

**TATA POWER**

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

**AUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2010**

Particulars	Quarter ended		Nine months ended		Year ended
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Mar-10
(A)	MUs	MUs	MUs	MUs	MUs
1. Generation	3,713	3,851	11,794	12,157	15,946
2. Sales	3,824	3,714	12,283	11,829	15,574
(B)	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores
1. a) Revenue from Power Supply and Transmission Charges	1,559.87	1,449.80	5,045.14	4,701.27	6,387.64
Add / (Less) :					
Revenue adjustments pertaining to prior years	-	-	-	232.40	252.40
Income to be (utilised) / recovered in future tariff determination	36.00	78.00	(76.00)	242.00	253.43
Net Revenue	1,595.87	1,527.80	4,969.14	5,175.67	6,893.47
b) Other Operating Income	56.01	38.71	186.71	127.55	204.80
2. Total Income	1,651.88	1,566.51	5,155.85	5,303.22	7,098.27
3. Expenditure					
a) Staff Cost	102.77	79.58	264.20	241.61	305.29
b) Cost of Power Purchased	174.32	32.63	580.24	106.04	251.69
c) Cost of Fuel	855.59	942.92	2,660.49	3,124.56	4,045.56
d) Cost of components, materials and services in respect of contracts	13.66	7.54	46.74	17.44	42.15
e) Depreciation	128.62	120.79	388.05	350.99	477.94
f) Other expenditure	173.65	139.76	470.37	400.38	591.32
4. Total expenditure	1,448.61	1,323.22	4,410.09	4,241.02	5,713.95
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	203.27	243.29	745.76	1,062.20	1,384.32
6. Other Income					
a) Gain on exchange (Net)	5.80	12.23	44.24	39.66	51.98
b) Others	79.44	32.94	362.06	188.60	229.60
7. Profit before Interest and Exceptional Items (5+6)	288.51	288.46	1,152.06	1,290.46	1,665.90
8. Interest	109.49	92.19	297.49	311.66	406.64
9. Profit after Interest but before Exceptional Items (7-8)	179.02	196.27	854.57	978.80	1,259.26
10. Exceptional Item -					
Adjustment of expenses recoverable through Tariff	-	-	-	108.83	108.83
Less: Drawn from Contingencies Reserve	-	-	-	108.83	108.83
	-	-	-	-	-
11. Profit from Ordinary Activities before Tax	179.02	196.27	854.57	978.80	1,259.26
12. Provision for Taxation	25.95	48.38	180.79	270.64	320.50
13. Profit after Tax	153.07	147.89	673.78	708.16	938.76
14. Statutory Appropriations (Net)	(1.00)	6.00	8.00	(12.89)	(8.89)
15. Net Profit after Tax and Statutory Appropriations	154.07	141.89	665.78	721.05	947.65
16. Paid-up Equity Share Capital (Face Value: ₹ 10/- per share)	237.33	237.21	237.33	237.21	237.33
17. Reserves including Statutory Reserves					9,761.42
18. Basic Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In ₹)	6.49	5.98	28.03	31.24	40.77
19. Diluted Earnings per Share on Net Profit after Tax and Statutory Appropriations (not annualised) (In ₹)	6.31	5.80	27.24	30.93	38.60
20. Aggregate of public shareholding					
No. of shares #			15,28,18,561	15,40,90,683	15,39,82,116
% of shareholding @			64.39	64.97	64.89
# Excludes no. of shares held by custodians of GDR					
@ Excludes % of shareholding held by custodians of GDR					
21. Aggregate of promoters and promoter group shareholding					
a) Pledged / encumbered					
No. of shares			2,68,60,000	2,88,50,000	2,68,60,000
% of total shareholding of promoter and promoter group			35.59	39.17	36.26
% of total share capital of the Company			11.32	12.16	11.32
b) Non-encumbered					
No. of shares			4,86,20,614	4,48,01,630	4,72,23,667
% of total shareholding of promoter and promoter group			64.41	60.83	63.74
% of total share capital of the Company			20.49	18.89	19.90
22. Dividend					
Rate per share (Face Value ₹ 10/-) (In ₹)			-	11.50	11.50
Amount (₹ in crores)			-	0.31	0.31
23. Final Dividend					
Rate per share (Face Value ₹ 10/-) (In ₹)			-	-	12.00
Amount (₹ in crores)			-	-	285.05

