The TATA Power Company Ltd.
Standalone and Consolidated Results
For the year ended 31st of March, 2010

May 25, 2010

COMPANY	**MR. PRASAD MENON – MANAGING DIRECTOR**
	MR. S. RAMAKRISHNAN – ED (FINANCE)
	MR. S. PADMANABHAN – ED (OPERATIONS)
	MR. B. AGRAWALA - ED (BUSINESS DEVELOPMENT)

Moderator Ladies and gentlemen, good morning and welcome to The TATA Power Co. Limited results for the year ended 31st of March, 2010 on a Standalone and Consolidated basis. Joining us on this call today from TATA Power are Mr. Prasad Menon – Managing Director; Mr. S Ramakrishnan – ED, Finance; Mr. S Padmanabhan – ED, Operations; and Mr. B Agrawala – ED, Business Development & Strategy. As a reminder for the duration of this conference, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during the conference call, please signal an operator by pressing * and then 0 on your touch-tone phone. Please note that this conference is being recorded. At this time, I would like to hand the conference over to Mr. Prasad Menon. Thank you and over to you sir.

Prasad Menon Thank you. Good morning and welcome everybody to the analyst call for the financial year 2010 standalone and the consolidated annual results for TATA Power. Our Board of Directors yesterday has recommended a dividend of Rs. 12 per share for the financial year. Our standalone operations continue to remain very strong and all our major expansion projects are progressing well. On a consolidated basis too, we are continuing to show growth. The line-by-line explanation of our financial statements has already been circulated to all of you and Mr. Ramakrishnan will take your questions on the financials shortly after I give you an overview.

Let me just take you through the key highlights of the year:

We commissioned the last unit in Haldia of 30 MW and the 120 MW unit in PH 6 in Jamshedpur in the second quarter of the financial year. An additional 42 MW of wind capacity was commissioned this year and therefore it takes our total installed capacity (to just short of 3000) to 2977

MW at the end of March 2010. An additional 120 MW from Unit-5 in Jojobera, which has been synchronized will be commissioned shortly.

The financial year 2010 was also the first full year of operation for our non-PPA based capacities in Haldia and Unit 8 which amounted to about 200 MW. We also successfully completed our GDR issue of $335 million and FCCB issue of $300 million during the year. We signed an exclusive partnership agreement with SN Power of Norway to jointly develop hydro projects in India and Nepal. We are developing a 3 MW PV-based**,** grid-connected solar plant at Mulshi, which we believe will be the largest such unit in India, when it gets commissioned later this year.

In Mumbai, we have crossed 50,000 customers since the MERC order allowing us to distribute power to retail customers. We continue to add about 500 customers every day. As you are all aware, the Government of Maharashtra expects us to adhere to its request to supply 360 MW to R-Infra at regulated rates till June 30th 2010, and 200 MW to them after that till March 31st, 2010. We have supplied the entire 468 MW that we had available to R-Infra in April and 368 MW so far in May 2010. We have, as you know, challenged the government's memorandum in court.

A quick update on the key projects:

In Mundra, the plant is on schedule and has progressed to more than 53% on an overall basis. The hydro testing on the boiler for Unit 1 has been successfully completed early in April. The TG and the auxiliary for Unit 1 have been received at site and the Stator placed on the deck. Structural erection work for the second unit is in a very advanced stage. The cooling water and coal handling systems as well as other civil works are also on track and the coal jetty with the coal unloading facilities is expected to be ready by the end of 2010. Coordination meetings with Power Grid are being held for timely readiness of evacuation lines and we believe that that will be on target.

In Maithon, the project is also progressing well and it is about 82% complete on a project basis. The first unit's boiler hydro test was completed on March 23rd and the turbine erection is to start shortly. The FSA with Bharat Coking Coal has been signed for about 1.6 million tons and the other fuel supply agreements are expected to be signed soon. These will be for about 2 million tons with CCL and for about 1 million tons with TATA Steel.

Due to the Delhi-Kolkata freight corridor that is being planned, our railway land approval has undergone some modifications and would require some additional CAPEX. In the meanwhile, we plan to transport coal from the BCCL mines by road as soon as we commission the plant in October this year.

The Dehrand project land acquisition is in progress, consents for over 60% of total land have been received and the balance consents are targeted in the 1st Quarter of this financial year. Recommendation on agreed land compensation has been sent to Government of Maharashtra and the notification from the Industries Minister and the R&R MoU are expected to be signed soon.

