

TATA POWER

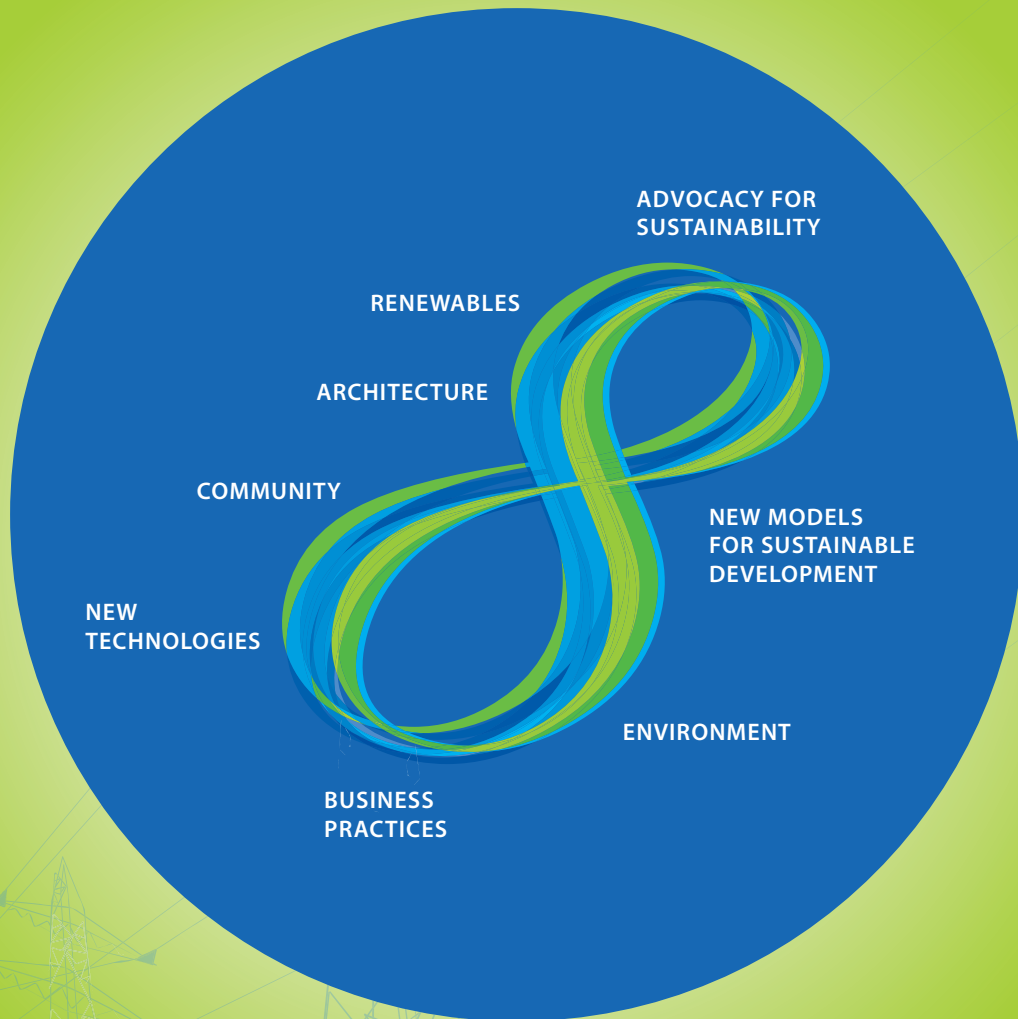
SUSTAINABLE PATH

FOR A **GREENER**
TOMORROW

Lighting up Lives!

91st Annual Report | 2009-2010

SYMBOLICALLY, 8 IS A VISUAL SYNONYMOUS WITH INFINITY.
TATA POWER'S EIGHT-FOLD PATH OF SUSTAINABLE BUSINESS GROWTH
WILL LAY DOWN THE ROAD TOWARDS A GREENER TOMORROW, IN A
WORLD FACING THE THREAT OF CLIMATE CHANGE!



