

8th August 2012

BP/AD-M1A/147

Bombay Stock Exchange Limited
Corporate Relationship Dept.
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, 'G' Block
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Dear Sirs,

Audited Financial Results (Standalone) and
Unaudited Consolidated Financial Results for the
quarter ended 30th June 2012

We send herewith a statement containing -

- (i) the Audited Financial Statements (Standalone) and
- (ii) Unaudited Consolidated Financial Results

of the Company for the quarter ended 30th June 2012, which were approved by the Board of Directors of the Company at its meeting held today.

We also enclose a copy each of the -

- (i) Auditors' Report on the above Audited Financial Statements (Standalone);
- (ii) Auditors' Report on the above Unaudited Consolidated Financial Results and
- (iii) Press Release issued by the Company.

Yours faithfully,
For The Tata Power Co. Ltd.

H M Mistry

(H M Mistry)
Company Secretary

Encls.

TATA POWER

The Tata Power Company Limited

Registered Office Bombay House 24 Homi Mody Street, Mumbai 400 001

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TATA POWER

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2012

Particulars	Quarter ended			Year ended
	30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
(A)	MUs	MUs	MUs	MUs
1. Generation	4,259	3,589	3,889	15,230
2. Sales	4,227	3,593	3,932	15,240
(B)	₹ Crore	₹ Crore	₹ Crore	₹ Crore
1. Income from operations				
a) Revenue from power supply and transmission charges	2,057.57	1,878.98	1,774.75	7,322.00
Add: Income to be recovered in future tariff determination	287.45	305.04	67.31	729.53
Less: Revenue adjustments pertaining to prior years (Refer Note 5)	(155.00)	-	-	-
Net Revenue	2,190.02	2,184.02	1,842.07	8,051.53
b) Other operating income (net of excise duty)	94.08	190.67	79.17	444.31
Total income from operations (net)	2,284.10	2,374.69	1,921.24	8,495.84
2. Expenses				
a) Cost of power purchased	156.12	180.83	181.27	647.53
b) Cost of fuel	1,405.86	1,280.82	1,004.15	4,636.89
c) Cost of components, materials and services in respect of contracts	27.51	92.95	26.85	154.77
d) Employee benefits expense	128.61	139.87	113.82	512.68
e) Depreciation and amortisation expense	154.80	150.82	133.09	570.35
f) Other expenses	190.05	268.12	150.76	759.37
Total expenses	2,062.95	2,081.21	1,609.94	7,281.56
3. Profit from operations before other income, finance costs and tax (1-2)	221.15	293.48	311.30	1,214.28
4. Other income				
a) Gain / (Loss) on exchange (net)	53.23	(112.49)	(12.42)	96.07
b) Others	292.36	105.61	260.00	887.39
5. Profit before finance costs and tax (3+4)	566.74	286.60	558.88	2,197.74
6. Finance costs	138.60	138.81	129.36	514.97
7. Profit before tax (5-6)	428.14	147.79	429.52	1,682.87
8. Tax expense	115.84	30.82	147.96	513.14
9. Net Profit after tax (7-8)	312.30	116.97	281.56	1,169.73
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				10,525.23
12. Basic Earnings per Share (not annualised) (In ₹)	1.17	0.43	1.14	4.53
13. Diluted Earnings per Share (not annualised) (In ₹)	1.17	0.30	1.11	4.53
(C) Particulars of shareholding				
1. Public shareholding				
No. of shares #	154,30,68,750	154,28,16,750	153,91,45,760	154,28,16,750
% of shareholding @	67.19	65.02	67.10	65.02
# 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	5,20,50,000	5,20,50,000	28,85,00,000	5,20,50,000
% of shares to total shareholding of promoter and promoter group	8.91	6.91	35.59	8.91
% of shares to total share capital of the Company	2.18	2.19	11.32	2.19
b) Non-encumbered				
No. of shares	70,14,87,290	70,14,87,290	48,61,34,080	70,14,87,290
% of shares to total shareholding of promoter and promoter group	93.09	93.09	64.41	93.09
% of shares to total share capital of the Company	29.56	29.56	20.48	29.56
(D) Investor Complaints				
Particulars	Quarter ended on 30th June, 2012			
Pending at the beginning of the quarter	5			
Received during the quarter	4			
Disposed off during the quarter	7			
Remaining unresolved at the end of the quarter (since disposed off)	2			

