




TATA POWER

92nd Annual Report
2010-2011

Lighting up Lives!

ON A MULTI-FOLD
GROWTH PATH



A scenic view of a large reservoir or lake, likely a hydroelectric dam site. In the foreground, there is a lush green hillside with some dark, spiky plants. The water is calm and reflects the sky. In the background, a small town or village is visible on the far shore, and a large, hazy mountain rises behind it.

Having set up one of the first hydro power stations in India nine decades ago, Tata Power is India's largest integrated power company.

With an immediate future brimming with possibilities, the Company explores increasingly weightier ambitions to keep fuelling its

MULTI-FOLD GROWTH.

Since inception, Tata Power has been a Pioneer in Technology and has contributed to the Indian Power Sector through its technological innovations.

- ♦ Early adopter of hydro electric power.
- ♦ First 150 MW thermal unit.
- ♦ First 500 MW thermal unit.
- ♦ First 220 and 110 KV gas insulated switch gear.
- ♦ Computerised grid control and energy management system.
- ♦ 220 KV transmission lines in four circuit towers.
- ♦ 220 KV Cable Transmission Network.
- ♦ Flue Gas De-sulphurisation plant using sea water.
- ♦ First to introduce SCADA and Fibre Optic ground wire communication.
- ♦ First pump storage unit in the country of 150 MW capacity.
- ♦ Bringing first 800 MW super critical thermal unit.

Unique Integrated Play

For more than nine decades, we, at Tata Power, have been guided by our founder, Shri Jamshetji Tata's vision of clean and affordable power for the country.

Our strategy has long established us as India's largest integrated private power player with presence across the power value chain. From Fuel and Logistics to Generation and Transmission to Distribution and Trading to even exploring renewable sources of energy, we now have a strong international presence.

The urgency in meeting the power requirement and its crucial role in ensuring the energy security of India has led us to catapult our growth. We are achieving it with our out-of-the-box thinking, pioneering operational procedures and a motivated team with a penchant for trendsetting.

Along with various projects commissioned in the last 3 years, the Company is on the verge of commissioning India's first Ultra Mega Power Project and, for the first time in the country, bringing in 800 MW super critical units with aggregated capacity of 4000 MW in Mundra, Gujarat. A 1050 MW mega power project in Maithon is close to commercialisation. A healthy pipeline of mega projects will be fuelling future growth. Two international clean energy projects are also under implementation viz. 114 MW Dagachhu hydro project in Bhutan and 240 MW geothermal project in Indonesia. The Company has partnership with SN Power, Norway for hydro projects and has won a bid for 236 MW Dugar Project in Himachal Pradesh. It is already a leading player in wind energy with 273 MW of wind capacity and will be adding 100-150 MW capacity every year.

While we have ambitious growth plans, we are committed to 'responsible growth'. From focusing on producing clean and green power to investing and implementing eco-friendly technologies; reducing our carbon footprint to joining global initiatives to combat climate change; scouting for clean power sources internationally to driving energy conservation and efficiency; creating sustainable livelihood for communities to green buildings and villages; we are doing all that we can to carry forward our green legacy.

Highlights Of The Year

- ♦ Consolidated Revenue stood at ₹ 19,450.76 crores.
- ♦ Consolidated Net Profit up by 5% at ₹ 2,059.60 crores.
- ♦ Annual Sales at 16,060 Million Units (MUs).
- ♦ Consumer base in Mumbai increased and crossed 1,50,000.
- ♦ New 120 MW unit commissioned at Jojobera Thermal Power Station in Eastern India.
- ♦ 3 MW, PV based, grid connected solar power plant commissioned at Mulshi in Maharashtra.
- ♦ Power Purchase Agreement (PPA) signed and construction underway for the 25 MW Solar PV Project at Mithapur in Gujarat.
- ♦ Won a bid for the 236 MW Dugar Hydro Electric Project in Himachal Pradesh along with SN Power, Norway.
- ♦ Leading private wind generator with an installed capacity of 273 MW.
- ♦ Won a bid for 240 MW Sorik Marapi geothermal project in Indonesia in a Consortium with Origin Energy, Australia and PT Supraco, Indonesia.



Putting People First

The creative and collaborative work environment at Tata Power has been instrumental in creating an invaluable workforce geared up for multi-fold growth.

