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, 2011

	Particulars	Quarter ended		Year ended
		30-Jun-11	30-Jun-10	31-Mar-11
(A)		MUs	MUs	MUs
1.	Generation	3,889	4,386	15,325
2.	Sales	3,932	4,533	16,060
(B)		₹ Crores	₹ Crores	₹ Crores
1.	a) Revenue from Power Supply and Transmission Charges	1,794.07	1,872.63	6,619.36
	Add / (Less) : Income to be (utilised) / recovered in future tariff determination	48.00	(70.18)	(20.00)
	Net Revenue	1,842.07	1,802.45	6,599.36
	b) Other Operating Income	79.17	65.45	319.12
2.	Total Income	1,921.24	1,867.90	6,918.48
3.	Expenditure			
	a) Staff Cost	113.82	89.87	341.12
	b) Cost of Power Purchased	181.27	243.85	784.21
	c) Cost of Fuel	1,004.15	951.94	3,485.64
	d) Cost of components, materials and services in respect of contracts	26.85	14.94	77.25
	e) Depreciation	133.09	126.70	510.14
	f) Other Expenditure	167.30	116.41	684.46
4.	Total Expenditure	1,626.48	1,543.71	5,882.82
5.	Profit from Operations before Other income, Interest and Exceptional Items (2-4)	294.76	324.19	1,035.66
6.	Other Income			
	a) (Loss) / Gain on Exchange (Net)	(12.42)	1.89	50.61
	b) Others	260.00	125.65	442.97
7.	Profit before Interest and Exceptional Items (5+6)	542.34	451.73	1,529.24
8.	Interest	112.41	79.58	416.89
9.	**Profit from Ordinary Activities before Tax**	**429.93**	**372.15**	**1,112.35**
10.	Provision for Taxation	148.37	103.17	170.86
11.	**Profit after Tax**	**281.56**	**268.98**	**941.49**
12.	Appropriations			
	a) Statutory Appropriations	3.00	6.00	(28.52)
	b) Others [Distribution on Unsecured Perpetual Non-convertible Debentures (net of tax)]	8.87	-	-
13.	**Net Profit after Tax and Appropriations**	**269.69**	**262.98**	**970.01**
14.	Paid-up Equity Share Capital (Face Value: ₹ 10/- per share)	237.33	237.33	237.33
15.	Reserves including Statutory Reserves			10,404.64
16.	Basic Earnings per Share on Net Profit after Tax and Appropriations (not annualised) (in ₹)	11.35	11.07	40.84
17.	Diluted Earnings per Share on Net Profit after Tax and Appropriations (not annualised) (in ₹)	11.14	11.07	39.60
18.	Aggregate of public shareholding			
	No. of shares #	15,39,14,576	15,27,52,043	15,34,99,311
	% of shareholding @	67.10	64.37	64.68
	# Excludes no. of shares held by custodians of GDR			
	@ Excludes % of shareholding held by custodians of GDR			
19.	Aggregate of promoters and promoter group shareholding			
	a) Pledged / encumbered			
	No. of shares	2,68,60,000	2,68,60,000	2,68,60,000
	% of total shareholding of promoter and promoter group	35.59	35.59	35.58
	% of total share capital of the Company	11.32	11.32	11.32
	b) Non-encumbered			
	No. of shares	4,86,13,409	4,86,20,479	4,86,22,614
	% of total shareholding of promoter and promoter group	64.41	64.41	64.42
	% of total share capital of the Company	20.48	20.49	20.49
20.	Final Dividend (FY11 - Proposed)			
	Rate per share (Face Value ₹ 10/-) (in ₹)	-	-	12.50
	Amount (₹ in crores)	-	-	296.92

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

₹ Crores

Particulars	Quarter ended		Year ended
	30-Jun-11	30-Jun-10	31-Mar-11
Segment Revenue			
Power Business	1,856.42	1,828.13	6,733.27
Others	64.82	39.77	185.21
Total Segment Revenue	1,921.24	1,867.90	6,918.48
Less: Inter segment revenue	-	-	-
Net Revenue	**1,921.24**	**1,867.90**	**6,918.48**
Segment Results (Profit before Interest and Tax)			
Power Business	323.02	340.32	1,133.20
Others	2.79	6.03	26.77
Total Segment Results	325.81	346.35	1,159.97
Less: Interest Expense	112.41	79.58	416.89
Add: Unallocable Income (Net)	216.53	105.38	369.27
Total Profit Before Tax	**429.93**	**372.15**	**1,112.35**
Capital Employed			
Power Business	8,516.42	7,514.93	8,223.33
Others	(3.55)	250.39	(2.36)
Unallocable	2,919.01	3,076.01	2,954.61
Total Capital Employed	**11,431.88**	**10,841.33**	**11,175.58**

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.
Others - Defence Electronics, Project Contracts / Infrastructure Management Services, Coal Bed Methane and Property Development.