We talked to you earlier about having commissioned Power House 6 under IEL, our joint venture with TATA Steel. We will be commissioning Unit 5 a little later in the first quarter of this financial year.

For the Mandakini coal block, land acquisition for the coal block is expected by March 2012 and the Section 6(i) notifications had already been issued. We expect the mine to be operational from mid 2014. On the IPP land acquisitions, which are linked to these mines, the progress has been good so far. We plan to use about 2.5 million tons of coal for the IPP and another 4 million tons through coal linkages when we set up the IPP. The timeframe will get firmed up as soon as the land acquisition progresses later this year.

The Tubed Coal Block land acquisition activities are in early stages and we expect operations to start by mid 2012. The activities for the IPP which is linked to these mines in the place called Tiruldih is also under progress. We plan to use 2.3 million tons per annum from Tubed in the IPP. The timeframe again for this IPP will be firmed up based on the land acquisition progress. I now ask Mr. Ramakrishnan to take over and take you through the financial performance.

S. Ramakrishnan Good morning. I think we have already emailed all of you the standalone as well as consolidated for the full financial year as well as for Q4. In addition, we have also sent you the performance of our 3 main subsidiaries. We have also forwarded you the segment analysis for both, full year as well as for the Q4. What we haven't given you which I will share with you at this point is regarding our coal mines in Indonesia performance.

During the financial year 2010, the coal production went up from almost 52 million to close to 65 million; the sales went up from 50 million to 62 million; the realization went down from about $77.6 to about $60. The cost of production went down by $2 from 33.9 to 31.9.

As far as Q4 is concerned, the production went up from about 12.1 million to 15 million, the sales went up from 11.3 to 15.9, and the realization went down from 75.4 to 62.7. As you will see the realization during Q4 has been higher than the yearly average showing that the coal prices are moving upwards. The cost of production during Q4 went up from 31.9 to 33.9 mainly caused by the fuel charges being higher. I now request you to start the question-and-answer session.

Moderator Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Vishal Biraia from B & K Securities. Please go ahead.

Vishal Biraia Sir, in case we buyout Reliance Infra's distribution business in Bombay and the Mumbai licensed area, how would the transaction be structured? I mean what would be the cost, how would it be determined and what would be the structure if you could outline?

S. Ramakrishnan It is a question of whether it is a mutually agreed transaction or it is a regulatory driven transaction.

Vishal Biraia Okay.

S. Ramakrishnan It is very difficult for me to give you a very specific answer because it depends on what scenario we are talking about.

Vishal Biraia Okay. So, assuming a mutually agreed scenario it is a possibility?

S. Ramakrishnan Regulatory scenario normally calls for a transfer at book value. Whatever is the book value at the regulated value of the assets is the price at which the assets will be transferred along with the license.

Vishal Biraia Okay. Thank you very much. I am done.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Venkatesh B from Citigroup. Please go ahead.

Venkatesh B Yes sir. My first question is this cost of production which you have given for 2010 at $31.9, does this include the deferred stripping costs?

S. Ramakrishnan It excludes deferred stripping.

Venkatesh B My second question is on the Dehrand plant. Now this is initially going to be a 2 x 800 MW power plant, right sir or is it going to be 3 x 800 in first go itself?

S. Ramakrishnan 2 of 800.

Venkatesh B Okay. Now, where do you plan to get the fuel for the same and secondly what is the likely going to be off take agreement, I mean is this going to be 100% regulated ROE kind of plant?

S. Padmanabhan On the fuel side, we have still not finalized what would be the source. We are looking at two locations. It will be purely on imported coal basis. We are looking at both Indonesia and Africa, but we have not finalized the mine and the off take agreement. That should happen once we come closer to the land acquisition completion. In terms of how we would sell we would look for definitely 50% to be sold to the Maharashtra Government which we have already talked to the Maharashtra Government and it is progressing as planned. The remaining 50%, part of which we will use this for our license area in Mumbai and we are yet to decide on what it is to be done for the remaining power for what is left

Venkatesh B Okay. So, it is almost the entire plant is a regulated plant. There is no merchant angle to it?

S. Ramakrishnan There will be four pieces there. One is as we said regulated supply to Maharashtra, second will be regulated supply to Mumbai, and third will be Case-1 bid, in the sense that we can bid into supply for whoever and there will be a small portion which will be left uncommitted.

