

TATA POWER

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2008

Particulars	Quarter ended		Half-Year ended		Year ended 31-Mar-08
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	
(A)	MUs	MUs	MUs	MUs	MUs
1. Generation	3,459	3,684	7,394	7,544	14,717
2. Sales	3,377	3,811	7,492	7,867	14,959
(B)	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
1. a) Revenue from Power Supply and Transmission Charges	1,890.15	1,331.80	3,902.42	2,816.94	5,763.93
Add : Income to be recovered in future tariff determination	34.00	-	11.00	-	33.40
Net Revenue	1,924.15	1,331.80	3,913.42	2,816.94	5,797.33
b) Other Operating Income	34.73	18.76	71.59	45.10	118.58
2. Total Income	1,958.88	1,350.56	3,985.01	2,862.04	5,915.91
3. Expenditure					
a) Staff Cost	74.91	78.89	146.60	143.63	249.69
b) Cost of Power Purchased	130.13	127.69	395.00	338.20	548.87
c) Cost of Fuel	1,373.99	780.81	2,663.35	1,658.61	3,714.99
d) Cost of components, materials and services in respect of contracts	10.25	6.33	18.51	21.27	38.90
e) Depreciation	76.30	70.90	149.41	142.34	290.50
f) Other expenditure	104.93	95.49	191.97	192.24	433.09
4. Total expenditure	1,770.51	1,160.11	3,564.84	2,494.29	5,276.04
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	188.37	190.45	420.17	367.75	639.87
6. Other Income	188.43	140.40	275.63	246.73	497.85
7. Profit before Interest and Exceptional Items (5+6)	376.80	330.85	695.80	614.48	1,137.72
8. Interest	68.09	41.40	120.25	97.15	167.60
9. Profit after Interest but before Exceptional Items (7-8)	308.71	289.45	575.55	517.33	970.12
10. Exceptional Items - Loss on redemption of 6.75% Tax free US 84 Bonds 2008	-	-	155.47	-	-
Less: Drawn from : Contingencies Reserve	-	-	39.38	-	-
Deferred Taxation Liability Fund	-	-	116.09	-	-
11. Profit from Ordinary Activities before Tax	308.71	289.45	575.55	517.33	970.12
12. Provision for Taxation	46.78	32.02	123.07	69.70	100.22
13. Profit after Tax	261.93	257.43	452.48	447.63	869.90
14. Statutory Appropriations	9.00	-	37.00	-	58.59
15. Net Profit after Tax and Statutory Appropriations	252.93	257.43	415.48	447.63	811.31
16. Paid-up Equity Share Capital (Face Value: Rs. 10/- per share)	221.41	207.81	221.41	207.81	220.72
17. Reserves including Statutory Reserves					7,237.51
18. Basic Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In Rupees)	11.42	12.39	18.78	22.05	38.64
19. Diluted Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In Rupees)	11.42	11.66	18.78	20.75	38.03
20. Aggregate of public shareholding					
No. of shares #			14,74,36,200	13,37,32,600	14,67,48,628
% of shareholding @			66.60	64.36	66.49
# Excludes no. of shares held by custodians of GDR			2,25,830	3,33,560	2,25,830
@ Excludes % of shareholding held by custodians of GDR			0.10	0.16	0.10
21. Dividend					
Rate per share (Face Value Rs. 10/-) (In Rupees)			10.50	9.50	9.50
Amount (Rs. in crores)			0.72	9.40	9.40
22. Final Dividend (Proposed)					
Rate per share (Face Value Rs. 10/-) (In Rupees)			-	-	10.50
Amount (Rs. in crores)			-	-	231.98

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 27th October, 2008.
2. In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (formerly Reliance Energy Ltd.) for the periods from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal for Electricity (ATE) set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to Reliance Infrastructure Ltd. as on 31st March, 2004, Rs. 354 crores (including interest of Rs. 15.14 crores) and pay interest at 10% p.a. thereafter. As at 30th September, 2008, the accumulated interest was Rs.134.36 crores (Rs. 2.80 crores and Rs. 5.60 crores for the quarter and half year ended 30th September, 2008 respectively). On appeal, the Hon'ble Supreme Court has stayed the ATE Order and as directed, the Company has furnished a bank guarantee of Rs. 227 crores and also deposited Rs. 227 crores with the Registrar General of the Court, which amount has been withdrawn by Reliance Infrastructure Ltd. on furnishing the required undertaking to the Court. The said amount has been accounted under "Other Deposits".

Further, no adjustment has been made for the reversal in terms of the ATE Order dated 20th December, 2006 of Standby Charges credited in previous years estimated at Rs. 519 crores. The aggregate of Standby Charges credited in previous years, net of tax is estimated at Rs. 480.08 crores, which will be adjusted, wholly by a withdrawal / set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to Reliance Infrastructure Ltd. However, since 1st April, 2004, the Company has accounted for Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Company is of the view, supported by legal opinion that the ATE's Order can be successfully challenged and hence, adjustments, if any, including consequential adjustments to the Deferred Taxation Liability Fund and the Deferred Tax Liability Account will be recorded by the Company based on the final outcome of the matter.