TATA POWER

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

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

Particulars	Quarter ended			₹ Crore
	30-Jun-12	31-Mar-12	30-Jun-11	Year ended 31-Mar-12
Segment Revenue				
Power Business				
Others				
Total Segment Revenue	2,206.38	2,211.71	1,856.42	8,131.78
Less: Inter segment revenue	77.72	162.98	64.82	364.06
Net Revenue / Income from operations (net)	2,284.10	2,374.69	1,921.24	8,495.84
Segment Results				
Power Business				
Others				
Total Segment Results	204.26	302.83	323.02	1,215.79
Less: Finance Costs	2.53	21.29	2.79	32.39
Add / (Less): Unallocable Income / (Expense) (net)	206.79	324.12	325.81	1,248.18
Profit Before Tax	138.60	138.81	129.36	514.87
	359.95	(37.52)	233.07	949.56
Capital Employed	428.14	147.79	429.52	1,682.87
Power Business				
Others	10,144.16	9,670.56	8,516.42	9,670.56
Unallocable	131.02	109.70	(3.55)	109.70
Total Capital Employed	3,394.54	3,613.14	2,919.01	3,613.14
	13,669.72	13,393.40	11,431.88	13,393.40

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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STANDALONE ACCOUNTS NOTES Q1 FY13 -

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th August, 2012.
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 crore (including interest of ₹ 15.14 crore) and pay interest at 10% p.a. thereafter. As at 30th June, 2012, the accumulated interest was ₹ 176.36 crore (₹ 2.80 crore each for the quarters ended 30th June, 2012, 31st March, 2012 and 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 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, 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 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 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. The Equity Shares of Face Value of ₹ 10 each were sub-divided into ten Equity Shares of Face Value of ₹ 1 each with effect from 27th September, 2011. Accordingly, Earnings per Share and disclosure of shares under public shareholding and promoter and promoter group shareholding for the quarter ended 30th June, 2011 have been restated with respect to the revised Face Value of Equity Shares for the sake of comparability.
4. 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 substantially under construction) considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows on commencement of commercial operations and has concluded that no provision for impairment loss for the quarter in CGPL is necessary on this account (₹ 815 crore for the quarter ended 31st March, 2012 and ₹ 1,800 crore for the year ended 31st March, 2012). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if external 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 Management has committed to a future restructuring under which the Company will transfer at least 75 percent 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.
Having regard to the overall returns expected from the Company's investment in CGPL, including the proposed future restructuring, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.
5. During the quarters ended 30th June, 2011 and 31st March, 2012 and for the year ended 31st March, 2012, the Company had provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 (MYT) for its operations in respect of the Mumbai Licensed Area. These regulations supersede the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005. However, during the quarter ended 30th June, 2012, Maharashtra Electricity Regulatory Commission (MERC) has approved the Multi Year Tariff Business Plan Requirement (ARR) for 2011-12 as per the previous regulations i.e. MERC (Terms and Conditions of Tariff) Regulations, 2005.
In view of the above, during the quarter ended 30th June, 2012, the Company has reversed revenue amounting to ₹ 155 crore accrued in the previous year in respect of its Mumbai Licensed Area as per the Multi Year Tariff Regulation.
During the quarter ended 30th June, 2012, the Company has provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the MYT for its operations in respect of the Mumbai Licensed Area.

6. 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 has sought 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 ended 30th June, 2012.
7. During the year ended 31st March, 2012, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, 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 Company has, with effect from 1st April, 2011, depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance life of such assets and in other cases amortized the foreign exchange (gain)/loss over the balance period of such long term foreign currency monetary items. The depreciated/amortized portion of net foreign exchange (gain)/loss on such long term foreign currency monetary items for the quarter ended 30th June, 2012 is ₹ 25.49 crore (₹ 4.69 crore gain for the quarter ended 31st March, 2012). The unamortized portion carried forward as at 30th June, 2012 is ₹ 389.03 crore.
In accordance with the earlier practice which was hitherto followed by the Company, the Company had debited ₹ 1.93 crore in the quarter ended 30th June, 2011 to the Statement of Profit and Loss. The charge for the quarter ended 30th June, 2011 would have been ₹ 0.37 crore as per the abovesaid Notification.
8. During the quarter ended 30th June, 2011, the Company 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. The distribution on the said Securities, 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 Securities 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 ₹ 31.25 crore net of tax (₹ 43.92 crore, ₹ 8.87 crore and ₹ 113.61 crore net of tax for the quarters ended 31st March, 2012, 30th June, 2011 and for the year ended 31st March, 2012 respectively) have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost".
9. During the quarter ended 30th June, 2012, the Company has acquired the balance 49% equity shares of Tata BP Solar India Limited and accordingly it has become a wholly owned subsidiary of the Company.
10. The Company does not have any Exceptional or Extraordinary item to report for the above periods.
11. Figures for the previous periods are re-classified/re-arranged/re-grouped, wherever necessary, as per the format revised by SEBI in conformity with the amended Schedule VI to the Companies Act, 1956. The figures for the preceding three months ended 31st March, 2012 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2012 and the year to date figures upto the third quarter of that financial year.