Venkatesh B Okay. Thank you very much sir and all the very best.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Rajesh Panjwani from CLSA. Mr. Panjwani, please go ahead.

Rajesh Panjwani Thanks sir. Sir the first question is on if there is an income to be recovered in future tariff determination in consolidated which is around 9.3 billion, is it primarily due to NDPL?

S. Ramakrishnan Both, it is due to roughly about two third will be NDPL and one third will be Mumbai.

Rajesh Panjwani Okay and there is tax reversal in NDPL for this year which seems to have boosted the profit of NDPL. I was wondering is that tax reversible also not a pass through to the customers in the form of lower….

S. Ramakrishnan It was reversed because it will be paid for by the customer. See, the deferred tax provisions were earlier made because the regulator normally says that I will pay you the tax when you actually pay the tax. So, frankly when we made, we mean to have made any provision for the deferred tax since it is going to be paid. Since the company has been making, this year they decided to reverse all those provisions.

Yeah. It is not that we have been providing as per regulation and hence the reversal also goes to the customer. If that is what you are asking; no, this reversal remains with us because we had made earlier provisions which are not necessary.

Rajesh Panjwani Okay. So, this doesn't basically indicate any change in your overall tax rate going forward, you would expect the tax rates to remain more or less the same?

S. Ramakrishnan Yes, yes, this does not change. Yeah, you are right. The tax rates will remain same except to the extent in future there won't be any deferred tax provision in the NDPL accounts because it is supposed to be for the regulated part of the business.

Rajesh Panjwani Okay and in terms of sir, coal production for the current financial year and the cost of production, any indications for this year?

S. Ramakrishnan Compared to the last year, our targets are almost as high as our production last year. As you know, last year production was achieved because of very good dry weather and our current budgets are also of similar nature.

Rajesh Panjwani Okay.

S. Ramakrishnan But ultimate production a lot will depend on the weather.

Rajesh Panjwani And cost of production sir?

S. Ramakrishnan Cost of production as you have seen in Q4 itself it has gone up a little bit. If the oil prices remain stable, I think we will remain at that level for the rest of the year.

Rajesh Panjwani So, around little over $33?

S. Ramakrishnan 33.9 was what we had reported in Q4 and that would remain subject to of course the oil prices moving up or down.

Rajesh Panjwani Okay and as far as the deferred stripping charges are concerned, has there been a reduction in the 4th quarter compared to what you had estimated in the 3rd quarter?

S. Ramakrishnan See 3rd quarter, there was a specific provision made for a write-off**,** otherwise deferred stripping that goes into the current asset continues to go, every quarter we are actually digging more than the long term plan against which a certain amount is going towards the current assets.

Rajesh Panjwani But wasn't the amount of write-off higher in the 3rd Quarter than for the full year?

S. Ramakrishnan No, the way to look at it is that every quarter, there is a certain amount going towards current assets and in Quarter 3, we wrote down, you understand? So, the net effect is what is reflected in the full year result.

Rajesh Panjwani Okay and most of this is actually on account of prior periods, right?

S. Ramakrishnan The write down in Q3 was due to prior period, a significant part which we shared with you during the last quarter results.

Rajesh Panjwani Sir, I am wondering why the write down for the full year less than what you reported in the 3rd Quarter.

S. Ramakrishnan That is what I am saying. See, as we go digging, the actual amount of digging we do is higher than the long term average. So, the gap between the two goes towards current assets, right? Which means the deferred stripping write-off is actually negative. We are writing up in a way every quarter.

Rajesh Panjwani Because you are digging more than your normal average.

S. Ramakrishnan That is the stage at which we are in the mines at this point of time. Since we wrote down that it looks as if we have written down less in the full year. That is not the way to look at it. The write down was due to a certain action taken in Q3 based on reports, otherwise we continue to write up, not write down. That is the stage of mines at this point of time.

Rajesh Panjwani Okay, fine and sir in your Slide #18 of the presentation, you have mentioned that the PBIT increase for the power business, you have mentioned ATE / MERC orders 250 crores and Unit 8 you have mentioned 224 crores, so that is basically the merchant power.

S. Ramakrishnan Unit 8 and Haldia. It is the revenue, right. PBIT it is due to Unit 8, Haldia, wind, and the regulated part of it.

