

TATA POWER

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

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

Particulars	Quarter ended			Half-year ended		Year ended 31-Mar-09 (Audited)
	30-Sep-09 (Reviewed)	30-Sep-08 (Reviewed)	30-Sep-09 (Reviewed)	30-Sep-08 (Reviewed)	30-Sep-08 (Reviewed)	
1. Revenue						
Add / (Less) : Revenue adjustments pertaining to prior years (Refer Notes 3.3 and 3.4)						
Income to be recovered / (utilised) in future tariff determination						
Net Revenue	4,214.28	4,602.97	8,591.51	8,692.92	17,447.04	Rs. Crores
2. Total Income	346.89	24.26	232.40	(12.39)	58.05	
3. Expenditure	4,561.17	4,627.23	9,262.87	8,680.53	17,505.09	
a) Staff Cost	18.02	10.13	29.48	26.17	82.44	
b) Cost of Power Purchased	4,579.19	4,637.36	9,292.35	8,706.70	17,587.53	
c) Cost of Coal Purchased	248.40	163.46	433.29	317.44	612.75	
d) Cost of Fuel	1,217.70	1,184.99	2,368.22	2,128.95	4,372.38	
e) Coal Processing Charges	1,227.64	1,615.20	2,467.19	3,102.29	12.17	
f) Raw materials consumed	470.64	282.89	850.10	571.60	5,522.25	
g) Purchase of goods/spares/stock for resale	115.72	130.08	237.21	230.03	1,344.26	
h) Cost of components, materials and services in respect of contracts	28.54	2.82	34.37	9.39	523.01	
i) Decrease/(increase) in stock in trade and work in progress	4.70	10.25	9.90	18.51	91.17	
j) Depreciation/Amortisation	(41.27)	4.02	(22.20)	(14.16)	(79.38)	
k) Impairment	224.42	176.82	425.49	331.21	656.49	
l) Other expenditure	357.31	377.61	718.42	778.31	280.37	
4. Total Expenditure	3,853.80	3,950.14	7,561.99	7,473.57	14,978.90	
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	725.39	687.22	1,730.36	1,233.13	2,608.63	
6. Other Income	28.71	76.38	74.69	111.16	164.98	
a) Gain on exchange (Net)	49.64	44.06	72.39	72.37	398.96	
b) Others	803.74	807.66	1,877.44	1,416.66	3,172.57	
7. Profit before Interest and Exceptional Items (5+6)	187.73	169.47	393.27	317.90	708.74	
8. Interest	616.01	638.19	1,484.17	1,099.36	2,463.83	
9. Profit after Interest but before Exceptional Items (7-8)	-	-	-	-	-	
10. Exceptional Items -	-	-	-	-	-	
a. Loss on redemption of 6.75% Tax free US 64 Bonds 2008	-	-	-	-	-	
Less: Drawn from : Contingencies Reserve	-	-	-	-	-	
Deferred Taxation Liability Fund	-	-	-	-	-	
b. Adjustment of expenses recoverable through Tariff	-	-	-	-	-	
Less: Drawn from : Contingencies Reserve	-	-	-	-	-	
11. Profit before Tax, Share of Associates, Minority Interest and Statutory Appropriations	616.01	638.19	1,484.17	1,099.36	2,463.83	
12. Provision for Taxation	246.53	120.04	531.21	309.90	991.40	
a) Current year	(7.85)	(15.24)	(7.96)	(15.38)	173.70	
b) Previous years	377.33	533.39	960.92	804.84	1,298.73	
13. Net Profit after Tax and before Share of Associates, Minority Interest and Statutory Appropriations	18.90	22.20	18.42	17.35	27.57	
14. Add: Share of profit of Associates	27.50	18.67	57.85	37.42	107.56	
15. Less: Minority Interest	368.73	536.82	921.49	784.77	1,216.74	
16. Net Profit before Statutory Appropriations	1.00	9.00	940.38	37.00	(45.30)	
17. Statutory Appropriations (Net)	367.73	527.32	940.38	747.77	1,264.04	
18. Net Profit after Statutory Appropriations	237.07	221.35	237.07	221.35	221.40	
19. Paid-up Equity Share Capital (Face Value: Rupees Ten per share)	15.79	23.84	41.35	33.81	8,387.51	
20. Reserves including Statutory Reserves	15.79	23.84	41.35	33.81	57.09	
21. Earnings per Share (on Net Profit after Statutory Appropriations) (In Rupees)						
Basic Earnings per share						
Diluted Earnings per share						

