

# TATA POWER

The Tata Power Company Limited  
Bombay House, 24 Horni Mody Street, Mumbai 400 001  
Website: www.tatapower.com  
CIN No.: L28920MH1919PLC000567

## PART I

### STANDALONE FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2014

Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
(A)	MUs	MUs	MUs	MUs	MUs	MUs
1. Generation	3,123	3,301	3,404	6,424	7,301	13,183
2. Sales	3,484	3,778	3,762	7,262	7,898	14,516
(Refer Notes Below)	(₹ In crore)					
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
(B)						
1. Income from operations						
a) Revenue from power supply and transmission charges	1,970.76	2,248.12	1,856.87	4,218.88	4,013.76	7,241.41
Add: Income to be adjusted in future tariff determination (net)	(103.00)	(83.00)	218.00	(186.00)	431.00	513.50
Add: Income to be adjusted in future tariff determination (net) in respect of earlier years	29.00	4.50	-	33.50	115.00	300.00
Net Revenue	1,896.76	2,169.62	2,074.87	4,066.38	4,559.76	8,054.91
b) Other operating income (net of excise duty)	137.89	158.83	124.85	296.72	247.27	572.13
Total Income from operations (net)	2,034.65	2,328.45	2,199.72	4,363.10	4,807.03	8,627.04
2. Expenses						
a) Cost of power purchased	233.25	245.84	227.34	479.09	383.07	789.97
b) Cost of fuel	700.83	1,016.51	956.71	1,717.34	2,192.36	3,350.91
c) Transmission charges	108.12	108.61	116.99	214.73	233.99	467.96
d) Cost of components, materials and services in respect of contracts	50.34	84.82	30.64	135.16	75.37	178.99
e) Employee benefits expense	168.26	158.21	112.44	324.47	257.29	544.95
f) Depreciation and amortisation expense	145.81	141.60	139.64	287.41	275.68	587.14
g) Other expenses	236.87	170.00	153.06	408.87	319.69	739.97
Total expenses	1,643.48	1,921.59	1,736.82	3,565.07	3,737.45	6,659.89
3. Profit from operations before other income, finance costs and tax (1-2)	391.17	406.86	462.70	798.03	1,069.58	1,967.15
4. Other Income						
a) Loss on exchange (net)	(47.41)	(43.20)	(83.56)	(90.61)	(149.27)	(263.54)
b) Others	263.40	264.52	129.87	527.92	375.46	655.76
5. Profit before finance costs and tax (3+4)	607.16	628.18	509.01	1,236.34	1,295.77	2,359.37
6. Finance costs	255.92	252.12	162.00	508.04	399.17	868.21
7. Profit before tax (5-6)	351.24	376.06	347.01	727.30	896.60	1,491.16
8. Tax expense	44.91	120.10	85.24	165.01	277.83	537.08
9. Net profit after tax (7-8)	306.33	255.96	261.77	562.29	618.77	954.08
10. Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.48	270.48	237.33	270.48	237.33	237.33
11. Reserves excluding Statutory Reserves and Revaluation Reserves as per the Balance Sheet of previous accounting year						11,423.95
12. Basic Earnings per Share (not annualised for quarters) (In ₹)	1.02	0.86	0.88	1.88	2.15	3.38
13. Diluted Earnings per Share (not annualised for quarters) (In ₹)	1.02	0.86	0.88	1.88	2.15	3.38
14. Debt Service Coverage Ratio (no. of times)				2.00	2.48	1.80
15. Interest Service Coverage Ratio (no. of times)				2.78	3.34	2.93

## PART II

### SELECT INFORMATION FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2014

Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
(A) Particulars of shareholding						
1. Public shareholding						
No. of shares #	180,65,84,108	180,65,84,108	152,69,93,660	180,65,84,108	152,69,93,660	159,80,94,970
% of shareholding @	66.80	66.80	66.46	66.80	66.46	67.34
# 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	4,55,50,000	5,95,50,000	3,53,50,000	4,55,50,000	3,53,50,000	3,53,50,000
% of shares to total shareholding of promoter and promoter group	5.10	6.66	4.59	5.10	4.59	4.59
% of shares to total share capital of the Company	1.68	2.20	1.49	1.68	1.49	1.49
b) Non-encumbered						
No. of shares	84,80,51,046	83,40,51,046	73,51,87,290	84,80,51,046	73,51,87,290	73,51,87,290
% of shares to total shareholding of promoter and promoter group	94.90	93.34	95.41	94.90	95.41	95.41
% of shares to total share capital of the Company	31.36	30.84	30.98	31.36	30.98	30.98

Particulars	Quarter ended 30-Sep-14
(B) Investor complaints	
Pending at the beginning of the quarter	21
Received during the quarter	28
Disposed off during the quarter	37
Remaining unresolved at the end of the quarter	12

