

The Tata Power Company Limited
First Quarter Financial Year 2008-2009 – Earnings Conference Call
July 25, 2008

Moderator: Good afternoon Ladies and Gentlemen. I am Sanjay, the moderator for this conference. Welcome to the Tata Power Conference Call hosted by Edelweiss Securities Limited. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the question and answer session will be conducted for participants connected to the International Bridge. After that, question and answer session will be conducted for the participants at the India Bridge. I would like to handover to Mr. Shankar. Thank you and over to you sir.

Mr. Shankar: Thanks, Sanjay. We thank the management of Tata Power for providing us opportunity to host this call. To broadly take you through the sequence of events, we will have Mr. Prasad Menon, Managing Director, Tata Power, who will do a brief introductory talk, post which we will have Mr. S. Ramakrishnan, Executive Director - Finance, to take us through the broad performance. Over to the management now. Thank you sir.

Prasad Menon: Thank you, Shankar. Good afternoon Ladies and Gentlemen, and welcome to this conference call. I must apologize in the beginning because I am afraid I have to move out after about 10 minutes - I have another major meeting that I have to attend, but I thought I would just go through quickly some of the highlights of this particular quarter, and provide an update on some of our projects. We are happy with the recent ruling of the honorable Supreme Court concerning our retail license issue. They have, as many of you know, in their judgment upheld Tata Power's rights to supply power to retail consumers in Mumbai license area, and we believe this is a very good move for us. The second highlight that I would just like to talk about is the fact that we have agreed - Tata Power has agreed to take a 26% equity stake in a 114 MW hydroelectric power project in Bhutan in the river Dagacchu. This has been developed by the Royal Government of Bhutan through Druk Green Power Corporation Limited, and that will be executed by a Special Purpose Vehicle. Tata Power Trading has also agreed to off-take the generation of this project for the period of 25 years. Just to give you a little update on our major projects, the Mundra project - the UMPP, it is proceeding very well - construction is going on full swing. Both the boiler work as well as the turbine work for Unit-1 and indeed even on the Unit-2 has started and has moved at a very good pace. We are confident of meeting our target for completion as we believe that the construction work is going well. This is also the case with our Maithon project in Jharkhand where we have a JV with DVC. Most of the orders are now being placed. Much of the civil work has started around the boiler and turbine, and this is also going on target. We have

another project in Mumbai license area, which is the Unit-8 project, at 250 MW, which we have been working on for the last couple of years. I am happy to announce that we are now in the last stages of construction and we will soon be starting commissioning, and we will meet our target of October for the year. The projects in the east are also very, very close to getting commissioned. Power House 6 and Haldia are in the process of commissioning, and progressively the other units in Haldia as well as Unit 5 will come on stream over the next few months. So, all our projects are doing well, on target as of now, and according to plan. Thank you and I would now like to handover to Mr. Ramakrishnan who will take you through the financials for us.

S. Ramakrishnan: Good afternoon, this is Ramakrishnan here. We are trying to mail the results to the people whose emails ID we have because our Board meeting took a little longer than anticipated, and hence, I don't think the results are on the website of our company or the stock exchange though they should be there in any moment. Sorry, I believe we have uploaded to the stock exchange. I will, still, for the benefit of some of you who may not have had time to read, I will read out some of the lines of some of the key figures, assuming that some of you haven't had time to go through the results that have been sort of mailed to you. Before I take you into the results, there are two significant accounting matter about which I want to mention. One is on regulatory adjustments. In the past, we used to calculate the regulatory adjustments to be made in Q4, once the financial year was over. We used to provide for these on an annual basis. Basically, we are entitled to certain incentives. We are entitled to retain certain amounts if we perform well as well as we are supposed to handover excess profit if we have made more than the entitlements in a year. All these adjustments we used to make in Q4 for the whole year, which means the Q4 results, to that extent, were you can say not very representative because this adjustment used to be there. If you check the last year's results, in the last year, we had made a statutory appropriation of about Rs.58 crores, and probably an adjustment in the revenue to the extent of Rs.33 crores as you see from the published results for 31st March 08, which means Q4 last year went through a Rs.90 crore adjustment, and we felt that this sort of is not very representative of the quarterly results, and decided that we will provide for these every quarter. So, we have done that starting from this quarter. If we had not made this adjustment, the profit that we would have reported will be Rs.20 crores higher than the results that I am going to tell you, and the profit after tax and statutory appropriation would have been higher by Rs.48 crores, and earnings per share would have been higher by Rs.1.99 at Rs.9.35. For the benefit of those who may not have the results in their hand, I will just read some of the stock figures. Our revenues this quarter were Rs.2049 crores as against Rs.1511 crores last year, from which we have made an adjustment towards future tariff by deducting Rs.23 crores. It is

