

# **TATA POWER**



Lighting up Lives!  
**89th Annual Report**  
**2007-2008**

## VISION

To be the most **admired Integrated Power and Energy Company** delivering **sustainable value** to all stakeholders.

## MISSION

We will become the most admired company delivering sustainable value by:

Being a **Partner of Choice** and exceeding stakeholder expectations.

Ensuring **profitable growth** and value to stakeholders.

Innovating and deploying **cutting edge solutions** based on eco-friendly technologies.

Relentlessly pursuing opportunities, **capitalising on synergies** in the power and energy value chain, and expanding our presence in related businesses of interest.

Being an **Employer of Choice** and creating a culture of empowerment and high performance.

Caring for the **safety of the environment** and well-being of customers, employees and communities.

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# Lighting up Lives!

Tata Power's journey over the past nine decades is a fascinating saga of pioneering initiatives, responsible business with minimal impact on the environment and the socio-economic empowerment of its communities. Today, as India's largest integrated private power and energy company, Tata Power has set the momentum for responsible and 'sustainable' growth. In our quest to deliver sustainable energy, we are spreading our footprint nation-wide, creating new benchmarks in operational efficiencies, investing in global resources and redefining paradigms.

Our focus on building lasting and trusting relationships with our customers, partners and employees along with a legacy of caring for our communities remains the bedrock of our continued sustainability. We aim to energize consumer lifestyles by providing sustainable power. We aspire to drive energy efficiency and endeavour to educate our customers and people at large about the benefits of implementing energy conservation practices. We are committed to developing our business in a way that adds value to our local communities. Additionally, we are trying to set standards in the development and implementation of cutting edge eco-friendly technologies and processes for energy management.

As we strive to lead the reform process for sustainable power, we are also committed to safeguarding the environment for future generations. It was after all way back in the 1900s that our founder Jamsetji Tata had vowed to provide the country and its people with cheap, clean and abundant power. Tata Power is only trying to make good on that promise and takes pride in **Lighting up Lives!**

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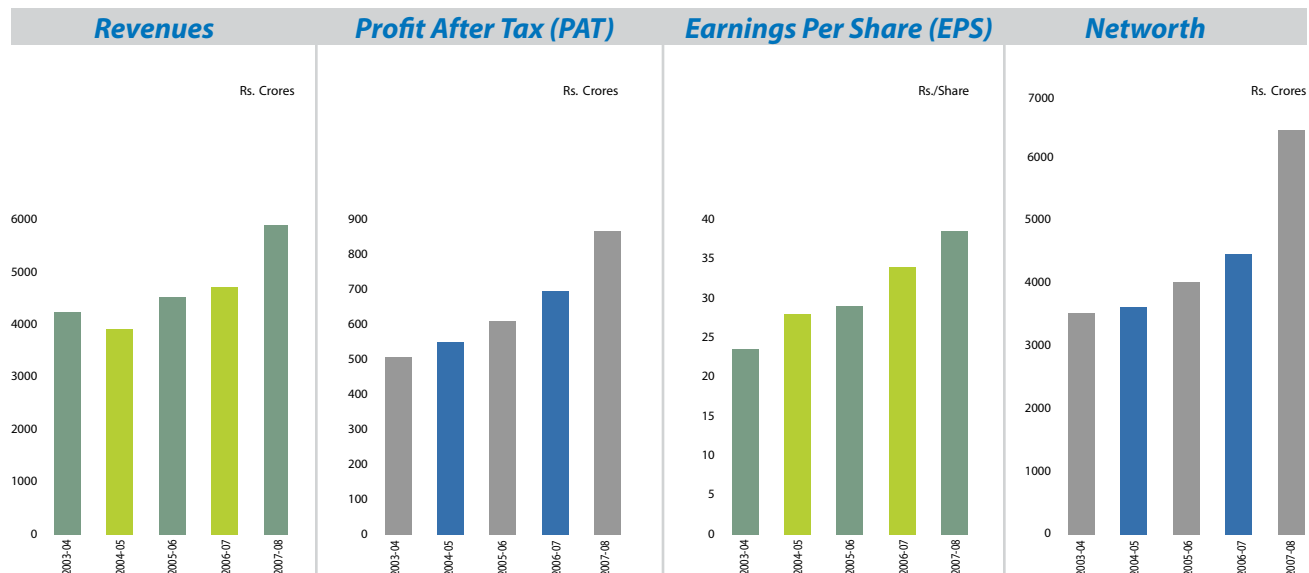
# A Glimmer of our Efforts

