

TATA POWER



Annual Report 2018-19

Empowering Consumers Of The Future

Lighting up Lives!



Empowering Consumers Of The Future

The power industry is transforming rapidly, and consumers' demands are changing with it. Be it digitalization of services, climate change influence or personalization, consumers want a change in the way energy is delivered to them. Tata Power has been India's pioneer in technology adoption, credited with many firsts towards nation-building. Taking this path forward, the Company has forayed into consumer solutions to empower the consumer with choices. The Company's latest integrated solutions focus on energy independence, mobility and lifestyle.

Pioneering Electric Vehicle (EV) infrastructure in Mumbai, India's financial capital, Tata Power has expanded its EV mobility infrastructure across the country adding 65 charging points in 8 cities. Being India's largest solar rooftop company for consecutive years, Tata Power's solar arm forayed into residential rooftop solutions across 18 cities offering savings of upto ₹ 50,000 annually, per home, for 25 years. To help their consumers have better control of their energy usage, the Company launched a daily energy management tool which will allow them to understand their electricity consumption and take corrective measures, thereby increasing their savings.

With future offerings in home automation, rural microgrids and energy efficiency services, Tata Power is delivering solutions built around sustainability and savings to deliver value to the new world run by empowered consumers.



CEO & Managing Director's Message

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year and perspectives on the way forward.

FY 2018-19 was marked by steady growth in power demand, led by an improvement in the overall economic environment in India. Over the next decade, the Indian economy is set to grow at a record pace and a key enabler of this growth will be India's ability to fulfil its electricity needs. We expect the growth momentum in the Indian power sector to continue, led by government's infrastructure push and various structural policy reforms, which should augur well for the country's power demand growth.

Your Company's consolidated PAT for FY 2019 was at ₹ 2,441 crore compared to ₹ 2,611 crore in the previous year mainly due to lower profits from coal companies. The profitability of coal companies during the year was adversely affected due to domestic market pricing obligation in Indonesia and increased fuel prices. All our subsidiaries and operating divisions have reported robust performance despite sectoral challenges. Our renewable power business added 200 MW in the current year and with another 400 MW in the pipeline. The solar EPC business possesses a healthy order book of ₹ 1,360 crore.

We also launched residential solar rooftop solutions in several cities and installed 65 EV charging points across the country. The Trombay PPA with BEST and Tata Power's Mumbai discom received an extension for 5 years. Through the Resurgent platform, the Company is in the process of acquiring the 1,980 MW Prayagraj power plant in Uttar Pradesh. Regarding Coastal Gujarat Power Limited, further to the recommendations by a High Powered Committee set up by the Government of Gujarat, we are in discussion with various state governments and state discoms and expect a compensatory tariff for it soon.

The Company continued its exit from non-core investments and raised about ₹ 1,897 crore through disinvestment of Tata Communications Limited and Panatone Finvest Limited. The management is committed to deleveraging the Balance Sheet by divesting the non-core assets. The proceeds from such sale would be re-invested in core areas as well as emerging areas where there is a huge growth opportunity. Our future growth would be in conventional power generation with emphasis on renewable power, power distribution and service-led businesses and this will bring in greater value and help us align with the emerging consumer needs.

During the year, Tata Power redesigned its organization structure to focus on key identified growth areas like Thermal & Hydro Generation, Renewable Generation, Transmission, Distribution and New & Value-Added Businesses including Rooftop Solar, Smart Metering, Micro Grids in rural areas and setting up of Electric Vehicle charging units.

The Company, during its century old existence, has constantly evolved to stay relevant to meet the needs of customers and contribute to nation building. It remains focused on building sustainable value to all our stakeholders while upholding the Tata values.

I would like to take this opportunity to thank our customers, suppliers, shareholders, unions, employees and the Board for their constant support, faith and trust in us, with the belief that it will continue for the times to come. I also thank the lenders, government executives and officers for their guidance and support to our various ventures.