Rajesh Panjwani Okay, okay. Sir, my last question is a broader question, not just for your company. The SEB losses in general are increasing fairly alarmingly and likely to hit $15 billion this year. Given that a lot of reforms have been talked about, but nothing seems to be working and it seems that merchant power has actually led to substantial increase in SEB losses, so are you worried about the situation, given that this business is primarily exposed to state utilities and though there are various payment security mechanisms which are available, but is this a cause of concern for you.

S. Ramakrishnan Rajesh, a) I don't think the picture is uniform across all the states in India. It varies from state-to-state. So, there is not a general conclusion, but your statement that as more and more projects come, the developers have to look at which are targeted distribution companies to which you are selling and what is their financial position**.** It will become an issue for people to consider as more and more PPAs are filed.

Rajesh Panjwani Okay, fine. You are comfortable with the states you have exposure to as of now?

S. Ramakrishnan Yes, as of now we have exposures to Maharashtra, Mumbai, Delhi, Gujarat in the UMPP when we start, so we have a fairly decent mixture of either better performing states or better governed states who honor the agreements.

Rajesh Panjwani Thanks a lot sir. Thanks.

S. Ramakrishnan Yeah.

Moderator Thank you. The next question is from the line of Ravindranath Nayak from B & K Securities.

Ravi Nayak Sir, good morning.

S. Ramakrishnan Good morning.

Ravi Nayak I have just a small clarification regarding with power purchase cost of standalone entity, in this quarter why there is spurt in the power purchase cost?

S. Ramakrishnan Because we have increased load arising out of customers who are switched over from Reliance Infra. So, in this quarter we have a substantial increase, in fact that has been one of the major bone of contentions with Maharashtra Government that we should be allowed to retain at least the power that we need to service our customers who have now come across from Reliance Infra.

Ravi Nayak Okay. Okay sir, thank you.

Moderator Thank you. The next question is from the line of Adam Worthington. Please go ahead.

Adam Worthington Thank you. This is Adam Worthington from Macquarie. Congratulations on your results gentlemen.

S. Ramakrishnan Thank you.

Adam Worthington I have two questions. Would you be able to let me know what your regulated equity base is and also provide some guidance on the CAPEX for this regulated equity base, also would you be able to summarize and I apologize I missed the details here, you current merchant exposure for FY10 and where you seem to go to FY11?

S. Ramakrishnan The first one you want to know the regulated equity of our different businesses which I will give it to you. In Mumbai, the regulated equity is 1218 crores (**Editor's note: For generation. The regulated equity and**

performance incentive numbers can be taken from our IR presentation for June 2010). And what was your second question?

Adam Worthington Sorry, it is just in relation to the first one. I mean today in the CAPEX that you expect to be…..

S. Ramakrishnan Could I mail it to you please.

Adam Worthington Sure. Okay, that is fine.

S. Ramakrishnan We will send you for what we spent in 2010 and we will be spending in 2011.

Adam Worthington Sure and then the second question was just on the merchant exposure. Can you just remind me how much merchant exposure you had in 2010 and how you expect this to change in 2011?

S. Ramakrishnan We had about 200 MW of power in 2010 which was meant for the merchant and in 2011, we continue to have the 200 MW from the FY10 capacity. We thought we have released 200 MW out of the Mumbai licensed area, but currently the discussions are on with the Maharashtra Government. If their stand is right, we will continue to have only 200 in the merchant capacity**.**

Adam Worthington And if there is a change.

S. Ramakrishnan If our stand is right our 200 will go to 400 during the coming year, but it will again go down more towards 200 as more and more power we be needed by our distribution divisions in Mumbai.

Adam Worthington I understand. Thank you very much for your time gentleman.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Prashant Periwal from Altima Partners. Please go ahead.

Prashant Periwal Yeah. This is regarding your coal evacuation at Bumi mines**.** I understand that Bumi is incurring CAPEX to increase the evacuation which will allow you to reach to something like 17 to 18 million tons of quarterly evacuation by 3rd Quarter of 2010. Sir, could you please throw some more light on that?

S. Ramakrishnan As of now the ship loader is undergoing an upgradation at this point of time, the exact capacity details I will have to mail you. There is also a plan to add another ship loader, but that is not planned for this year, that probably will be ready in 2 or 3 years' time.

Prashant Periwal Right and then another question was in terms of realizations, Bumi maintains that they expect a minimum of $67 as a realization for coal business which they expect to revise upwards in the coming months, i.e., by the end of May or mid of June as their negotiations with Japanese buyers are still on who are like 25% of their off take. So, could you throw some more light on what is your understanding on that and what should we expect?