Tata Power continues to be India's largest integrated private power company with focus on growing the industry in a responsible manner, having pioneered generation of electricity in India, nine decades ago.

The past fiscal saw the Company's annual generation scale higher levels of performance. In India's most critical geography – its commercial capital, Mumbai – the Company doubled its consumer base in just five months. Power House # 6 at Jamshedpur, commissioned in August 2009, has already crossed 500 MUs. While the pursuit of renewable energy options is yielding encouraging results, wind farms nearly doubled their output.

Committed to responsible growth, Tata Power has laid out an eight-fold path in sustainability that focuses on developing renewable energy portfolio, investing in cleaner technologies and reducing its carbon footprint.

Efforts that reiterate the same include one of the largest wind energy capacities of 200 MW; 3 MW solar PV plant in Maharashtra and partnerships exploring hydropower options in the Himalayan Region with SN Power.

As Tata Power fulfils its strategic intent of attaining an installed capacity of 25000 MW by 2017, it promises to do so sustainably and with care.

HIGHLIGHTS OF THE YEAR

- Consolidated revenue increased by 5%, at Rs. 18985.84 crores.
- Consolidated Net Profit at Rs. 1966.84 crores, up by 61%.
- Annual Generation highest at 15946 MUs.
- Expanded and doubled consumer base in Mumbai within 5 months.
- 120 MW Power House # 6 at Jamshedpur commissioned in August 2009.
- 120 MW Haldia Power Plant generated 608 MUs as compared to 179 MUs last year.
- Becomes one of the largest wind power generators with 200 MW installed capacity and first to commission 2 MW-class wind turbines.
- Signed an exclusive partnership agreement with SN Power to jointly develop hydropower projects in India and Nepal.
- Developing a 3 MW, PV based, grid connected solar plant at Mulshi, Maharashtra.

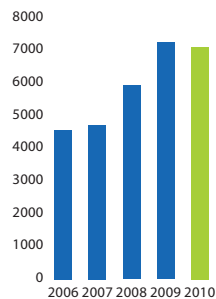
FINANCIALS

AT A GLANCE

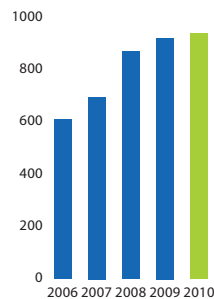
TATA POWER: KEY FIGURES (Standalone)

Rs. crores

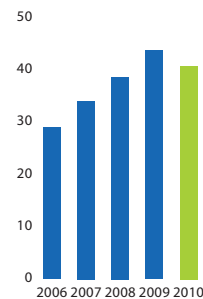
	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10
Revenues from operations	4300	4239	3930	4563	4715	5916	7236	7098
Other Income	152	160	387	326	344	498	632	282
PBDIT	1336	1447	1340	1161	1067	1435	1773	2160
PBT	677	734	759	747	586	970	1117	1259
PAT	520	509	551	611	697	870	922	939
Net Profit after Tax and Statutory Appropriations	450	467	555	575	674	811	968	948
Earnings Per Share (EPS) – Rs./Share	22.74	23.56	28.02	29.03	34.02	38.64	43.69	40.77
Dividend Per Share (%)	65	70	75	85	95	105	115	120
Return on Capital Employed (ROCE) (%)	18	18	14	13	12	12	11	11
Return on Net Worth (RONW) (%)	14	13	15	14	15	13	14	10
Total Debt/Equity	0.51	0.34	0.56	0.50	0.60	0.38	0.60	0.55
Net Worth	3201	3536	3619	4010	4467	6363	7185	9132



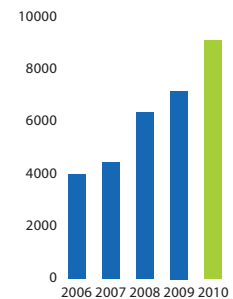
Revenues from Operations



Profit After Tax (PAT)