exactly arising out of this quarterly adjustment about which I spoke, which lead to an ultimate turnover of Rs.2026 crores as against Rs.1511 crores the previous year.

The other income for this quarter was at Rs.48 crores as against Rs.68 crores the previous year. The profit before tax for the current year is Rs.266.84 crores as against Rs.227.88 crores the previous year's quarter. The provision for taxation is at Rs.76.29 crores as against Rs.37.68 crores, a significant increase which I will explain to you in a moment, leading to a profit after tax of Rs.190.55 crores as against Rs.190.20 crores the previous year. Let me stop a while and mention, this Rs.190.55 crores would have been Rs.210 crores had we followed the same accounting method as we did last year the first quarter. We have made an appropriation of Rs.28 crores in this quarter as against nil earlier, since the past practice was to make statutory appropriation only in Q4, leading to net profit after tax and statutory appropriation of Rs.162.55 crores as against Rs.190.20 crores. If we had followed the previous year's accounting method, we would have reported Rs.210 crores as profit after tax and statutory appropriation.

The other is the EPS for the quarter, is Rs.7.36 as against...I am sorry, the basic earnings per share is Rs.7.36 as against Rs.9.6 the previous quarter, and the diluted earnings per share is Rs.7.36 as against Rs.9.04. The Rs.7.36 would have been Rs.9.35 as per the earlier accounting practice as against Rs.9.04 the last year. The aggregate public shareholding stands at an amount of 14.68 crore shares as against 13.37 crore due to the FCCB conversions that have taken place as well as a preferential allotment to Tata Sons, sorry...it is mainly due to FCCB.

Coming to the explaining to you the issue on deferred tax and total taxation, the earlier years we did not provide for deferred tax in the books for the Mumbai license area because we had a fund called deferred taxation liability fund, and there was enough amount available in this fund. During this quarter, the units in which we had invested had to be redeemed incurring a loss of Rs.155.47 crores – it has been mostly adjusted against the deferred taxation liability fund, which is a statutory appropriation. As per the regulation, we are entitled to recover tax as and when we pay, and hence to that extent, the consumers will also be paying for this provision of deferred tax in future when the tax liability arises. However, the consumers have also been paying for certain expenses for which we have been making provisions in the profit and loss of the past year, which is not permitted for tax calculation leading to a deferred asset, and hence, the current provision that we have made to the extent of Rs.27 crores is to account for this cumulative deferred asset that we have created, which has to be adjusted against the deferred tax liability claims that we have on the consumers, and hence, this amount of Rs.27 crores has been adjusted. Going forward, since this is a cumulative amount of the

past year, we will not have such a significant increase in deferred tax liability provisioning due to this reason, and hence to that extent, the PAT has been lower by Rs.27 crores. In spite of all this, our profit today has to be seen almost same as last year, and if it were on the same basis as I mentioned earlier, we would have been higher at Rs.210 crores due to the accounting method and possibly by another Rs.27 crores due to the deferred taxation.

For those of you who have not got the particulars, the other key factor is the cost of fuel and the cost of power purchase for this quarter - it is over Rs.1500 crores compared to Rs.1085 crores, signifying substantial increase in the fuel costs and cost of power procurement. However, as per the regulation, this amount is reimbursed to us by the consumers and hence this increase does not have any effect as far as the profit and loss is concerned.