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

₹ Crores

Particulars	Quarter ended		Year ended
	30-Jun-11	30-Jun-10	31-Mar-11
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Others	64.82	39.77	185.21
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Types of products and services in each business segment:

Power - Generation, Transmission and Distribution of Electricity.
Others - Defence Electronics, Project Contracts / Infrastructure 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 10th August, 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 30th June, 2011, the accumulated interest was ₹ 165.16 crores (₹ 2.80 crores for the quarter ended 30th June, 2011). 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, 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. Coastal Gujarat Power Limited ("CGPL"), a wholly owned subsidiary, is in the process of implementing the 4000 MW Ultra Mega Power Plant at Mundra ("the Project").

   The management has reviewed and assessed the recoverability of the carrying amount of the Project (which is under construction) considering the fuel and other operating costs that would impact future cash flows on commencement of commercial operations, and has concluded that no provision is necessary on this account. Consequently, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.

   In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the management and adjustments will be made in the event that there is an adverse effect on the recoverable amount of the underlying asset.

4. During the quarter ended 30th June, 2011, the Company has provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 for its operations in respect of the Mumbai Licensed Area. These regulations supercede the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005.

5. The Company currently provides depreciation on assets at rates/methodology relating to the electricity business in accordance with the Central Government notification under the Electricity (Supply) Act, 1948 (repealed).

   The Ministry of Corporate Affairs (MCA) vide its notification dated 31st May, 2011, has clarified that companies engaged in the generation and supply of electricity can distribute dividend after providing for depreciation at rates/methodology notified by CERC. The CERC under the provisions of The Electricity Act, 2003 notified the rates/methodology effective 1st April, 2009, under the Terms and Conditions of Tariff Regulations, 2009. These rates would be applicable for purposes of tariff determination and accounting in terms of the provisions of National Tariff Policy notified by Government of India.

   As the Company has both regulated and non-regulated generating capacity, in the absence of guidelines, the application of the above notification in the books of account would give rise to certain inconsistencies that require to be addressed.

   In view of the above, Management intends seeking clarifications and guidance from the MCA on the applicability of the CERC rates for its regulated and non-regulated operations, pending which the existing depreciation rates continue to be followed for the quarter.

6. During the quarter ended 30th June, 2011, the Company raised ₹ 1,500 crores through issue of Unsecured, Subordinated, Perpetual, Rated, Listed Securities in the form of Non-Convertible Debentures. These Debentures are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on the said Debentures, which may be deferred at the option of the Company under certain circumstances, is set at 11.40 % p.a., with a step up provision if the Debentures are called after 10 years. As these securities are perpetual in nature and ranked senior only to the Share Capital of the Company, and therefore considered to be in the nature of equity instruments, these are not classified as "Debt" and the distribution on such securities amounting to ₹ 8.87 crores (net of tax) are not considered in "Interest and Finance Charges".

7. There were no investor complaints pending as on 1st April, 2011, 6 complaints were received during the quarter, 3 complaints were disposed off during the quarter and 3 complaints remained unresolved as at the end of the quarter ended 30th June, 2011.

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

ANIL SARDANA
Managing Director

Date:10th August, 2011

TATA

Deloitte Haskins & Sells

Chartered Accountants
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Opp. Shiv Sagar Estate
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AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
THE TATA POWER COMPANY LIMITED

1. We have audited 'Part B' of the accompanying Statement of Financial Results ("the Statement") of **THE TATA POWER COMPANY LIMITED** ("the Company") for the quarter ended 30th June, 2011 attached herewith, being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges. This Statement has been prepared on the basis of the related interim financial statements, which are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related interim financial statement, which has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS - 25) on Interim Financial Reporting notified under the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India.

2. We conducted our audit of the Statement 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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   i. is presented in accordance with the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges, and

   ii. gives a true and fair view of the net profit and other financial information of the Company for the quarter ended 30th June, 2011.

4. Without qualifying our opinion we draw attention to :

   i) uncertainties relating to the outcome of the Appeal filed in Supreme Court. As stated in Note 2 to the Statement , 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 estimated at ₹ 519 crores and its consequential effects for the period upto 30th June, 2011. The impact of the above on the results for the quarter ended 30th June, 2011 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.

h.

