



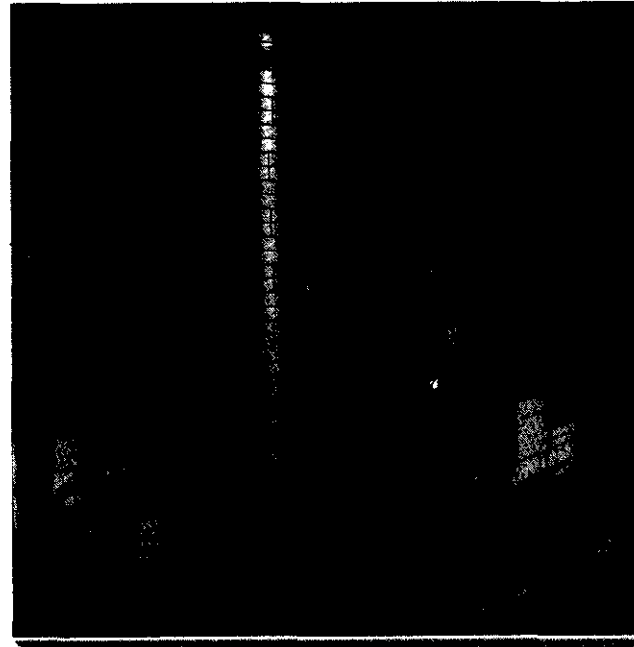
TATA ELECTRIC

The Tata Power Company Limited



81st Annual Report
1999-2000

V i s i o n

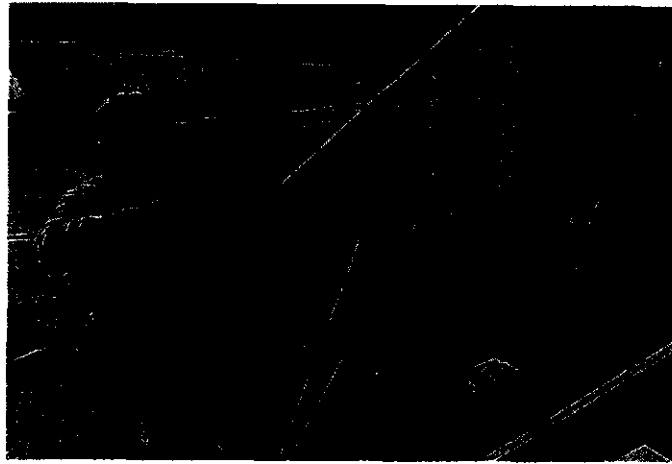


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**TATA ELECTRIC**

Eighty-first annual report 1999-2000

ANNUAL GENERAL MEETING

*On Thursday, 10th August 2000,
at Birla Matushri Sabhagar at 3.00 p.m.*

**As a measure of economy, copies of the
Annual Report will not be distributed at the
Annual General Meeting. Shareholders are
requested to kindly bring their copies to
the Meeting.**

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Accounts of the Subsidiary Company

The Tata Power Company Limited

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The Tata Power Company Limited

BOARD OF DIRECTORS

(as on 14th June 2000)

R. N. Tata *(Chairman)*

H. N. Sethna

D. G. Mehra *(Whole-time Director)*

A. J. Engineer *(Whole-time Director)*

R. Thothadri

C. P. Mistry

Syamal Gupta

R. Gopalakrishnan

SECRETARY

B. J. Shroff

REGISTERED OFFICE

**Bombay House,
24, Homi Mody Street,
Mumbai 400 001.**

SHARE REGISTRARS

TATA SHARE REGISTRY LIMITED
Army & Navy Building,
148, M. G. Road,
Mumbai 400 001.

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SOLICITORS

Mulla & Mulla and Craigie, Blunt & Caroe

AUDITORS

A. F. Ferguson and Company,
Chartered Accountants.

S. B. Billimoria and Company,
Chartered Accountants.

BANKERS

State Bank of India
Citibank N.A.
ANZ Grindlays Bank.