S. Ramakrishnan We can say that the Q4 has seen an increase in the coal prices compared to the previous quarters, however, the last couple of weeks I think the coal has been more steady rather than growing as it used to increase. So, we need to wait and see whether the effect of Greece and other things, what impact it has on the economy. If it doesn't come in the way, may be what Bumi tells you could happen.

Prashant Periwal Right and then there was another interesting thing that Bumi never supplied to Chinese buyers till 2008. Last year, you supplied something like 9 million tons and we expect it to go to 20 million tons by 2011. So, do you think those sort of sales expectations are achievable or are they okay?

S. Ramakrishnan We do see significant purchases being made by China from Indonesia and others whereas some years ago, the Chinese imports used to be rather meager. So, we see two markets which are showing signs of substantial imports, China and India in the last two years and one expects this may continue.

Prashant Periwal Well right. Thank you.

Moderator Thank you. The next question is from the line of Bhavin Vithlani from Enam Securities. Please go ahead.

Bhavin Vithlani Sir, my question is more on the coal mining business. If you can help me, if I just do revenues of full year minus 9 months on the segment business, I get a coal realization of $90 for this quarter and if I just reduce the PBIT minus the revenues, I get a cost of production of around $70 for this quarter. So, if you can help me?

S. Ramakrishnan Yeah, can we do that offline because first of all there is the rupee-dollar exchange rate which is going to vitiate matters significantly and when we talk of cost of production, we talk without royalty, without sales commission, without freight if any. So, if you send a mail to Sandeep, he can provide you that clarification of how the figure of cost of production that I gave you and whatever you see from the rupee figures tally.

Bhavin Vithlani Okay, fair enough. If you can give a broad numbers of roughly which are the hedges where $31 you have not taken into account which comes in PBIT and second is what was the interest on the SPV loan which was roughly around $770 million for the year as a whole?

S. Ramakrishnan Coal SPV interest, we will just give it to you. The coal SPV last year had a loan of $736 million is the average bank loan in FY10 and the interest expense is $27.14 million working on an effective rate of 3.69%.

Bhavin Vithlani Sure. Sir, now I have two more questions, one is on the balance sheet side, if you can help me with the cash and equivalents as on March ending and second is do you see any potential of entity DoCoMo coming across and buying stake, if they have to infuse further capital in TATA Communication?

S. Ramakrishnan The first question, you had asked about consolidated cash is about Rs 2680 crores and standalone cash Rs 1519 crores. The second question, I am unable to answer you. We don't see any such move at this point of time.

Bhavin Vithlani Okay. Thank you so much.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Madan Gopal from Centrum Broking. Please go ahead.

Madan Gopal Sir, my first question is on, what is the current outstanding on the SPV loan for the coal business?

S. Ramakrishnan The total loan is $695 million at this point of time. The non-recourse loan is $350 million, the recourse loan is $270 million and there is a $70 million medium term loan guaranteed again by TATA Power.

Madan Gopal Okay. Sir, my second question is on what is the exchange rate that effectively we have to consider for the Q4 compared to last year for the coal business?

S. Ramakrishnan The FY10 exchange rate has been used at 47.42 in the P&L and last year it is 45.91 whereas the balance sheet figure is 45.16 this year compared to 51 last year.

Madan Gopal Okay. Thank you sir. Thanks for taking my question.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Abhishek Puri from JM Financial. Please go ahead.

Abhishek Puri Sir, first of all can I get the merchant tariff realizations for Trombay and Haldia in this quarter?

S. Padmanabhan One moment. The Haldia was Rs. 5.34 paisa for the last quarter, i.e., Q4.

Abhishek Puri Right. Trombay unit?

S. Padmanabhan For Trombay, Q4 was about Rs. 5.50 paisa.

Abhishek Puri Sir, secondly if you can explain regarding the gain on exchange rate for the standalone entity, I mean we had 52 crores in this financial year. So, what is the exposure that we have and for what purpose?

S. Ramakrishnan As of today, we have a net exposure of slightly over $100 million.

Abhishek Puri And that is for?

S. Ramakrishnan That is the total exposure we have. As you know, we have an FCCB fund that we have raised, which is shown as a liability.

Abhishek Puri Okay, that is on the standalone books?

S. Ramakrishnan Yeah.

Abhishek Puri And for Mundra, for CGPL?