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

Particulars	Quarter ended		Nine months ended		Year ended 31-Mar-10
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	
Segment Revenue					
Power Business	1,614.87	1,541.24	5,037.59	5,209.90	6,944.02
Others	37.01	25.27	118.26	93.32	154.25
Total Segment Revenue	1,651.88	1,566.51	5,155.85	5,303.22	7,098.27
Less: Inter segment revenue					
<b>Net Revenue</b>	<b>1,651.88</b>	<b>1,566.51</b>	<b>5,155.85</b>	<b>5,303.22</b>	<b>7,098.27</b>
Segment Results (Profit/(Loss) before interest and tax)					
Power Business	229.77	264.99	822.54	1,111.22	1,442.98
Others	2.61	(0.34)	14.90	13.76	25.01
Total Segment Results	232.38	264.65	837.44	1,124.98	1,467.99
Less: Interest Expense	109.49	92.19	297.49	311.66	406.64
Add: Unallocable Income (net)	56.13	23.81	314.62	165.48	197.91
<b>Total Profit Before Tax</b>	<b>179.02</b>	<b>196.27</b>	<b>854.57</b>	<b>978.80</b>	<b>1,259.26</b>
Capital Employed					
Power Business	7,805.21	6,972.91	7,805.21	6,972.91	7,283.74
Others	123.86	190.71	123.86	190.71	211.15
Unallocable	3,310.68	3,494.64	3,310.68	3,494.64	3,037.47
<b>Total Capital Employed</b>	<b>11,239.75</b>	<b>10,658.26</b>	<b>11,239.75</b>	<b>10,658.26</b>	<b>10,532.36</b>

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.

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



1. The above results audited by the Statutory Auditor were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th February, 2011.

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, ₹ 354 crores (including interest of ₹ 15.14 crores) and pay interest at 10% p.a. thereafter. As at 31st December, 2010, the accumulated interest was ₹ 159.56 crores (₹ 2.80 crores for the quarter ended 31st December, 2010). On appeal, the Hon'ble Supreme Court has stayed the ATE Order and as directed, the Company has furnished a bank guarantee of ₹ 227 crores and also deposited ₹ 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 ₹ 519 crores. The aggregate of Standby Charges credited in previous years, net of tax is estimated at ₹ 392.93 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 ₹ 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 amounting to ₹ 34.98 crores for the period from 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 and 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 had filed appeals in the Supreme Court.

The Supreme Court, vide its Order dated 14th December, 2009, has granted stay against the ATE order and has directed R-Infra to deposit with the Supreme Court, a sum of ₹ 25 crores and furnish a Bank Guarantee for the balance amount. The Company has withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Company. On grounds of prudence, the Company has not recognised any income arising from the above matters.

4. During the quarter / nine months ended 31st December, 2010, 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 Mumbai Licensed Area.

5. During the nine months ended 31st December, 2010, MERC has completed truing-up for the financial year 2008-09 and has accordingly issued Tariff Orders. In these Tariff Orders, it has disallowed certain reasonable claims made by the Company amounting to ₹ 57 crores. In addition to these disallowances, MERC has disallowed certain items amounting to ₹ 47 crores, while giving effect to the favourable ATE Order dated 15th July, 2009, pertaining to the financial years 2006-07 to 2007-08. Consequently, the Company has appealed to the ATE against these disallowances.

Based on the earlier favourable ATE Order on similar matters, the Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial results.

6. In respect of the nine months ended 31st December, 2009, pertaining to the Company's Generation Business as a Licensee, MERC in its Tariff Order dated 28th May, 2009, had 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 had drawn ₹ 108.83 crores from Contingencies Reserve. Further, the Company had recognised revenue of ₹ 105.40 crores and transferred ₹ 24.89 crores from Tariffs and Dividends Control Reserve consequent to the above Order and the Orders pertaining to the Transmission and Distribution business dated 28th May, 2009 and 15th June, 2009 respectively. Certain disallowances arising from these Orders aggregating to about ₹ 83 crores had not been recognised as expense since they have been challenged by the Company at the ATE.
7. In respect of the nine months ended 31st December, 2009, ATE in its Order dated 15th July, 2009, had 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 nine months ended 31st December, 2009, the Company had treated such expenses as recoverable through tariff and had recognized revenue of ₹ 127 crores in respect of the financial years 2006-07 to 2008-09.
8. There were no investor complaints pending as on 1st October, 2010, 32 complaints were received during the quarter, 32 complaints were disposed off during the quarter and no complaint remained unresolved as at the end of the quarter ended 31st December, 2010.
9. 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: 14th February, 2011