## HIGHLIGHTS OF THE YEAR



- ◆ Consolidated **revenues** increased to **Rs.10,890.86 crores**, a 68.18% rise over last year.
- ◆ Consolidated **PAT** rose to **Rs. 1,055.07 crores**, an **increase of 38.90%** over last year.
- ◆ Established **international footprint** by acquiring a **30% stake in Indonesian Coal Companies**.
- ◆ **Highest ever annual generation** with all units running at high plant load factor.
- ◆ Completed financing of the **4,000 MW Ultra Mega Power Project at Mundra, Gujarat**.
- ◆ Completed financing of the **1,050 MW Maithon Power Project in Jharkhand**.

## FINANCIALS AT A GLANCE



### Tata Power: Key Figures

Rs. Crores	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Operating Income	3405	3803	4300	4239	3930	4534	4715	5916
Operating Profit	720	896	1184	1287	953	835	723	937
Other Income	246	356	152	160	387	326	344	466
PBT	530	672	677	734	759	747	586	970
PAT	390	508	520	509	551	611	697	870
Earnings Per Share (EPS)--Rs./Share	18	19	23	24	28	29	34	39
Dividend Per Share (%)	50%	50%	65%	70%	75%	85%	95%	105%
Return on Capital Employed (ROCE)%	14%	17%	18%	18%	14%	13%	12%	12%
Return on Networth (RONW) (%)	14%	14%	14%	13%	15%	14%	15%	13%
Total Debt/Equity	0.67	0.66	0.51	0.34	0.56	0.50	0.60	0.38
Net Worth	2626	2819	3201	3536	3619	4010	4467	6426

# A Glimmer of our Efforts

## FINANCIAL HIGHLIGHTS

- ◆ The Company's **revenues increased 25.46%** to **Rs. 5,915.91 crores** in FY07-08 as compared to Rs. 4,715.32 crores in the previous year.
- ◆ **Profit After Tax (PAT)** stood at **Rs. 869.90 crores** as against Rs. 696.80 crores for the previous year, a **growth of 24.84%**, the highest so far.
- ◆ **Dividend** recommended at **Rs. 10.50 per share**, the highest ever so far.
- ◆ The Company's **consolidated revenues increased 68.18%** to **Rs. 10,890.86 crores** as compared to Rs. 6,475.64 crores in the preceding year.
- ◆ The **consolidated PAT** for the year stood at **Rs. 1,055.07 crores** as against Rs. 759.61 crores for the previous year, a **rise of 38.90%**. The increase in the operating revenues has been mainly on account of **inclusion of the Company's share in the Indonesian coal companies**.
- ◆ **Tata Power Trading Company Limited (Tata Power Trading)**: Tata Power Trading's revenues increased 46.32% to Rs. 882.12 crores from Rs. 602.87 crores in the previous year. In FY07-08, Tata Power Trading's PAT increased to Rs. 4.3 crores from Rs. 3.84 crores in FY06-07.
- ◆ **Powerlinks Transmission Limited (Powerlinks)**: Powerlinks, the first public-private joint venture in power transmission in India has earned revenues of Rs. 245.52 crores as against Rs. 135.01 crores in the previous year. The PAT also increased to Rs. 58.41 crores from Rs. 20.57 crores in the previous year.
- ◆ **North Delhi Power Limited (NDPL)**: From the previous year, NDPL's revenues grew by 11.45% to Rs. 2,287.23 crores. Net profit showed an increase from Rs. 185.65 crores in FY06-07 to Rs. 281.58 crores in FY07-08.