Date: 8th August, 2012



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

Ratan N Tata
RATAN N TATA
Chairman

Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai - 400 018
India

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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, 2012, 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 is 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 statements, which have 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 the 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 misstatements. 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 and read with our comments in paragraph 4 below, the Statement:
 - i. is presented in accordance with the requirements of Clause 41 of the Listing Agreements 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, 2012.
4. Without qualifying our opinion, we draw attention to the following matters:
 - i) uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. As stated in Note 2 to the Statement, pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at Rs. 519 crores accounted for as revenue in earlier periods and its consequential effects for the periods upto 30th June, 2012. The impact of the above on the results for the quarter ended 30th June, 2012 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision/adjustment has been considered necessary.

Deloitte Haskins & Sells

- ii) provision for investment in a subsidiary referred to in Note 4 to the Statement, which describes the key source of estimation uncertainty as at 30th June, 2012 relating to the Company's assessment of the recoverability of carrying amounts of assets including 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 Central Electricity Regulatory Commission (CERC) to accounting for regulated and non-regulated operations, referred to in Note 6 to the Statement, in respect of which the Company has sought clarifications and guidance from the Ministry of Corporate 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, 8th August, 2012

TATA POWER

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

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2012

Particulars	Quarter ended			Year ended
	30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12 (Audited)
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
1. Income from operations				
a) Revenue	6,714.12	6,482.98	5,373.40	23,349.91
Add: Income to be recovered in future tariff determination (net)	638.45	886.87	431.42	2,519.08
Less: Revenue adjustments pertaining to prior years (Refer Note 2.4)	(155.00)	-	-	-
Net Revenue	7,197.57	7,169.85	5,804.82	26,868.97
b) Other operating income (net of excise duty)	56.32	64.91	19.69	132.53
Total Income from Operations (net)	7,253.89	7,234.76	5,824.51	27,001.40
2. Expenses				
a) Cost of power purchased	1,660.57	1,713.06	1,447.85	8,122.81
b) Cost of coal purchased	-	31.68	15.21	76.74
c) Cost of fuel	2,110.67	1,786.92	1,369.40	6,309.12
d) Raw materials consumed	44.86	70.32	72.77	358.87
e) Purchase of goods / spares / stock for resale	11.77	19.17	13.02	62.14
f) Cost of components, materials and services in respect of contracts	27.51	82.95	26.85	154.77
g) (Increase) / Decrease in stock-in-trade and work-in-progress	(0.18)	118.29	(62.75)	(177.01)
h) Royalty towards coal mining	274.24	277.59	239.47	1,101.12
i) Coal processing charges	593.52	576.10	585.85	1,953.22
j) Employee benefits expense	309.79	290.09	243.18	1,146.28
k) Depreciation and amortisation expense	505.87	499.29	271.88	1,334.64
l) Deferred stripping costs (net)	-	324.71	(210.65)	659.44
m) Other expenses	808.42	703.83	635.45	2,908.85
Total expenses	6,346.94	6,184.00	4,627.34	22,010.77
3. Profit from operations before other income, finance costs, exceptional items and tax (1-2)	906.95	1,050.76	1,197.17	3,990.63
4. Other income				
a) (Loss) / Gain on exchange (net)	(45.29)	(165.94)	89.84	(425.05)
b) Others	107.81	58.87	34.49	258.76
5. Profit before finance costs, exceptional items and tax (3+4)	968.58	843.69	1,321.50	3,824.34
6. Finance costs	548.11	466.56	309.03	1,527.09
7. Profit before exceptional items and tax (5-6)	421.42	487.13	1,012.47	2,307.25
8. Exceptional items				
Provision for impairment (Refer Note 6)	-	815.00	-	1,800.00
9. Profit / (Loss) before tax	421.42	(327.87)	1,012.47	507.25
10. Tax expense	226.29	279.57	508.52	1,475.54
11. Net Profit / (Loss) after tax	195.13	(607.44)	503.95	(968.29)
12. Share of profit of associates	1.26	35.36	8.92	70.77
13. Less: Minority interest	50.46	56.89	82.43	190.16
14. Net Profit / (Loss) after tax, minority interest and share of profit of associates	145.93	(628.76)	430.44	(1,087.68)
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	-	-	-	11,011.41
17. Earnings per Share (not annualised) (In ₹)				
Basic Earnings per Share	0.47	(2.71)	1.76	(4.98)
Diluted Earnings per Share	0.47	(2.71)	1.72	(4.95)