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UNAUDITED CONSOLIDATED SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Particulars	Quarter ended			Half-year ended		Year ended	
	30-Sep-09 (Reviewed)	30-Sep-08 (Reviewed)	30-Sep-09 (Reviewed)	30-Sep-08 (Reviewed)	31-Mar-09 (Audited)	31-Mar-09 (Audited)	
Segment Revenue							
Power Business	3,198.62	3,219.02	6,541.59	6,107.34	11,912.07	11,912.07	
Coal Business	1,130.77	1,213.26	2,289.20	2,229.10	4,776.60	4,776.60	
Others	249.80	205.08	461.56	374.26	898.86	898.86	
Total Segment Revenue	4,579.19	4,637.36	9,292.35	8,706.70	17,587.53	17,587.53	
Less: Inter segment revenue	-	-	-	-	-	-	
Net Revenue	4,579.19	4,637.36	9,292.35	8,706.70	17,587.53	17,587.53	
Segment Results (Profit before interest and tax)							
Power Business	422.93	291.65	1,085.34	607.01	1,391.92	1,391.92	
Coal Business	340.39	412.98	713.55	709.83	1,463.94	1,463.94	
Others	28.30	10.20	49.92	30.14	(9.97)	(9.97)	
Total Segment Results	791.62	714.83	1,848.81	1,346.98	2,845.89	2,845.89	
Less: Interest Expense	187.73	169.47	393.27	317.30	708.74	708.74	
Add: Unallocated Income net of Unallocated Expense	12.12	92.83	28.63	69.68	326.69	326.69	
Total Profit Before Tax	616.01	638.19	1,484.17	1,099.36	2,463.83	2,463.83	
Capital Employed							
Power Business	17,252.04	11,451.91	17,252.04	11,451.91	14,272.63	14,272.63	
Coal Business	6,164.56	5,656.01	6,164.56	5,656.01	6,328.81	6,328.81	
Others	1,255.89	387.25	1,255.89	387.25	1,291.48	1,291.48	
Unallocated	(12,174.62)	(7,770.57)	(12,174.62)	(7,770.57)	(11,796.03)	(11,796.03)	
Total Capital Employed	12,497.87	9,724.60	12,497.87	9,724.60	10,096.89	10,096.89	

Types of products and services in each business segment:

Power - Generation, Transmission, Distribution and Trading of Electricity.
Coal Business - Mining and Trading of Coal.

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



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Notes :

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26th November, 2009.
2. For the half-year ended 30th September, 2009, the following Subsidiaries, Associates and Joint Ventures have been considered for the purpose of preparing Consolidated Financial Results as per Accounting Standards on :
 - a) Consolidated Financial Statements (AS-21)
 - b) Accounting for Investments in Associates in Consolidated Financial Statements (AS-23)
 - c) Financial Reporting of Interests in Joint Ventures (AS-27)

Subsidiaries :	Name of the Company	Ownership in % either directly or through Subsidiaries
	Chemical Terminal Trombay Ltd.	100
	AI-Taab Investment Co. Ltd.	100
	Tata Power Trading Co. Ltd.	100
	Powerlinks Transmission Ltd.	51
	NELCO Ltd.	50.04
	Tatanet Services Ltd.	50.04
	Malithon Power Ltd.	74
	Industrial Energy Ltd.	74
	North Delhi Power Ltd.	51
	Coastal Gujarat Power Ltd.	100
	Bhira Investments Ltd.	100
	Bhivpuri Investments Ltd.	100
	Khopoli Investments Ltd.	100
	Trust Energy Resources Pte. Ltd.	100
	Energy Eastern Pte. Ltd.	100
	PT Itamaraya Gold Industri Tbk (with effect from 31st August, 2009)	94.61
Associates :		
	Panatone Finvest Ltd.	39.98
	Tata Ceramics Ltd.	40
	Tata Projects Ltd.	47.78
	Nelito Systems Ltd.	49.46
Joint Ventures :		
	Indocoal Resources (Cayman) Ltd.	30
	PT Arutimin Indonesia	30
	PT Indocoal Kaltim Resources	30
	PT Indocoal Kasei Resources	30
	PT Kaltim Prima Coal	30
	Tubed Coal Mines Ltd.	40
	Mandakini Coal Co. Ltd.	33.33
	Tata BP Solar India Ltd.	49
	Dagachhu Hydro Power Corporation Ltd.	26

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3. In the case of the Parent Company :

3.1

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.

3.2

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.

3.3

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.

3.4

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 recognised revenue of Rs. 127 crores in respect of the financial years 2006-07 to 2008-09.

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- 3.5 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.
- 3.6 During the quarter/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).
- 3.7 Subsequent to the declaration of the financial results for the quarter/half-year ended 30th September, 2009, the Company has made an issue of 1.75% coupon Foreign Currency Convertible Bonds (FCCB) due 2014 for a gross amount of US\$ 300 million. The Bonds are convertible at 10% premium over the closing price of the Company's shares on National Stock Exchange of India Ltd. on 5th November 2009 and bear a yield to maturity of 3.5% p.a. calculated on a semi-annual basis. These bonds have been listed on the Singapore Stock Exchange.
4. Certain Subsidiaries /Joint Ventures having a) total assets of Rs. 309.44 crores as at 30th September, 2009, revenues of Rs. 106.13 crores and Rs. 157.97 crores respectively for the quarter and half-year ended 30th September, 2009 and b) Net Profit after Statutory Appropriations of Rs. 9.57 crores and Rs. 10.90 crores respectively for the quarter and half-year ended 30th September, 2009, have been considered on the basis of financial statements certified by their Managements and not reviewed by their auditors.
5. Previous period/year's figures have been regrouped /reclassified wherever necessary.
6. The Parent Company's standalone results for the quarter/half-year ended 30th September, 2009 are available on the following websites viz. www.tatapower.com, www.bseindia.com and www.nseindia.com.

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


RATAN N TATA
Chairman



Date: 26th November, 2009.