Health & Safety

When it comes to achieving world class health and safety performance, there's no room for compromise at Tata Power. And it's not about statistics; it's about keeping people safe. The safety and health of our people is the principal consideration in the framing of our policies and all our business activities.

The Company invests a large amount of resources to reduce workplace accidents and ensure a safe working environment. By adhering to world class standards, promoting product and operational safety, and encouraging the active participation of every employee, Tata Power has created a healthy work environment that complements its superior business performance.

Striving for Zero Accidents and Injuries

The Company has created programmes to promote worker and contractor safety on the road, in the laboratory and wherever we operate.

Protecting Against Illness and Diseases

Tata Power is working on various awareness campaigns to help employees reduce illnesses and diseases in general. It has formally launched a Company-wide HIV/AIDS policy that is consistent with its belief that companies can be important participants in the effort to fight HIV/AIDS. It has focused on education, prevention, treatment and protecting the rights of HIV-positive employees and partners.

A healthy work environment that complements our superior business performance.



Our Green Initiatives

Powering a greener world.

At Tata Power, Sustainability forms the core of the Company's vision to make a difference and remain committed to the issues of resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around its areas of operations, such as:

- ♦ A **Sustainability Advisory Council** was constituted.
- ♦ A unique and well accepted initiative, **Tata Power Energy Club** has reached out to 285 schools nationwide (Mumbai, Delhi, Kolkata, Pune, Ahmedabad, Bengaluru, Lonavla, Jamshedpur, Belgaum), sensitised over 1.1 Million citizens and saved more than 2.4 MUs. The Club has a strong, sustainable and replicable model to spearhead a movement. It has 26,895 Energy Champions, 39,356 Energy Ambassadors and 154 self-sustaining mini energy clubs this year.
- ♦ A **BPO unit** at Khopoli has provided jobs to 213 local people in the catchment areas of the Company's hydro power stations.
- ♦ To drive energy efficiency, the Company has introduced a unique consumer initiative called **"My Mumbai Green Mumbai"**. The initiative has five programmes that offer significant discounts on energy efficient products.
- ♦ **Comprehensive education programme** has benefited over 13,000 students with over 600 learning centres in Maithon, Jharkhand.
- ♦ HIV/AIDS **awareness** campaign covered 45,890 people across Mumbai.
- ♦ **Mobile medical services** and **health camps** of Tata Power serviced 19,640 patients.
- ♦ 1,480 members from 89 **Self-Help Groups (SHGs)** have saved about ₹ 12 lakhs.
- ♦ **Employee volunteers** have contributed a total of 6,242 hours for various social and environmental causes.
- ♦ The Company is also working on the development and implementation of advanced **eco-friendly technologies** and processes for energy management.



Financial Highlights

Key Highlights - FY 2010-2011: Standalone

During the year, Tata Power reported Profit after Tax of ₹ 941.49 crores as against ₹ 938.76 crores for the previous year. Net Profit after Statutory Appropriations increased to ₹ 970.01 crores up by 2% as against ₹ 947.65 crores in the previous year. The Company's revenues were at ₹ 6,918.48 crores as compared to ₹ 7,098.27 crores in the previous year. Dividend recommended was up by ₹ 0.50 per share at ₹ 12.50 per share as compared to ₹ 12 per share last year.

Key Highlights - FY 2010-2011: Consolidated

On a consolidated basis, Tata Power's Revenues stood at ₹ 19,450.76 crores as compared to ₹ 18,985.84 crores in the last year. The Company's Net Profit after Tax before Statutory Appropriations was up 5% at ₹ 2,059.60 crores as compared to ₹ 1,966.84 crores for the last year. Net Profit after Statutory Appropriations increased by 6% to ₹ 2,088.12 crores as against ₹ 1,975.73 crores reported in FY10.

Industrial Energy Limited (IEL):

During the year, IEL earned revenues of ₹ 125.41 crores and a PAT of ₹ 24.88 crores as against revenues of ₹ 70.74 crores and a PAT of ₹ 9.46 crores in the previous year. IEL had commenced operations in May 2009.

North Delhi Power Limited (NDPL):

The Company's distribution subsidiary and Joint Venture (JV) with Delhi Govt., NDPL posted Revenues of ₹ 4,099.85 crores for the year ended March 2011, as compared to ₹ 3,393.81 crores registered in the corresponding period of the previous year. The Profit after Tax decreased to ₹ 258.18 crores as against ₹ 350.73 crores in the previous period last year mainly due to deferred tax reversal done last year.