S. Ramakrishnan CGPL, about 720 million US dollar outstanding at this point of time.

Abhishek Puri Alright sir. I will come back with further questions. Thank you.

S. Ramakrishnan Thank you.

Moderator Thank you. The next question is from the line of Parag Gupta from Morgan Stanley. Please go ahead.

Parag Gupta Just on the Mumbai distribution business, just to understand correctly in April, you supplied 468 MW and in May you supplied 368 MW to R-Infra at regulated rates. Now, just to understand going forward till the High Court decides on how this case would be dispensed off. Would it be right to say that you would be supplying 360 MW until June and 200 MW from July to March at regulated rates?

S. Padmanabhan That is right. That is the current recommendation from the Government of Maharashtra.

Parag Gupta Right. So, this is what you will follow until further resolution form the High Court.

S. Padmanabhan That is right.

Parag Gupta And Trombay of 100 MW will continue to remain merchants?

S. Padmanabhan That is right.

Parag Gupta Got it. Secondly, I want to understand on Mandakini and Tubed; you said that the IPP will be operational some time after mid 2014 which is the time the coal mine will be operational?

B. Agrawala That is right.

Parag Gupta And how about the plant which is going to be based on Tubed.

B. Agrawala Tubed let us say would be about 6 months or so later than that.

Parag Gupta So, that would be again somewhere around the end of fiscal 2014.

B. Agrawala That is right.

Parag Gupta Right and finally could you just help us on as far as coal is concerned, what is the negotiated rates for realization for the balance part of this year because I believe the negotiations would have already been done by now?

S. Padmanabhan The first contract negotiation is completed. The second contract negotiation is due in July. So, I would not be able to release the price of the first contract because it could influence the negotiation of the second contract as of now. But at the end of the 2nd Quarter, I would be able to give you both the rates.

Parag Gupta But it would be fair to say that the realizations would be more than what it was in the 4th Quarter.

S. Ramakrishnan Are you talking about our consumption or sale? I am getting a bit.

Parag Gupta I am talking about the realizations in your coal SPVs.

S. Ramakrishnan So you are talking about the sale of coal. As we told you, the Q4 realization was about $3 higher than the average for the last year.

Parag Gupta Right.

S. Ramakrishnan And we believe that we have seen an increase of $5 to $10 in the last 6 to 8 weeks, though it has been somewhat stable in the last fortnight and the expectation of people as I said subject to any shocks we may get out of the European situation is that the coal will firm up going forward.

Parag Gupta Right and one last final question, as far as Bombay distribution is concerned again, when do you expect this case to be resolved, so when are we expecting the hearing to happen in the High Court?

S. Ramakrishnan The first hearing is tomorrow. When it will be resolved I will let you know as soon as it is.

Padmanabhan Just to clarify, the first part which I answered was related to coal contracts for the consumption in the Trombay plant, yeah. That was distinct from the second part of the question which S. Ramakrishnan answered.

Parag Gupta Sure. Thanks a lot.

Moderator Thank you. The next question is from the line of Pankaj Sharma from UBS. Please go ahead.

Pankaj Sharma Two questions, I somehow missed the number for the realization for Bumi coal for 4th Quarter, could you please give it to me?

S. Ramakrishnan The 4th Quarter is $62.7 per ton compared to the financial year average of 59.6.

Pankaj Sharma Okay and if we look at the segmental revenues, it is almost 36% has come in 4th Quarter if you compare the 9 months in full year number. So, is there anything I am missing out on this?

S. Ramakrishnan I thought we did send you the segment explanation for the revenue if you see and could you repeat that question because you have said the coal business is 5620.95?

Pankaj Sharma Yeah. Because if I look at the 9 months results, it is about 3600 crores and 3622 crores to be precise.

S. Ramakrishnan Can I take offline see normally when you compare on rupee basis, the dollar creates all the confusion.

Pankaj Sharma Okay.

S. Ramakrishnan Okay. So, Sandeep will send you the dollar-rupee tally. I can only say there is nothing exceptional about this quarter compared to the previous quarter expect for some price increase here and there, yeah.

Pankaj Sharma Sure. And sir, for the next 3 years like FY11 to FY13, what is the net capacity addition you expect in the core business in generation capacity?

S. Ramakrishnan The coal mines, our ultimate target is to reach 100 million tons, but our immediate medium term target is to reach 75 million tons. Debottlenecking operations are there which have already started which will probably take about 2 years to complete.