Earnings Per Share (EPS)



Net Worth

Financial Highlights

- The Company's standalone revenues were at **Rs. 7098.27 crores** as compared to **Rs. 7236.23 crores** in the previous year. This decrease is mainly due to a change in the fuel mix and reduction in fuel prices in Mumbai operations as compared to the previous year.
- Standalone **Profit after Tax (PAT)** stood at **Rs. 938.76 crores**, an increase of 2% as against **Rs. 922.20 crores** in the previous year. PAT for FY 2008-2009 included other income of **Rs. 255.78 crores** (arising out of sale of long-term investments) as compared to **Rs. 252.40 crores** (pursuant to regulatory orders) this year.
- **Net Profit after Tax and Statutory Appropriations** was at **Rs. 947.65 crores** as against **Rs. 967.50 crores** in the previous year, a decrease of 2%.
- **Dividend** recommended at **Rs. 12 per share** as compared to **Rs. 11.50 per share** in the previous year, the highest so far.
- The Company's **consolidated revenue** increased by 5% at **Rs. 18985.84 crores** as compared to **Rs. 18061.32 crores** in the previous year.
- **The Consolidated Net Profit before Statutory Appropriations** for the year stood at **Rs. 1966.84 crores**, an increase of 61% as against **Rs. 1218.74 crores** in the previous year. This increase is mainly due to forex gains of **Rs. 358 crores** for Coastal Gujarat Power Limited, deferred tax reversal in North Delhi Power Limited (NDPL) amounting to **Rs. 139 crores**, and a

provision of **Rs. 280 crores** made towards impairment of goodwill in the previous year.

- **North Delhi Power Limited:**

NDPL's **Revenues** from power supply were higher by 38% and stood at **Rs. 3393.81 crores**, as compared to **Rs. 2463.70 crores** in the previous year.

Net Profit was higher by 105% at **Rs. 350.73 crores** as compared to **Rs. 171.47 crores** in the previous year.

- **Powerlinks Transmission Limited (Powerlinks):**

Powerlinks, the first public-private joint venture in power transmission in India has earned revenues of **Rs. 300.98 crores** as against **Rs. 254.49 crores** in the previous year, an increase of 18%.

PAT also increased to **Rs. 108.09 crores** from **Rs. 65.34 crores**, an increase of 65% as compared to the previous year.

- **Tata Power Trading Company Limited (TPTCL):**

TPTCL traded 4075 MUs during the year as compared to 2996 MUs in the previous year. **Revenues** were up by 9% and stood at **Rs. 2357.72 crores** as compared to **Rs. 2171.93 crores** in the previous year.

PAT also increased by 8% at **Rs. 8.24 crores** as against **Rs. 7.63 crores** in the previous year.