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## AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at	
	30-Sep-14	31-Mar-14
	₹ crore	₹ crore
<b>A EQUITY AND LIABILITIES</b>		
1. Shareholders' Funds		
a) Share capital	270.48	237.33
b) Reserves and surplus	14,172.58	11,648.74
Sub-total - Shareholders' Funds	14,443.06	11,886.07
2. Unsecured perpetual securities	1,500.00	1,500.00
3. Statutory consumer reserves	618.23	613.23
4. Special appropriation towards project cost	533.61	533.61
5. Service line contributions from consumers	98.47	94.45
6. Non-current liabilities		
a) Long-term borrowings	7,311.68	7,175.99
b) Deferred tax liabilities (net)	874.05	881.14
c) Other long-term liabilities	87.48	86.10
d) Long-term provisions	173.71	164.23
Sub-total - Non-current liabilities	8,446.92	8,307.46
7. Current liabilities		
a) Short-term borrowings	1,302.72	1,579.53
b) Trade payables	1,073.64	1,057.68
c) Other current liabilities	4,549.03	4,305.99
d) Short-term provisions	311.13	661.01
Sub-total - Current liabilities	7,236.52	7,604.21
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>32,876.81</b>	<b>30,539.03</b>
<b>B ASSETS</b>		
1. Non-current assets		
a) Fixed assets	9,804.35	9,373.72
b) Non-current investments	12,825.23	12,361.09
c) Long-term loans and advances	3,024.41	2,898.79
d) Other non-current assets	2,556.97	2,369.94
Sub-total - Non-current assets	28,210.96	27,003.54
2. Current assets		
a) Current investments	1.46	1.36
b) Inventories	598.49	710.67
c) Trade receivables	1,644.21	1,320.10
d) Cash and bank balances	821.91	67.86
e) Short-term loans and advances	961.73	873.08
f) Other current assets	638.05	562.42
Sub-total - Current assets	4,665.85	3,535.49
<b>TOTAL - ASSETS</b>	<b>32,876.81</b>	<b>30,539.03</b>

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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			Half-year ended		Year ended 31-Mar-14 (Audited)
	30-Sep-14 (Audited)	30-Jun-14 (Audited)	30-Sep-13 (Audited)	30-Sep-14 (Audited)	30-Sep-13 (Audited)	
Segment Revenue						
Power Business	1,924.55	2,188.54	2,092.83	4,113.09	4,600.48	8,168.70
Others	110.10	199.91	106.69	250.01	206.55	458.34
Total Segment Revenue	2,034.65	2,328.45	2,199.52	4,363.10	4,807.03	8,627.04
Less: Inter Segment Revenue						
Revenue / Income from Operations (Net of Excise Duty)	2,034.65	2,328.45	2,199.52	4,363.10	4,807.03	8,627.04
Segment Results						
Power Business	432.01	422.89	434.98	854.90	1,039.60	1,933.28
Others	(0.23)	(8.04)	20.09	(8.27)	19.92	67.52
Total Segment Results	431.78	414.85	455.07	846.63	1,059.52	2,000.80
Less: Finance Costs	255.92	252.12	162.00	508.04	399.17	868.21
Add: Unallocable Income (Net)	175.38	213.33	53.94	388.71	236.25	358.57
Profit Before Tax	351.24	376.06	347.01	727.30	896.60	1,491.16
Capital Employed						
Power Business	12,000.93	11,727.35	12,570.44	12,000.93	12,570.44	11,429.74
Others	540.25	592.02	436.49	540.25	436.49	567.43
Unallocable	4,553.72	4,462.18	1,468.98	4,553.72	1,468.98	2,535.74
Capital Employed	17,094.90	16,781.55	14,475.91	17,094.90	14,475.91	14,532.91

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.  
Previous period's/year's figures have been re-classified/re-grouped wherever necessary to conform with the current period's classification/disclosure.

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## STANDALONE ACCOUNTS NOTES – Q2 FY15

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th November, 2014.
2. In respect of the Standby Charges dispute between the Company and Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Company has appealed to the Hon'ble Supreme Court against the order of the Appellate Tribunal for Electricity (ATE). The ATE had 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 September, 2014, the accumulated interest is ₹ 201.56 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.  
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. The Company, through its wholly owned subsidiaries, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date. Pending requisite consents and certain approvals, the above transaction has not been accounted for by the Company.
4. Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary, has reviewed and reassessed the recoverability of the carrying amount of its assets at Mundra and has concluded that no further provision for impairment loss for the six months ended 30th September, 2014 is necessary. 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 at least 75% of its equity interests in the Indonesian Coal Companies including Infrastructure Companies to CGPL, subject to regulatory and other approvals, which are being pursued and will also continue to evaluate other alternative options. A valuation of the equity interests in the Indonesian Coal Companies including Infrastructure 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. The proposed sale of shares referred to in Note 3 above is consistent with the above intent. Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies including Infrastructure 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.
5. Pursuant to the Order of the Hon'ble Supreme Court dated 24th September, 2014, regarding cancellation of the allotment of coal blocks and the subsequent Coal Mines (Special Provision) Ordinance, 2014, issued by the Government of India, the Company has made an assessment of the recoverability of its investments in and guarantees given to Jointly Controlled Entities viz. Mandakini Coal Company Limited and Tubed Coal Mines Limited, affected by the said Order and recognised, on a prudent basis, a provision for diminution of ₹ 30.50 crore during the quarter and six months ended 30th September, 2014. In the Company's view it would be able to recover the entire investment.
6. Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful life of certain fixed assets, other than regulated electricity business and electricity business covered under the power purchase agreements as detailed below, generally in accordance with the provision of Schedule II of the Act. Further, depreciation in respect of certain power plants which were hitherto charged on a straight line method at rates as provided in the power purchase agreements is from 1st April, 2014 charged on straight line method over the balance useful life using the methodology as notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The consequential impact on the results for the quarter and six-months ended 30th September, 2014 and on the retained earnings as on 1st April, 2014 is not material.