Pankaj Sharma Okay sir and in terms of your operating generation capacity in MW for your core business, what should be the expectation?

Padmanabhan We are close to 3000 now. Coming year, we will be commissioning 750 about 525 in Maithon, 120 in Jamshedpur and the remaining as wind and 3 MW in solar.

Pankaj Sharma Okay and FY12?

S. Ramakrishnan FY12 will be over 1700-1800 including wind, the remaining unit of Maithon, 2 units of Mundra and some more wind we will do [**Editor's Note: 2 units of Mundra – 1600 MW, Wind - ~100 MW, Maithon – 525 MW will be either end FY11 or early FY 12 and has to be adjusted to these numbers accordingly**].

Pankaj Sharma Okay. Thank you sir. Thanks for the information.

Moderator Thank you. The next question is from the line of Harish Bhiyani from Indiabulls Institution. Please go ahead.

Harish Bhiyani My question is pertaining to the coal scenario which is prevalent in the country right now and if you can just link it up with the coal linkages that we will take for Maithon plus the coal mines that we have for Tubed and Mandakini. Now, given that ministry of environment and forest have some kind of proposal for a no-go and go area plus Coal India is not willing to sign FSA for 90% of contracted quantity. Are we moving into a situation wherein we would have a lot of power plants, but not enough fuel to run those power plants and so regulated power plants where you could get your returns also on availability that might go down, what is you view on that?

S. Ramakrishnan See, as apparently if you see our Mumbai operations we are not dependant on domestic coal.

Harish Bhiyani Right.

S. Ramakrishnan Our Jamshedpur operation to some degree is though it get its coal from TATA Steel mines too. About a year ago, we did import one consignment of coal because of the problem that you are talking about. Our Maithon plant will start commissioning; we hope we will get the full linkage. If the linkage drops for any reason, we will have to resort either buying from e-auction or importing coal.

Harish Bhiyani Right sir.

S. Ramakrishnan Right, but as of now we have not been affected by the problem that you described.

Harish Bhiyani Right sir. But overall what is your view going ahead given the scenario which is there currently and also in case we are buying from e-auction or some imported coal and if it is a non-regulated plant, so we will impact the overall profitability of the plant. So, my question is moving to that front.

B. Agrawala Yeah. Harish, first I think generally speaking if you are saying that there will be a shortage of domestic coal and therefore it would need to be made up through imports and all, you are right and consequently our view is that at least in the medium term or so, the average price of coal even domestically will increase, I mean that is most likely to happen. Will it impact the profitability of plant? It depends on how the sale of power from these plants has been arranged. If it is a regulated sale, for example from the Maithon plant, then whatever will be the cost of fuel that goes in is a pass through, it doesn't really affect. If it is being sold on a merchant basis, then of course, the generator will need to take the hit on the coal price. So, I think it is the function of how you are managing or how you are arranging to sell the power.

Harish Bhiyani Right and pertaining to your coal mine which is there in captive coal mine Mandakini and Tubed, (a) is there any of these mines in no go area, (b) what kind of challenges and problems that you are facing, and (c) whatever we had decided earlier based on when we got allocatement of these particular mines and currently what is the schedule for these particular mines. What is your overall experiences what I want to understand because my question pertains not only to the company, but to the entire sector and the country as a whole?

B Agrawala Yeah. Sure and I think you know that the ministry of environment is generally looking at certain so called hot spots around the country. I think may be some of the mines might fall into those areas, but I think that is the discussion that is ongoing. Our understanding is that there might be certain restrictions placed with respect to the environmental issues and not more in terms of lets say banning or stopping production of generation completely. So, I think that is something that we still need to understand as we move further.

Harish Bhiyani Right sir. Thank you for answering my question. I will come back with any more questions.

B. Agrawala Thank you Harish.

Moderator Thank you. The next question is from the line of Tien Doe from GIC. Please go ahead.

Tien Doe The amount of cash received from the coal business, I think in the 3rd Quarter you were saying it was running lower than the last year because of the payment of tax and they were conserving cash, is it that they continue to conserve cash in the 4th Quarter from the coal business and then the second question is for the long-term coal price and the stripping ratio that you are assuming in your deferred stripping costs calculation for your reserves?

S. Ramakrishnan The first question, in terms of cash received we this year received $70 million compared to $252 million the previous year I think. Yes, cash was being conserved for taxation and other requirements, we expect from our Q2 onwards the cash will start flowing back again.