Deloitte
Haskins & Sells

ii) provision for investment in a subsidiary. Note 3 to the Statement describes the key source of estimation uncertainty as at 30th June, 2011 relating to the Company's assessment of the recoverability of carrying amounts of assets under construction that could result in material adjustment to the carrying amount of the long-term investment in that subsidiary.

iii) applicability of depreciation rates as notified by CERC to accounting for regulated and non regulated operations, referred to in Note 5 to the Statement , in respect of which management will seek clarifications and guidance from the Ministry of Coporate Affairs.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership No. 71387)

MUMBAI, 10th August, 2011

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2011

Particulars	Quarter ended		Year ended
	30-Jun-11	30-Jun-10	31-Mar-11
	(Reviewed)		(Audited)
	₹ Crores	₹ Crores	₹ Crores
1. a) Revenue	5,392.71	4,932.35	18,211.78
Add : Income to be recovered in future tariff determination (Net)	412.11	219.27	1,136.43
Net Revenue	5,804.82	5,151.62	19,348.21
b) Other Operating Income	19.69	33.22	102.55
2. Total Income	5,824.51	5,184.84	19,450.76
3. Expenditure			
a) Staff Cost	243.18	200.24	825.93
b) Cost of Power Purchased	1,447.66	1,584.78	4,914.32
c) Royalty towards Coal Mining	239.47	183.10	765.83
d) Cost of Coal Purchased	15.21	11.54	48.38
e) Cost of Fuel	1,369.40	1,163.19	4,323.14
f) Coal Processing Charges	585.85	419.63	1,667.52
g) Raw Materials Consumed	72.77	110.52	373.39
h) Purchase of goods / spares / stock for resale	13.02	6.41	30.53
i) Cost of components, materials and services in respect of contracts	26.85	14.94	77.25
j) Increase in stock-in-trade and work-in-progress	(62.75)	(21.20)	(11.38)
k) Depreciation/Amortisation	271.88	235.00	980.24
l) Impairment	-	-	0.82
m) Deferred Stripping Costs (Net)	(210.65)	(80.79)	(362.84)
n) Other Expenditure	681.11	453.61	2,260.45
4. Total Expenditure	4,673.00	4,280.97	15,893.58
5. Profit from Operations before Other Income, Interest and Exceptional Items (2-4)	1,151.51	903.87	3,557.18
6. Other Income			
a) Gain / (Loss) on Exchange (Net)	89.84	(150.41)	173.81
b) Others	34.49	61.00	236.69
7. Profit before Interest and Exceptional Items (5+6)	1,275.84	814.46	3,967.68
8. Interest	262.96	171.84	810.21
9. Profit before Tax, Share of Associates, Minority Interest and Statutory Appropriations	**1,012.88**	**642.62**	**3,157.47**
10. Provision for Taxation	508.93	289.01	975.56
11. Net Profit after Tax and before Share of Associates, Minority Interest and Statutory Appropriations	**503.95**	**353.61**	**2,181.91**
12. Share of Profit of Associates	8.92	4.35	74.19
13. Less: Minority Interest	82.43	40.29	196.50
14. Net Profit before Statutory Appropriations	**430.44**	**317.67**	**2,059.60**
15. Appropriations			
a) Statutory Appropriations	3.00	6.00	(28.52)
b) Others [Distribution on Unsecured Perpetual Non-convertible Debentures (net of tax)]	8.87	-	-
16. Net Profit after Statutory Appropriations	**418.57**	**311.67**	**2,088.12**
17. Paid-up Equity Share Capital (Face Value: ₹ 10/- per share)	237.29	237.29	237.29
18. Reserves including Statutory Reserves			**12,866.30**
19. Earnings per Share (on Net Profit after Statutory Appropriations) (not annualised) (in ₹)			
Basic Earnings per share	17.62	13.12	87.92
Diluted Earnings per share	17.17	13.12	84.84
20. Aggregate of public shareholding			
No. of shares #	15,39,14,576	15,27,52,043	15,34,99,311
% of shareholding @	67.10	64.37	64.68
# 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	2,68,60,000	2,68,60,000
% of total shareholding of promoter and promoter group	35.59	35.59	35.58
% of total share capital of the Company	11.32	11.32	11.32
b) Non-encumbered			
No. of shares	4,86,13,409	4,86,20,479	4,86,22,614
% of total shareholding of promoter and promoter group	64.41	64.41	64.42
% of total share capital of the Company	20.48	20.49	20.49