7. (a) In earlier years, the deferred tax liability on timing difference relating to depreciation in respect of the power plants referred to in Note 6 above was not recognised since the timing difference was expected to reverse during the tax holiday period in accordance with the Accounting Standard 22 'Accounting for Taxes on Income' ("AS 22"). As a result of the change in depreciation as above, the Company has, in the six months ended 30th September, 2014 recognised deferred tax liability of ₹ 23 crore (₹ Nil for the quarter ended 30th September, 2014) in respect of the timing difference which is now expected to reverse after the tax holiday period.

(b) Further, the tax expense for the quarter and six months ended 30th September, 2014, is net of deferred tax asset of ₹ 42.86 crore recognised in respect of earlier year.

8. In an earlier year, the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities which are considered to be in the nature of equity instruments and the distribution on such securities amounting to ₹ 85.73 crore for the six months ended 30th September, 2014, ₹ 85.73 crore for the six months ended 30th September, 2013 and ₹ 171 crore for the year ended 31st March, 2014, have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost". The distribution for the quarters ended 30th September, 2014, 30th June, 2014 and 30th September, 2013 are ₹ 43.10 crore, ₹ 42.63 crore and ₹ 43.10 crore respectively.

9. The Company has allotted 33,15,52,894 equity shares on a rights basis at a price of ₹ 60/- per equity share (including share premium of ₹ 59/- per equity share) on 25th April, 2014.

Pursuant to the rights issue, Earnings Per Share (EPS) in respect of previous periods/year has been restated as per Accounting Standard on "Earnings Per Share" (AS-20).

Further, the details of utilisation of the rights issue are as stated below:

Particulars	Amount proposed to be financed from Net proceeds	Amount utilised	Balance amount as at 30th September, 2014
Part funding of capital expenditure	300.00	119.79	180.21
Part repayment of borrowings	533.15	119.28	413.87
Extend facilities to Company's subsidiary towards part repayment of the subsidiary's borrowings	639.51	327.30	312.21
General corporate purposes	498.35	480.25	18.10
Issue related expenses	22.37	17.76	4.61
<b>Sub-Total</b>	<b>1,993.38</b>	<b>1,064.38</b>	<b>929.00</b>
Less: Value of Shares in Abeyance	(4.06)	-	(4.06)
<b>Total</b>	<b>1,989.32</b>	<b>1,064.38</b>	<b>924.94</b>

The balance unutilised amount has been temporarily deployed in banks' current accounts and fixed deposits.

10. Other expenses for the six months ended 30th September, 2014 are net of insurance claims amounting to ₹ 100.35 crore received towards repairs to machinery and loss on damaged/destroyed fixed assets (₹ 70.57 crore for the quarter ended 30th September, 2014).

11. The Board of Directors of the Company at its meeting held on 13th November, 2014, has considered and approved the Scheme of Amalgamation of Chemical Terminal Trombay Limited ("Transferor Company") a wholly owned subsidiary with the Company effective 1st April, 2014, subject to the requisite approval of the members and/or creditors of the Company, all such requisite approvals from the relevant statutory and regulatory authorities and sanction of the High Court of Judicature at Bombay. The entire undertaking of the Transferor Company would be transferred to the Company as a going concern. The financial results do not include any adjustments that may arise on implementation of the Scheme.

12. (a) Debt Service Coverage Ratio = (Profit before Tax + Interest on Long-term loans)/(Interest on Long-term loans) \*  
(b) Interest Service Coverage Ratio = (Profit before Tax + Interest on Long-term loans)/(Interest on Long-term loans) \*  
\* For the purpose of computation, loans having original maturity of more than 365 days are considered as Long-term loans. Repayment of Long-term loans during the half-year ended 30th September, 2014 does not include pre-payments.
13. The Company does not have any material Exceptional or Extraordinary items to report for the above periods/year.
14. Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary.
15. The Statutory Auditors have carried out an audit of above results stated in Part I (B).

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



**CYRUS P. MISTRY**  
Chairman

Date: 13th November, 2014.



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# Deloitte Haskins & Sells LLP

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

1. We have audited the accompanying Statement of Standalone Financial Results of **THE TATA POWER COMPANY LIMITED** ("the Company") for the quarter and six months ended 30<sup>th</sup> September, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. 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 specified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) 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 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 Agreements with the Stock Exchanges; and
  - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the quarter and six months ended 30<sup>th</sup> September, 2014.

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**Deloitte  
Haskins & Sells LLP**

4. (a) We draw attention to Note 2 to the Statement which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. 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 period upto 30<sup>th</sup> September, 2014. The impact of the same on the results for the quarter and six months ended 30<sup>th</sup> September, 2014 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.
- (b) We draw attention to Note 4 to the Statement which describes the key source of estimation uncertainties as at 30<sup>th</sup> September, 2014 relating to the Company's assessment of the recoverability of the carrying amount of assets of Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary that could result in material adjustment to the carrying amount of the long-term investment in the said subsidiary. For the reasons explained in the said Note, no provision for diminution in value of investment is considered necessary.

