

STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2013

| Particulars (Refer Notes Below) | Quarter ended | | | Year ended |
|--|----------------------------|----------------------|----------------------|----------------------|
| | 30-Jun-13 | 31-Mar-13 | 30-Jun-12 | 31-Mar-13 |
| PART I | MUs | MUs | MUs | MUs |
| (A) | | | | |
| 1. Generation | 3,897 | 3,366 | 4,259 | 15,770 |
| 2. Sales | 4,136 | 3,542 | 4,227 | 16,002 |
| | ₹ crore (Audited) | ₹ crore (Audited) | ₹ crore (Audited) | ₹ crore (Audited) |
| (B) | | | | |
| 1. Income from operations | | | | |
| a) Revenue from power supply and transmission charges | 2,156.89 | 1,741.91 | 2,057.57 | 7,947.89 |
| Add: Income to be recovered in future tariff determination (net) | 213.00 | 165.47 | 287.45 | 1,028.72 |
| Add/(Less): Income to be recovered in future tariff determination (net) in respect of earlier years | 115.00 | 127.00 | (155.00) | 104.72 |
| Net Revenue | 2,484.89 | 2,034.38 | 2,190.02 | 9,081.33 |
| b) Other operating income (net of excise duty) | 122.62 | 179.89 | 94.08 | 485.95 |
| Total income from operations (net) | 2,607.51 | 2,214.27 | 2,284.10 | 9,567.28 |
| 2. Expenses | | | | |
| a) Cost of power purchased | 155.73 | 173.15 | 156.12 | 623.39 |
| b) Cost of fuel | 1,235.65 | 968.65 | 1,405.86 | 5,244.40 |
| c) Cost of components, materials and services in respect of contracts | 44.73 | 58.65 | 27.51 | 150.75 |
| d) Employee benefits expense | 144.85 | 134.52 | 128.61 | 547.60 |
| e) Depreciation and amortisation expense | 136.04 | (74.42) | 154.80 | 364.10 |
| f) Other expenses | 284.53 | 299.16 | 188.84 | 945.73 |
| Total expenses | 2,001.53 | 1,559.71 | 2,061.74 | 7,875.97 |
| 3. Profit from operations before other income, finance costs and tax (1-2) | 605.98 | 654.56 | 222.36 | 1,691.31 |
| 4. Other income | | | | |
| a) (Loss)/Gain on exchange (net) | (65.71) | (29.49) | 53.23 | (27.62) |
| b) Others | 245.59 | 149.87 | 292.36 | 721.67 |
| 5. Profit before finance costs and tax (3+4) | 785.86 | 774.94 | 567.95 | 2,385.36 |
| 6. Finance costs | 236.27 | 197.36 | 139.81 | 681.98 |
| 7. Profit before tax (5-6) | 549.59 | 577.58 | 428.14 | 1,703.38 |
| 8. Tax expense | 192.59 | 377.55 | 115.84 | 678.69 |
| 9. Net profit after tax (7-8) | 357.00 | 200.03 | 312.30 | 1,024.69 |
| 10. Paid-up equity share capital (Face Value: ₹ 1/- per share) | 237.33 | 237.33 | 237.33 | 237.33 |
| 11. Reserves excluding Statutory Reserves and Revaluation Reserves as per the Balance Sheet of previous accounting year | | | | 10,803.46 |
| 12. Basic Earnings per Share (not annualised for quarters) (In ₹) | 1.32 | 0.66 | 1.17 | 3.44 |
| 13. Diluted Earnings per Share (not annualised for quarters) (In ₹) | 1.32 | 0.66 | 1.17 | 3.44 |
| PART II - SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2013 | | | | |
| (A) Particulars of shareholding | | | | |
| 1. Public shareholding | | | | |
| No. of shares # | 152,61,18,350 | 152,60,99,350 | 154,30,68,750 | 152,60,99,350 |
| % of shareholding @ | 66.45 | 66.45 | 67.19 | 66.45 |
| # Excludes no. of shares held by custodians of GDR | | | | |
| @ Excludes % of shareholding held by custodians of GDR | | | | |
| 2. Promoters and Promoter Group shareholding | | | | |
| a) Pledged/encumbered | | | | |
| No. of shares | 3,53,50,000 | 5,20,50,000 | 5,20,50,000 | 5,20,50,000 |
| % of shares to total shareholding of promoter and promoter group | 4.59 | 6.76 | 6.91 | 6.76 |
| % of shares to total share capital of the Company | 1.49 | 2.19 | 2.19 | 2.19 |
| b) Non-encumbered | | | | |
| No. of shares | 73,51,87,290 | 71,84,87,290 | 70,14,87,290 | 71,84,87,290 |
| % of shares to total shareholding of promoter and promoter group | 95.41 | 93.24 | 93.09 | 93.24 |
| % of shares to total share capital of the Company | 30.98 | 30.28 | 29.56 | 30.28 |
| (B) Investor complaints | | | | |
| | Quarter ended 30-Jun-13 | | | |
| Pending at the beginning of the quarter | 4 | | | |
| Received during the quarter | 16 | | | |
| Disposed off during the quarter | 14 | | | |
| Remaining unresolved at the end of the quarter (2 have since been closed) | 6 | | | |

