

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 ENDED 30TH JUNE, 2009

Particulars	Quarter ended		Year ended
	30-Jun-09	30-Jun-08	31-Mar-09
(A)	MUs	MUs	MUs
1. Generation	4,260	3,935	14,807
2. Sales	4,180	4,115	14,703
(B)	Rs. Crores	Rs. Crores	Rs. Crores
1. a) Revenue from Power Supply and Transmission Charges	1,693.19	2,012.27	7,017.52
Add : Revenue adjustments pertaining to prior years (Refer Notes 5 & 6)	232.40	-	-
Income to be recovered in future tariff determination	50.00	(23.00)	54.00
Net Revenue	1,975.59	1,989.27	7,071.52
b) Other Operating income	40.03	36.86	164.71
2. Total income	2,015.62	2,026.13	7,236.23
3. Expenditure			
a) Staff Cost	76.41	71.89	291.90
b) Cost of Power Purchased	48.15	264.87	493.50
c) Cost of Fuel	1,113.69	1,289.36	4,813.47
d) Cost of components, materials and services in respect of contracts	5.20	8.26	38.32
e) Depreciation	111.83	73.11	328.85
f) Other expenditure	139.85	87.04	480.07
4. Total expenditure	1,495.13	1,794.33	6,446.11
5. Profit from Operations before Other Income, interest and Exceptional Items (2-4)	520.49	231.80	790.12
6. Other income			
a) Gain on exchange (net)	24.34	38.89	144.33
b) Others	83.24	48.31	488.02
7. Profit before interest and Exceptional Items (5+6)	628.07	319.00	1,422.47
8. Interest	117.65	52.16	305.79
9. Profit after Interest but before Exceptional Items (7-8)	510.42	266.84	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. Adjustment of expenses recoverable through Tariff	108.83	-	-
Less: Drawn from Contingencies Reserve	108.83	-	-
11. Profit from Ordinary Activities before Tax	510.42	266.84	1,116.68
12. Provision for Tax	133.34	76.29	194.48
13. Profit after Tax	377.08	190.55	922.20
14. Statutory Appropriations (Net)	(19.89)	28.00	(45.30)
15. Net Profit after Tax and Statutory Appropriations	396.97	162.55	967.60
16. Paid-up Equity Share Capital (Face Value: Rs. 10/- per share)	222.03	220.87	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)	17.89	7.36	43.69
19. Diluted Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In Rupees)	17.77	7.36	43.69
20. Aggregate of public shareholding			
No. of shares #	14,81,67,180	14,58,29,168	14,75,66,967
% of shareholding @	66.74	66.50	66.64
# Excludes no. of shares held by custodians of GDR	2,02,690	2,25,830	2,18,890
@ Excludes % of shareholding held by custodians of GDR	0.09	0.10	0.10
21. Aggregate of promoters and promoter group shareholding			
a) Pledged / encumbered			
No. of shares	3,28,05,000	NA	3,23,05,000
% of total shareholding of promoter and promoter group	44.55	-	43.87
% of total share capital of the Company	14.78	-	14.59
b) Non-encumbered			
No. of shares	4,08,34,286	NA	4,13,33,586
% of total shareholding of promoter and promoter group	55.45	-	56.13
% of total share capital of the Company	18.39	-	18.67
22. Dividend			
Rate per share (Face Value Rs. 10/-) (In Rupees)	-	-	10.50
Amount (Rs. in crores)	-	-	0.72
23. Final Dividend (Proposed)			
Rate per share (Face Value Rs. 10/-) (In Rupees)	11.50	-	11.50
Amount (Rs. in crores)	0.31	-	255.26

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31st July, 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 June, 2009, the accumulated interest was Rs. 142.76 crores (Rs. 2.80 crores for the quarter ended 30th June, 2009). 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. 434.51 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. In the current quarter, 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. On this basis, in the current quarter, the Company has treated such expenses as recoverable through tariff of the current year and has recognised revenue of Rs. 127 crores in respect of the financial years 2006-07 to 2008-09.

7. During the quarter ended 30th June, 2009, 7,964 Foreign Currency Convertible Bonds (FCCB) have been converted into 5,84,713 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. 0.58 crores and Securities Premium by Rs. 38.52 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. 5.51 crores since it pertains to the FCCB converted during the period. As a result, Securities Premium Account has increased by Rs. 44.03 crores during the quarter ended 30th June, 2009.
8. Subsequent to the quarter, the Company has made an equity offering in the form of Global Depository Receipts (GDRs) listed on the Luxembourg Stock Exchange for a gross amount of US\$ 335 million. Each GDR will represent 1 equity share of the Company, at a nominal value of Rs.10 per equity share. The Company has 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.
9. There were no investor complaints pending as on 1st April, 2009, 7 complaints were received during the quarter, 7 complaints were disposed off during the quarter and no complaint remained unresolved as at the end of the quarter ended 30th June, 2009.
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



RATAN N TATA
Chairman



Date: 31st July, 2009

TATA POWER

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Website: www.tatapower.com

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

Particulars	Quarter ended		Year ended
	30-Jun-09	30-Jun-08	
Segment Revenue			
Power Business	1,982.72	1,998.97	7,104.87
Others	32.90	27.16	131.36
Total Segment Revenue	2,015.62	2,026.13	7,236.23
Less: Inter segment revenue	-	-	-
Net Revenue	2,015.62	2,026.13	7,236.23
Segment Results (Profit before Interest and Tax)			
Power Business	537.83	227.07	820.12
Others	8.46	3.91	7.89
Total Segment Results	546.29	230.98	828.01
Less: Interest Expense	117.65	52.16	305.79
Add: Unallocated Income net of Unallocated Expense	81.78	88.02	594.46
Total Profit Before Tax	510.42	266.84	1,116.68
Capital Employed			
Power Business	7,047.64	5,885.72	6,695.62
Others	182.01	106.61	159.30
Unallocated	1,663.16	2,106.15	1,788.58
Total Capital Employed	8,892.81	8,098.48	8,643.50

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.

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



**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
THE TATA POWER COMPANY LIMITED**

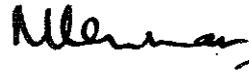
1. We have audited 'Part B' of the accompanying statement of the quarterly financial results of THE TATA POWER COMPANY LIMITED for the quarter ended 30th June, 2009 attached herewith in which are incorporated the Returns from the Bangladesh Branch audited by another auditor, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement. These quarterly financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by the Management. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note 2 to the financial results. As stated in the note, subject to the outcome of the Appeal filed before the Supreme Court, no adjustment has been made by the Company in respect of the standby charges accounted for as revenue in earlier periods and estimated at Rs. 519 crores and its consequential effects for the period upto 30th June, 2009. The impact of the above on the results for the quarter ended 30th June, 2009 cannot presently be determined pending the ultimate outcome of the matter. The Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged. In view of this no provision/adjustment has been considered necessary.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results:
 - i. are presented in accordance with the requirements of Clause 41 of the Listing Agreements in this regard; and
 - ii. give a true and fair view of the net profit for the quarter ended 30th June, 2009.



Deloitte Haskins & Sells

5. Further, we also report that the particulars relating to the number of shares as well as the percentage shareholding in respect of aggregate of public shareholding, pledged/encumbered shares and non-encumbered shares of promoters and promoter group shareholders in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints have been traced from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS
Chartered Accountants



N.VENKATRAM
Partner
Membership No: 71387

Mumbai 31st July, 2009