Tien Doe Okay.

S. Ramakrishnan The second question that you asked about the long-term stripping ratios, I need to get back to you because we have it pit wise. We don't have it overall. We will work and mail it to you.

Tien Doe Okay.

S. Ramakrishnan It is of course based on the JORC report and we have taken a view that every year we will review that and correct it unlike the last time when correction was after a substantial part of time.

Tien Doe Alright, I see. Thank you.

Moderator Thank you. The next question is from the line of Sudhakar Prabhu from Span Capital. Please go ahead.

Sudhakar Prabhu Yeah, good morning. My question is regarding your solar venture. Just I would like to know how much is the total investment for the 3 MW PV and also have you signed any off take agreement for the same?

B. Agarwala Well, our total investment would be in the region of about 50 crores for the 3 MW and in terms of off take, our intention is to sign it up with one of the distribution companies in Maharashtra. The Maharashtra regulator has put up draft norms on the website which are similar to the central regulatory norms. So, I think that is the bases on which we expect to sign the power purchase agreement.

Sudhakar Prabhu And what are the rates expected and rough figure, if you could help us?

Banmali Agarwala Well I think as per the draft norms it will work out to be somewhere about 16.9 or so.

Sudhakar Prabhu Okay. Thank you.

Moderator Thank you. The next question is from the line of Madhurendra Manderwal from Anand Rathi Financial Services. Please go ahead.

M. Manderwal Yeah. Good day sir. I just wanted to know one thing. This extraordinary numbers that you have given in PAT in your press release which stands to be 256 crores for the previous year and 252 crores for this year and the same for the standalone numbers. I wanted to know whether these are net of tax and my second question I missed actually the coal sale for FY09. For FY10, I have got the figure of 62 million tons; can you give me the related number for FY09?

S. Ramakrishnan Let me first clarify, what we have said in that explanation it is not extraordinary in the sense that last year we had other income of about 258 crores which we got by the sale of TATA Tele Services shares**.** This year because of the ATE judgment, we had certain regulatory adjustments of that amount neither of which we call extraordinary, though you have used the word or may be somebody…. That is the first explanation. The second question I missed it, something on coal you had asked?

M. Manderwal Coal sales in 2009.

S. Ramakrishnan You want to know the million tons; the sales were 50.2 worth of sales whereas this year it is 62.7.

M. Manderwal Okay. Thank you sir.

Moderator Thank you. The next question is from the line of Siddharth Sanghvi from Pioneer Investments. Please go ahead.

Siddharth Sanghvi Hi. My question is on whether this 23,600 crores of CAPEX includes CAPEX on captive coal blocks of Mandakini and Tubed and also the power capacities to be set up based on these captive coal blocks?

S. Ramakrishnan It includes the coal mines, but not the IPP plant.

Siddharth Sanghvi Okay and what would be the power capacities for Tubed and Mandakini?

S. Ramakrishnan See, the coal itself can probably support only 500 MW or 600, but we are thinking of setting up 2 units of 600 MW or 660 MW and make up the rest through linkage coal.

Siddharth Sanghvi Okay and this is for both….

S. Ramakrishnan Both the plants.

Siddharth Sanghvi Okay.

S. Ramakrishnan The Orissa one and Jharkhand**.**

Siddharth Sanghvi And also if you can share some details on the cash flow from operations and debt level at standalone and consolidated level.

S. Ramakrishnan Yeah, I will just give into. The consolidated debt is [**Editor's Note: ~ Rs.19500 Cr**] and the standalone debt is 5872. The ratio of consolidated, debt-to-equity is under 0.53 and standalone debt-to-equity is 0.36.

Siddharth Sanghvi Okay and on cash flow from operations?

S. Ramakrishnan You would add PAT and depreciation here. There is hardly any working capital adjustment for us.

Siddharth Sanghvi Okay. Thanks for this.

Moderator Thank you Mr. Sanghvi. As we have no further questions, I would like to hand the floor back to Mr. Prasad Menon for closing comments. Please go ahead.

Prasad Menon Thank you once again all of you for assembling here today and we look forward to speaking to you again at the end of the 1st Quarter. Thank you.

Moderator Thank you gentlemen of the Management. Ladies and gentlemen, on behalf of Tata Power that concludes this conference call. Thank you for joining us and you may now disconnect your lines.