TATA POWER

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

₹ crore

| Particulars (Refer Notes Below) | Quarter ended | | | Year ended |
|--|------------------------|-----------------------------|------------------------|------------------------|
| | 30-Jun-13 (Audited) | 31-Mar-13 (Audited) * | 30-Jun-12 (Audited) | 31-Mar-13 (Audited) |
| Segment Revenue | | | | |
| Power Business | 2,507.65 | 2,054.80 | 2,206.38 | 9,157.96 |
| Others | 99.86 | 159.47 | 77.72 | 409.32 |
| Total Segment Revenue | 2,607.51 | 2,214.27 | 2,284.10 | 9,567.28 |
| Less: Inter Segment Revenue | - | - | - | - |
| Revenue / Income from Operations (Net of Excise Duty) | 2,607.51 | 2,214.27 | 2,284.10 | 9,567.28 |
| Segment Results [Profit/(Loss) before Finance Costs and Tax] | | | | |
| Power Business | 604.62 | 635.72 | 205.47 | 1,684.68 |
| Others | (0.17) | 30.62 | 2.53 | 45.07 |
| Total Segment Results | 604.45 | 666.34 | 208.00 | 1,729.75 |
| Less: Finance Costs | 236.27 | 197.36 | 139.81 | 681.98 |
| Add: Unallocable Income (Net) | 181.41 | 108.60 | 359.95 | 655.61 |
| Profit Before Tax | 549.59 | 577.58 | 428.14 | 1,703.38 |
| Capital Employed | | | | |
| Power Business | 11,906.29 | 11,464.55 | 10,144.16 | 11,464.55 |
| Others | 302.12 | 146.05 | 131.02 | 146.05 |
| Unallocable | 2,026.28 | 2,068.03 | 3,144.87 | 2,068.03 |
| Capital Employed | 14,234.69 | 13,678.63 | 13,420.05 | 13,678.63 |

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution.

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

* Refer Note 11

STANDALONE ACCOUNTS NOTES – Q1 FY 14

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 6th August, 2013.
2. In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period 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 crore (including interest of ₹ 15.14 crore) and pay interest at 10% p.a. thereafter. As at 30th June, 2013, the accumulated interest is ₹ 187.56 crore. On appeal, the Hon'ble Supreme Court has stayed the ATE Order and, as directed, the Company has furnished a bank guarantee of ₹ 227 crore and also deposited ₹ 227 crore with the Registrar General of the Court, which amount has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

Further, in terms of the ATE Order dated 20th December, 2006, no adjustment has been made for the reversal of Standby Charges credited in previous years, estimated at ₹ 519 crore. The aggregate of Standby Charges credited in previous years 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. 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, has implemented the 4000 MW Ultra Mega Power Project at Mundra ("the Project").