3. In the matter of claims raised by the Company on Reliance Infrastructure Ltd., towards (i) the difference in the energy charges for the period March 2001 to May 2004 and (ii) for minimum off-take charges of energy for the period 1998 to 2000, MERC, has issued an Order dated 12th December, 2007 in favour of the Company. The total amount payable by Reliance Infrastructure Ltd. including interest is estimated to be Rs. 323.87 crores as on 31st December, 2007. ATE in its order dated 12th May, 2008, on appeal by Reliance Infrastructure Ltd., has directed Reliance Infrastructure Ltd. to pay for the difference in the energy charges for the period March 2001 to May 2004. In respect of the minimum off-take charges of energy for the period 1998 to 2000 claimed by the Company from Reliance Infrastructure Ltd., ATE has directed MERC that the issue be examined afresh after the decision of the Supreme Court in the Appeals relating to the distribution licence and rebates given by Reliance Infrastructure Ltd.. However, Reliance Infrastructure Ltd. has filed an appeal in the Supreme Court. Hence, on grounds of prudence, the Company has not recognised any income arising from the above matters.
4. During the half year ended 30th September, 2008, the Company has provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Tariff Regulations, 2005 for its operations in respect of the Licensed Area. This determination hitherto was done for the year as a whole. Consequently, the Net Profit after Tax for the quarter ended 30th September, 2008, has increased by Rs. 31 crores and the Net Profit after Tax and Statutory Appropriations has increased by Rs. 22 crores. The Net Profit after Tax for the half year ended 30th September, 2008, has increased by Rs. 11 crores and the Net Profit after Tax and Statutory Appropriations has decreased by Rs. 26 crores.

5. Contingencies Reserve Investments and Deferred Taxation Liability Fund Investments hitherto included the cost of 6.75% Unit Trust of India –Tax Free US Bonds 2008 received on conversion of units in Scheme US-64, which bonds were redeemed during the period. In the light of ATE's Order dated 12th May, 2008, the Company is of the view that the appropriations made to Contingencies Reserve and Deferred Taxation Liability Fund (DTLF) can be utilised to meet the loss of Rs 155.47 crores realised on redemption of the above statutory investments. Accordingly, the Company has drawn from these Reserves to meet the loss. However, as a matter of abundant caution, the Company has sought clarification on the matter from ATE.
6. Other Income for both the quarter and half year ended 30th September, 2008, is inclusive of Rs. 0.17 crore on account of Profit (net) on sale of Long Term Investments (Rs. 85.13 crores and Rs. 92.10 crores for the quarter and half year ended 30th September, 2007 respectively). Other Income for the quarter and half year ended 30th September, 2008 is also inclusive of Gain on exchange (net) Rs. 76.70 crores and Rs. 115.59 crores respectively (30th September, 2007 – Rs. 8.96 crores and Rs. 46.83 crores respectively).
7. Provision for Tax for the quarter and half year ended 30th September, 2008 includes a net amount of Rs. 8.29 crores and Rs. 18.81 crores respectively, representing the cumulative net impact of deferred tax adjustments on the future tariff.
8. During the half-year ended 30th September, 2008, 9,365 Foreign Currency Convertible Bonds (FCCB) have been converted into 6,87,572 Equity Shares of Rs 10/- each at a premium as per terms of issue. Consequently, there is an increase in the Subscribed Share Capital by Rs. 0.69 crore and Securities Premium by Rs. 39.00 crores. Further, provision made for premium on redemption of FCCB by debiting Securities Premium in an earlier year has been reversed to the extent it pertains to the FCCB converted during the period. As a result, the balance in Securities Premium Account has increased by Rs. 6.48 crores.
9. There were 3 investor complaints pending as on 1st July, 2008, 4 complaints were received during the quarter, 6 complaints were disposed off during the quarter and 1 complaint remained unresolved as at the end of the quarter ended 30th September, 2008.
10. Previous period/year's figures have been regrouped /reclassified wherever necessary.

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



PRASAD R MENON
Managing Director



Date: 27th October, 2008.

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

Particulars	Quarter ended		Half-Year ended		Rs. Crores
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	Year ended 31-Mar-08
Segment Revenue					
Power Business	1,929.57	1,339.16	3,928.54	2,830.28	5,838.51
Others	29.31	11.27	56.47	31.76	77.40
Total Segment Revenue	1,958.88	1,350.43	3,985.01	2,862.04	5,915.91
Less: Inter segment revenue	-	(0.13)	-	-	-
Net Revenue	1,958.88	1,350.56	3,985.01	2,862.04	5,915.91
Segment Results (Profit before Interest and Tax)					
Power Business	187.25	205.74	414.32	405.97	717.94
Others	3.56	(4.40)	7.47	(12.34)	(12.60)
Total Segment Results	190.81	201.34	421.79	393.63	705.34
Less: Interest Expense	68.09	41.40	120.25	97.15	167.60
Add: Unallocated Income net of Unallocated Expense	185.99	129.51	274.01	220.85	432.38
Total Profit Before Tax	308.71	289.45	575.55	517.33	970.12
Capital Employed					
Power Business	6,102.04	4,823.77	6,102.04	4,823.77	5,304.39
Others	132.51	65.89	132.51	65.89	82.84
Unallocated	2,169.58	2,180.02	2,169.58	2,180.02	2,665.60
Total Capital Employed	8,404.13	7,069.68	8,404.13	7,069.68	8,052.83

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.

Others - Defence Electronics, Project Contracts/Management Services and Coal Bed Methane.