# TATA POWER

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## UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2010

Particulars	Quarter ended		Nine months ended		Year ended
	31-Dec-10 (Reviewed)	31-Dec-09	31-Dec-10 (Reviewed)	31-Dec-09	31-Mar-10 (Audited)
	₹ Crores	₹ Crores	₹ Crores	₹ Crores	₹ Crores
1. a) Revenue	4,201.37	4,185.34	13,608.79	13,090.77	17,655.71
Add:					
Revenue adjustments pertaining to prior years	211.54	303.03	753.58	741.99	272.94
Income to be recovered in future tariff determination (Net)	-	-	-	232.40	926.11
Net Revenue	4,412.91	4,488.37	14,362.37	14,065.16	18,854.76
b) Other Operating Income	26.02	27.39	72.91	56.87	131.08
2. Total Income	4,440.93	4,515.76	14,435.28	14,122.03	18,985.84
3. Expenditure					
a) Staff Cost	230.36	184.81	628.81	618.10	805.99
b) Cost of Power Purchased	849.88	1,098.75	3,631.52	3,466.97	4,582.94
c) Royalty towards Coal Mining	201.34	175.33	559.30	489.25	695.37
d) Cost of Coal Purchased	20.86	-	32.27	-	16.00
e) Cost of Fuel	1,056.26	1,096.14	3,244.06	3,563.33	4,662.72
f) Coal Processing Charges	439.53	372.59	1,211.00	1,262.69	1,719.40
g) Raw Materials Consumed	122.57	115.26	312.28	352.47	478.52
h) Purchase of goods / spares / stock for resale	13.15	8.56	25.23	42.93	60.05
i) Cost of components, materials and services in respect of contracts	13.66	7.54	46.74	17.44	42.15
j) Decrease / (Increase) in stock-in-trade and work-in-progress	(28.36)	(34.67)	21.06	(56.77)	(27.47)
k) Depreciation/Amortisation	248.95	220.79	730.96	646.28	877.68
l) Impairment	-	-	-	-	15.28
m) Deferred Stripping Costs (Net) - write-off / (capitalised)	(71.43)	370.67	(254.00)	244.81	119.53
n) Other Expenditure	538.53	573.90	1,646.22	1,418.18	1,995.39
4. Total Expenditure	3,635.30	4,189.77	11,835.45	12,065.68	16,043.55
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	805.63	325.99	2,599.83	2,056.35	2,942.29
6. Other Income					
a) Gain on exchange (Net)	32.06	12.50	101.68	87.19	455.45
b) Others	46.19	26.02	203.24	98.41	133.43
7. Profit before Interest and Exceptional Items (5+6)	883.88	364.51	2,904.75	2,241.95	3,531.17
8. Interest	210.92	185.30	590.84	578.57	763.87
9. Profit after Interest but before Exceptional Items (7-8)	672.96	179.21	2,313.91	1,663.38	2,767.30
10. Exceptional Item -					
Adjustment of expenses recoverable through tariff	-	-	-	108.83	108.83
Less: Drawn from : Contingencies Reserve	-	-	-	108.83	108.83
11. Profit before Tax, Share of Associates, Minority Interest and Statutory Appropriations	672.96	179.21	2,313.91	1,663.38	2,767.30
12. Provision for Taxation					
a) Current year	209.65	(47.81)	781.76	483.40	657.57
b) Previous years	(0.80)	74.29	(19.09)	66.33	(29.01)
13. Net Profit after Tax and before Share of Associates, Minority Interest and Statutory Appropriations	464.11	152.73	1,551.24	1,113.65	2,138.64
14. Share of Profit of Associates	8.00	0.95	21.63	19.37	61.66
15. Less: Minority Interest	30.74	55.11	138.29	112.96	233.46
16. Net Profit before Statutory Appropriations	441.37	98.57	1,434.58	1,020.06	1,966.84
17. Statutory Appropriations (Net)	(1.00)	6.00	8.00	(12.89)	(8.89)
18. Net Profit after Statutory Appropriations	442.37	92.57	1,426.58	1,032.95	1,975.73
19. Paid-up Equity Share Capital (Face Value: ₹ 10/- per share)	237.29	237.17	237.29	237.17	237.29
20. Reserves including Statutory Reserves					11,163.14
21. Earnings per Share (not annualised) (on Net Profit after Statutory Appropriations) (in ₹)					
Basic Earnings per share	18.63	3.90	60.07	44.77	85.01
Diluted Earnings per share	17.97	3.76	58.03	44.37	82.21
22. Aggregate of public shareholding					
No. of shares #			15,28,18,581	15,40,90,883	15,39,82,116
% of shareholding @			64.39	64.97	64.89
# Excludes no. of shares held by custodians of GDR					
@ Excludes % of shareholding held by custodians of GDR					
23. Aggregate of promoters and promoter group shareholding					
a) Pledged / encumbered					
No. of shares			2,68,60,000	2,88,50,000	2,68,60,000
% of total shareholding of promoter and promoter group			35.59	39.17	36.26
% of total share capital of the Company			11.32	12.16	11.32
b) Non-encumbered					
No. of shares			4,86,20,614	4,48,01,630	4,72,23,657
% of total shareholding of promoter and promoter group			64.41	60.83	63.74
% of total share capital of the Company			20.49	18.89	19.90