Yours sincerely,

Praveer Sinha
CEO & MD, Tata Power





Highlights Of The Year

- Clean energy portfolio grew by 6% to 3617 MW from last year, added 100 MW of solar plant in Anantapuram and 100 MW of solar plant in Pavagada.
- **BEST extended its existing PPA with Tata Power for 677 MW**, supplied from the Trombay thermal and hydro plants, for a period of five years from 1 April 2019.
- Tata Power's wholly owned subsidiary, Tata Power Renewable Energy Limited (TPREL) **won 400 MW of Solar PV projects** in Karnataka and Rajasthan.
- Tata Power collaborated with AES and Mitsubishi Corporation to power up **South Asia's Largest Grid-Scale Energy Storage System** in India of 10 MW.
- Tata Power and **Indraprastha Gas Limited** signed an **MoU to offer Integrated Services**, which focuses on setting up of commercial scale EV charging and battery swapping stations, green energy solutions, customer management solutions and customer care infrastructure.
- **TPREL signed PPA with GE** to provide 5 MW of solar rooftop solutions for their six manufacturing and services sites in India.
- Tata Power installed the **World's largest solar rooftop installation on a cricket stadium**, of 820.8kWp, at Cricket Club of India, Mumbai, through its solar arm, Tata Power Solar Systems Limited (TPSSL). TPSSL's solar EPC business continues to grow with order book of ₹1600 crore booked this year, and with 1095 MW of utility scale solar projects executed or are currently under execution this year.
- TPSSL launched an extensive **residential rooftop solution across 18 cities** in India, which can save upto ₹ 50,000 annually, per home, for 25 years.
- **Renascent Power**, a wholly owned subsidiary of Resurgent Power has signed a Share Purchase Agreement with a consortium of lenders led by State Bank of India to **acquire 75.01% stake in Prayagraj Power Generation Company Limited (PPGCL)**, which owns and operates a 1,980 MW supercritical power plant in India.
- Poised to create a benchmark in operations across the world with its **Reliability Centred Maintenance (RCM) led O&M transformation** using an Asset Performance Management (APM) IoT System.
- **Coastal Gujarat Power Limited (CGPL) completed refinancing of outstanding ECB loans amounting to ~USD 770 million** (appx. ₹ 5,500 cr.) through a mix of INR-denominated debt instruments and equity funding from the proceeds of divestment of non-core assets of the Company.
- The Company **partnered with Tata Motors Limited to support Maharashtra Government's vision** to promote e-mobility in the State by establishing Electric Vehicle Charging Stations in the State for public use.
- **Tata Power signed landmark MoUs with Hindustan Petroleum Corporation Limited (HPCL) and Indian Oil Corporation Limited (IOCL)** for setting up commercial-scale EV Charging Stations at retail outlets and other locations across India.
- Tata Power SED signed an **important deal with the Ministry of Defence**, Government of India, to supply 23 ship-borne 3D Air Surveillance Radars to the Indian Navy over the next 10 years.
- **Tata Power-DDL** collaborated with **Enedis, Schneider Electric, Odit-e and VaasaETT** to implement Smart Grid Demonstrator.





Continuing The Growth Journey

- **TPREL** commissioned 100 MW Solar capacity in Andhra Pradesh and another 100 MW capacity in Karnataka. With this, the overall renewable capacity stands at 2,549 MW. It has received a Letter of Award from Karnataka Renewable Energy Development Limited (KREDL) to develop 250 MW in Karnataka. Additionally, TPREL won 150 MW solar PV project, which is a part of MSEDCL's 1,000 MW grid connected solar power project.
- Increasing its focus in the solar domain, **TPSSL** launched an extensive residential rooftop solution across India, across multiple cities which are expected to save consumers upto ₹ 50,000 annually for 25 years. TPSSL also commissioned the World's largest solar rooftop installation on a cricket stadium, of 820.8kWp, at Cricket Club of India in Mumbai.
- Tata Power serves more than 2.6 million distribution consumers across Mumbai, Delhi and Ajmer. The Company launched innovative value-added consumer service initiatives like Know Your Energy Consumption (Kyec), Power Rewards and VoiceBOT, to e-Wallet payments and WhatsApp Service. In this year, a significant number of its 2.6 million customers in India are now digital-only customers, converting the entire customer lifecycle to a mobile-friendly digital platform, thus improving the customer experience significantly.
- With the aim of making India EV (Electric Vehicle) ready, Tata Power increased its EV infrastructure presence in Mumbai to 42 charging points and expanded its mobility infrastructure footprint to multiple cities including Hyderabad, Bangalore and Delhi, with a total of 65 charging points set up across various usage scenarios. The Company signed landmark MoUs for setting up commercial-scale EV charging stations at HPCL, IOCL and IGL retail outlets. The Company also partnered with Tata Motors to support Maharashtra Government's vision of promoting e-mobility in the State by setting up public EV charging stations.
- **TP Ajmer Distribution Limited (TPADL)** managed a peak load of 112.05 MW in Ajmer city, during the month of June 2018. This is the highest peak load catered to by power distribution assets in the last two years in the city, managed comfortably due to extensive work towards the maintenance of 33 kV and 11 kV lines which also led to a reduction in tripping by 31% and 45% respectively.
- Tata Power is the first Indian utility to open multiple '**All-Women' Customer Relations Centres** across India in a major move to address its women customers better. Inaugurated across Mumbai, Ajmer and Delhi, these centres are entirely run by women personnel, from customer service to billing and security, and trained to deliver enhanced Customer Experience.