The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows and has concluded that no further provision for impairment loss for the quarter ended 30th June, 2013 in CGPL is necessary on this account (₹ 850 crore for the year ended 31st March, 2013). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

In order to provide protection to CGPL and to support its cash flows, the Company has committed to a future restructuring under which the Company will transfer atleast 75% of its equity interests in the Indonesian Coal Companies to CGPL, subject to Regulatory and other approvals, which are being pursued and will continue to evaluate other alternative options. A valuation of the equity interests in the Indonesian Coal Companies has been carried out on the basis of certain assumptions, including legal interpretation that there is reasonable certainty that the mining leases would be extended without significant cost.

Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies and the proposed future restructuring, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.
- 4.a. During the quarter ended 30th June, 2013, the Maharashtra Electricity Regulatory Commission (MERC) has completed true-up for the financial year 2011-12 and issued Tariff Orders. In these Tariff Orders, MERC has allowed true-up of the claims made by the Company in respect of earlier years incorporating the impact of favourable ATE Order. Accordingly, an amount of ₹ 115 crore has been recognised in the financial statements during the quarter ended 30th June, 2013.

Further, the Tariff Orders have disallowed certain claims made by the Company amounting to ₹ 26 crore. The Company is in process of filing appeals with 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 statements.
- b. The Company had provisionally determined Statutory Appropriations and adjustments to be made on Annual Performance Review as per Multi Year Tariff (MYT) Regulations, 2011 for Mumbai Licensed Area for financial year 2011-12. In view of deferment of implementation of MYT Tariffs to 1st April, 2012, revenue amounting to ₹ 155 crore was reversed during the quarter ended 30th June, 2012.

5. The Company has changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 have increased by ₹ 234.98 crore and ₹ 7.59 crore respectively, and ₹ 227.39 crore has been credited to the Revaluation Reserve.
Consequent to the revaluation, the additional charge for depreciation for the quarter ended 30th June, 2013 amounting to ₹ 0.22 crore is withdrawn from Revaluation Reserve.
6. During the quarter ended 31st March, 2013, the Company revised the rates and methodology of charging depreciation in respect of its electricity business as per the notification issued by the CERC w.e.f. 1st April, 2009 and on certain assets as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. Accordingly, depreciation of ₹ 219.80 crore for the years 2009-10 to 2011-12 has been written back during the quarter and year ended 31st March, 2013. As a result of this change, the depreciation charge for quarter ended 30th June, 2013 is lower by ₹ 12 crore (31st March, 2013 - ₹ 48.02 crore).
7. In an earlier year, in line with the Notification dated 29th December, 2011 issued by the MCA, the Company had selected the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items, for quarter ended 30th June, 2013 is ₹ 37.75 crore and ₹ 83.84 crore for the year ended 31st March, 2013. The amounts for the quarters ended 31st March, 2013 and 30th June, 2012 are ₹ 20.48 crore and ₹ 25.49 crore respectively. The unamortised portion carried forward as at 30th June, 2013 is ₹ 422.12 crore (31st March, 2013 - ₹ 253.86 crore).
8. In an earlier year, the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities. These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company and ranked senior only to the Share Capital of the Company and, therefore, considered to be in the nature of equity instruments, are not classified as "Debt" and the distribution on such securities amounting to ₹ 42.63 crore for the quarter ended 30th June, 2013 and ₹ 171.20 crore for the year ended 31st March, 2013, have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost". The amounts for the quarters ended 31st March, 2013 and 30th June, 2012 are ₹ 42.17 crore and ₹ 42.83 crore respectively.
9. Finance Costs for the quarter ended 30th June, 2013, includes ₹ 45 crore being provision for interest on amounts which have not been deposited with the statutory authorities on account of disputes which are pending.
10. The Company does not have any Exceptional or Extraordinary items to report for the above periods/year.
11. The figures for the preceding three months ended 31st March, 2013 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2013 and the year to date figures upto the third quarter of that financial year.
12. The Statutory Auditors have carried out an audit of above results stated in Part I (B).
13. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.

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



CYRUS P. MISTRY
Chairman

Date: 6th August, 2013.