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

Particulars	Quarter ended			Nine months ended			Year ended 31-Mar-10 (Audited)
	31-Dec-10 (Reviewed)	31-Dec-09	31-Dec-10 (Reviewed)	31-Dec-09	31-Dec-10 (Reviewed)	31-Dec-09	
Segment Revenue							
Power Business	2,611.26	2,909.35	9,108.76	9,450.94	12,550.05		
Coal Business	1,672.31	1,434.62	4,686.29	4,112.18	5,620.95		
Others	212.52	190.42	773.69	651.98	906.95		
Total Segment Revenue	4,496.09	4,534.39	14,568.74	14,215.10	19,077.95		
Less: Inter segment revenue	55.16	18.63	133.46	93.07	92.11		
<b>Net Revenue</b>	<b>4,440.93</b>	<b>4,515.76</b>	<b>14,435.28</b>	<b>14,122.03</b>	<b>18,985.84</b>		
Segment Results [Profit/(Loss) before Interest and Tax]							
Power Business	401.82	515.48	1,390.27	1,600.82	2,076.36		
Coal Business	432.57	(171.17)	1,218.84	542.38	999.20		
Others	2.60	7.45	196.05	57.37	65.92		
Total Segment Results	836.99	351.76	2,805.16	2,200.57	3,141.48		
Less: Interest Expense	210.92	185.30	590.84	578.57	763.87		
Add: Unallocable Income (Net)	46.89	12.75	99.59	41.38	389.69		
<b>Total Profit Before Tax</b>	<b>672.96</b>	<b>179.21</b>	<b>2,313.91</b>	<b>1,663.38</b>	<b>2,767.30</b>		
Capital Employed							
Power Business	27,084.16	17,924.32	27,084.16	17,924.32	20,886.25		
Coal Business	6,144.21	5,199.83	6,144.21	5,199.83	5,384.45		
Others	1,156.37	1,257.90	1,156.37	1,257.90	1,102.49		
Unallocable	(19,620.85)	(11,904.98)	(19,620.85)	(11,904.98)	(14,229.44)		
<b>Total Capital Employed</b>	<b>14,763.89</b>	<b>12,477.07</b>	<b>14,763.89</b>	<b>12,477.07</b>	<b>13,143.75</b>		

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, Solar Equipment, Project Management Services, Coal Bed Methane, Investment, Shipping and Property Development.



1. The above results reviewed by the Statutory Auditor and the Audit Committee, have been approved by the Board of Directors at its meeting held on 14th February, 2011.

2. In the case of the Parent Company :

2.1 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, ₹ 354 crores (including interest of ₹ 15.14 crores) and pay interest at 10% p.a. thereafter. As at 31st December, 2010, the accumulated interest was ₹ 159.56 crores (₹ 2.80 crores for the quarter ended 31st December, 2010). On appeal, the Hon'ble Supreme Court has stayed the ATE Order and as directed, the Company has furnished a bank guarantee of ₹ 227 crores and also deposited ₹ 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 ₹ 519 crores. The aggregate of Standby Charges credited in previous years, net of tax is estimated at ₹ 392.93 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.

2.2 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 ₹ 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 amounting to ₹ 34.98 crores for the period from 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 and 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 had filed appeals in the Supreme Court.