Powerlinks Transmission Limited (Powerlinks):

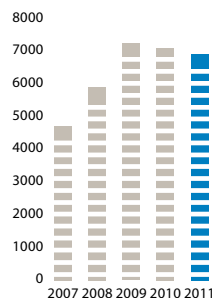
Powerlinks, the first public-private JV in power transmission in India, has earned Revenues of ₹ 288.41 crores in FY11 as against ₹ 300.98 crores in the previous year. The Profit after Tax stood at ₹ 105.68 crores as against ₹ 108.09 crores last year.

Tata Power Trading Company Limited (TPTCL):

TPTCL traded a total of 4,354 MUs as compared to 4,075 MUs in the same period of previous year. The Revenues stood at ₹ 1,933.12 crores in FY 11 as against ₹ 2,275.78 crores in the previous year. The Profit after Tax was at ₹ 9.15 crores as against ₹ 8.24 crores in the previous year, up by 11%.

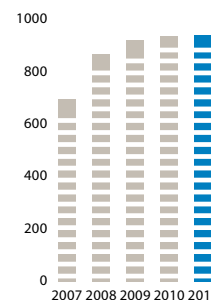
Robust financial performance reported by all businesses.

Standalone Results



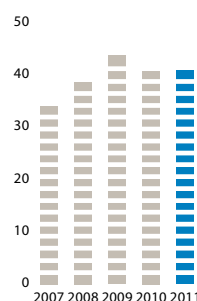
Revenues from Operations

₹ crores



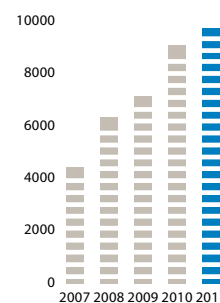
Profit After Tax

₹ crores



Earnings Per Share

in ₹



Net Worth

₹ crores

Growth Plans

Sustainable growth through various new projects.

Mundra Ultra Mega Power Project (UMPP), 4,000 MW

India's first UMPP at Mundra is progressing well with engineering, procurement and construction activities in full swing. The cumulative progress till the end of March 2011 was approximately 77%. The first unit is expected to be synchronized with the grid in the second quarter of FY12.

Maithon Power Project, 1,050 MW

The 1,050 Maithon Power Project is close to commissioning. Unit 1 has been successfully synchronized with secondary fuel oil in March 2011. Unit 1 coal firing and Commercial Operation Declaration (COD) is expected before end of H1 FY12.

Dagachu Hydro Power Project, 114 MW

This project, 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. The project is expected to be commissioned in FY14.

Coastal Maharashtra Project, 1,600 MW

All statutory clearances required to start the 1,600 MW Coastal Maharashtra Project are in place. Disbursement of compensation to land owners is in progress by Raigad

District Authorities and above 50% of private land has been acquired till date.

Tiruldi Power Project, Jharkhand, 1,980 MW

The process of land acquisition for the project is in progress. In principle clearance has been received from Railways for transportation of coal from Tubed Coal Block. Tubed Coal Block has been jointly allotted to Tata Power and Hindalco in Jharkhand.

Partnership with SN Power

The Company has signed an exclusive partnership agreement with SN Power, Norway to set up JVs for developing hydropower projects in India and Nepal.

Dugar Hydro Power Project, 236 MW

The Tata Power-SN Power consortium recently won the bid for 236 MW Dugar Hydro Power Project in Himachal Pradesh. The project will primarily feed the Northern Grid.

Naraj Marthapur, Orissa, 660 MW

The major clearances for the 660 MW Naraj Marthapur project have been obtained. The Environment Clearance has been granted by MoEF, subject to clearance from National Board of Wild Life for which the process is on. All the balance clearances for the project have been obtained.