TATA POWER

The Tata Power Company Limited
Bombay House, 24 Homi Mody Street, Mumbai 400 001
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CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2013

| Particulars (Refer Notes Below) | Quarter ended | | | Year ended |
|--|-----------------|-----------------|-----------------|------------------|
| | 30-Jun-13 | 31-Mar-13 | 30-Jun-12 | 31-Mar-13 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | ₹ Crore | ₹ Crore | ₹ Crore | ₹ Crore |
| PART I | | | | |
| 1. Income from operations | | | | |
| a) Revenue | 8,941.87 | 8,441.63 | 6,714.12 | 30,875.28 |
| Add : Income to be recovered in future tariff determination (net) | 234.90 | 428.68 | 638.45 | 1,856.05 |
| Add/(Less): Income to be recovered in future tariff determination (net) in respect of earlier years | 115.00 | 127.00 | (155.00) | 104.72 |
| Net Revenue | 9,291.77 | 8,997.31 | 7,197.57 | 32,836.05 |
| b) Other operating income (net of excise duty) | 47.72 | 35.15 | 56.32 | 189.98 |
| Total Income from operations (net) | 9,339.49 | 9,032.46 | 7,253.89 | 33,025.43 |
| 2. Expenses | | | | |
| a) Cost of power purchased | 1,992.06 | 2,165.70 | 1,660.57 | 7,818.66 |
| b) Cost of fuel | 2,789.87 | 2,422.43 | 2,110.67 | 9,661.60 |
| c) Raw materials consumed | 116.02 | 154.48 | 44.66 | 386.74 |
| d) Purchase of goods / spares / stock for resale | 14.56 | 9.29 | 11.77 | 37.47 |
| e) Cost of components, materials and services in respect of contracts | 44.73 | 58.65 | 27.51 | 150.75 |
| f) Increase/(decrease) in stock-in-trade and work-in-progress | 54.72 | 93.14 | (0.18) | (275.12) |
| g) Royalty towards coal mining | 293.96 | 290.75 | 274.24 | 1,111.14 |
| h) Coal processing charges | 677.33 | 618.65 | 593.52 | 2,544.99 |
| i) Employee benefits expense | 330.16 | 334.18 | 309.79 | 1,322.95 |
| j) Depreciation and amortisation expense | 650.80 | 416.37 | 505.97 | 2,051.69 |
| k) Other expenses | 959.24 | 1,028.99 | 807.21 | 3,630.18 |
| Total expenses | 7,923.45 | 7,592.63 | 6,345.73 | 28,441.05 |
| 3. Profit from operations before other Income, finance costs, exceptional item and tax (1-2) | 1,416.04 | 1,439.83 | 908.16 | 4,584.38 |
| 4. Other income | | | | |
| a) Loss on exchange (net) | (292.76) | (24.75) | (45.23) | (187.64) |
| b) Others | 64.84 | 64.26 | 107.81 | 389.20 |
| 5. Profit before finance costs, exceptional item and tax (3+4) | 1,188.12 | 1,479.34 | 970.74 | 4,765.94 |
| 6. Finance costs | 902.46 | 725.06 | 549.32 | 2,639.26 |
| 7. Profit before exceptional item and tax (5-6) | 285.66 | 754.28 | 421.42 | 2,126.68 |
| 8. Exceptional item - | | | | |
| Provision for impairment | - | - | - | 850.00 |
| 9. Profit / (Loss) before tax | 285.66 | 754.28 | 421.42 | 1,276.68 |
| 10. Tax expense | 334.64 | 499.23 | 226.29 | 1,177.96 |
| 11. Net (Loss) / Profit after tax | (40.98) | 255.05 | 195.13 | 98.72 |
| 12. Share of profit of associates | 3.36 | 5.13 | 1.26 | 23.92 |
| 13. Less: Minority interest | 69.08 | 78.82 | 50.46 | 208.07 |
| 14. Net (Loss) / Profit after tax, minority interest and share of profit of associates | (114.70) | 181.36 | 145.93 | (85.43) |
| 15. Paid-up equity share capital (Face Value: ₹ 1/- per share) | 237.29 | 237.29 | 237.29 | 237.29 |
| 16. Reserves excluding Statutory Reserves and Revaluation Reserves as per the Balance Sheet of previous accounting year | | | | 10,501.19 |
| 17. Basic Earnings per Share (not annualised for quarters) (In ₹) | (0.67) | 0.58 | 0.47 | (1.23) |
| 18. Diluted Earnings per Share (not annualised for quarters) (In ₹) | (0.67) | 0.58 | 0.47 | (1.23) |
| PART II - SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE, 2013 | | | | |
| (A) Particulars of shareholding | | | | |
| 1. Public shareholding | | | | |
| No. of shares # | 152,61,18,350 | 152,60,99,350 | 154,30,68,750 | 152,60,99,350 |
| % of shareholding @ | 66.45 | 66.45 | 67.19 | 66.45 |
| # Excludes no. of shares held by custodians of GDR | | | | |
| @ Excludes % of shareholding held by custodians of GDR | | | | |
| 2. Promoters and Promoter Group shareholding | | | | |
| a) Pledged/encumbered | | | | |
| No. of shares | 3,53,50,000 | 5,20,50,000 | 5,20,50,000 | 5,20,50,000 |
| % of shares to total shareholding of promoter and promoter group | 4.59 | 6.76 | 6.91 | 6.76 |
| % of shares to total share capital of the Company | 1.49 | 2.19 | 2.19 | 2.19 |
| b) Non-encumbered | | | | |
| No. of shares | 73,51,87,290 | 71,84,87,290 | 70,14,87,290 | 71,84,87,290 |
| % of shares to total shareholding of promoter and promoter group | 95.41 | 93.24 | 93.09 | 93.24 |
| % of shares to total share capital of the Company | 30.98 | 30.28 | 29.56 | 30.28 |
| (B) Investor complaints | | | | |
| | Quarter ended | | | |
| | 30-Jun-13 | | | |
| Pending at the beginning of the quarter | 4 | | | |
| Received during the quarter | 16 | | | |
| Disposed off during the quarter | 14 | | | |
| Remaining unresolved at the end of the quarter (2 have since been closed) | 6 | | | |