Our opinion is not qualified in respect of these matters.

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 with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the quarter and six months ended 30<sup>th</sup> September, 2014 of the Statement, from the details furnished by the Registrars .

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*R. K. Banga*

R. A. BANGA  
Partner  
Membership Number: 037915

MUMBAI, 13<sup>th</sup> November, 2014



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(₹ in crore)						
PART I CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2014						
Particulars (Refer Notes Below)	Quarter ended			Half-year ended		Year ended
	30-Sep-14 (Unaudited)	30-Jun-14 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-14 (Unaudited)	30-Sep-13 (Unaudited)	31-Mar-14 (Audited)
<b>1. Income from operations</b>						
a) Revenue	8,636.71	8,799.11	8,551.47	17,435.82	17,493.34	34,203.48
(Less) / Add : Income to be recovered in future tariff determination (net)	(301.41)	(64.71)	165.64	(366.12)	400.54	966.70
Add: Income to be recovered in future tariff determination (net) in respect of earlier years	29.00	4.50	-	33.50	115.00	300.00
Net Revenue	8,364.30	8,738.90	8,717.11	17,103.20	18,008.88	35,470.18
b) Other operating income (not of excise duty)	29.89	26.75	47.58	56.74	95.30	178.52
<b>Total Income from operations (net)</b>	<b>8,394.29</b>	<b>8,765.65</b>	<b>8,764.69</b>	<b>17,159.94</b>	<b>18,104.18</b>	<b>35,648.70</b>
<b>2. Expenses</b>						
a) Cost of power purchased	2,076.83	1,919.44	2,003.65	3,996.27	3,995.71	7,396.13
b) Cost of fuel	2,140.37	2,585.78	2,469.99	4,726.16	5,259.86	9,895.61
c) Raw materials consumed	145.06	210.72	123.09	355.78	239.11	721.88
d) Purchase of goods / spares / stock for resale	8.12	5.13	9.70	13.25	24.26	43.70
e) Transmission charges	116.88	112.27	126.23	229.15	252.27	508.83
f) Cost of components, materials and services in respect of contracts	50.34	84.82	30.64	135.16	75.37	178.99
g) (Increase) / Decrease in stock-in-trade and work-in-progress	(14.75)	(24.36)	(129.44)	(39.11)	(74.72)	130.77
h) Royalty towards coal mining	263.32	262.58	288.95	525.90	582.91	1,249.37
i) Coal processing charges	570.86	683.42	607.78	1,254.38	1,285.11	2,683.10
j) Employee benefits expense	379.26	370.78	307.40	750.04	637.66	1,349.35
k) Depreciation and amortisation expense	535.88	542.53	689.05	1,078.41	1,339.85	2,729.62
l) Other expenses	965.90	780.29	896.01	1,746.19	1,728.31	3,784.52
<b>Total expenses</b>	<b>7,238.17</b>	<b>7,533.40</b>	<b>7,423.05</b>	<b>14,771.57</b>	<b>16,345.60</b>	<b>30,671.87</b>
<b>3. Profit from operations before other income, finance costs, exceptional item and tax (1-2)</b>	<b>1,156.12</b>	<b>1,232.25</b>	<b>1,341.64</b>	<b>2,388.37</b>	<b>2,758.58</b>	<b>4,976.83</b>
<b>4. Other income</b>						
a) Loss on exchange (net)	(120.80)	(136.75)	(354.52)	(257.55)	(647.28)	(789.12)
b) Others	85.85	86.04	61.61	171.99	126.45	227.26
<b>5. Profit before finance costs, exceptional item and tax (3+4)</b>	<b>1,121.27</b>	<b>1,181.54</b>	<b>1,048.73</b>	<b>2,302.81</b>	<b>2,237.75</b>	<b>4,414.97</b>
<b>6. Finance costs</b>	<b>979.82</b>	<b>934.49</b>	<b>802.90</b>	<b>1,914.31</b>	<b>1,706.26</b>	<b>3,439.90</b>
<b>7. Profit before exceptional item and tax (5-6)</b>	<b>141.45</b>	<b>247.05</b>	<b>245.83</b>	<b>388.50</b>	<b>531.49</b>	<b>975.07</b>
<b>8. Exceptional item</b>						
<b>9. Profit before tax (7-8)</b>	<b>141.45</b>	<b>247.05</b>	<b>245.83</b>	<b>388.50</b>	<b>531.49</b>	<b>975.07</b>
<b>10. Tax expense</b>	<b>173.79</b>	<b>313.78</b>	<b>125.39</b>	<b>487.57</b>	<b>460.03</b>	<b>1,008.38</b>
<b>11. Net (Loss) / Profit after tax (9-10)</b>	<b>(32.34)</b>	<b>(66.73)</b>	<b>120.44</b>	<b>(99.07)</b>	<b>71.46</b>	<b>(33.31)</b>
<b>12. Share of profit of associates</b>	<b>16.76</b>	<b>13.75</b>	<b>12.97</b>	<b>30.51</b>	<b>16.33</b>	<b>45.37</b>
<b>13. Less: Minority interest</b>	<b>62.17</b>	<b>58.32</b>	<b>58.44</b>	<b>120.49</b>	<b>127.52</b>	<b>272.03</b>
<b>14. Net (Loss) / Profit after tax, minority interest and share of profit of associates (11+12-13)</b>	<b>(77.75)</b>	<b>(111.30)</b>	<b>74.97</b>	<b>(189.05)</b>	<b>(39.73)</b>	<b>(269.97)</b>
<b>15. Paid-up equity share capital (Face Value: ₹ 1/- per share)</b>	<b>270.44</b>	<b>270.44</b>	<b>237.29</b>	<b>270.44</b>	<b>237.29</b>	<b>237.29</b>
<b>16. Reserves excluding Statutory Reserves and Revaluation Reserves as per the Balance Sheet of previous accounting year</b>						<b>10,248.50</b>
<b>17. Basic Earnings per Share (not annualised for quarters) (In ₹)</b>	<b>(0.40)</b>	<b>(0.54)</b>	<b>0.12</b>	<b>(0.94)</b>	<b>(0.53)</b>	<b>(1.55)</b>
<b>18. Diluted Earnings per Share (not annualised for quarters) (In ₹)</b>	<b>(0.40)</b>	<b>(0.54)</b>	<b>0.12</b>	<b>(0.94)</b>	<b>(0.53)</b>	<b>(1.55)</b>

