

TATA POWER

The Tata Power Company Limited
Bombay House, 24 Horni Mody Street, Mumbai 400 001
Website: www.tatapower.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2006

Particulars	Quarter ended		Year ended
	30-Jun-06 Audited	30-Jun-05 Unaudited	31-Mar-06 Audited
	MUs	MUs	MUs
1. Generation	3,824	3,751	13,746
2. Sales	3,807	3,617	13,616
	Rs. Crores	Rs. Crores	Rs. Crores
3. a) Revenue from Power Supply	1,344.63	1,044.68	4,293.27
b) Income from Other Operations	31.98	54.07	269.52
4. Expenditure	1,376.61	1,098.75	4,562.79
a) Staff Cost	41.60	37.90	173.68
b) Cost of Power Purchased	176.84	111.07	583.20
c) Cost of Fuel	812.63	604.13	2,396.51
d) Cost of components, materials and services in respect of contracts	15.93	41.49	215.13
e) Other expenditure	71.51	63.12	358.81
f) Total expenditure (4a to 4e)	1,118.51	857.71	3,727.33
5. Operating Profit	258.10	241.04	835.46
6. Other Income	40.96	31.52	325.61
7. Interest and Finance Charges	52.43	37.84	165.28
8. Gross Profit after interest and finance charges but before Depreciation and Tax (5+6-7)	246.63	234.72	995.79
9. Depreciation	76.02	65.62	278.34
10. Provision for Contingencies			(30.00)
11. Profit before tax (8-9-10)	170.61	169.10	747.45
12. Provision for Taxation			
Current Tax	44.87	56.04	157.44
Deferred Tax	3.01	(6.79)	(27.47)
Fringe Benefit Tax	0.88	1.45	6.94
13. Net Profit after tax (11-12)	121.85	118.40	610.54
14. Statutory & Special Appropriations			35.29
15. Distributable Profit (13-14)			575.25
16. Paid-up Equity Share Capital (Face Value: Rupees Ten per share)	197.92	197.92	197.92
17. Reserves including Statutory Reserves			4,782.30
18. Basic Earnings per Share on Net Profit after tax (not annualised) (In Rupees)	6.15	5.98	30.82
19. Diluted Earnings per Share on Net Profit after tax (not annualised) (In Rupees)	5.81	5.63	29.00
20. Aggregate of public shareholding			
No. of shares	13,36,37,330	13,37,50,822	13,40,16,160
% of shareholding	67.53	67.59	67.72
21. Final Dividend (Proposed)			
Rate per share (Face Value Rs. 10/-) (In Rupees)			8.50
Amount (Rs. in crores)			168.41

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SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

Particulars	Quarter ended		Year ended
	30-Jun-06	30-Jun-05	31-Mar-06
	Audited	Unaudited	Audited
Segment Revenue			
Power Business	1,351.15	1,059.77	4,330.19
Others	25.48	40.69	236.89
Total Segment Revenue	1,376.63	1,100.46	4,567.08
Less: Inter segment revenue	0.02	1.71	4.29
Net Sales/Income from Operations	1,376.61	1,098.75	4,562.79
Segment Results (Profit before tax and interest from each segment)			
Power Business	188.35	178.18	634.90
Others	(2.13)	(1.61)	2.71
Total Segment Results	186.22	176.57	637.61
Less: Interest Expense	38.53	36.60	148.46
Add: Unallocable Income net of Unallocable Expense	22.92	29.13	258.30
Total Profit Before Tax	170.61	169.10	747.45
Capital Employed			
Power Business	3,993.19	3,546.70	3,795.95
Others	147.16	123.20	213.34
Total Capital Employed	4,140.35	3,669.90	4,009.29

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.
Others - Electronics, Project Consultancy etc.



1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 31st July, 2006.
2. The tariff in respect of the Mumbai Licensed Area for the quarter ended 30th June, 2006 is based on the Tariff Order dated 11th June, 2004 issued by the Maharashtra Electricity Regulatory Commission (MERC) for the years 2003-04 and 2004-05. The Annual Revenue Requirement (ARR) and Tariff Petition of the Company for the years 2005-06 and 2006-07 are being processed by MERC. Adjustments, if any, will be made on receipt of the MERC Order which is awaited. Further, the quarterly results do not reflect the adjustments required to be made towards Statutory Appropriations, for which adjustments will be made for the year as a whole. Accordingly, the quarterly results are not representative of the annual performance.
3. In respect of the share of Standby Charges billed by Maharashtra State Electricity Board (MSEB) and recoverable from Reliance Energy Ltd. (REL) for the periods from 1st April, 1998 to 31st March, 2004, the hearings of the appeals before the Appellate Tribunal have been concluded and the judgement is awaited. As the payments in respect of Standby Charges are subject to the final outcome of the Appeals, no adjustment has been made for the reversal in terms of the MERC Order dated 31st May, 2004 of Standby Charges credited in previous years estimated at Rs. 503 crores. Further, consequent to the MERC Order, interest estimated at Rs. 31 crores is payable to MSEB which has also not been accounted for. The aggregate of these amounts net of tax is estimated at Rs. 354 crores, which MERC in its Order has allowed to be adjusted, wholly by a withdrawal/set-off from certain Statutory Reserves created in earlier years by the Company under the repealed Electricity (Supply) Act, 1948. Adjustments if any, will be recorded by the Company on the final outcome of the said Appeal. Accordingly, adjustment to the Deferred Tax Liability Fund and the Deferred Tax Liability Account will also be made on the disposal of the said Appeal and no provision has been made in the accounts towards interest that may be determined as payable to REL in terms of the MERC Order. However, since 1st April, 2004, the Company, as a matter of prudence, has accounted standby charges on the basis determined by the MERC Order.
4. In a matter pertaining to certain distribution rights of the Company, the Appellate Tribunal of Electricity vide its Order dated 22nd May, 2006, set aside Maharashtra Electricity Regulatory Commission's Order and allowed as a whole the appeal preferred by REL. The financial consequences of the Appellate Tribunal's Order has neither been quantified in the Order nor been ascertained by the Company. The Company has filed an appeal in the Supreme Court which is pending for admission. The Company is of the view, supported by legal opinion, that the Appellate Tribunal's Order can be successfully challenged and consequently, no provision is considered necessary.
5. Until 31st March, 2006, the Company was providing for retirement benefits such as leave encashment, gratuity etc. in accordance with Accounting Standard 15 (AS-15) on 'Accounting for Retirement Benefits in the Financial Statements of Employers'. Pursuant to AS-15 (Revised 2005) on 'Employee Benefits' becoming mandatory with effect from 1st April, 2006, the Company has accounted for all employee benefits (including retirement benefits) in accordance with the revised AS-15. As a result, an amount of Rs. 61.06 crores (net of tax of Rs. 28.37 crores) has been adjusted against the opening balance of General Reserves, the charge for the quarter ended 30th June, 2006 is lower by Rs. 3.22 crores and Profit after tax is higher by Rs. 2.23 crores.
6. The number of investor complaints received during the quarter, resolved and pending are:

Pending as on 1 st April, 2006	0
Received during the quarter ended 30 th June, 2006	4
Disposed off during the quarter ended 30 th June, 2006	3
Unresolved at the end of the quarter ended 30 th June, 2006	1
7. Previous period/year figures have been regrouped/reclassified wherever necessary.

Date: 31st July, 2006.

For and on behalf of the Board of
THE TATA POWER COMPANY LIMITED


RATAN N TATA
Chairman

