

TATA POWER

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2009

Particulars	Quarter ended		Half-Year ended		Year ended
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	31-Mar-09
(A)	MUs	MUs	MUs	MUs	MUs
1. Generation	4,046	3,459	8,306	7,394	14,807
2. Sales	3,935	3,377	8,115	7,492	14,703
(B)	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
1. a) Revenue from Power Supply and Transmission Charges	1,558.28	1,890.15	3,251.47	3,902.42	7,017.52
Add: Revenue adjustments pertaining to prior years (Refer Notes 5 & 6)	-	-	232.40	-	-
Income to be recovered in future tariff determination	114.00	34.00	164.00	11.00	54.00
Net Revenue	1,672.28	1,924.15	3,647.87	3,913.42	7,071.52
b) Other Operating Income	48.81	34.73	88.84	71.59	164.71
2. Total Income	1,721.09	1,958.88	3,736.71	3,985.01	7,236.23
3. Expenditure					
a) Staff Cost	85.62	74.91	162.03	146.60	291.90
b) Cost of Power Purchased	25.26	130.13	73.41	395.00	493.50
c) Cost of Fuel	1,067.95	1,373.99	2,181.64	2,663.35	4,813.47
d) Cost of components, materials and services in respect of contracts	4.70	10.25	9.90	18.51	38.32
e) Depreciation	118.37	76.30	230.20	149.41	328.85
f) Other expenditure	120.77	104.93	260.62	191.97	480.07
4. Total expenditure	1,422.67	1,770.51	2,917.80	3,564.84	6,446.11
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	298.42	188.37	818.91	420.17	790.12
6. Other Income					
a) Gain on exchange (net)	3.09	76.70	27.43	115.59	144.33
b) Others	72.42	111.73	155.66	160.04	488.02
7. Profit before Interest and Exceptional Items (5+6)	373.93	376.80	1,002.00	695.80	1,422.47
8. Interest	101.82	68.09	219.47	120.25	305.79
9. Profit after Interest but before Exceptional Items (7-8)	272.11	308.71	782.53	575.55	1,116.68
10. Exceptional Items -					
a. Loss on redemption of 6.75% Tax free US 64 Bonds 2008	-	-	-	155.47	155.47
Less: Drawn from: Contingencies Reserve	-	-	-	39.38	39.38
Deferred Taxation Liability Fund	-	-	-	116.09	116.09
b. Adjustments of expenses recoverable through Tariff	-	-	108.83	-	-
Less: Drawn from Contingencies Reserve	-	-	108.83	-	-
11. Profit from Ordinary Activities before Tax	272.11	308.71	782.53	575.55	1,116.68
12. Provision for Taxation	88.92	46.78	222.26	123.07	194.48
13. Profit after Tax	183.19	261.93	560.27	452.48	922.20
14. Statutory Appropriations (Net)	1.00	9.00	(18.89)	37.00	(45.30)
15. Net Profit after Tax and Statutory Appropriations	182.19	252.93	579.16	415.48	967.50
16. Paid-up Equity Share Capital (Face Value: Rs. 10/- per share)	237.11	221.41	237.11	221.41	221.44
17. Reserves including Statutory Reserves					7,888.45
18. Basic Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In Rupees)	7.82	11.42	25.46	18.78	43.69
19. Diluted Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In Rupees)	7.82	11.42	25.40	18.78	43.69
20. Debt Service Coverage Ratio (no. of times) (Refer Note 9)			3.36		
21. Interest Service Coverage Ratio (no. of times) (Refer Note 9)			4.68		
22. Aggregate of public shareholding					
No. of shares #			15,00,99,417	14,74,36,200	14,75,66,967
% of shareholding @			63.31	66.60	66.64
# Excludes no. of shares held by custodians of GDR			1,33,54,518	2,25,830	2,18,890
@ Excludes % of shareholding held by custodians of GDR			5.63	0.10	0.10
23. Aggregate of promoters and promoter group shareholding					
a) Pledged / encumbered					
No. of shares			2,88,50,000	N.A.	3,23,05,000
% of total shareholding of promoter and promoter group			43.21	-	43.87
% of total share capital of the Company			12.17	-	14.59
b) Non-encumbered					
No. of shares			4,47,89,286	N.A.	4,13,33,586
% of total shareholding of promoter and promoter group			56.79	-	56.13
% of total share capital of the Company			18.89	-	18.67
24. Dividend					
Rate per share (Face Value Rs. 10/-) (In Rupees)			11.50	10.50	10.50
Amount (Rs. in crores)			0.31	0.72	0.72
25. Final Dividend (Proposed)					
Rate per share (Face Value Rs. 10/-) (In Rupees)					11.50
Amount (Rs. in crores)					255.26