Operational Highlights

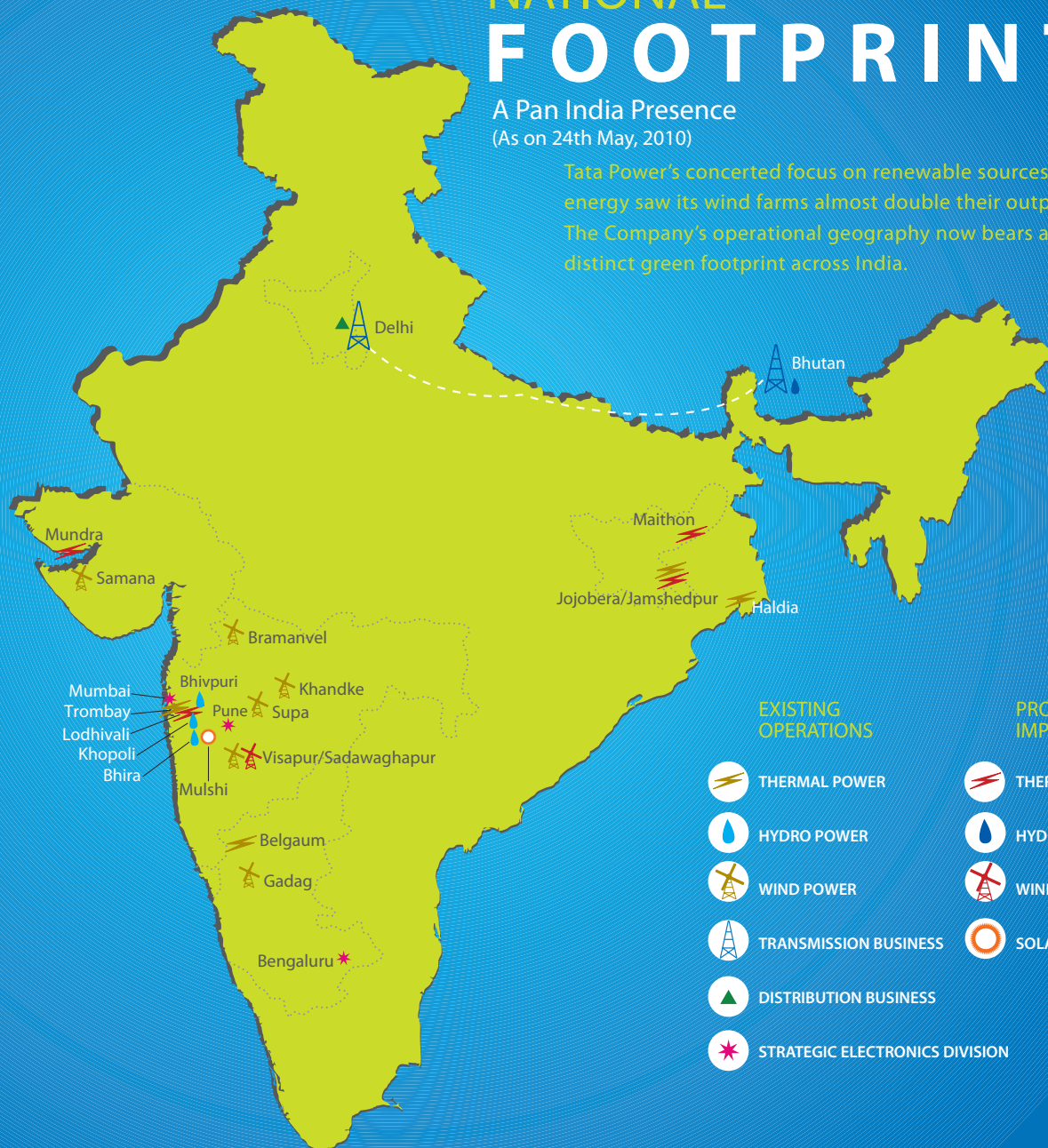
During the year, the Company's operations showed a steady performance.

- The Company generated **15946 Million Units (MUs)** during the year as compared to **14807 MUs** in the previous year.
- **Trombay Thermal Power Station** recorded the highest ever generation of **10168 MUs** in FY10. The firing of cheaper RLNG on Unit 6 has helped reduce generation cost by Re. 0.90 per kWh on Unit 6. The fuel cost savings were **Rs. 320 crores** on an annual basis.
- **Hydro Power Stations** generated **1455 MUs** of power as compared to **1151 MUs** in the previous year, an increase of **26%**.
- **Jojobera Thermal Power Station** recorded a steady generation of **3002 MUs** as compared to **3009 MUs** in the previous year.
- **Belgaum Independent Power Plant** generated **394 MUs** during the year as compared to **447 MUs** in the previous year, a decrease of 12% due to major overhauling of Units 3 and 4.
- **120 MW Power House # 6** in Jamshedpur stabilized and crossed the **500 MUs** mark in the current year.
- **120 MW Haldia Power Plant** generated **608 MUs** as compared to **179 MUs** in the previous year.
- **Wind farms** generated **320 MUs** during the year as compared to **177 MUs** in the previous year.
- The Company **expanded its retail distribution and doubled its consumer base in 5 months** by adding more than 30000 consumers to its retail network. Total Consumer base of the Company stood at **58500** as compared to **26005** in the previous year. Out of this consumer base, **28270** were changeover consumers and **4225** were new consumers.