Leadership With Care Care For Environment:



Sensitized more than
4.5 million citizens



Conserved **4.8 million**
units of energy



Reached out to
280 schools

- Across 10 years, Club Enerji, a self-sustained green movement spearheaded by children, has reached out to 553 schools, sensitized more than 23.84 million citizens on energy conservation and conserved more than 29.8 million units of energy.
- Tata Power has strived to promote green living through its various energy conservation programmes. The Company intends to build on its commitment to 'Be Green' movement, with the launch of 'Wattloss Challenge', a three-month national contest which rewards consumers who save energy.
- The Company also launched the Humpback Mahseer Project as part of its four-decade freshwater fish conservation program. The intent is to list the Humpback Mahseer with its scientific name on the International Union for Conservation of Nature Red List of Threatened Species to aid future conservation efforts.

Care For Customers:

- Tata Power is India's first power utility company to offer VoiceBOT service to its customers in Mumbai, to address all the customer queries using any compatible Android or iOS mobile devices and Google Home devices.
- The Company launched innovative value-added consumer initiatives to deliver service excellence and convenience, like Know Your Energy Consumption (Kyec), e-Wallet payments, QR code, e-NACH automation for bills and WhatsApp Service.
- The Company launched the 'Power Rewards' programme in Mumbai, which is a first by any power utility in India to provide consumers' loyalty programme.
- Tata Power-DDL collaborated with Enedis, Schneider Electric, Odit-e and VaasaETT to implement Smart Grid Demonstrator.
- Adopting world class technologies, the online customer portals have been revamped for a seamless customer experience.
- To enhance customer convenience, TPADL consumers can now avail facilities across five customer care centres in Ajmer, Rajasthan.
- The Company inaugurated the country's first all-women Customer Relations Centres for power utility customers, entirely managed by a team of ladies, in Mumbai, Delhi and Ajmer.



'Cleanliness Drive' on Gandhi Jayanti, Mumbai



'Power Rewards' Program launch, Mumbai





Dairy farmers at fodder feed distribution, Maval




Women artisans of Dhaaga, Mundra

Care For Community:

 24.67 lakh beneficiaries	 In 15 states across India	 3.43 lakh beneficiaries accessed Government schemes
 Improvement in academic performance of 1.6 lakh children	 4.13 lakh beneficiaries adopted safe health and sanitation practices through behavioral change focus	 11.7 lakh beneficiaries covered under accessibility to water
 2.51 lakh benefitted in livelihood and skill building	 2277 women beneficiaries as part of micro-enterprise development	 1.3 lakh beneficiaries focusing on Dalits and tribals

- The Company's community development initiatives covered 24.67 lakh beneficiaries across 348 villages and 220 urban clusters in 15 states of the country, under the 5 thrust areas of Education, Health and Sanitation, Livelihood and Skill Building, Water and Financial Inclusivity.
- Women empowerment initiatives like Dhaaga and Abha were scaled across locations to benefit more than 2277 women as part of micro-enterprise development.
- Under Affirmative Action, the Company covered 1.3 lakh beneficiaries as part of inclusive growth opportunities with focus on Dalits and tribals.

Care For Our People:

	 Trained 16,483 people	 46 locations in India and International
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- Across four years, Tata Power Skill Development Institute (TPSDI) has trained 46,914 beneficiaries till date in skills needed for the power sector and allied industries. Apart from their training hubs at five locations in India, TPSDI, through its spokes and outreach programs, has trained at 45 locations across India and 1 international location.