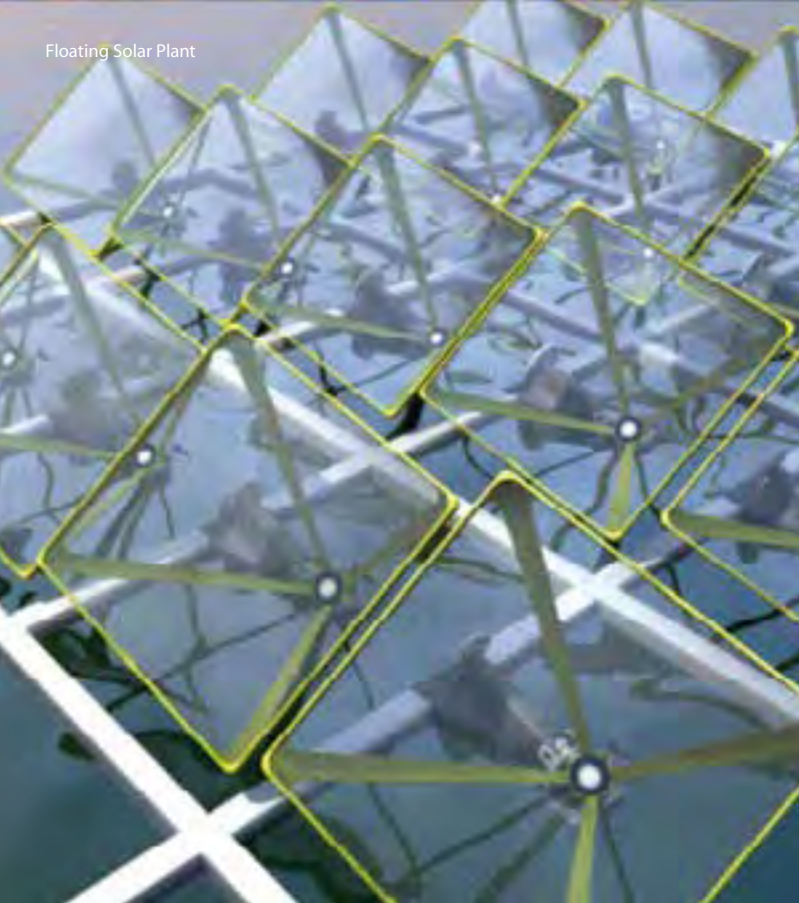
Mundra project



Maithon project



Floating Solar Plant



Mulshi project



Robust Renewables Portfolio

25% generation through renewable sources of energy.

Solar Power:

Mulshi Solar Plant, 3 MW

The Company has commissioned a 3 MW, PV based, grid connected Solar plant at Mulshi, in the Western Ghats.

Solar Power Project, 25 MW

The Company has also signed a PPA with Gujarat Urja Vikas Nigam Limited for a 25 MW Solar Photovoltaic (PV) Power Project at Mithapur, Gujarat.

Solar Rooftop

A 60.48 kWp solar power plant has been installed on the rooftop of Tata Power's office at Carnac Bunder. It was implemented in the month of December 2010 and is estimated to operate at a PLF of around 16%.

Floating Solar Plant

The Company has also partnered with the Australian company – Sunengy Pty. Ltd. to build the first floating solar plant in India.

Wind Farm Projects:

Tata Power has an installed capacity of 273 MW spread across four states viz. Maharashtra, Gujarat, Tamil Nadu and Karnataka. The Company had placed an order for 150 MW additional wind capacity to be set up in Maharashtra and Tamil Nadu, of which 45 MW was commissioned in April 2011 and the balance is expected to be commissioned by December 2011.

Sorik Marapi Geothermal Project, 240 MW:

Tata Power led consortium along with Origin Energy, Australia and PT Supraco, Indonesia won the Sorik Marapi geothermal project in Indonesia. The Sorik Marapi project is estimated to support the development of approximately 240 MW of geothermal generation capacity. The expected Commercial Operation Date for the project is June 2015.

Operational Highlights

Healthy mix of conventional and non-conventional generation.

The Company had an installed capacity of 3,127 MW based on various fuel sources: thermal (coal, gas, oil), hydroelectric power, renewable energy (wind, solar PV and waste gases). The Company registered sales of 16,060 MUs of power in FY11 as against 15,574 MUs in FY10, a growth of 3%.



During the year, Company's Operations showed a steady performance. The Company generated 15,325 MUs of power from all its power plants.



Excellence In Distribution

Mumbai Retail Business: The Company's retail business in Mumbai grew significantly, with retail sales increase of 58% to 4,393 MUs during FY11 from 2,782 MUs in the previous year. The total customer base as on 31st March, 2011 was 1,61,183. A number of services/customer convenience facilities were introduced during the year.

Wind Farms



Leading player
in wind energy
generation in
the country.