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

₹ Crores

Particulars		Quarter ended		Year ended
		30-Jun-11	30-Jun-10	31-Mar-11
		(Reviewed)		(Audited)
Segment Revenue				
	Power Business	3,720.30	3,504.81	12,305.62
	Coal Business	1,990.69	1,539.06	6,400.47
	Others	147.95	172.12	935.03
Total Segment Revenue		5,858.94	5,215.99	19,641.12
Less:	Inter segment revenue	34.43	31.15	190.36
Net Revenue		**5,824.51**	**5,184.84**	**19,450.76**
Segment Results [Profit / (Loss) before Interest and Tax]				
	Power Business	627.00	517.32	1,942.94
	Coal Business	750.07	423.97	1,673.13
	Others	(29.62)	(9.30)	198.66
Total Segment Results		1,347.45	931.99	3,814.73
Less:	Interest Expense	262.96	171.84	810.21
Add:	Unallocable (Expense) / Income (Net)	(71.61)	(117.53)	152.95
Total Profit Before Tax		**1,012.88**	**642.62**	**3,157.47**
Capital Employed				
	Power Business	31,974.08	23,449.25	29,556.81
	Coal Business	6,517.88	5,948.68	6,478.65
	Others	1,455.26	1,209.22	1,165.23
	Unallocable	(24,366.91)	(17,031.79)	(22,149.23)
Total Capital Employed		**15,580.31**	**13,575.36**	**15,051.46**

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 Contracts / Infrastructure Management Services, Coal Bed Methane, Investment, Shipping 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 10th August, 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 30th June, 2011, the accumulated interest was ₹ 165.16 crores (₹ 2.80 crores for the quarter ended 30th June, 2011). 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, 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 Coastal Gujarat Power Limited ("CGPL"), a wholly owned subsidiary, is in the process of implementing the 4000 MW Ultra Mega Power Plant at Mundra ("the Project").

The management has reviewed and assessed the recoverability of the carrying amount of the Project (which is under construction) considering the fuel and other operating costs that would impact future cash flows on commencement of commercial operations, and has concluded that no provision is necessary on this account. Consequently, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.

In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the management and adjustments will be made in the event that there is an adverse effect on the recoverable amount of the underlying asset.

2.3 During the quarter ended 30th June, 2011, the Company has provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 for its operations in respect of the Mumbai Licensed Area. These regulations supercede the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005.

2.4 The Company currently provides depreciation on assets at rates/methodology relating to the electricity business in accordance with the Central Government notification under the Electricity (Supply) Act, 1948 (repealed).

The Ministry of Corporate Affairs (MCA) vide its notification dated 31st May, 2011, has clarified that companies engaged in the generation and supply of electricity can distribute dividend after providing for depreciation at rates/methodology notified by CERC. The CERC under the provisions of The Electricity Act, 2003 notified the rates/methodology effective 1st April, 2009, under the Terms and Conditions of Tariff Regulations, 2009. These rates would be applicable for purposes of tariff determination and accounting in terms of the provisions of National Tariff Policy notified by Government of India.

As the Company has both regulated and non-regulated generating capacity, in the absence of guidelines, the application of the above notification in the books of account would give rise to certain inconsistencies that require to be addressed.

In view of the above, Management intends seeking clarifications and guidance from the MCA on the applicability of the CERC rates for its regulated and non-regulated operations, pending which the existing depreciation rates continue to be followed for the quarter.

2.5 During the quarter ended 30th June, 2011, the Company raised ₹ 1,500 crores through issue of Unsecured, Subordinated, Perpetual, Rated, Listed Securities in the form of Non-Convertible Debentures. These Debentures are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on the said Debentures, which may be deferred at the option of the Company under certain circumstances, is set at 11.40 % p.a., with a step up provision if the Debentures are called after 10 years. As these securities are perpetual in nature and ranked senior only to the Share Capital of the Company, and therefore considered to be in the nature of equity instruments, these are not classified as "Debt" and the distribution on such securities amounting to ₹ 8.87 crores (net of tax) are not considered in "Interest and Finance Charges".