TATA POWER

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

Particulars	Quarter ended			₹ Crore
	30-Jun-12	31-Mar-12	30-Jun-11	Year ended 31-Mar-12
Segment Revenue				(Audited)
Power Business				
Coal Business	4,824.01	4,605.01	3,720.30	16,169.59
Others	2,265.04	2,337.83	1,990.89	9,196.52
Total Segment Revenue	209.57	323.92	147.95	855.78
Less: Inter segment revenue	7,298.62	7,206.76	5,858.94	26,221.89
Net Revenue / Income from operations (net)	44.73	32.00	34.43	220.49
	7,253.89	7,234.78	5,824.51	26,001.40
Segment Results				
Power Business				
Coal Business	578.24	588.68	627.00	2,159.76
Others	257.61	506.47	750.07	1,968.05
Total Segment Results	2.76	(30.31)	(29.62)	(69.42)
Less: Finance Costs	838.61	1,064.84	1,347.45	4,078.38
Less: Exceptional Item - Power Business	548.11	456.56	309.03	1,527.09
Add / (Less): Unallocable Income / (Expense) (net)	130.92	816.00		1,800.00
Profit / (Loss) before tax		(121.15)	(25.95)	(244.04)
	421.42	(327.87)	1,012.47	507.25
Capital Employed				
Power Business				
Coal Business	37,591.54	36,514.98	31,974.08	36,514.98
Others	7,637.15	7,271.72	6,817.88	7,271.72
Unallocable	1,979.62	1,592.91	1,455.26	1,592.91
Total Capital Employed	(31,091.57)	(28,848.24)	(24,366.91)	(28,848.24)
	16,116.74	15,531.35	16,580.31	15,531.35

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.



CONSOLIDATED ACCOUNTS NOTES – Q1 FY13

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th August, 2012.
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 crore (including interest of ₹ 15.14 crore) and pay interest at 10% p.a. thereafter. As at 30th June, 2012, the accumulated interest was ₹ 176.36 crore (₹ 2.80 crore each for the quarters ended 30th June, 2012, 31st March, 2012 and 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 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, 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 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 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 The Equity Shares of Face Value of ₹ 10 each were sub-divided into ten Equity Shares of Face Value of ₹ 1 each with effect from 27th September, 2011. Accordingly, Earnings per Share and disclosure of shares under public shareholding and promoter and promoter group shareholding for the quarter ended 30th June, 2011 have been restated with respect to the revised Face Value of Equity Shares for the sake of comparability.
 - 2.3 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 substantially under construction) considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows on commencement of commercial operations and has concluded that no provision for impairment loss for the quarter in CGPL is necessary on this account (₹ 816 crore for the quarter ended 31st March, 2012 and ₹ 1,800 crore for the year ended 31st March, 2012). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if external 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 Management has committed to a future restructuring under which the Company will transfer at least 75 percent 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.
Having regard to the overall returns expected from the Company's investment in CGPL, including the proposed future restructuring, no provision for diminution in value is considered necessary in respect of the Company's long-term investment in CGPL.
 - 2.4 During the quarters ended 30th June, 2011 and 31st March, 2012 and for the year ended 31st March, 2012, the Company had provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 (MYT) 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. However, during the quarter ended 30th June, 2012, Maharashtra Electricity Regulatory Commission (MERC) has approved the Multi Year Tariff Business Plan of the Company's Transmission Business for the Second Control Period from FY 2012-13 to FY 2015-16 and directed the Company to submit its Annual Revenue Requirement (ARR) for 2011-12 as per the previous regulations i.e. MERC (Terms and Conditions of Tariff) Regulations, 2005.
In view of the above, during the quarter ended 30th June, 2012, the Company has reversed revenue amounting to ₹ 155 crore accrued in the previous year in respect of its Mumbai Licensed Area as per the Multi Year Tariff Regulation.
During the quarter ended 30th June, 2012, the Company has provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the MYT for its operations in respect of the Mumbai Licensed Area.