I will now take you through some of the operational features. As far as generation is concerned, the Trombay Generation had been marginally higher than last year by 1%. Hydro Generation had been lower by 21% compared to the last year for two reasons. This year's monsoon has not been as good as last year. Last year because of almost flood-like situations, we are forced to generate more units even though the Krishna Water Panel did not allow us to discharge that much water, whereas this year we had to strictly abide by the Krishna Water award, and hence the generation is lower by 21%. Jojobera generated 11% higher in terms of the MUs and Belgaum had almost doubled its generation, which was growth of almost 93%. The wind generation this quarter has been pretty good, it is 56% higher than last year for two reasons. During the three quarters of last year, we had commissioned more wind units than what were available in Q1 of last year. Second, I think the wind conditions this particular quarter have been favorable compared to last year.

Looking at the sales side, the license area had sales which were 2% lower than last year. However, last year, we used to procure power for Bombay including BEST and Reliance. The regulator had ordered later that the procurement will be done by three parties by rotation, and in this quarter, we are not procuring on behalf of others, and hence that particular turnover was not applicable to us. Jojobera had a sale in MUs higher by 11%, Belgaum by 92%, wind farm by 57%. Coming to revenue, the revenue of the licensed area stood at Rs.1751 crores as against Rs.1299, an increase of 35% significantly contributed by the tariff for fuel cost increases. Jojobera had an increase of 15% in revenue, you can say roughly two thirds of it contributed by fuel and one-third of it contributed by increased generation. Belgaum was higher at 78% largely due to increase in generation. Wind farms are higher by 62%, largely due to generation. The other income for the power business was marginally higher from Rs.6 crores to Rs.10 crores, showing a growth of 66%. The other

business which is the SED and the PSD that we have, the strategic electronic division as well as the power supply division which we have now sold to Tata Projects, except for a project in Bangladesh. Both combined had an increased turnover from Rs.20 crores to Rs.27 crores, a 33% increase. Coming back to....so by and large, as you can see, Tata Power has continued to improve the profitability on the operation. But for the accounting method change, you would have seen a significant increase, while the published results show the profit to be at the same level as the last year.

Coming to the subsidiaries, NDPL, our distribution company in Delhi, showed an increase of 20% in PAT. Last year, the quarterly result of PAT was Rs.28.33 crores, and this year, it was Rs.33.99 crores. PowerLink which is our subsidiary, is a joint venture with Power Grid, had a profit for this quarter of Rs.9 crores as against Rs.8.04 crores. Tata Power Trading, which is 100% subsidiary, which does trading, had a significant increase in turnover from Rs.158 crores to Rs.413 crores largely contributed by almost doubling of the MUs traded, and the rest of the increase has been due to increase in the power costs that they have traded in. Its profits after tax had moved from Rs.72 lakhs last quarter to Rs.1.41 crores this year. So, even our subsidiaries have continued to do well. Before I pass this back for the Q&A, if we can limit our questions to those pertaining to this quarter, because even I am under time pressure and supposed to be taking an international flight out. I am quite willing to answer all the questions, but let us limit ourselves to those pertaining to this quarter. Any other questions which don't necessarily link to this quarter, I will appreciate you send me a mail, so that we will answer you individually. So, I handle back to the moderator for the question and answer session. Thank you.

Moderator: Thank you very much sir. At this moment, I would like to handover the proceedings to the International Moderator, Fareeda, to conduct the Q&A for participants connected to the International Bridge. After this, we will have a question and answer session for participants at the India Bridge. Thank you and over to you Fareeda.

International Moderator: Thank you Sanjay. We will now begin the Q&A session for participants connected to the International Bridge. To ask your question, please press 01 now. First question is from Mr. Rajesh from CLSA India. Go ahead sir.

Rajesh: Good afternoon sir.

S. Ramakrishnan: Yes, Rajesh, how are you?

Rajesh: I am fine sir. How are you?