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

₹ Crore

| Particulars (Refer Notes Below) | Quarter ended | | | Year ended |
|---|--------------------------|-----------------------------|--------------------------|------------------------|
| | 30-Jun-13 (Unaudited) | 31-Mar-13 (Audited) * | 30-Jun-12 (Unaudited) | 31-Mar-13 (Audited) |
| Segment Revenue | | | | |
| Power Business | 6,893.68 | 6,500.20 | 4,824.01 | 23,216.08 |
| Coal Business | 2,184.12 | 2,219.09 | 2,265.04 | 9,004.92 |
| Others | 323.82 | 391.95 | 209.57 | 1,148.30 |
| Total Segment Revenue | 9,401.62 | 9,111.24 | 7,298.62 | 33,369.30 |
| Less: Inter Segment Revenue | 62.13 | 78.78 | 44.73 | 343.87 |
| Revenue / Income from Operations (Net of Excise Duty) | 9,339.49 | 9,032.46 | 7,253.89 | 33,025.43 |
| Segment Results [Profit / (Loss) before Finance Costs and Tax] | | | | |
| Power Business | 1,303.52 | 1,347.39 | 579.45 | 3,612.21 |
| Coal Business | 96.19 | 170.73 | 257.61 | 1,029.44 |
| Others | (14.60) | (14.37) | 2.76 | (33.41) |
| Total Segment Results | 1,385.11 | -1,503.75 | 839.82 | 4,608.24 |
| Less: Finance Costs | 902.46 | 725.06 | 549.32 | 2,639.26 |
| Less: Exceptional Item - Power Business | - | - | - | 850.00 |
| Add / (Less): Unallocable Income / (Expense) (Net) | (196.99) | (24.41) | 130.92 | 157.70 |
| Profit Before Tax | 285.66 | 754.28 | 421.42 | 1,276.68 |
| Capital Employed | | | | |
| Power Business | 41,847.89 | 39,895.27 | 37,591.54 | 39,895.27 |
| Coal Business | 9,628.85 | 8,825.24 | 7,637.15 | 8,825.24 |
| Others | 2,013.46 | 1,741.49 | 1,979.62 | 1,741.49 |
| Unallocable | (37,531.45) | (35,021.08) | (31,341.24) | (35,021.08) |
| Total Capital Employed | 15,958.75 | 15,440.92 | 15,867.07 | 15,440.92 |

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 and Engineering, Solar Equipment, Project Contracts / Infrastructure Management Services, Coal Bed Methane, Investment, Shipping and Property Development.