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- 2.5 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 has sought 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 ended 30th June, 2012.
- 2.6 During the quarter ended 30th June, 2011, the Company 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. The distribution on the said Securities, 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 Securities 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 ₹ 31.25 crore net of tax (₹ 43.92 crore, ₹ 8.87 crore and ₹ 113.61 crore net of tax for the quarters ended 31st March, 2012, 30th June, 2011 and for the year ended 31st March, 2012 respectively) have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost".
- 2.7 During the quarter ended 30th June, 2012, the Company has acquired the balance 49% equity shares of Tata BP Solar India Limited and accordingly it has become a wholly owned subsidiary of the Company.
3. As at 30th June, 2012, the overseas Joint Venture Coal Companies had receivables in respect of Value Added Tax (VAT) input aggregating to ₹ 6,417.40 crore - Group's share ₹ 1,925.22 crore [31st March, 2012 - ₹ 5,674.87 crore - Group's share ₹ 1,702.46 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. Prior to 1st April, 2011, the carrying value of VAT recoverable in respect of the overseas Joint Venture Coal Companies was computed based on Rupiah (Rp) exchange rate prevailing when the VAT was claimed. The Company used historical exchange rate as the Government of Indonesia (GoI) had 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, it was more than likely that the VAT will be refunded in Rp in monetary form. Therefore, the VAT recoverable from the quarter ended 30th June, 2011 is recomputed based on the closing exchange rates. Foreign exchange loss / (gain) (net) resulting from the translation for the quarter ended 30th June, 2012 amounting to ₹ 189.99 crore - Group's share ₹ 57.00 crore, for the quarter ended 31st March, 2012, amounting to ₹ 61.30 crore - Group's share ₹ 18.38 crore, for the quarter ended 30th June, 2011 amounting to ₹ (359.07) crore - Group's share ₹ (107.72) crore and for the year ended 31st March, 2012 ₹ (57.92) crore - Group's share ₹ (17.38) crore respectively had been recorded under "Other Income".
5. During the quarter ended 31st December, 2011, PT Kaltim Prima Coal, an Indonesian Joint Venture Coal Company had reported that in view of the uncertainty involved in estimating the average stripping ratio for the life of its mines, it had charged the entire deferred stripping costs accumulated in prior years to the Statement of Profit and Loss. This had resulted in a charge of ₹ 2,198.13 crore - Group's Share ₹ 659.44 crore during the quarter ended 31st December, 2011 and for the year ended 31st March, 2012.
6. 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 substantially under construction) considering the fuel cost, exchange rate variation and other operating costs that would impact future cash flows on commencement of commercial operations and has concluded that no provision for impairment loss is necessary on this account for the quarter ended 30th June 2012 (₹ 815 crore for the quarter ended 31st March, 2012 and ₹ 1,800 crore for the year ended 31st March, 2012). In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis by the Management and adjustments will be made if external 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 expects waiver in instances of non compliance.

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7. During the year ended 31st March, 2012, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company has selected the option given in paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has, with effect from 1st April, 2011, depreciated the foreign exchange (gain)/loss arising on revaluation on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets over the balance life of such assets and in other cases amortized the foreign exchange (gain) /loss over the balance period of such long term foreign currency monetary items. The depreciated/amortized portion of net foreign exchange (gain) /loss on such long term foreign currency monetary items for the quarter ended 30th June, 2012 is ₹ 30.40 crore (₹ 4.69 crore gain for the quarter ended 31st March, 2012). The unamortized portion carried forward as at 30th June, 2012 is ₹ 2,121.27 crore.
- In accordance with the earlier practice, which was hitherto followed by the Group, the Group had debited ₹ 5.59 crore in the quarter ended 30th June, 2011 to the Statement of Profit and Loss. The charge for the quarter ended 30th June, 2011 would have been ₹ 0.37 crore as per the abovesaid Notification.
8. In respect of Tata Power Delhi Distribution Limited (TPDDL), a Subsidiary Company, the Appellate Tribunal of Electricity (ATE), in the quarter ended 30th June, 2011, upheld certain claims relating to the allowability of certain expenses which were earlier disallowed by the Delhi Electricity Regulatory Commission (DERC) in its ruling up for the respective financial years. Consequently, an amount of ₹ 122.57 crore, had been accounted as revenue during the quarter ended 30th June, 2011.
9. In respect of TPDDL (Group's share being 51%), Delhi Electricity Regulatory Commission (DERC) order dated 13th July, 2012 resulted in disallowance of ₹ 7.62 crore for financial year 2010-11 pertaining to cost of generation. TPDDL is of the view, supported by legal opinion that the order can be successfully challenged and is in the process of filing an appeal with Appellate Tribunal for Electricity. Accordingly, TPDDL has not made any adjustment for the aforesaid disallowance for financial year 2010-11 and based on similar principles for financial year 2011-12 and for the quarter ended 30th June, 2012. TPDDL has recognised generating revenues of ₹ 256.24 crore pertaining to the said periods (including ₹ 62.89 crore for the quarter ended 30th June, 2012). The adjustments, if any, will be recorded by TPDDL on the final outcome of the matter.
10. Certain subsidiaries, based on estimates/expert opinion have accrued insurance claims receivable, aggregating to ₹ 65.14 crore (net) - Group's share ₹ 60.40 crore (including ₹ 18.24 crore for the quarter ended 30th June, 2012 - Group's share ₹ 13.50 crore). Any difference between the claims receivable/recorded 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.
11. For the quarter ended 30th June, 2012, certain subsidiaries/joint ventures contributing to revenues of ₹ 53.27 crore and Net Loss after Tax of ₹ 46.25 crore have been considered on the basis of financial statements certified by their Management and are not reviewed by their Auditors.
12. The Statutory auditors of the Company have conducted a limited review of the aforesaid financial results.
13. Figures for the previous periods are re-classified/re-arranged/re-grouped, wherever necessary, as per the format revised by SEBI in conformity with the amended Schedule VI to the Companies Act, 1956. The figures for the preceding three months ended 31st March, 2012 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2012 and the year to date figures upto the third quarter of that financial year.