S. Ramakrishnan: I am fine.

Rajesh: Great, sir, can you throw some more light on the change in the accounting policy related to the statutory appropriations which you have made which is also mentioned in your note No.5.

S. Ramakrishnan: Rajesh, we did not hear you.

Male Speaker: The first few words of yours – we did not hear you.

Rajesh: Sir, can you throw some more light on the account exchanges which you have made during the year?

S. Ramakrishnan: Yes, I will tell you.

Rajesh: Which have been also mentioned in the note 5 of your.....

S. Ramakrishnan: That is right. We will explain to you. In the regulatory area, as we have always maintained that we are entitled to 14% return on equity plus we are entitled to working capital interest which is calculated on nominal basis plus any heat rate change, that heat rate change due to which we save on fuel, we are entitled to two-thirds of it. We are entitled to two-thirds of working capital saving we achieve. We are entitled to two-thirds of operating cost. However, one-third of these belong to the consumers, which we have to return back. So, if you really see this quarter, after all this, if I report a profit which is higher than the profit than I am entitled to, that extra profit is supposed to go into appropriation reserve for the consumer. In this quarter, we have made adjustment of Rs.23 crores, if you see line 2 after revenue, not the other income, the second line under 1 revenue.

Rajesh: Yes.

S. Ramakrishnan: Rs.23 crores. This reflects the saving that we are effected which we had to pass on to the consumers, and hence, it is deducted from the revenue because this will go towards fixing a lower tariff in future by the regulator.

Rajesh: So, does this refer to the one-third share in the working capital saving as well as heat-rate saving?

S. Ramakrishnan: These reflect to roughly one-third sale.

Rajesh: Okay fine.

S. Ramakrishnan: Okay, now I am entitled to certain things which I don't have to share with the consumer, which are also incorporated in the revenue, the topline, not in the second line, which is I have a PLF incentive. If I operate at a PLF higher than the specified number, I

am entitled to a certain additional payments as well as availability of the hydro stations. If it is greater than a certain percentage, I am entitled to it. All these, we used to do at the end of the year. Just to give you an example, if you see in item 1 towards the year end as against minus Rs.23 crores, we have a plus Rs.33 crores. Hello?

Rajesh: Yes sir.

S. Ramakrishnan: That means that we claimed all these which we had to give it to the consumer, where in the last year, we had what is called the fuel money to be yet given because of a cap operating, hello?

Rajesh: Yeah.

S. Ramakrishnan: Due to which the Rs.33 crores shows that the consumer has to give me, which you can see in the third column of the year-ended column.

Rajesh: Correct.

S. Ramakrishnan: Okay. Instead of doing it year end, we are doing it every quarter, that means we judge for the TDS till to date whatever is to be provided and whatever was provided in the previous quarter, if it is a running year, we deduct and make that provision in the quarter, like you make for the income tax.

Rajesh: Okay.

S. Ramakrishnan: Okay, now, that is why you see two amounts, that of Rs.23 crores here and provision of Rs.28 crores under item 10.

Rajesh: Okay.

S. Ramakrishnan: Item 10, if you see last year, we had made a provision of Rs.58.59 crores at the end of the year.

Rajesh: Right.

S. Ramakrishnan: Did you understand?

Rajesh: Yes.

S. Ramakrishnan: Now, we started doing every quarter. For this quarter, it happens to be Rs.28 crores.

Rajesh: Okay.

S. Ramakrishnan: That is the real explanation for point 5.

Rajesh: Sir, then in that case would it be fair to say that, you know, we used to see lot of variability across quarters in the company's numbers earlier, and especially fourth quarter used to be especially volatile because all these adjustments used to happen, would it be fair to say that going ahead we would have fairly uniform quarterly numbers because of you are making these adjustments on a quarterly basis.

S. Ramakrishnan: Let me put it this way. Our business is affected for two reasons. One is there is a certain seasonality. You cannot.....

Rajesh: Hello?

International Moderator: Thank you sir. Next question is.....

Rajesh: Hello?