* Refer Note 10

CONSOLIDATED ACCOUNTS NOTES – Q1 FY 14

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 6th August, 2013.
2. **In the case of the Parent Company :**
 - 2.1 In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) 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 crore (including interest of ₹ 15.14 crore) and pay interest at 10% p.a. thereafter. As at 30th June, 2013, the accumulated interest is ₹ 187.56 crore. On appeal, the Hon'ble Supreme Court has stayed the ATE Order and as directed, the Company has furnished a bank guarantee of ₹ 227 crore and also deposited ₹ 227 crore with the Registrar General of the Court, which amount has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

Further, in terms of the ATE Order dated 20th December, 2006, no adjustment has been made for the reversal of Standby Charges credited in previous years, estimated at ₹ 519 crore. The aggregate of Standby Charges credited in previous years 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. 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, has implemented the 4000 MW Ultra Mega Power Project at Mundra ("the Project").

The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows and has concluded that no further provision for impairment loss for the quarter ended 30th June, 2013 in CGPL is necessary on this account (₹ 850 crore for the year ended 31st March, 2013). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

In order to provide protection to CGPL and to support its cash flows, the Company has committed to a future restructuring under which the Company will transfer atleast 75% of its equity interests in the Indonesian Coal Companies to CGPL, subject to Regulatory and other approvals, which are being pursued and will continue to evaluate other alternative options. A valuation of the equity interests in the Indonesian Coal Companies has been carried out on the basis of certain assumptions, including legal interpretation that there is reasonable certainty that the mining leases would be extended without significant cost.

Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies and the proposed future restructuring, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.
 - 2.3.(a) During the quarter ended 30th June, 2013, the Maharashtra Electricity Regulatory Commission (MERC) has completed truing-up for the financial year 2011-12 and issued Tariff Orders. In these Tariff Orders, MERC has allowed true-up of the claims made by the Company in respect of earlier years incorporating the impact of favourable ATE Order. Accordingly, an amount of ₹ 115 crore has been recognised in the financial statements during the quarter ended 30th June, 2013.

Further, the Tariff Orders have disallowed certain claims made by the Company amounting to ₹ 26 crore. The Company is in process of filing appeals with 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 statements.
 - (b) The Company had provisionally determined Statutory Appropriations and adjustments to be made on Annual Performance Review as per Multi Year Tariff (MYT) Regulations, 2011 for Mumbai Licensed Area for financial year 2011-12. In view of deferment of implementation of MYT Tariffs to 1st April, 2012, revenue amounting to ₹ 155 crore was reversed during the quarter ended 30th June, 2012.

2.4 The Company has changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 have increased by ₹ 234.98 crore and ₹ 7.59 crore respectively, and ₹ 227.39 crore has been credited to the Revaluation Reserve.

Consequent to the revaluation, the additional charge for depreciation for the quarter ended 30th June, 2013 amounting to ₹ 0.22 crore is withdrawn from Revaluation Reserve.

2.5 During the quarter ended 31st March, 2013, the Company revised the rates and methodology of charging depreciation in respect of its electricity business as per the notification issued by the CERC w.e.f. 1st April, 2009 and on certain assets as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. Accordingly, depreciation of ₹ 219.80 crore for the years 2009-10 to 2011-12 has been written back during the quarter and year ended 31st March, 2013. As a result of this change, the depreciation charge for quarter ended 30th June, 2013 is lower by ₹ 12 crore (31st March, 2013 - ₹ 48.02 crore).

2.6 In an earlier year, the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities. These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company and ranked senior only to the Share Capital of the Company and, therefore, considered to be in the nature of equity instruments, are not classified as "Debt" and the distribution on such securities amounting to ₹ 42.63 crore for the quarter ended 30th June, 2013 and ₹ 171.20 crore for the year ended 31st March, 2013, have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost". The amounts for the quarters ended 31st March, 2013 and 30th June, 2012 are ₹ 42.17 crore and ₹ 42.83 crore respectively.