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

Particulars	Quarter ended		Half-Year ended		Year ended
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08	
Segment Revenue					
Power Business	1,685.94	1,929.57	3,668.66	3,928.54	7,104.87
Others	35.15	29.31	68.05	56.47	131.36
Total Segment Revenue	1,721.09	1,958.88	3,736.71	3,985.01	7,236.23
Less: Inter segment revenue	-	-	-	-	-
Net Revenue	1,721.09	1,958.88	3,736.71	3,985.01	7,236.23
Segment Results (Profit before Interest and Tax)					
Power Business	308.40	187.25	846.23	414.32	820.12
Others	5.64	3.56	14.10	7.47	7.89
Total Segment Results	314.04	190.81	860.33	421.79	828.01
Less: Interest Expense	101.82	68.09	219.47	120.25	305.79
Add: Unallocated Income net of Unallocated Expense	59.89	185.99	141.67	274.01	594.46
Total Profit Before Tax	272.11	308.71	782.53	575.55	1,116.68
Capital Employed					
Power Business	7,171.67	6,102.04	7,171.67	6,102.04	6,695.62
Others	202.25	132.51	202.25	132.51	159.30
Unallocated	3,312.13	2,169.58	3,312.13	2,169.58	1,788.58
Total Capital Employed	10,686.05	8,404.13	10,686.05	8,404.13	8,643.50

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.

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



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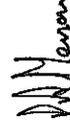
1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th October, 2009.
2. In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra - formerly Reliance Energy Ltd.) for the periods from 1st April, 1999 to 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 R-Infra 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, 2009, the accumulated interest was Rs. 145.56 crores (Rs. 2.80 crores and Rs. 5.60 crores for the quarter and half-year ended 30th September, 2009 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 R-Infra 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. 423.19 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 R-Infra. 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 Tax 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 R-Infra 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 R-Infra 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 R-Infra, has directed R-Infra 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 R-Infra, 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 R-Infra. The Company and R-Infra have filed appeals in the Supreme Court. On grounds of prudence, the Company has not recognised any income arising from the above matters.
4. During the half-year ended 30th September, 2009, as per past practice, 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.
5. In respect of the Company's Generation Business as a Licensee, MERC in its Tariff Order dated 28th May, 2009, has drawn from Contingencies Reserve to partially meet the impact on tariff of the ATE Order dated 12th May, 2008, wherein ATE upheld the stand taken by the Company regarding allowability of expenses/accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for financial years 2004-05 and 2005-06. Accordingly, the Company has drawn Rs. 108.83 crores from Contingencies Reserve. Further, the Company has recognised revenue of Rs. 105.40 crores and transferred Rs. 24.89 crores from Tariffs and Dividends Control Reserve consequent to the above Order and the Orders pertaining to the Transmission and Distribution Businesses dated 28th May, 2009 and 15th June, 2009 respectively. Certain disallowances arising from these Orders aggregating to about Rs. 83 crores have not been recognised as expense since they have been challenged by the Company at the ATE.
6. ATE in its Order dated 15th July, 2009, has upheld the Company's claim regarding allowability of certain expenses/accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for the financial year 2006-07. Accordingly, during the half-year ended 30th September, 2009, the Company has treated such expenses as recoverable through tariff of the current year and has recognized revenue of Rs. 127 crores in respect of the financial years 2006-07 to 2008-09.

7. During the half-year ended 30th September, 2009, 11,314 Foreign Currency Convertible Bonds (FCCB) have been converted into 8,30,668 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. 0.83 crore and Securities Premium by Rs. 54.52 crores. Further, provision made for premium on redemption of FCCB by debiting Securities Premium Account in an earlier year has been reversed to the extent of Rs. 7.83 crores since it pertains to the FCCB converted during the period. As a result, Securities Premium Account has increased by Rs. 62.35 crores during the half-year ended 30th September, 2009.
8. During the half-year ended 30th September, 2009, the Company has issued equity shares in the form of Global Depository Receipts (GDRs) listed on the Luxembourg Stock Exchange for a gross amount of US\$ 335 million. Each GDR represents 1 equity share of the Company, at a nominal value of Rs.10 per equity share. The Company issued 1,48,38,110 GDRs which have been priced at US\$ 22.577 per GDR (Rs. 48.27 being the reference exchange rate) as per relevant pricing guidelines for issue of GDRs. Consequently, there is an increase in the Subscribed Share Capital by Rs. 14.84 crores and in the Securities Premium Account by Rs. 1,601.94 crores (net of issue expenses).
9. (a) Debt Service Coverage Ratio = (Profit from Ordinary Activities before Tax + Interest on Long-term Loans) / (Interest on Long-term Loans + Repayment of Long-term Loans) *
- (b) Interest Service Coverage Ratio = (Profit from Ordinary Activities before Tax + Interest on Long-term Loans) / (Interest on Long-term Loans) *
- * For the purpose of computation, loans having original maturity of more than 365 days are considered as Long-term Loans. Repayment of Long-term Loans during the half-year ended 30th September, 2009 does not include prepayments.
10. There were no investor complaints pending as on 1st July, 2009, 21 complaints were received during the quarter, 15 complaints were disposed off during the quarter and 6 complaints remained unresolved as at the end of the quarter ended 30th September, 2009.
11. 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: 29th October, 2009