PART II SELECT INFORMATION FOR THE QUARTER/HALF-YEAR ENDED 30TH SEPTEMBER, 2014						
Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
<b>(A) Particulars of shareholding</b>						
<b>1. Public shareholding</b>						
No. of shares #	180,65,84,108	180,65,84,108	152,69,93,660	180,65,84,108	152,69,93,660	159,80,94,970
% of shareholding @	66.80	66.80	66.46	66.80	66.46	67.34
# Excludes no. of shares held by custodians of GDR						
@ Excludes % of shareholding held by custodians of GDR						
<b>2. Promoters and Promoter Group shareholding</b>						
a) Pledged/encumbered						
No. of shares	4,55,50,000	5,95,50,000	3,53,50,000	4,55,50,000	3,53,50,000	3,53,50,000
% of shares to total shareholding of promoter and promoter group	5.10	6.66	4.59	5.10	4.59	4.59
% of shares to total share capital of the Company	1.68	2.20	1.49	1.68	1.49	1.49
b) Non-encumbered						
No. of shares	84,80,51,046	83,40,51,046	73,51,87,290	84,80,51,046	73,51,87,290	73,51,87,290
% of shares to total shareholding of promoter and promoter group	94.90	93.34	95.41	94.90	95.41	95.41
% of shares to total share capital of the Company	31.36	30.84	30.98	31.36	30.98	30.98

Particulars	Quarter ended 30-Sep-14
<b>(B) Investor complaints</b>	
Pending at the beginning of the quarter	21
Received during the quarter	28
Disposed off during the quarter	37
Remaining unresolved at the end of the quarter	12

# TATA POWER

The Tata Power Company Limited  
Bombay House, 24 Horni Mody Street, Mumbai 400 001  
Website: www.tatapower.com  
CIN No. : L28920MH1919PLC000567

## UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at	
	30-Sep-14 ₹ crore	31-Mar-14 ₹ crore
<b>A EQUITY AND LIABILITIES</b>		
1. Shareholders' Funds		
a) Share capital	270.44	237.29
b) Reserves and surplus	12,375.68	10,473.29
Sub-total - Shareholders' Funds	12,646.12	10,710.58
2. Unsecured perpetual securities	1,500.00	1,500.00
3. Statutory consumer reserves	618.23	613.23
4. Minority interest	2,385.57	2,273.31
5. Special appropriation towards project cost	533.61	533.61
6. Capital grant	8.55	8.82
7. Service line contributions from consumers	542.45	534.83
8. Non-current liabilities		
a) Long-term borrowings	31,813.76	30,469.94
b) Deferred tax liabilities (net)	1,243.08	1,137.88
c) Other long-term liabilities	1,046.95	974.57
d) Long-term provisions	944.59	914.77
Sub-total - Non-current Liabilities	35,048.38	33,497.16
9. Current liabilities		
a) Short-term borrowings	4,040.01	4,706.78
b) Trade payables	4,833.54	4,574.00
c) Other current liabilities	12,027.34	11,545.58
d) Short-term provisions	511.01	900.36
Sub-total - Current Liabilities	21,411.90	21,726.72
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>74,694.81</b>	<b>71,398.26</b>
<b>B ASSETS</b>		
1. Non-current assets		
a) Fixed assets	41,079.12	40,450.23
b) Goodwill on consolidation	6,534.11	6,332.04
c) Non-current investments	2,708.30	2,678.72
d) Deferred tax assets (net)	8.89	14.96
e) Long-term loans and advances	1,893.96	1,529.35
f) Other non-current assets	6,976.49	7,032.08
Sub-total - Non-current Assets	59,200.87	58,037.38
2. Current assets		
a) Current investments	420.97	340.54
b) Inventories	2,071.87	2,073.27
c) Trade receivables	5,302.17	4,542.61
d) Cash and bank balances	2,049.43	1,555.01
e) Short-term loans and advances	3,497.72	3,326.70
f) Other current assets	2,151.78	1,522.75
Sub-total - Current Assets	15,493.94	13,360.88
<b>TOTAL - ASSETS</b>	<b>74,694.81</b>	<b>71,398.26</b>