NATIONAL FOOTPRINT

A Pan India Presence
(As on 24th May, 2010)

Tata Power's concerted focus on renewable sources of energy saw its wind farms almost double their output. The Company's operational geography now bears a distinct green footprint across India.



EXISTING OPERATIONS



THERMAL POWER



HYDRO POWER



WIND POWER



TRANSMISSION BUSINESS



DISTRIBUTION BUSINESS



STRATEGIC ELECTRONICS DIVISION

PROJECTS UNDER IMPLEMENTATION



THERMAL POWER



HYDRO POWER



WIND POWER



SOLAR

EXISTING OPERATIONS

Mumbai, Maharashtra (Trombay - 1330 MW + Unit 8 - 250 MW + Hydro - 447 MW)	2027 MW
Jojobera, Jharkhand	428 MW
Power House # 6, Jamshedpur	120 MW
Belgaum, Karnataka	81 MW
Haldia, West Bengal	120 MW
Supa, Maharashtra	17 MW
Khandke, Maharashtra	50 MW
Bramanvel, Maharashtra	11 MW
Gadag, Karnataka	50 MW
Samana, Gujarat	50 MW
Sadawaghapur, Maharashtra	18 MW
Visapur, Maharashtra	4 MW
NDPL (Distribution)	1259 MW
Powerlinks (Tala Transmission)	1200 KM

PROJECTS UNDER IMPLEMENTATION

Thermal Projects

Mundra, Gujarat	4000 MW
Maithon, Jharkhand	1050 MW
Jojobera	120 MW
Lodhivali	40 MW

Renewables

Visapur, Maharashtra (Wind)	94 MW
Mulshi, Maharashtra (Solar)	3 MW

Hydro Project

Bhutan	114 MW
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Maithon Power Project



Wind Farms



Power House #6, Jamshedpur



Bhira Hydro Power Station



Mundra Ultra Mega Power Project



SUSTAINING GROWTH

Tata Power will be commissioning a slew of new projects.

New Projects

■ 4000 MW, Mundra Ultra Mega Power Project on Fast Track:

The 4000 MW Mundra Ultra Mega Power Project implementation is progressing as per schedule with Engineering, Procurement and Construction activities in full swing. Overall project progress achieved is 53%. Ordering of all critical items/major packages has been completed. The first unit is expected to be commissioned by September 2011.

■ 1050 MW Maithon Power Project:

The 1050 MW Maithon Power Project is also progressing well and has achieved 82% completion. All efforts are being taken to commission the first unit by end of 2010.

■ Industrial Energy Limited:

Under the joint venture between Tata Power (74%) and Tata Steel (26%), a 120 MW Unit 5 being constructed at the Company's existing site at Jojobera has been synchronized. The project is expected to be commissioned in the first half of FY11.

■ 114 MW Dagachhu Power Plant:

The 114 MW Dagachhu Power Plant in partnership with The Royal Government of Bhutan (RGoB) is progressing well. Major ordering for the project has been completed. All statutory clearances, land, water and environment clearances have been received and PPA for the entire quantum of power has been signed for the project. The first unit is targeted to be commissioned by FY14.

■ Partnership with SN Power:

The Company has signed an exclusive partnership agreement with SN Power, Norway, to set up Joint Ventures for developing hydropower projects in

India and Nepal. Tata Power and SN Power have already begun pursuing potential project opportunities based on the vast reserves of renewable energy in the Himalayan Region.

