

Tata Power Announces Consolidated Q3 FY 2009-10 Results

Revenue for the nine month period up by 2% at Rs 13,632.78 Crores

Mumbai, February 25, 2010: The Tata Power Company Limited, India Largest Integrated Private Power Utility today announced the consolidated financial results for the nine month period ended December 31st, 2009.

Commenting on the Company's consolidated performance, Mr. Prasad R. Menon, Managing Director, Tata Power, said: "Our power operations continue to be robust and our generating assets at Trombay, Hydros, Jojobera and Belgaum are performing well. Our major projects in pipeline (Mundra and Maithon) have maintained the progress as planned and are on schedule. The performance of our Coal companies continues to be profitable and the outlook remains healthy. The provision of write-off for deferred stripping expenses in the Indonesian coal mines though has reduced the net profit but in no way affected the long term performance of the coal companies. We consider it prudent to make this provision of write-off in this quarter."

HIGHLIGHTS - Nine Months FY 10 Consolidated:

- Revenue for the period was up by 2% at Rs. 13,632.78 Crores compared to Rs. 13,328.22 Crores the corresponding period last year.
- On a consolidated basis, the Company reported Net Profit after Statutory Appropriations at Rs. 1,032.95 Crores as compared to Rs. 1,252.94 Crores in the corresponding period in the previous year.
- Net Profit after Tax (PAT) before Share of Associates, Minority Interest and Statutory Appropriations was at Rs. 1,113.65 Crores as compared to Rs. 1,351.17 Crores for the same period last year. The decrease is because the coal companies, based on receipt of an updated resource assessment technical report and modification of certain contractual arrangements relating to mining costs (including pre-stripping), reviewed the estimates of carrying amount of deferred stripping costs recorded in current and previous periods/years. This has resulted in a charge of Rs 350.89 Crores during the quarter. The performance of the coal companies continues to remain robust and profitable.
- On Consolidated Segment-wise performance, Net Revenue for Power business was Rs 9,450.94 Crores and Coal Business was Rs 3,622.93 Crores as compared to Rs 9,087.96 Crores and Rs 3,697.00 Crores respectively, during the corresponding periods last year.
- PBIT for Power Business was Rs 1,600.82 Crores against Rs 917.21 Crores, and PBIT for Coal Business stood at Rs 542.38 Crores as compared to Rs 1,284.39 Crores, over the corresponding period in the previous year due to write-off of deferred stripping expenses as explained above.
- Tata Power has already reported its standalone Revenues for nine months FY 2009-10 at Rs. 5303.22 Crores as compared to Rs.5761.88 Crores in the same period last year. Profit After Tax (PAT) for the period stood at Rs. 708.16 Crores up by 25% as against Rs. 567.56 Crores in the corresponding period last year.

Key Highlights Q3 FY 10 Consolidated:

- Revenue for the quarter stood at Rs. 4,340.43 Crores compared to Rs. 4,621.52 Crores the corresponding period last year.
- On a consolidated basis, the Company reported Net Profit after Statutory Appropriations at Rs. 92.57 Crores as compared to Rs. 505.17 Crores in the corresponding quarter in the previous year.

- Net Profit after Tax (PAT) before Share of Associates, Minority Interest and Statutory Appropriations was at Rs. 152.73 Crores as compared to Rs. 546.33 Crores for the corresponding quarter last year. During the quarter, the Coal Companies modified certain contractual arrangements relating to mining costs (including pre stripping) and reviewed the estimates of carrying amount of stripping costs deferred to future periods, subsequent to receipt of an updated resource assessment technical report. This has resulted in a charge of Rs. 350.89 crores during the quarter ended 31st December 2009. Of this as per management estimates, Rs 242 Crores relates to prior years ad Rs. 75 Crores relates to prior quarters in the current financial year.
- On Consolidated Segment-wise performance, Net Revenue for Power business was Rs 2,909.35 Crores and Coal Business for Rs 1,259.29 Crores as compared to Rs 2,980.62 Crores and Rs 1,456.76 Crores respectively, as compared to the corresponding periods last year.
- PBIT for Power Business was Rs 515.48 Crores against Rs 310.20 Crores, 66% higher, whereas, PBIT for Coal Business stood at Rs (171.17) Crores as compared to Rs 574.56 Crores in the corresponding quarter in the previous year due to write-off of deferred stripping expenses as explained above.
- On 19th January 2010, Tata Power reported its standalone Revenues at Rs. 1566.51 Crores as compared to Rs. 1776.87 Crores in the corresponding quarter last year. Profit After Tax (PAT) for the quarter stood at Rs. 147.89 Crores as against Rs. 115.08 Crores, an increase of 28% in the corresponding quarter last year.

BUSINESS HIGHLIGHTS:

- **North Delhi Power Limited (NDPL):**

The Company's distribution subsidiary and joint venture with Delhi Govt., NDPL posted revenues of Rs. 830.85 Crores during the quarter, a growth of 46% as compared to the previous year of Rs. 570.97 Crores. The Profit after Tax increased to Rs.68.39 Crores as against Rs. 45.16 Crores in the previous year.