2.7 Finance Costs for the quarter ended 30th June, 2013, includes ₹ 45 crore being provision for interest on amounts which have not been deposited with the statutory authorities on account of disputes which are pending.

3. As at 30th June, 2013, the overseas Joint Venture Coal Companies had receivables in respect of Value Added Tax (VAT) input aggregating to ₹ 7,345.72 crore - Group's share ₹ 2,203.72 crore [31st March, 2013 - ₹ 6,834.20 crore - Group's share ₹ 2,050.26 crore]. 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 ("CGPL"), a wholly owned subsidiary, has implemented the 4000 MW Ultra Mega Power Project at Mundra ("the Project"). The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows and has concluded that no further provision for impairment loss for the quarter ended 30th June, 2013 in CGPL is necessary on this account (₹ 850 crore for the year ended 31st March, 2013). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate. Consequent to the impairment loss, certain financial covenants in respect of loans taken by CGPL had not been met and Management had received waiver in respect of such non-compliances upto 30th June, 2013. CGPL has represented to extend the existing waivers till such time the ensuing waiver documents and/or amendments to the financing documents are finalised.

5. In an earlier year, in line with the Notification dated 29th December, 2011 issued by the MCA, the Company had selected the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items for the quarter ended 30th June, 2013 is ₹ 52.78 crore and for the year ended 31st March, 2013 is ₹ 109.29 crore. The amounts for the quarters ended 31st March, 2013 and 30th June, 2012 are ₹ 24.77 crore and ₹ 30.40 crore respectively. The unamortised portion carried forward as at 30th June, 2013 is ₹ 1,887.75 crore (31st March, 2013 is ₹ 998.15 crore).

6. In respect of Tata Power Delhi Distribution Limited (TPDDL) [Group's share being 51%], Delhi Electricity Regulatory Commission (DERC) on 13th July, 2012, had issued Order on true-up for FY 2010-11. While approving the power purchase cost for FY 2010-11, DERC had allowed the power purchase cost for generation of Rithala Plant at the rate equivalent to the Unscheduled Interchange rates for units generated during the time when TPDDL was under-drawing from the grid instead of the actual cost of generation, resulting in disallowance of ₹ 7.62 crore for the FY 2010-11. TPDDL has, however, not made any adjustments for disallowance based on the above mentioned principle stated in the Order. Based on Management estimates, TPDDL had accounted for revenue of ₹ 7.62 crore, ₹ 88.42 crore and ₹ 49.68 crore for the FY 2010-11, FY 2011-12 and for the period from 1st April, 2012 to 30th September, 2012 respectively, and carrying cost of ₹ 25.45 crore on the same (including ₹ 4.57 crore for the quarter ended 30th June, 2013) aggregating to ₹ 171.17 crore. With effect from 1st October, 2012, the scheduling of power generation at Rithala plant is being done at the instructions of State Load Dispatch Center.
- TPDDL had filed an appeal on 22nd August, 2012 before the ATE and is of the view, supported by legal opinion that the Order can be successfully challenged and has accordingly not made any adjustments in the condensed financial statements as at 30th June, 2013. The adjustments, if any, will be recorded by TPDDL on the final outcome of the matter.
7. In respect of Maithon Power Limited, the Company, based on estimates/expert opinion, had accrued insurance claims receivable aggregating to ₹ 18.24 crore (net) during the year ended 31st March, 2013 [Group's share ₹ 13.50 crore]. Any difference between the claims receivable and the amount that would finally be determined by the insurance companies will be accounted for on settlement of the claims by the insurance companies.
8. Other expenditure for the quarter and year ended 31st March, 2013, includes ₹ 68.56 crore being provision for diminution, other than temporary, in value of long-term investments.
9. The Statutory Auditors of the Company have conducted a limited review of the aforesaid financial results.
10. The figures for the preceding three months ended 31st March, 2013 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2013 and the year to date figures upto the third quarter of that financial year.
11. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.

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



CYRUS P. MISTRY
Chairman

Date: 6th August, 2013.