3. As at 30th June, 2011, the overseas Joint Venture Coal Companies had receivables in respect of Value Added Tax (VAT) input aggregating to ₹ 4,469.25 crores (Group's share ₹ 1,340.78 crores) [31st March, 2011 - ₹ 3,854.74 crores (Group's share ₹ 1,156.42 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. Prior to 1st April, 2011, the carrying value of VAT recoverable was computed based on Rupaiah (Rp) exchange rate prevailing when the VAT was claimed. The Company used historical exchange rate as the Government of Indonesia (GoI) has not yet clarified the exchange rate that would have been used in the settlement of this matter. However, from the discussions with the Indonesian Mining Association (IMA) and other first generation coal producing companies, the Coal Company's management now believes that it is more than likely that the VAT will be refunded in Rp in monetary form. Therefore, the VAT recoverable as of 30th June, 2011 was recomputed based on the closing exchange rate.
The balance of VAT recoverable as at 30th June, 2011 has therefore been computed using the closing exchange rate as against the balance as at 31st March, 2011 using the historical exchange rate. Foreign exchange gain resulting from the translation as at 30th June, 2011 amounting to ₹ 359.07 crores (Group's share ₹ 107.72 crores) is recorded under "Other Income".

5. Coastal Gujarat Power Limited, a wholly owned Subsidiary, in terms of the G.S.R. 225 (E) dated 31st March, 2009 issued by Ministry of Corporate Affairs (MCA), 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. The MCA has vide G.S.R. 378 (E) dated 11th May, 2011, extended the applicability of the above Notification to periods ending on or before 31st March, 2012. Accordingly, for the quarter ended 30th June, 2011, an amount of ₹ 3.66 crores [₹ 154.20 crores for the quarter ended 30th June, 2010] exchange loss (Net) 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 expense in the Consolidated accounts, in line with the Group accounting policy.

6. In respect of North Delhi Power Limited (NDPL), a Subsidiary Company, the Appellate Tribunal of Electricity (ATE) has upheld certain claims relating to the allowability of certain expenses which were earlier disallowed by the Delhi Electricity Regulatory Commission (DERC) in its truing up for the respective financial years. Consequently, an amount of ₹ 122.57 crores, has been accounted for as revenue during the quarter ended 30th June, 2011.

7. Certain Subsidiaries / Joint Ventures having revenues of ₹ 107.39 crores and Net Loss after Statutory Appropriations of ₹ 34.89 crores for the quarter ended 30th June, 2011, and the Group's share of Profits in respect of Associates aggregating ₹ 8.92 crores, have been considered on the basis of financial statements certified by their Managements and are not reviewed by their auditors.

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

ANIL SARDANA
Managing Director

Date: 10th August, 2011

TATA

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

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") of **THE TATA POWER COMPANY LIMITED** ("the Company") its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") and its share of the profit of the associate companies for the quarter ended 30th June, 2011 . This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

3. The Statement reflects the Group's share of Revenues of Rs. 1,960.20 crores and Net Profit after Appropriations of Rs. 332.28 crores for the quarter ended 30th June, 2011 relating to certain subsidiaries and joint ventures, whose results have been reviewed/ audited by other auditors and whose reports have been considered by us in submitting our report.

4. The Statement reflects the Group's share of revenue of Rs. 107.39 crores and the Group's share of Net Loss after Appropriations of Rs. 34.89 crores for the quarter ended 30th June, 2011 relating to certain subsidiaries and joint ventures and the Group's share of profits of Rs. 8.92 crores relating to certain associates which have not been reviewed by their auditors.

5. Based on our review and read with our comments in paragraph 3 above and subject to our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Deloitte
Haskins & Sells

6. Without qualifying our opinion, we draw attention to :

   i. uncertainities relating to the outcome of the Appeal filed by the Company in the Supreme Court. As stated in the Note 2.1 to the Statement, 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 estimated at Rs. 519 crores and its consequential effects for the period upto 30th June, 2011. The impact of the above on the results for the quarter ended 30th June, 2011 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.

   ii. the carrying amount of assets under construction.Note 2.2 to the Statement describes the keysource of estimation uncertainty as at 30th June, 2011 relating to the Group's assessment of the recoverability of carrying amounts of assets under construction that could result in material adjustment to the carrying amount of the assets.

   iii. applicability of depreciation rates as notified by CERC to accounting for regulated and non regulated operations, referred to in Note 2.4 to the Statement , in respect of which management will seek clarifications and guidance from the Ministry of Coporate Affairs.

   iv. In so far as it relates to the results of operations of certain joint ventures which are included in the Statement, without qualifying our opinion, we draw attention to Note 3 to the Statement regarding recoverability of Value Added Tax balances of Rs.4,469.25 crores (Group's share of Rs.1,340.78 crores) and contingent claims from third parties, the outcome of which cannot be presently determined.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Nlemar

N.VENKATRAM
Partner
(Membership No.: 71387)

MUMBAI, 10th August, 2011