- **Powerlinks Transmission Limited (Powerlinks):**

Powerlinks, the first public-private joint venture in power transmission in India has earned revenues of Rs. 72.39 Crores during the quarter as against Rs. 56.02 Crores in the previous year. The Profit after Tax also increased by 178% to Rs. 34.35 Crores from Rs. 12.37 Crores in the previous year on account of the change in the CERC norm and also due to higher additional capitalization during the quarter.

- **Tata Power Trading Company Limited (TPTCL):**

TPTCL traded a total of 1083 MUs during the quarter as compared to 675 MUs in the previous year, thereby resulting in an increase in its revenues to Rs 588.98 Crores from Rs. 535.23 Crores in the previous year. The Profit after Tax also increased to Rs.1.49 Crores as against Rs. 1.33 Crores in the previous year.

GROWTH PLANS:

The progress on Company's new projects is as follows:

- **4000 MW, Mundra Ultra Mega Power Project on Fast Track:**
4000 MW Mundra Project implementation is progressing as per schedule with Engineering, Procurement and Construction activities in full swing. Overall project progress achieved is 42%. Ordering of all critical items/major packages has been completed. The first unit is expected to be commissioned by September 2011.
- **1050 MW Maithon Joint Venture Project:**
1050 MW Maithon Power Limited (MPL), a joint venture between the Company (74%) and Damodar Valley Corporation (DVC) (26%), is also progressing well and has achieved 63% completion. All efforts are being taken to commission the first unit by October FY11.

- **Industrial Energy Limited (IEL):** A joint venture between Tata Power (74%) and Tata Steel (26%) has the following projects:
 - **Unit 5 at Jojobera:** A 120 MW power plant being constructed at the Company's existing site at Jojobera. The project is in advance stage of erection. Activities required for synchronizing the unit are in progress. The project is expected to be synchronized in March 2010.
- **114 MW Dagachhu Power Plant** in partnership with The Royal Government of Bhutan (RGoB) is progressing well. Major Ordering for the project has been completed. All statutory clearances, land, water and environment clearances have been received and PPA for the entire quantum of power has been signed for the project. The first unit is targeted to be commissioned by 2013.
- The Company **signed an exclusive partnership agreement with SN Power**, Norway to set up Joint Ventures to develop hydropower projects in India and Nepal. The partners aim to have 2,000 MW under construction or in operation by 2015, and a total of 4,000 MW by 2020. Tata Power and SN Power have already begun pursuing potential project opportunities based on the vast reserves of renewable energy in the Himalayan Region.
- Tata Power **completed the allotment of a 5 year, 1.75% Coupon US\$ 300 Million Foreign Currency Convertible Bonds (FCCB)** on November 20, 2009. The FCCBs are convertible at 10% premium over the closing share price of the Company's shares on National Stock Exchange of India Ltd. on November 5th, 2009 and bear a yield to maturity of 3.5% p.a. calculated on a semi-annual basis. Tata Power intends to use the aggregate net proceeds from this issue for capital expenditure of its existing power plants, projects under implementation and other project plans of the Company (including projects undertaken through its subsidiaries).
- Ministry of New and Renewable Energy, Government of India recently announced **Jawaharlal Nehru National Solar Mission** which encourages setting up of solar based plants in India. In this regard, Tata Power is exploring opportunities upto 300 MW to set up solar based generation plants at various locations in the country by 2013. The Company is starting by implementing a 3 MW, PV based, grid connected Solar plant at Mulshi, in the Western Ghats.
- The Company signed MoU with Korea East West Power to explore & execute Operations and Maintenance opportunities in Asia, Middle East and Africa.
- **ICRA reaffirms LAA rating for the NCD program & A1+ for CP/short term debt program of Tata Power:** The ratings reflects the considerable progress made by the company in execution of the green field projects at Mundra, Gujarat and Maithon, Jharkhand.

About Tata Power:

Tata Power is India's largest private sector power utility with an installed generation capacity of about 3000 MW and a presence in all the segments of the power sector viz Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The Company has successful public-private partnerships in Generation, Transmission and Distribution - "North Delhi Power Limited" with Delhi Vidyut Board for distribution in North Delhi, 'Powerlinks Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi and 'Maithon Power Ltd.' with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand. It has acquired 30% stake in Coal Companies at Indonesia and is developing the first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology. With its track record of technology leadership, customer care and redefining contours of the Indian power sector, Tata Power is poised for a five-fold growth and committed to 'lighting up lives' for generations to come.

Disclaimer Statement: Some of the statements in this document, except for the historical information, are forward-looking statements. These forward-looking statements include references to growth projections, plans, strategies, intentions and beliefs concerning our business and operating environment. There are risks, uncertainties and other factors that may cause actual results to differ materially from those projected by these forward-looking statements.

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