The Supreme Court, vide its Order dated 14th December, 2009, has granted stay against the ATE order and has directed R-Infra to deposit with the Supreme Court, a sum of ₹ 25 crores and furnish a Bank Guarantee for the balance amount. The Company has withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Company. On grounds of prudence, the Company has not recognised any income arising from the above matters.

2.3 During the quarter / nine months ended 31st December, 2010, 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 Mumbai Licensed Area.

2.4 During the nine months ended 31st December, 2010, MERC has completed truing-up for the financial year 2008-09 and has accordingly issued Tariff Orders. In these Tariff Orders, it has disallowed certain reasonable claims made by the Company amounting to ₹ 57 crores. In addition to these disallowances, MERC has disallowed certain items amounting to ₹ 47 crores, while giving effect to the favourable ATE Order dated 15th July, 2009, pertaining to the financial years 2006-07 to 2007-08. Consequently, the Company has appealed to the ATE against these disallowances.

Based on the earlier favourable ATE Order on similar matters, the Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial results.

- 2.5 In respect of the nine months ended 31st December, 2009, pertaining to the Company's Generation Business as a Licensee, MERC in its Tariff Order dated 28th May, 2009, had 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 had drawn ₹ 108.83 crores from Contingencies Reserve. Further, the Company had recognised revenue of ₹ 105.40 crores and transferred ₹ 24.89 crores from Tariffs and Dividends Control Reserve consequent to the above Order and the Orders pertaining to the Transmission and Distribution business dated 28th May, 2009 and 15th June, 2009 respectively. Certain disallowances arising from these Orders aggregating to about ₹ 83 crores had not been recognised as expense since they have been challenged by the Company at the ATE.
- 2.6 In respect of the nine months ended 31st December, 2009, ATE in its Order dated 15th July, 2009, had 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 nine months ended 31st December, 2009, the Company had treated such expenses as recoverable through tariff and had recognized revenue of ₹ 127 crores in respect of the financial years 2006-07 to 2008-09.
- 2.7 There were no investor complaints pending as on 1st October, 2010, 32 complaints were received during the quarter, 32 complaints were disposed off during the quarter and no complaint remained unresolved as at the end of the quarter ended 31st December, 2010.
3. As at 31st December, 2010, the overseas Joint Venture Coal Companies had receivables in respect of Value Added Tax (VAT) input aggregating to ₹ 3,648.26 crores (Group's share ₹ 1,094.48 crores). The Coal Companies expect to recover the VAT amounts based on the provisions of the Coal Contract of Work (CCOW) and the April 2004 Indonesia Supreme Court advisory opinion stating that the VAT Regulation is inconsistent with Indonesian law. Accordingly, Management is of the view that no provision is considered necessary on this account. Further, the Coal Companies are contingently liable for claims from third parties arising from the ordinary conduct of business which are either pending or are being processed by the Courts, the outcome of which cannot be presently determined.
4. Coastal Gujarat Power Limited, a Subsidiary, in terms of the G.S.R. 225 (E) dated 31st March, 2009 issued by Ministry of Corporate Affairs, had exercised the option of accounting / adjusting of exchange gain / (loss) on long-term foreign currency monetary items in the carrying cost of the assets in the financial year 2009-10. Accordingly, for the quarter / nine months ended 31st December, 2010, an amount of ₹ 25.94 crores (Net) and ₹ 61.44 crores (Net) being exchange gain respectively on long-term foreign currency monetary items had been adjusted in the carrying cost of assets, which has been recognised in the Profit and Loss Account as an income in the Consolidated accounts, in line with the Group accounting policy.
5. Certain Subsidiaries / Joint Ventures having revenues of ₹ 163.18 crores and ₹ 333.38 crores respectively and Net Profit after Statutory Appropriations of ₹ 1.97 crores and ₹ 30.37 crores respectively for the quarter / nine months ended 31st December, 2010, have been considered on the basis of financial statements certified by their Managements and are not reviewed by their auditors.
6. Other Income for the nine months ended 31st December, 2010, includes ₹ 53.15 crores being profit on sale of business divisions by a Subsidiary Company.
7. During the quarter ended 31st December, 2009, the Coal Companies, based on receipt of an updated resource assessment technical report and modification of certain contractual arrangements relating to mining costs (including pre-stripping), had reviewed the estimates of carrying amount of deferred stripping costs recorded in previous periods / years. This had resulted in a charge of ₹ 350.89 crores during the quarter ended 31st December, 2009.
8. 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: 14th February, 2011