International Moderator: Mr. Rajesh, have you finished your question?

Rajesh: No, I think Mr. Ramakrishnan was answering it.

S. Ramakrishnan: Rajesh, you are listening to me?

Rajesh: Yes.

S. Ramakrishnan: You are not allowed to ask question number two, is it?

Rajesh: No, no, we lost you somewhere.....

S. Ramakrishnan: Sorry, what I said was that, you asked me will the profit be more uniform. The answer is yes, but however, there is an inherent seasonality in the business between summer month and winter month and that will continue. The additional were being caused by lack of these adjustments and all being cumulatively made in Q4 will now be more even, that is all.

Rajesh: But sir, would not whatever shortfall or increase happen in a particular quarter get adjusted because of these statutory appropriations which you are making?

S. Ramakrishnan: I am not very clear.

Rajesh: Sir, you said that, you know, there would be still variations in the summer months and the winter months because of the season.....

S. Ramakrishnan: Yes, but please understand. There is an inherent profit out of the intensity of the operation, right?

Rajesh: Yeah.

S. Ramakrishnan: So, that will definitely contribute certain fluctuation across the quarter.

Rajesh: Okay.

S. Ramakrishnan: The added fluctuation caused by these adjustments being done only in Q4, that will now cease. So, you will see less volatility as far as license area results are concerned.

Rajesh: Okay, okay.

S. Ramakrishnan: Yes.

Rajesh: Okay and sir last question is on, you know, you won the judgment in the Supreme Court about you being allowed to participate in the retail distribution business. Can you please highlight how this will benefit you and what are your plans for the same?

S. Ramakrishnan: First I want to say that the company has always had a license to serve all customers, and in between, around 2004-05, the regulator passed an order saying you should not service consumers below 1000 kVA till I sort out some level playing field key problems. Later, it was challenged by our competitor, and the ATE said that we have no license, and now the Supreme Court has restored our status to status quo. Okay. Since, it allows us to do the retail business without any hindrance, which we have been having for the last four years.....

Rajesh: Okay.

S. Ramakrishnan: ...right. So, naturally the distribution business volume have a potential to increase over the years with further expansion of our network.

Rajesh: Sir, given that, you earn a regulated return in this business basically additional profits can come from this business only if you do additional network built out?

S. Ramakrishnan: That is right....anyhow we need additional network to service additional areas....

Rajesh: Okay.

S. Ramakrishnan: ...so, there will be investments and hence there will be increased return.

Rajesh: Any idea, how much additional expenditure you would make on account of this over the next few years?

S. Ramakrishnan: We will share with you when we are ready to share with you.

Rajesh: Okay sir, thanks a lot.

International Moderator: Thank you sir. Next question is from Mr. Tien from GIC, Singapore. Mr. Tien goes on the line sir.

Tien: Hi, good afternoon.

S. Ramakrishnan: Hi, good afternoon.

Tien: Thank you for the call. Hi, I just got one question on the sector of rising coal costs on your UMPP projects. Could you just go through with me the details of how current coal cost will affect and what returns are you expecting from the Mundra project? I know you have got some coal, which are at fixed prices, and some which is at.....

S. Ramakrishnan: Yeah, can I do this offline with you because we have done it many times with many analysts...

Tien: Okay, no problem.

S. Ramakrishnan:and I will be quite happy to do that, but it will take you a good 20 minutes to do.....

Tien: Okay, alright, that is fine.

S. Ramakrishnan: So, if you can send us a mail, in fact we are going to be in Singapore too on August 5, 2008, and August 6, 2008. You send us a mail, and we can talk about it.

Tien: Okay, alright. Thank you.

S. Ramakrishnan: Thank you.

International Moderator: Thank you. Participants with questions, please press 01 now. Thank you sir. Next question comes from Mr. Prassan in United Kingdom from Altima Partners. Go ahead sir.

Mr. Prassan: Hi.

S. Ramakrishnan: Hi.

Prassan: Thanks for the opportunity to speak to you. I just have a quick question. In this quarter, it seems you have not consolidated your profits from your subsidiary, coal subsidiary Bumi.