■ 1600 MW Coastal Maharashtra Project:

During the year, the Company has made substantial progress in this project. The Rehabilitation and Resettlement (R & R) authority of Government of Maharashtra (GoM) has approved the R & R proposal of the Company. Land acquisition is in progress. The plant is expected to be commissioned within three years of completion of the land acquisition.

■ Renewable projects:

Wind Power: The Company is developing wind projects of over 200 MW, of which 150 MW is proposed to be commissioned during FY11 in Maharashtra and Tamil Nadu.

Solar Power: The Company is implementing a 3 MW solar photovoltaic plant at Mulshi, in the Western Ghats and will be one of the largest grid connected solar plants in Maharashtra. Work has commenced at the site.

■ 1320 MW Naraj Marthapur, Orissa:

The major clearances for the 1320 MW Naraj Marthapur project have been obtained. Process is on for obtaining environmental clearance from MoEF. The plant is expected to be commissioned within three years of completion of the land acquisition, which is expected to be completed during the year. The Company has been allotted the Mandakini coal block located in the Angul district of Orissa, along with Monnet Ispat and Energy Limited, and Jindal Photo Limited.

A GREEN WORLD BEGINS WITH US

Environmental concern at Tata Power is not only limited to operational efficiency and reducing the carbon footprint. Initiatives have been launched to engage stakeholders and the general public, and commit them to reducing resource wastage.

Corporate Sustainability at Tata Power

At Tata Power, sustainability forms the core of the Company's vision. During the year, the Company has made significant progress in the area of sustainability, chief of which are as below:

- A BPO unit at Khopoli, a joint venture of the Company, Mannat Foundation (an NGO formed by the Company) and Tata Business Support Services (TBSS) has provided jobs to 167 local people in the catchment areas of the Company's hydro power stations.
- 84 Self-Help Groups (SHGs) were formed by 1350 members in Hydros and Mundra.
- Improvement of comprehensive education programme has benefited over 8000 students from 100 schools in Maithon, Jharkhand.
- Employee volunteers have contributed a total of 2311 hours for various social and environmental causes.
- In order to conserve and protect the biodiversity in the vicinity of the Mundra UMPP, a comprehensive survey has been carried out for one year for baseline data collection. Such studies will be carried out for all new project sites and repeated periodically.
- The establishment of the green belt and other green zones at Mundra has helped in generating livelihood

opportunities for local populations especially womenfolk in plant and nursery maintenance, making of clay pitchers, etc.

- Rain Water Harvesting has commenced at Maithon, Corporate Center (Carnac) and Salsette Receiving Station.
- Program on cost sharing basis for investment grade Energy Audit has been launched for Commercial customers having load demand > 100 kVA and Industrial customers having load demand > 500 kVA.
- MERC has given its approval for energy efficient T5 Fluorescent Tube Light (FTL) pilot program for the Company's customers. Under this program, Tata Power will offer 50000 FTLs, with electronic ballast at discount price to its end customers.
- 2.82 KW Solar/Hybrid wind turbine demonstration project has been commissioned at Mankhurd substation for feeding the lighting requirements of the control room.
- The administrative buildings of Maithon and Mundra are being designed as Green Buildings for environmental efficiency. The use of local materials and conservation of natural resources are being initiated to achieve Gold Certification as per The India Green Building Code (IGBC).

- Tata Power Energy Club became a national movement on energy conservation, covering more than 250 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur and Lonavla on the subject of energy conservation. The club has sensitised over 1 million citizens and has helped save over 1 MUs so far.

Renewables and New Technology

During the year, the Company has continued to expand its presence in the field of renewable energy. Some key highlights are:

Geothermal - The Company has invested in Geodynamics, a leading Australian company in enhanced geothermal systems.

Solar Concentrated Thermal – The Company is working on two different technologies – a 1 MW unit in association with IIT Bombay and a 500 KW unit with Mumbai University Institute of Chemical Technology and Tata Steel.

