



TATA POWER

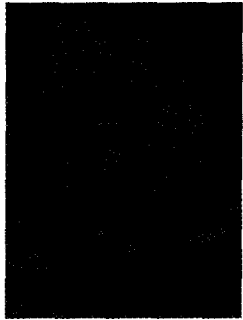


Powering growth ▶▶

65th Annual Report
2003-2004



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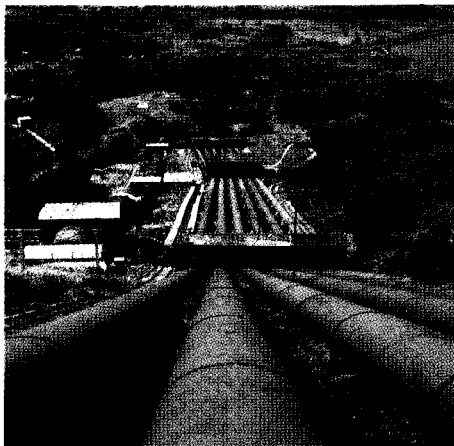
Powering growth

Powering growth

The basic elements of Life - earth, water, fire, wind and ether - have inspired Tata Power. Tata Power strives to imbibe the sheer energy, the passion and the strength of the elements to power its growth. As each element contributes to its solidity (earth), adaptability (water), dynamism (fire), presence (wind) and limitless potential (ether); Tata Power is poised for a quantum leap.

Having enhanced and enriched life in Mumbai, Karnataka, Delhi and Jharkhand and having initiated forays into Uttaranchal, Tata Power is well on its way to register a national presence. Drawing inspiration from the five elements of Life, Tata Power is making a confident move in the right direction. To grow. To prosper. To lead.

Powering growth



Generation

Tata Power has an installed power generation capacity of 2278 MW. The Thermal Power Station at Trombay and the Hydro Electric Power Stations at Bhira, Bhivpuri and Khopoli account for 1797 MW of power generation capacity. To leverage its expertise in handling power plants efficiently and ensuring reliable power, the Company acquired a 67.5 MW Captive Power plant (CPP) from Tata Steel at Jojobera in Jamshedpur and a 37.5 MW plant from ACC at Wadi in Karnataka. The installed capacities of these plants have since been increased to 307.5 MW and 75 MW respectively. It also owns and operates five DG sets with a combined capacity of 81.3 MW as an Independent Power Producer (IPP) at Belgaum in Karnataka. As its contribution towards efforts in non-conventional energy, Tata Power has also commissioned a 17 MW Wind Power Project at Supa near Ahmednagar, Maharashtra. All the Tata Power generation plants exhibit a high degree of availability and reliability.



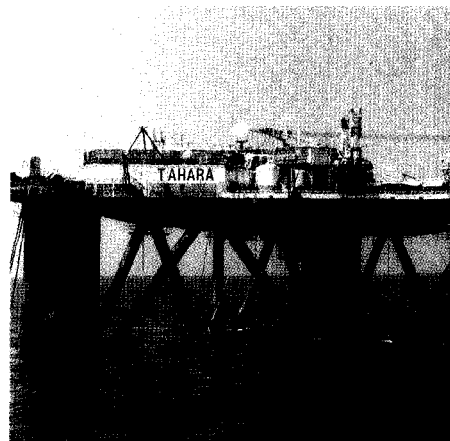
Power Supply to Mumbai

Tata Power caters to about 70% of Mumbai's power requirement. It supplies power to bulk licensees like BEST, Reliance Energy and State Electricity Boards like MSEB and MPEB. Its bulk consumers include Central and Western Railways, Mumbai Port Trust, refineries, textile mills and other industries requiring uninterrupted power supply. Tata Power has deployed elaborate resources to improve the fault restoration time of both its underground and overhead networks. This, along with Tata Power's islanding system ensures uninterrupted power supply to Mumbai. A demonstration of Tata Power's expertise is the completion of the annual overhaul of the 500MW unit at Trombay in a record 25 days, a national benchmark.



Transmission & Distribution

Tata Power transmits and distributes power to Mumbai through its 1200 circuit Kms of high voltage (220 kV and 110 kV) Transmission Network and a 1443 km HT and LT cable distribution network connecting 17 major receiving stations and 349 consumer sub-stations / distribution sub-stations in its Mumbai License area.



Energy

Tata Petrodyne Ltd. (TPL) is a wholly owned subsidiary of Tata Power. TPL is in consortium with leading oil and gas companies like Cairn Energy, Hardy Exploration & Production (India) Inc., Oil and Natural Gas Corporation (ONGC) and Hindustan Oil Exploration Company (HOEC) for its gas and oil exploration and development projects in three offshore blocks. These include two gas blocks in the Gulf of Cambay, Gujarat (North Cambay) with ONGC and HOEC; South Cambay with Cairn Energy and ONGC and one oil block in the Cauvery basin, Tamil Nadu with Hardy, ONGC and HOEC.

Powering growth



Broadband

Having launched Multi Protocol Label Switching (MPLS) Virtual Private Networks (VPNs) over India's first Metro Dense Wave Division Multiplexing (DWDM) network last year, Tata Power's Broadband Division (TPBB) has further consolidated this leadership position with continued focus on high quality customer service and product flexibility with new technology introduction. MPLS VPNs are the major drivers of IP demand, with the IP bandwidth more than doubling last year. The network expansion undertaken in Pune will help TPBB win new markets.