S. Ramakrishnan: Yes.

Prassan: Basically, I assess your company. So, am I right in my understanding?

S. Ramakrishnan: Yes, you are right. This is only a standalone result, and we are so far being consolidating every year, annually and Q4. We are looking at if we can consolidate every quarter. We will be taking a call on it in the coming quarters.

Prassan: Okay, that is fine. Thank you.

International Moderator: Thank you sir. Participants who wish to post a question, can you press 01 now. Thank you sir. Next question is from Mr. Atul Tiwari from India. Go ahead sir. Mr. Atul Tiwari from Citi Group go ahead with your question sir.

Atul Tiwari: Yeah sir, sir you mentioned that in this quarter, the cost of fuel has gone up. So sir, has the pass through being allowed on this or is it expected in the near future? I mean, how does the whole process work out there? Will it take some more time or has it already been done?

S. Ramakrishnan: This quarter, it has already gone through. I just want to tell you if you see the line below revenue, if you see a figure not protected by the bracket that means we are to collect money from the consumers. If it is protected by the bracket, it is they have to give us money. So, in this quarter, we have no fuel to be collected from them. Typically, what happens is the fuel cap tends to apply as the years proceed because the regulator fixes a tariff some time in April-May and then the fuel prices start moving up and then we hit the cap somewhere in Q3 or Q4 depending upon how the fuel prices move. So, while you can see, it appears in Q4 as Rs.33.4 crores which means we have to collect money from the consumer, whereas in this quarter, they owe us no money. We are sitting on their money of Rs.23 crores.

Atul Tiwari: Okay sir. Thank you.

International Moderator: Thank you sir. At this moment, there are no further questions from the participants at the international bridge. I would like to hand over the proceedings back to Sanjay. Over to you Sanjay.

Moderator: Thank you Fareeda. We will now begin the Q&A interactive session for participants connected to the India bridge. Participants who wish to ask questions, may please press *1 on your telephone keypad. On pressing *1.....

S. Ramakrishnan: I thought we have been through India unless the Indian analyst ask questions from out of India.

Moderator: Right. We are taking the questions specifically from participants connected on to the India bridge at the moment.

S. Ramakrishnan: Okay.

Moderator: So, participants can press *1 to ask a question, and participants are requested to use only handsets while asking a question. To ask a question, please press *1 now. First in line, we have a question from Ms. Soumya from Morgan Stanley.

Parag: Good afternoon Mr. Ramakrishnan.

S. Ramakrishnan: Good afternoon.

Parag: This is Parag from Morgan Stanley.

S. Ramakrishnan: Yes Parag.

Parag: Mr. Ramakrishnan, just wanted to understand as far as your accounting changes are concerned....

S. Ramakrishnan: Yes.

Parag:you said that for your incentive on higher PLF plus availability on hydro, you used to make those adjustments at your end, but you would probably start making this from each quarter going forward.

S. Ramakrishnan: Yes.

Parag: How would that have impacted your revenue for this quarter? Would that have taken up your revenue as compared to the quarter of last year?

S. Ramakrishnan: Marginally yes.

Parag: But that is not a significant number as such?

S. Ramakrishnan: No, as I said, did I tell you that, had I not followed this, my profit would have been higher by 20 crores.....

Parag: It only adjust for that?

S. Ramakrishnan: and it is a cumulative effect of all these.

Parag: Sure and secondly just to understand on the retail distribution of electricity in Mumbai license area. Is there any plan that the company is making in the near future or is that just something that you will look in the longer term?

S. Ramakrishnan: No, we are working at some plans at the moment. As I said to Rajesh or somebody else earlier, we will share it with you all once we have the same addressed with the regulators, and we have a joint in-principle approval.

Parag: Sure, thanks a lot.
Moderator: Thank you very much sir. Next in queue, we have a question from Mr. Aman Batra from Kotak. Please go ahead sir.

Aman Batra: Sir, one question only.....