# TATA POWER

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

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

₹ crore

Particulars (Refer Notes Below)	Quarter ended			Half-Year ended		Year ended
	30-Sep-14 (Unaudited)	30-Jun-14 (Unaudited)	30-Sep-13 (Unaudited)	30-Sep-14 (Unaudited)	30-Sep-13 (Unaudited)	31-Mar-14 (Audited)
<b>Segment Revenue</b>						
Power Business	6,201.42	6,515.95	6,392.93	12,717.37	13,322.49	25,268.18
Coal Business	2,078.76	2,091.38	2,323.53	4,170.14	4,711.45	9,693.90
Others	333.97	410.66	315.40	744.63	620.45	1,779.76
Total Segment Revenue	8,614.15	9,017.99	9,031.86	17,632.14	18,654.39	36,741.84
Less: Inter Segment Revenue	219.86	252.34	267.17	472.20	550.21	1,093.14
Revenue / Income from Operations (Net of Excise Duty)	8,394.29	8,765.65	8,764.69	17,159.94	18,104.18	35,648.70
<b>Segment Results</b>						
Power Business	993.65	955.49	884.02	1,949.14	1,908.19	3,732.84
Coal Business	159.23	260.75	215.13	419.98	575.72	1,069.41
Others	(1.54)	(21.30)	9.37	(22.84)	9.72	31.11
Total Segment Results	1,151.34	1,194.94	1,108.52	2,346.28	2,493.63	4,833.36
Less: Finance Costs	979.82	934.49	802.90	1,914.31	1,706.26	3,439.90
Less: Exceptional Item - Power Business	(30.07)	(13.40)	(59.79)	(43.47)	(255.88)	(418.39)
Less: Unallocable Expense (Net)	141.45	247.05	245.83	388.50	531.49	975.07
Profit Before Tax						
Capital Employed	44,733.34	44,135.69	43,625.16	44,733.34	43,625.16	43,510.62
Power Business	9,105.61	9,040.02	9,886.29	9,105.61	9,886.29	9,238.91
Coal Business	1,209.75	1,300.50	1,115.84	1,209.75	1,115.84	1,165.05
Others	(37,365.17)	(36,892.72)	(38,388.62)	(37,365.17)	(38,388.62)	(38,283.85)
Total Capital Employed	17,683.53	17,583.49	16,238.67	17,683.53	16,238.67	15,630.73

Types of products and services in each business segment:

Power - Generation, Transmission, Distribution and Trading of Power and related activities.

Coal Business - Mining and Trading of Coal.

Others - Defence Electronics, Solar Equipment, Project Contracts / Infrastructure Management Services, Coal Bed Methane, Investment and Property Development.  
Previous period's/year's figures have been re-classified/re-arranged/re-grouped wherever necessary to conform with the current period's classification/disclosure.

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## CONSOLIDATED ACCOUNTS NOTES – Q2 FY15

1. The above Consolidated financial results of The Tata Power Company Limited (the Company) were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th November, 2014.
2. In respect of the Standby Charges dispute between the Company and Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Company has appealed to the Hon'ble Supreme Court against the order of the Appellate Tribunal for Electricity (ATE). The ATE had 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 September, 2014, the accumulated interest is ₹ 201.56 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.  
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. The Company, through its wholly owned subsidiaries, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date. Pending requisite consents and certain approvals, the above transaction has not been accounted for by the Company.
4. (a) Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary of the Company, had made an application to the Central Electricity Regulatory Commission (CERC) for evolving a mechanism to compensate the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia. After due consideration, the CERC decided that CGPL is entitled to compensatory tariff from 1st April, 2012 over and above the tariff agreed under the PPA with the procurers till the hardship on account of Indonesian regulations persists. However, the procurers had challenged the order and filed appeals with APTEL for grant of stay on its enforcement. The APTEL vide its order dated 21st July, 2014 granted partial stay on CERC order and accordingly stayed the past recovery of compensatory tariff from 1st April, 2012 till 28th February, 2014. APTEL however upheld the decision of CERC with respect to compensatory tariff payable from 1st March, 2014 onward. Subsequently, one of the procurers i.e. Uttar Haryana Bijli Vitran Nigam Limited moved the Hon'ble Supreme Court against the interim order of APTEL. The Hon'ble Supreme Court, vide its order dated 24th August, 2014, made the APTEL interim order and CERC order dated 21st February, 2014 "inoperative" by granting a stay on any payments to be made by the procurers. As such the procurers have not commenced payment of bills raised by CGPL. The Company has been legally advised that it has a good arguable case. However, in view of the above and considering that the amounts associated are significant, CGPL has not recognized aggregate revenue of ₹ 388.46 crore for the six months ended 30th September, 2014 (including ₹ 163.85 crore for the quarter ended 30th September 2014).
- (b) CGPL has reviewed and reassessed the recoverability of the carrying amount of its assets at Mundira and has concluded that no further provision for impairment for the quarter and six months ended 30th September, 2014 is necessary on this account. 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 requested lenders to extend the existing waivers till such time the ensuing waiver documents and/or amendments to the financing documents are finalised. Accordingly, loans aggregating to ₹ 11,285.35 crore are considered to be long-term borrowings (including current maturities of long-term borrowings of ₹ 810.52 crore) (Consolidated results).
- (c) 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 at least 75% of its equity interests in the Indonesian Coal Companies including Infrastructure 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 including Infrastructure 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. The proposed sale of shares in the companies referred to in Note 3 above is consistent with the above intent. Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies including Infrastructure 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 (Standalone results).