NOTICE

The EIGHTY-FIRST ANNUAL GENERAL MEETING of THE TATA POWER COMPANY LIMITED will be held on Thursday, the 10th day of August 2000 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business :—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March 2000 and the Balance Sheet as at that date.
2. To declare a Final Dividend on Equity Shares.
3. To appoint a Director in place of Mr H N Sethna, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr C P Mistry, who retires by rotation and is eligible for re-appointment.
5. **Dividend for the year 1998-99 in respect of shares the forfeiture of which was waived**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that the dividend of Rs.3.70 per Share declared and approved by the shareholders for the year ended 31st March 1999 at the Annual General Meeting of the Company held on 10th August 1999 be also approved for payment on 2060 Equity Shares, which were as of 31st March 1999 forfeited, and which forfeiture was annulled by the Board of Directors on 31st January 2000."

6. **Re-appointment of Mr A J Engineer as a Whole-time Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that, in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Mr A J Engineer, Whole-time Director of the Company, from 1st September 2000 to 31st August 2002, upon the terms and conditions set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr Engineer."

7. **Increase in Authorised Capital**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that the Authorised Capital of the Company be increased from Rs.230,00,00,000 divided into 1,00,000 – 11% Cumulative Redeemable 'A' Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each to Rs.529,00,00,000 divided into 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each by the reclassification of 1,00,000 – 11% Cumulative Redeemable 'A' Preference Shares of Rs.100 each as 1,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and by the creation of 2,99,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and that Clauses V and VI of the Memorandum of Association be altered accordingly."

8. **Amendment to Articles of Association**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, Article 5 of the Articles of Association of the Company be substituted by the following Article :—

'The present capital of the Company is Rs.529,00,00,000 divided into 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each.' "

9. **Issue of Preference Shares**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to Sections 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments to or re-enactment thereof) and the Articles of Association of the Company and subject to such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot such number of Redeemable Preference Shares

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of the face value of Rs.100 each of an aggregate nominal value not exceeding Rs.300,00,00,000 (Rupees Three hundred crores), exclusive of such premium, if any, as may be determined by the Board in one or more private offerings including private placement to Indian Financial and Investment Institutions, Banks, Mutual Funds, bodies corporate and other persons/institutions, whether shareholders of the Company or not, in one or more tranches at such time or times and at such rate as may be decided by the Board in its absolute discretion.

"RESOLVED FURTHER that without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to when the said Preference Shares are to be issued, the types and classes of investors to whom the Preference Shares are to be offered, the number and value of the Preference Shares to be issued in each tranche, utilisation of the issue proceeds, the terms and conditions subject to which the Preference Shares are to be issued (including combination of terms for Preference Shares issued at various points of time), including, but not limited to, the number of shares to be issued, rate of dividend, period of redemption, manner of redemption (including by conversion to equity, if permissible in law), premium on redemption or premature or early redemption at the option of the Company and/or the investor, terms for cumulation or otherwise of dividends including disposal of the unsubscribed portion of the Preference Shares and all such terms as are provided in offerings of a like nature.

"RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable, and pay any fees and commission and incur expenses in relation thereto."

10. Alteration of Objects Clause of the Memorandum of Association

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to the provisions of Section 17 and other applicable provisions of the Companies Act, 1956, Clause III of the Memorandum of Association of the Company be altered by insertion of the undermentioned Clauses:

35A. To carry on in India or elsewhere any of the businesses in the field of Internet Service Providers, telecommunications in all its ramifications and to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V., On Line Shopping, Creation of Web sites and Web-based solutions, CGI Interface, FTP Access, Usenet and Telnet, Internet Relay Chat, Domain Name Registration and Routing, Computer Storage Space Solutions or any other technological advances in this field and to deal in any manner whatsoever in such products and to develop, design, produce, maintain and deal in any manner whatsoever with information technology and communication-based products and services through the internet, world wide computer network or otherwise and to provide services of consultancy and training, designing, coding and integrating systems in all these fields and to develop, configure, manufacture or deal in computer hardware and systems and accessories, peripherals thereof, digital products, and the development and marketing of software and all types of products and services relating to the computer industry, now known or which may hereafter be invented and to carry on such other businesses as may be conveniently or advantageously combined with these businesses.

35B. To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information processing centers for dissemination of knowledge and information related to the computer, communications and information technology industry in all its ramifications."

11. Commencement of New Business

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the Company to the commencement by the Company of the business of Internet Service Providers, telecommunications in all its ramifications and to provide services related to E-Commerce and the development and marketing of software and all types of products and services related to the computer industry, now known or which may hereafter be invented and to carry on such other businesses as may be conveniently or advantageously combined with these businesses."