Training at TPSDI, Shahad



Women skill-development workshop, Shahad

Financial Highlights

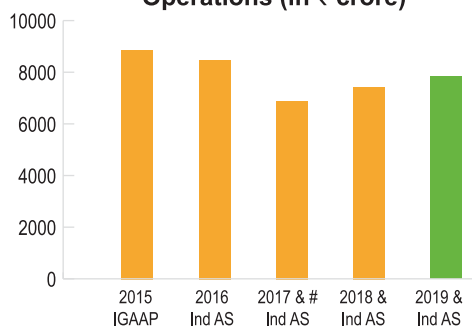
Consolidated:

- Tata Power Group's FY19 Revenue increased to ₹ 29,493 crore, up 12% as compared to ₹ 26,430 crore mainly due to increase in fuel and power purchase cost related to regulated business, capacity addition in renewables business and good operational performance by businesses.
- PAT stood at ₹ 2,441 crore largely due to lower profits from coal companies on account of lower FOB price.
- EBITDA was up 7% at ₹ 6,753 crore mainly due to increase in renewables business and all round performance across regulated and unregulated businesses.

Standalone:

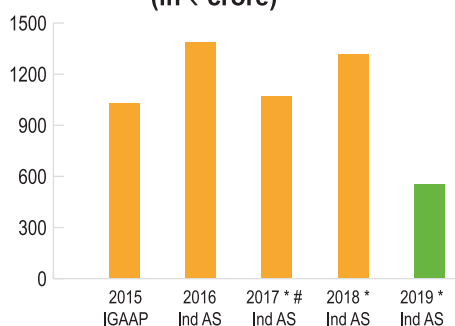
- FY19 Revenue was up 5% at ₹ 7,688 crore as compared to ₹ 7,301 crore last year, mainly due to increase in fuel and power purchase cost related to regulated businesses.
- PAT before one-time exceptional items stood at ₹ 541 crore as compared to FY18 profit of ₹ 1,287 crore.
- FY19 exceptional item of ₹ 1,168 crore mainly relates to profit on sale of investments in Associates whereas FY18 had exceptional loss of ₹ 4,437 crore related to impairment of Mundra UMPP and certain other investments.

Standalone Revenue from Operations (in ₹ crore)



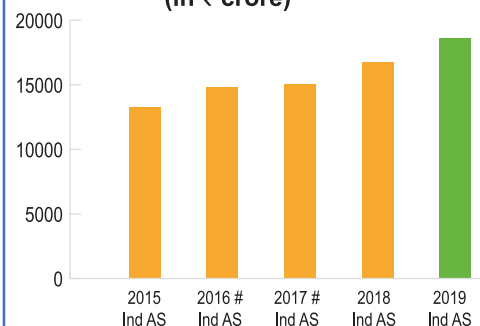
& Excludes revenue of Strategic Engineering Division being discontinued operations
Restated

Standalone Profit after Tax (in ₹ crore)



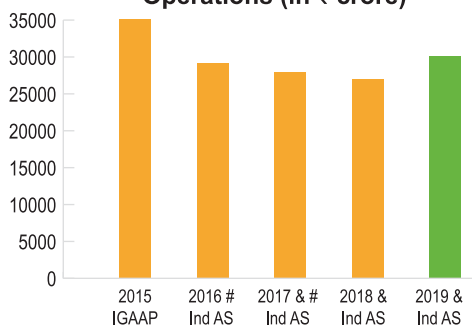
* Before Exceptional Items
Restated

Consolidated Network @ (in ₹ crore)



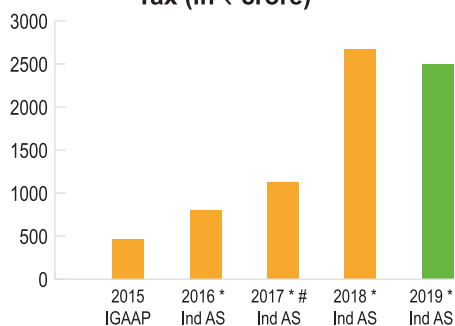
[Includes Unsecured Perpetual Securities (₹ 1,500 crore)]
(Includes non-controlling interest)
Restated

Consolidated Revenue from Operations (in ₹ crore)



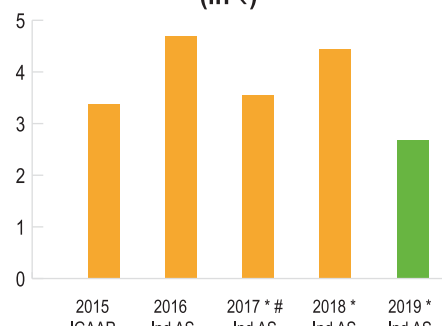
& Excludes revenue of Strategic Engineering Division being discontinued operations
Restated