5. Pursuant to the Order of the Hon'ble Supreme Court dated 24th September, 2014, regarding cancellation of the allotment of coal blocks and the subsequent Coal Mines (Special Provision) Ordinance, 2014, issued by the Government of India, the Company has made an assessment of recoverability of its investments in and guarantees given to Jointly Controlled Entities viz. Mandakini Coal Company Limited and Tubed Coal Mines Limited, affected by the said Order and recognised, on a prudent basis, a provision for diminution of ₹ 30.50 crore during the quarter and six months ended 30th September, 2014 in its Standalone results and has provided ₹ 28.50 crore being various expenditure/interest incurred (other than towards land acquisition), which were earlier capitalised in its Consolidated results. In the Company's view it would be able to recover the entire investment.
6. In an earlier year, the Company had raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities which are considered to be in the nature of equity instruments and the distribution on such securities amounting to ₹ 85.73 crore for the six months ended 30th September, 2014, ₹ 85.73 crore for the six months ended 30th September, 2013 and ₹ 171 crore for the year ended 31st March, 2014, have been adjusted in Surplus in Statement of Profit and Loss and is not considered under "Finance Cost". The distribution for the quarters ended 30th September, 2014, 30th June, 2014 and 30th September, 2013 are ₹ 43.10 crore, ₹ 42.63 crore and ₹ 43.10 crore respectively.
7. The Company has allotted 33,15,52,894 equity shares on a rights basis at a price of ₹ 60/- per equity shares (including share premium of ₹ 59/- per equity share) on 25th April, 2014.
- Pursuant to the rights issue, Earnings Per Share (EPS) in respect of previous periods/year has been restated as per Accounting Standard on "Earnings Per Share" (AS-20).

Further, the details of utilisation of the rights issue are as stated below:

Particulars	Amount proposed to be financed from Net proceeds	Amount utilised	Balance amount as at 30th September, 2014
Part funding of capital expenditure	300.00	119.79	180.21
Part repayment of borrowings	533.15	119.28	413.87
Extend facilities to Company's subsidiary towards part repayment of the subsidiary's borrowings	639.51	327.30	312.21
General corporate purposes	498.35	480.25	18.10
Issue related expenses	22.37	17.76	4.61
<b>Sub-Total</b>	<b>1,993.38</b>	<b>1,064.38</b>	<b>929.00</b>
Less: Value of Shares in Abeyance	(4.06)	-	(4.06)
<b>Total</b>	<b>1,989.32</b>	<b>1,064.38</b>	<b>924.94</b>

The balance unutilised amount has been temporarily deployed in banks' current accounts and fixed deposits.

8. Other expenses for the six months ended 30th September, 2014 are net of insurance claims amounting to ₹ 100.35 crore received towards repairs to machinery and loss on damaged/destroyed fixed assets (₹ 70.57 crore for the quarter ended 30th September, 2014).
9. As at 30th September, 2014, the overseas Joint Venture Coal Companies had receivables in respect of Value Added Tax (VAT) input and Vehicle Fuel Tax aggregating to ₹ 7,054.49 crore - Group's share ₹ 2,116.36 crore (31st March, 2014 - ₹ 7,147.97 crore - Group's share ₹ 2,144.39 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 in the consolidated results.

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.

10. Tata Power Delhi Distribution Limited (TPDDL) [Group's share being 51%], has not made any adjustments for disallowance with respect to power purchase cost from its Rithala Plant based on the appeal filed by it against the order of the Delhi Electricity Regulatory Commission (DERC) on 13th July, 2012 and supported by a legal opinion that the Order can be successfully challenged. The said adjustments amount to ₹ 145.72 crore for the period 1st April, 2010 to 30th September, 2012 and carrying cost of ₹ 55.70 crore on the same [₹ 16.39 crore for the six months ended 30th September, 2014 (₹ 11.35 crore for the quarter ended 30th September, 2014, ₹ 9.32 crore for the six months ended 30th September, 2013, ₹ 4.75 crore for the quarter ended 30th September, 2013)] aggregating to ₹ 201.42 crore. The adjustments, if any, will be recorded in the Consolidated results on the final outcome of the matter. 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.

11. Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Group has, effective 1st April 2014, reviewed and revised the estimated useful life of fixed assets other than regulated electricity business and electricity business covered under the power purchase agreements as detailed below, generally in accordance with the provision of Schedule II of the Act. Further, depreciation in respect of certain power plants which were hitherto charged on a straight line method at rates as provided in the power purchase agreements is from 1st April, 2014 charged on straight line method over the balance useful life using the methodology as notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. As a result of these changes, the depreciation expense for the six months ended 30th September, 2014 is lower by ₹ 213.85 crore (for the quarters ended 30th September, 2014 ₹ 109.17 crore and 30th June, 2014 ₹ 104.68 crore) in the consolidated results. Further, depreciation on account of assets whose useful life is already exhausted as on 1st April, 2014 has been deducted from the retained earnings. The impact of the same is not material in the consolidated results.