12. Appointment of Auditors

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that Messrs. A F Ferguson & Company and Messrs. S B Billimoria & Company be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company at Mumbai and the Divisions for the financial year 2000-2001 on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors plus service tax, travelling and out-of-pocket expenses."

13. Appointment of Branch Auditors

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that the Board of Directors be and is hereby authorised to appoint the Company's Auditors and/or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956 so far as Branch Offices in India are concerned, or an accountant or accountants duly qualified to act as Auditor or Auditors of the Branch Offices of the Company situated in countries outside India, in accordance with the laws of the country in which the Branch Offices of the Company are situate, to audit the accounts for the financial year 2000-2001 of the Company's Branch Offices in India and abroad respectively and to fix their remuneration (which in the case of the Company's Auditors shall be in addition to their remuneration as the Company's Auditors) and the terms and conditions on which they shall carry out the audits."

- NOTES:**
- (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in regard to the business as set out in Item Nos.5 to 13 above, are annexed hereto.
 - (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
 - (c) The Register of Members and the Transfer Books of the Company will remain closed from 26th July 2000 to 10th August 2000, both days inclusive.
 - (d) Final Dividend, if declared, will be paid to those Members whose names appear on the Company's Register of Members on 10th August 2000. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Dividend will be paid on or after Wednesday, 16th August 2000.
 - (e) Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents.
 - (f) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants.

By Order of the Board of Directors,
D G MEHRA
Whole-time Director

Mumbai, 14th June 2000.

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

EXPLANATORY STATEMENTS

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos.5 to 13 of the accompanying Notice dated 14th June 2000.

Item No.5 : In 1992, the Company had issued 14% Partly Convertible Debentures (PCDs) of Rs.500/- each comprising Part A of Rs.300/- being the convertible portion and Part B of Rs.200/- being the non-convertible portion. The Board of Directors forfeited those Equity Shares issued on conversion of Part A of the PCDs as also the Non-convertible Debentures being Part B of the PCDs on which allotment monies remained unpaid in spite of repeated reminders to the holders of these Debentures. The forfeiture included all dividends declared/interest in respect of such Shares/Debentures. As the Equity Shares were forfeited in November 1998, no provision for payment of dividend on the forfeited shares was made in the Accounts for the year ended 31st March 1999. However, because of repeated representations received from several shareholders, it was decided to give one last opportunity to the defaulting Members to pay the outstanding amounts together with interest. Some Members have taken advantage of this offer and have paid the monies due to the Company. In January 2000, therefore, the Board waived the forfeiture of those Shares on which the dues had been received. It would, therefore, be necessary to pay the dividend of Rs.3.70 per Share for the year ended 31st March 1999 on these Shares, the forfeiture of which has been annulled. The total amount involved for such dividend payment is Rs.7,622/-, a provision for which has been made in the Accounts of the Company.

The Board commends the Resolution for acceptance by the Members.

Item No.6 : Shareholders are aware that at the Annual General Meeting of the Company held on 11th August 1995, Mr A J Engineer's appointment as a Whole-time Director of the Company was approved for a period of five years from 1st September 1995. The present term of Mr Engineer expires on 31st August 2000. The Board of Directors has, at its meeting held on 14th June 2000, re-appointed Mr A J Engineer as a Whole-time Director of the Company for a period of 2 years with effect from 1st September 2000, subject to the approval of the shareholders in General Meeting.

Mr Engineer has been with the Tata Electric Companies for about 16 years. He has been responsible for implementing the major projects of the Companies. He has also been in charge of business development.

The draft Agreement between the Company and Mr Engineer contains the following main terms and conditions :

1. Period From 1st September 2000 to 31st August 2002.
2. Remuneration A salary scale of Rs.20,000Rs.1,50,000 with authority to the Board to fix his salary within the abovementioned scale from time to time. The annual increment will be merit-based and take into account the Company's performance.
3. Perquisites and Allowances
 - (i) In addition to the salary and commission payable, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and his family, club fees; medical insurance and other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr Engineer; such perquisites and allowances to be restricted to 125% of the annual salary.
 - (ii) For the purpose of calculating the above ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
 - (iii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.