Design and Development

Tata Power's Strategic Electronics Division (SED) has designed and developed electronic products and systems using state-of-the-art technology for Defence and other core sectors. SED (Mumbai) is recognised by the Department of Science and Technology. The Bangalore facility is ISO 9001-2000 certified. SED's forte is the development and integration of real-time and mission-critical decision-support systems. Two major turnkey systems developed and supplied by the Division were cleared for introduction by the Indian Army.



Power Projects & Services

Tata Power's Power Systems Division (PSD) has emerged as a significant player in the domestic transmission EPC and associated business. It currently has orders worth about Rs. 430 crores; among them being a U.S. \$38 million order from the Powergrid Company of Bangladesh - the largest transmission line contract to be awarded in Bangladesh. Many of the PSD's jobs are being executed along treacherous hilly terrain, for example, the Kishenpur-Wagoora-Thathar transmission line in Jammu and Kashmir and part of the Vishnuprayag to Muzzaffarnagar transmission line in the foothills of the Himalayas in Uttaranchal. It is also undertaking other key grid strengthening projects in Maharashtra, Jharkhand and Bihar.



Customer Support

A unique feature of the Tata Power's customer care is a variety of add-on services, which are available to its consumers. Some of these include energy audit, system protection studies, review of equipment at consumer substations, diagnostic testing services, selective load trimming scheme, fault detection, assistance in maintaining safety, technical training etc. Tata Power's initiatives in customer care also include a 24x7 Call Centre, a Customer Portal and a Consumer Grievance Cell.



Earth

SOLIDITY

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Tata Power is firmly rooted in its foundation for over nine decades of its existence. With the Electricity Act 2003 opening up opportunities, Tata Power will lead from the front. Tata Power has established its leadership by putting in place the entire energy value chain and performing to excel.

Tata Power - a company that is based on rock-solid values and applies its core competence to deliver consistent results.

Powering growth through performance

Tata Power reported revenues of Rs. 4239.08 crores.

As part of its ongoing cost control exercise, Tata Power realised a savings of Rs. 188 crores on fuel costs due to change in fuel mix and heat rate improvement.

PBT increased from Rs. 676.94 crores in FY03 to Rs. 734.27 crores in FY04.

Interest and Finance Charges for the year have reduced by Rs. 57.49 crores due to significant reduction of debt.

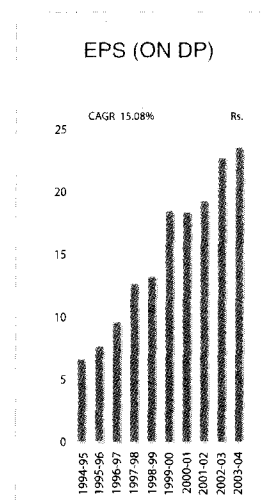
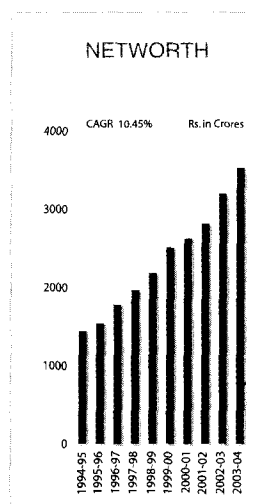
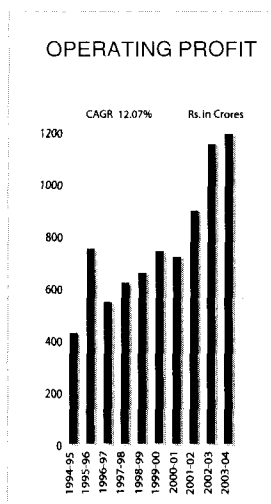
Sales to SEBs outside Maharashtra commenced in the year – 205 MUs sold to MPEB.

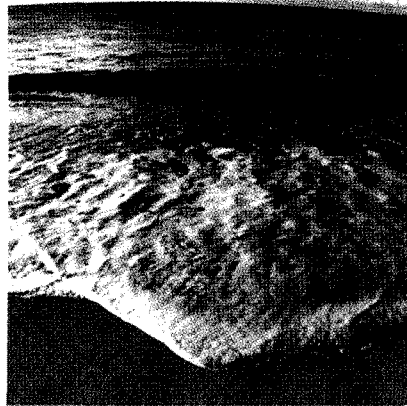
Highest ever generation achieved at Jojobera (1793 MUs) and Wadi (478 MUs).

Strategic Electronics Division registered a 46% increase in revenues.

Power Systems Division's revenue went up by 310%.

Tata Power has bagged US\$ 38 million contract from Power Grid Company of Bangladesh.





Water

ADAPTABILITY

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Tata Power has cultivated the ability to change and adapt to emerging opportunities. By leveraging its strengths and applying foresight, Tata Power is navigating the challenges and converting them into opportunities. Many new initiatives taken by the company are empowering it to register a powerful presence in the Indian power sector.

Tata Power - a company that has adapted to changing trends and challenging demands to chart its course as a leader.

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