12. (a) In earlier periods, the deferred tax liability on timing difference relating to depreciation in respect of the above referred power plants covered under power purchase agreements was not recognised since the timing difference was expected to reverse during the tax holiday period in accordance with the Accounting Standard 22 'Accounting for Taxes on Income' ("AS 22"). As a result of the change in depreciation as above, the Company has, in the six months ended 30th September, 2014 recognised deferred tax liability of ₹ 126.64 crore in respect of timing difference which is now expected to reverse after the tax holiday period in the consolidated results (₹ 23 crore in the standalone results).

(b) Further, the tax expense for the quarter and six months ended 30th September, 2014, is net of deferred tax asset of ₹ 42.86 crore recognised in respect of earlier year (standalone and consolidated results).

13. Financial Information of the standalone audited financial results of the Company are as follows:

Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
Income from operations	2,034.65	2,328.45	2,199.52	4,363.10	4,807.03	8,627.04
Profit from operations before other income, finance costs and tax	391.17	406.86	462.70	798.03	1,069.58	1,967.15
Profit before tax	351.24	376.06	347.01	727.30	896.60	1,491.16
Profit after tax	306.33	285.96	261.77	562.29	618.77	954.08
Paid-up equity share capital (Face Value: ₹ 1/- per share)	270.48	270.48	237.33	270.48	237.33	237.33
Reserves excluding Statutory Reserves and Revaluation Reserve as per the Balance Sheet of previous accounting year						11,423.95

The standalone audited financial results of the Company are available for Investors at [www.tatapower.com](http://www.tatapower.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

14. The Statutory Auditors of the Company have conducted a limited review of the aforesaid results.  
15. 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: 13th November, 2014.

# Deloitte Haskins & Sells LLP

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## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF THE TATA POWER COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results 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 (net) of its associates for the quarter and six months ended 30<sup>th</sup> September, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. 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 the Statement 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. We did not review the interim financial statements /information of 9 subsidiaries and 20 jointly controlled entities included in the consolidated financial results, whose interim financial statements /information reflect total assets of Rs. 27,607.04 crores as at 30<sup>th</sup> September, 2014, total revenues of Rs. 3,781.07 crores and Rs. 7,516.47 crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively and total loss after tax (net) of Rs. 140.28 crores and Rs. 167.07 crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 15.12 crores and Rs. 13.36 crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively, as considered in the consolidated financial results, in respect of 2 associates, whose interim financial statements / information have not been reviewed by us. These interim financial statements / information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

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4. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 3 above and based on the consideration of the unaudited interim financial information of the subsidiaries and jointly controlled entities which have been certified by the Management referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which is deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters :
  - (a) Note 2 to the Statement, which describe uncertainties relating to the outcome of the Appeals filed before the Hon'ble Supreme Court. Pending outcome of the Appeals 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 period upto 30<sup>th</sup> September, 2014. The impact of the same on the results for the quarter and six months ended 30<sup>th</sup> September, 2014 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.
  - (b) Note 4(b) to the Statement, which describes the key source of estimation uncertainties relating to the Company's assessment of the recoverability of the carrying amount of the assets of the aforesaid subsidiary, its compliance with debt covenants and classification of long-term borrowings.
  - (c) In case of two jointly controlled entities of the Company, the component auditors have drawn attention to a matter as stated in Note 9 to the Statement, regarding recoverability of Rs. 7,054.49 crores (Group's share of Rs. 2,116.36 crores) of value added tax and vehicle fuel tax balances, and Group's share in other contingent claims from third parties on the said jointly controlled entities, the outcome of which cannot be presently determined.
  - (d) In case of one subsidiary, the component auditor has drawn attention to a matter as stated in Note 10 to the Statement, wherein no adjustment has been made by the subsidiary in respect of income estimated at Rs. 201.42 crores as at 30<sup>th</sup> September, 2014 which includes carrying cost of Rs. 11.35 crores and Rs. 16.39 crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively. The impact of the above as at 30<sup>th</sup> September, 2014 cannot presently be determined pending ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion that the disallowance of expenses by Delhi Electricity Regulatory Commission (DERC) pertaining to the Rithala plant can be successfully challenged, no adjustment has been considered necessary.



Our report is not qualified in respect of these matters.



**Deloitte**  
**Haskins & Sells LLP**

6. The consolidated financial results includes the interim financial statements/ information of 2 subsidiaries and 12 jointly controlled entities which have not been reviewed by their auditors, whose interim financial statements/ information reflect total assets of Rs. 256.26 crores as at 30<sup>th</sup> September, 2014, total revenue of Rs. 2.27 crores and Rs. 4.50 crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively and total profit/(loss) after tax (net) of Rs. 3.29 crores and Rs. (0.35) crores for the quarter and six months ended 30<sup>th</sup> September, 2014, respectively, as considered in the consolidated financial results. These interim financial statements/ information have been certified by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on such Management certified interim financial information.
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 with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and six months ended 30<sup>th</sup> September, 2014 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

*R.K. Banga*

R. A. BANGA  
Partner

Membership Number: 037915

MUMBAI, 13<sup>th</sup> November, 2014