S. Ramakrishnan: Can you talk louder Aman?

Aman Batra: Yeah sir, one question only, forex gain and losses that you account in the P&L....

S. Ramakrishnan: Yes.

Aman Batra:this pertains to the regulated business or this is beyond the regulated business?

S. Ramakrishnan: This is beyond the regulated business. In the regulated business....

Aman Batra: Yeah.

S. Ramakrishnan:the fluctuations of foreign currency and fuel is reimbursed by the regulator.

Aman Batra: Okay.

S. Ramakrishnan: So, this is only on other than LA that we have to take credit for or provide for.

Aman Batra: Right.

S. Ramakrishnan: Yeah.

Aman Batra: The second question is on statutory appropriations. As I understand if you are gaining something from say PLF incentives or availability, how come you are making a deduction in the profit and loss statement because as you said.....

S. Ramakrishnan: No, as I told you....

Aman Batra: Yeah.

S. Ramakrishnan:there are two types. There are some that we give away to the consumer.

Aman Batra: Okay.

S. Ramakrishnan:which happens through line two.

Aman Batra: Okay.

S. Ramakrishnan: In spite of all that if we make a profit which is higher than what we are entitled to....

Aman Batra: Okay.

S. Ramakrishnan:then we have to do it through appropriation.

Aman Batra: So, this is the one which is higher than the reasonable.....

S. Ramakrishnan: That is right, that is right. The line on Rs.23 crores that you see.....

Aman Batra: Right.

S. Ramakrishnan:those are that I have to give it to the consumer....

Aman Batra: Right.

S. Ramakrishnan: ...and below is what I am earning more than I am entitled to.

Aman Batra: Okay. So, this you are creating as a reserve for the future?

S. Ramakrishnan: Yes, on which of course I do not have any say.

Aman Batra: Right.

S. Ramakrishnan: The regulator has.....

Aman Batra: Okay.

S. Ramakrishnan:but they are meant for my consumer and not for anybody else.

Aman Batra: Okay, thanks a lot sir.

S. Ramakrishnan: Thank you.

Moderator: Thank you very much sir. Participants who wish to ask questions, may please press *1 on you telephone keypad. Participants who wish to ask questions, may please press *1 on your telephone keypad. Next in line, we have a question from Mr. Dhaval Joshi from Aviva Life Insurance.

Dhaval Doshi: Hello sir?

S. Ramakrishnan: Yeah, Joshi.

Dhaval Doshi: Sir, this is Dhaval Doshi here. Sir, there was a talk that the distribution companies which are Reliance Power, Tata Power, and BEST talking with the regulator for a 10% to 15% hike in the tariff. Could you throw some light on that sir?

S. Ramakrishnan: Our tariff for the year has already been announced by the regulator. So, what you are asking about is.....

Dhaval Doshi: The MYT, the multi year tariff sir?

S. Ramakrishnan: That is right. So, the tariff for this year has already been announced.

Dhaval Doshi: Okay.

S. Ramakrishnan: So, we are not talking to the regulator for any extra tariff or anything, and typically, the tariff orders are valid for a year unless there are some extreme situations due to which it is revised. As I told you, there was a year when we had Rs.350 crores of fuel to be collected from the consumer. Even at that time, the regulator did not provide the tariff. It did so only the following year.

Dhaval Doshi: Okay, thank you sir.

S. Ramakrishnan: Thank you.

Moderator: Thank you very much sir. Participants who wish to ask questions, may please press *1 on your telephone keypad.

S. Ramakrishnan: Hello, if there are no more questions, let me thank all the analysts for participating. We apologize for the short notice given, and since some of us are traveling but we still wanted to keep this appointment with you. Hopefully, the next time around, we will give you sufficient time and if there are any questions that we have not answered or that comes to your mind later after you read the results in a more detailed form, you are most welcome to send us mail to Mr. Sanjay Dube, whose email you all have, and we will try our best to explain your queries. Thank you.

Moderator: Thank you very much sir. Ladies and Gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you and have a nice day.