Consolidated Profit After Tax (in ₹ crore)



* After Exceptional Items
(Includes non-controlling interest)
Restated

EPS (Standalone) (in ₹)



* Before Exceptional Items
Restated



Awards & Recognition

- Tata Power won two awards at **The India Risk Management Awards**, organized by ICICI Lombard and CNBC TV18.
- Tata Power awarded by the **Central Board of Irrigation and Power (CBIP) Awards 2019** - as Best Performing Utility in the Company Category and Mr. Ashok Sethi, COO & ED, felicitated in Individual Category for Excellent Contribution in Power Sector Development.
- Tata Power won the 3rd ICSI CSR Excellence Award in the Medium Category for 2018, for its **commitment towards empowering the communities** in and around its operational areas.
- Tata Power Ajmer Distribution Limited received award for **North India Best Employer Brand Award 2018**, hosted by the Employer Branding Institute, World HRD Congress & Stars of the Industry Group as a part of the 13th Employer Branding Awards.
- Tata Power awarded '**Par-Excellence**' and '**Excellent**' Award at the 32nd National Convention on Quality Circles 2018.
- TPSSL won the prestigious Global Performance Excellence (GPEA) Award 2018 in the World Class category, recognized as a '**role model for future organizations to emulate**' under the aegis of Asia Pacific Quality Organisation.
- Tata Power awarded three Gold awards at the **International Convention on Quality Control Circles 2018**.
- Tata Power's Trombay Thermal Power Station conferred with the 'Safety Award' by National Safety Council achieved for the **Longest Accident Free Period in Power Generation, Transmission & Distribution industrial group**.
- Tata Power won two awards at the 7th ACEF Asian Leadership Awards, for its work in the **areas of Environmental conservation and Public sanitation**.
- Tata Power won its **First Best CSR Community Initiative Award** at a recently held seminar by Odisha CSR Forum in Bhubaneswar under the category of 'Livelihood & Employability'.
- Tata Power Distribution team was awarded at CCI's Sixth National Excellence Practice Competition 2018, in the **Customer Engagement & Satisfaction Practice** for the Manufacturing Sector under the Stream of Infrastructure/ Power.
- CGPL won **FAME Excellence Safety Award (Gold) for Health & Safety of Workers**, given by the Foundation for Accelerated Mass Empowerment.
- TPSSL was awarded The Solar PV EPC Company of the Year - Utility Scale Award by First View Media Ventures, and adjudged **benchmark PV EPC company across industries for 2018**.
- Tata Power won the Sandvik India Gender Award 2018 in the Corporate Organization - CSR category Award recognized for **excellence and commitment towards gender equality and diversity in its operational areas**.
- Tata Power was honoured with **SAP ACE Awards 2018 for Sourcing Excellence**, an industry benchmark that recognizes the best of best-run businesses in the Indian subcontinent.
- Tata Power received the Tata Affirmative Action Jury Award for 2017-18, recognising our **commitment to the cause of marginalized communities in affirmative action**.
- TPSDI has been awarded with ISO 29990:2010 and ISO 9001:2015 dual certification by the Bureau Veritas **substantiating the operational excellence and standards practices** pursued by the Institute.
- Tata Power was Awarded Gold for **Best Performing Project of the Year** for the Khandke 50.4 MW Wind Farm, Ahmednagar, by Indian Wind Energy Forum (IWEF).



Board of Directors



**Mr. Natarajan
Chandrasekaran**
Chairman
Non - Independent,
Non - Executive Director



Mr. Nawshir H. Mirza
Independent,
Non - Executive Director



Mr. Deepak M. Satwalekar
Independent,
Non - Executive Director



Ms. Anjali Bansal
Independent,
Non - Executive Director



Ms. Vibha Padalkar
Independent,
Non - Executive Director



Mr. Sanjay V. Bhandarkar
Independent,
Non - Executive Director



Mr. K. M. Chandrasekhar
Independent,
Non - Executive Director



Mr. Hemant Bhargava
LIC Nominee Director
Non - Independent,
Non - Executive Director



Mr. Saurabh Agrawal
Non - Independent,
Non - Executive Director



Mr. Banmali Agrawala
Non - Independent,
Non - Executive Director



Mr. Ashok Sinha
Independent,
Non - Executive Director



Mr. Praveer Sinha
CEO & Managing Director