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

Ratan N Tata

RATAN N TATA
Chairman



Date: 8th August, 2012

Deloitte Haskins & Sells

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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") and its subsidiaries (together "the Group") for the quarter ended 30th June, 2012. 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 audit opinion.
3. The Statement reflects the Group's share of Revenues of Rs. 2,269.45 crores and Net Profit after tax of Rs. 150.74 crores for the quarter ended 30th June, 2012 relating to certain subsidiaries and joint ventures, whose results have been reviewed by other auditors and whose reports have been considered by us in submitting our report.
4. The Statement reflects the Group's share of Revenues of Rs. 53.27 crores and the Group's share of Net Loss after tax of Rs. 46.25 crores for quarter ended 30th June, 2012 relating to certain subsidiaries and joint ventures which have not been reviewed by their auditors.
5. Based on our review and read with our comments in paragraph 3 and 6 and except for the effects of the matters described 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.

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6. We draw attention to the following matters :

- i. uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. As stated in Note 2.1 to the Statement, pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at Rs. 519 crores accounted for as revenue in earlier periods and its consequential effects for the periods upto 30th June, 2012. The impact of the above on the results for the quarter ended 30th June, 2012 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision/adjustment has been considered necessary.
- ii. as stated in Note 6 to the Statement, which describes the key source of estimation uncertainty relating to the carrying amount of assets including assets under construction and non-compliance with debt covenants.
- iii. in so far as it relates to the results of operations and financial position of certain joint ventures, as stated in Note 3 to the Statement regarding recoverability of Rs. 6,417.40 crores (Group's share of Rs. 1,925.22 crores) of Value Added Tax balances and other contingent claims from third parties, the outcome of which cannot be presently determined.
- iv. applicability of depreciation rates as notified by Central Electricity Regulatory Commission (CERC) to accounting for regulated and non-regulated operations, referred to in Note 2.5 to the Statement, in respect of which the Company has sought clarifications and guidance from the Ministry of Corporate Affairs.
- v. in so far as it relates to the results of operations and financial position of a subsidiary, as stated in Note 9 to the Statement, wherein no adjustment have been made by the Company for expenses disallowed by Delhi Electricity Regulatory Commission (DERC). The Company is of the view, supported by legal opinion that the aforesaid disallowances by DERC can be successfully challenged. The impact of the above on the results for the quarter ended 30th June, 2012 cannot presently be determined pending the ultimate outcome of the appeal proposed to be filed with Appellate Tribunal for Electricity.
- vi. in so far as it relates to the results of operations and financial position of two subsidiaries, as stated in Note 10 to the Statement, regarding accrual of insurance claims receivable aggregating Rs. 65.14 crores (net) (Group's share of Rs. 60.40 crores) including Rs.18.24 crores (Group's share of Rs. 13.50 crores) for the quarter ended 30th June, 2012 by the respective Companies, the final quantum of which is subject to determination by the insurance companies.

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