## OPERATIONAL HIGHLIGHTS



Trombay Thermal Power Station



Jojobera Thermal Power Station

- ◆ The Company's **annual sales** in FY07-08 at **14,959 MUs** exceeded the previous high of 14,422 MUs in FY06-07.
- ◆ **Annual generation** increased from 14,269 MUs in FY06-07 to **14,717 MUs** in FY07-08.
- ◆ **Trombay Thermal Power Station** recorded the highest ever generation of **10,002 MUs** crossing the 10,000 mark for the first time with a **PLF of 85.61%** for FY07-08.
- ◆ **Jojobera Thermal Power Station** also recorded highest ever generation at **2,862 MUs** in FY08. Jojobera also completed successful implementation of Integrated Management System and received certification from TÜV.
- ◆ Coastal Gujarat Power Limited (CGPL) received the host country approval for **“Clean Development Mechanism” (CDM)** project.

# Sparking New Initiatives

## NEW PROJECTS



Mundra Financing Ceremony



Maithon Financing Ceremony

The Company has charted out aggressive growth plans for the addition of 10,000 MW of generation capacity in the next five years. The projects mentioned below are in various phases of implementation.

### ◆ 4,000 MW, Mundra Ultra Mega Power Project

Tata Power reinforced its commitment to accelerate the pace of the project by completing the signing of financial agreements for 4,000 MW Ultra Mega Power Project (UMPP), coming up at Mundra, Gujarat owned by its subsidiary Coastal Gujarat Power Limited (CGPL). The cost of the project is estimated at INR 17,000 crores with the first of the five units to be commissioned in September 2011.

### ◆ 1,050 MW Maithon Joint Venture Project

Financing has been completed for the 1,050 MW Maithon Joint Venture Project. The Project, estimated at a cost of Rs. 4,450 crores is being funded on a debt-equity ratio of 70:30. The promoters, Tata Power and Damodar Valley Corporation, would bring in equity in a ratio of 74% and 26% respectively. The debt for the project is Rs. 3,115 crores and is being financed by the State Bank of India along with other banks.



250 MW Unit 8 under construction



Haldia Power Plant under construction

## ◆ **250 MW (Unit 8) Expansion Project at Trombay**

The 250 MW (Unit 8) expansion project at Trombay is on schedule and will be commissioned by October 2008.

## ◆ **100.8 MW Wind Farm Projects**

The 50.4 MW Khandke Wind Farm Project was completed in the 3rd quarter of FY08. Orders have been placed for the setting up of machines in two additional wind projects of 50.4 MW each, which are being developed in the Samana district in Gujarat and the Gadag district in Karnataka.

## ◆ **120 MW Haldia Power Plant**

Unit 1 of 2 x 45 MW Phase of Haldia Project was synchronised with the grid in April 2008. The 2nd unit is scheduled for commissioning later this financial year.

## ◆ **Captive Power Projects for Tata Steel**

The 120 MW Power House #6 at Tata Steel Works, Jamshedpur will be commissioned in FY09. The 120 MW Unit #5 at Jojobera is also progressing as per schedule and will be commissioned in FY10.

## NEW PROJECTS



Jojobera Control Room



Loading Port at the Indonesian Coal Mines

### ◆ 2,400 MW Coastal Maharashtra Project

The Company is actively pursuing setting up a mega power project in coastal Maharashtra and is in discussions with the Government of Maharashtra (GoM) to get the required assistance in land acquisition.

### ◆ Acquisition of 30% stake in Indonesian Coal Mines

On 26th June, 2007, Tata Power completed the acquisition of 30% equity in Indonesian Coal Mines, PT Kaltim Prima Coal (KPC) and PT Arutmin Indonesia, as well as trading companies from PT Bumi Resources. The acquisition was financed through bridge loan of USD 950 million.

### ◆ Captive Coal Blocks

**Mandakini Coal Block in Orissa** - The screening committee from the Ministry of Coal has allotted Mandakini Coal Block in Orissa jointly to Tata Power, Jindal Photo and Monnet Ispat. Heads of Agreement has been signed with JV partners.

**Tubed Coal Block in Jharkhand** - A joint venture has been formed with the Company and Hindalco, and Tubed Coal Mines Limited has been registered.