over PY
 - *Rs. 50 crs in Mumbai LA primarily due to Unit 8 and other capitalizations in LA*
 - *Rs. 59 crs outside LA primarily due to new units commissioned at Haldia (Rs 19 crs), Unit 8-Merchant (Rs 24 crs) and wind units (Rs 24 crs)*
 - *Reduction in Treasury Interest by Rs. 12 crs primarily due to repayment of Corporate and short term borrowing*



Financial Highlights – YTD Q3 FY10



- Tax at Rs.270.64 crs (PY Rs.133.99 crs) up by 102% over PY
 - *Apart from higher tax due to higher profit, around Rs. 90 Cr from higher effective tax rate due to increase in MAT and change in the computation of MAT profits whereby provision for diminution in value of assets now attracts MAT*
- PAT at Rs. 708.16 crs (PY Rs. 567.56 crs) higher by 25%
- Statutory Appropriations of Rs. (12.89) crs (PY Rs. 51 crs)
- PAT after Statutory Appropriations Rs.721.05 crs (PY Rs.516.56 crs) higher by 40%



Financial Performance – Q3 FY10



Financial Highlights – Q3 FY10

Gross generation flat at 3851 MUs as against 3847 MUs in Q3 PY

- Generation in LA was 2754 MUs as against 2937 MUs in Q1 PY down by 6%
 - Mainly due to an unplanned outage of Unit 5 and outage of Unit 8 for performance testing as mentioned earlier
 - Generation outside LA was 1096 MUs as against 911 MUs in Q1 PY up by 20%
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Sales flat at 3714 MUs as against 3711 MUs in PY

- Sales in LA were 2626 MUs as against 2826 in PY down by 7%
 - Due to lower generation as explained before
 - Sales outside LA were 1089 MUs as against 905 in PY up by 20%
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Total Power Revenue at Rs. 1541.24 crs (PY Rs. 1750.66 crs) down by 12% over PY



Financial Highlights – Q3 FY10

- Cost of Power Purchased at Rs. 32.63 Cr (PY Rs. 50.58 Cr) down by 35%
- Cost of Fuel at Rs. 947.62 Cr (PY Rs. 1273.93 Cr) down by 26%
 - Mainly due to change in fuel mix with more gas based generation replacing oil
- Depreciation at Rs.120.79 crs (PY Rs.80.88 crs) up by 49%
 - *Depreciation is higher primarily on account of Unit 8, Haldia and Wind units getting commissioned*
- Other Expenditure at Rs. 135.06 Cr (PY Rs. 121.57 Cr) up by 11%
 - Mainly due to commissioning of new units in Haldia (Rs. 8 crs) and Unit 8 (Rs. 3 crs)
- Profit from Operations before Other Income, Interest and Exceptional Items at Rs. 243.29 Cr (PY Rs. 175.17 Cr) up by 39%



Financial Highlights – Q3 FY10

- Other Income due to Gain on Exchange at Rs. 12.23 Cr (PY Rs. 20.89 Cr) lower by 41%
 - *Due to lower P & L impact on conversion of USD 273 mn of loan to subsidiary into a loan without a specific repayment schedule*
- Other Income at Rs.32.94 Cr (PY Rs.25.11 Cr) higher by 31%
 - *Due to higher funds available for short term investments*
- Profit Before Interest and Exceptional Items at Rs. 288.46 Cr (PY Rs. 221.15 Cr) higher by 30%
- Interest at Rs.92.19 Cr (PY Rs.95.15 Cr) lower by 3%
 - *Rs. 10 crs in Mumbai LA primarily due to Unit 8 and other capitalizations in LA*
 - *Rs. 19 crs outside LA primarily due to new units commissioned at Haldia (Rs 6 crs), Unit 8-Merchant (Rs 7 crs) and wind units (Rs 9 crs)*
 - *Reduction in Treasury Interest by Rs. 30 crs primarily due to repayment of Corporate and short term borrowing*



Financial Highlights – Q3 FY10



- Tax at Rs.48.38 crs (PY Rs.10.92 crs) up by 343%
 - *Mainly due to increase in effective tax rate due to higher MAT and change in the computation of MAT profits whereby provision for diminution in value of assets now attracts MAT*
- PAT at Rs. 147.89 crs (PY Rs. 115.08 crs) higher by 29% over PY
- Statutory Appropriations of Rs. 6 crs (PY Rs. 14 crs)
- PAT after Statutory Appropriations Rs.141.89 crs (PY Rs.101.08 crs) higher by 40%



Thank you

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