



TATA POWER

SUSTAINABLE
GROWTH
AND
BEYOND

REPORT
JUNCTION



Lighting up Lives!

90th Annual Report | 2008 - 2009

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SUSTAINABLE GROWTH AND BEYOND

As India's largest Integrated Private Power Utility, we at Tata Power are conscious of our role as sustainability stewards to embrace the challenges of climate change and lead the path for growing responsibly.

Our commitment to growth with responsibility has been categorical and consistent. Our sustainability initiatives comprise investment in clean coal technologies, building a strong renewable portfolio based on wind, solar and geothermal, thrust on bio-diversity conservation, streamlining water use and planting thousands of trees in the vicinity of our plants to reduce our carbon footprint. We are continuously on the lookout for eco-friendly technologies and are undertaking various projects under Clean Development Mechanism including wind projects and various small scale energy efficiency projects.

We have also created a sustained platform for the youth of the country called Tata Power Energy Club to practise energy conservation and lead the national movement for social transformation to reduce wasteful use of energy and protect our resources and environment.

Guided by our overarching vision, we continue to help improve the quality of life of the communities in and around our areas of operation, through sustainable development programs focused on livelihood generation, health and education and infrastructure development.

Tata Power. There's more to business than power.



The children on the cover page are the first four energy champions of the Tata Power Energy Club.

Highlights Of The Year



- Consolidated **revenues from operations** up by 61% at **Rs. 17,587.53 crores**.
- Consolidated **PAT** at **Rs. 1,218.74 crores**, an increase of 16%.
- **Annual Generation highest** at 14,807 MUs.
- Commissioned **250 MW 'Unit 8'** at the Trombay Thermal Power Station.
- Commissioned **90 MW in Haldia**.
- Commissioned **additional 80.6 MW wind power capacity** in Gujarat, Karnataka and Maharashtra.

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revenue up by
61%

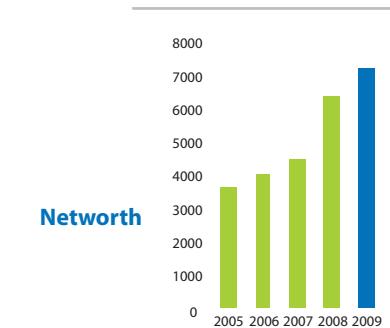
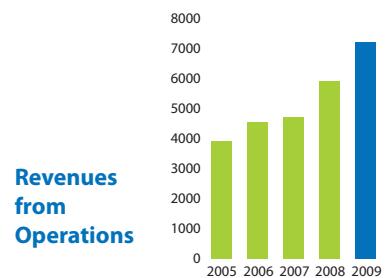


PROFITS AND BEYOND

Financials At A Glance

Tata Power: Key Figures

Rs. crores	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Revenues from operations	3803	4300	4239	3930	4563	4715	5916	7236
Other Income	265	152	160	387	326	344	498	632
PBDIT	1161	1336	1447	1340	1161	1067	1435	1773
PBT	672	677	734	759	747	586	970	1117
PAT	508	520	509	551	611	697	870	922
Net Profit after Tax and Statutory Appropriations	381	450	467	555	575	674	811	968
Basic Earnings Per Share (EPS) – Rs./Share	19.27	22.74	23.56	28.02	29.03	34.02	38.64	43.69
Dividend Per Share (%)	50%	65%	70%	75%	85%	95%	105%	115%
Return on Capital Employed (ROCE) (%)	17%	18%	18%	14%	13%	12%	12%	11%
Return on Networth (RONW) (%)	14%	14%	13%	15%	14%	15%	13%	14%
Total Debt/Equity	0.66	0.51	0.34	0.56	0.50	0.60	0.38	0.6
Networth	2819	3201	3536	3619	4010	4467	6363	7185



Financial Highlights



- The Company's **revenues from operations** increased 22.3% to **Rs. 7,236.23 crores** as compared to Rs. 5,915.91 crores in the previous year.
- **Profit After Tax (PAT)** stood at **Rs. 922.20 crores** as against Rs. 869.90 crores for the previous year, a growth of 6%, the highest so far.
- **Net Profit After Tax and Statutory Appropriations** stood at **Rs. 967.50 crores** as against Rs. 811.31 crores for the previous year, an increase of 19.25%.
- **Dividend** recommended at **Rs. 11.50 per share**, the highest ever so far.
- The Company's **consolidated revenues** from operations increased 61.49% to **Rs. 17,587.53 crores** as compared to Rs. 10,890.86 crores in the previous year.
- The **consolidated PAT** for the year stood at **Rs. 1,218.74 crores** as against Rs. 1,055.07 crores for the previous year, an increase of 15.51%.
- **Tata Power Trading Company Limited (TPTCL):** TPTCL's **revenues** increased 146.2% to **Rs. 2,171.93 crores** from Rs. 882.12 crores in the previous year. PAT also increased to Rs. 7.63 crores from Rs. 4.30 crores in the previous year.
- **Powerlinks Transmission Limited (Powerlinks):** The **revenues** of Powerlinks, the first public-private joint venture in power transmission in India, increased 3.79% to **Rs. 254.49 crores** from Rs. 245.21 crores in the previous year. PAT also increased to **Rs. 65.34 crores** from Rs. 58.41 crores in the previous year.
- **North Delhi Power Limited (NDPL):** NDPL's **revenues** from power supply increased 7.90% to **Rs. 2,467.87 crores** from Rs. 2,287.23 crores in the previous year. **PAT** for the current year is lower at **Rs. 171.47 crores** as compared to Rs. 281.58 crores in the previous year primarily on account of an exceptional credit of Rs.182 crores in the previous year.

CORE EFFORTS AND BEYOND

Operational Highlights Of The Year



- The Company generated 14,807 Million Units (MUs) of power from all its power plants during the year as compared to 14,717 MUs in the previous year.
- The Trombay Thermal Power Station generated 9,845 MUs during the year as compared to 10,002 MUs generated in the previous year, a decrease by 1.57%. The generation was lower on account of major overhaul of Unit 6 and Unit 7.
- The three hydro stations collectively generated 1,151 MUs during the year, as against 1,489 MUs generated in the previous year, a decrease of 22.7%. The generation was

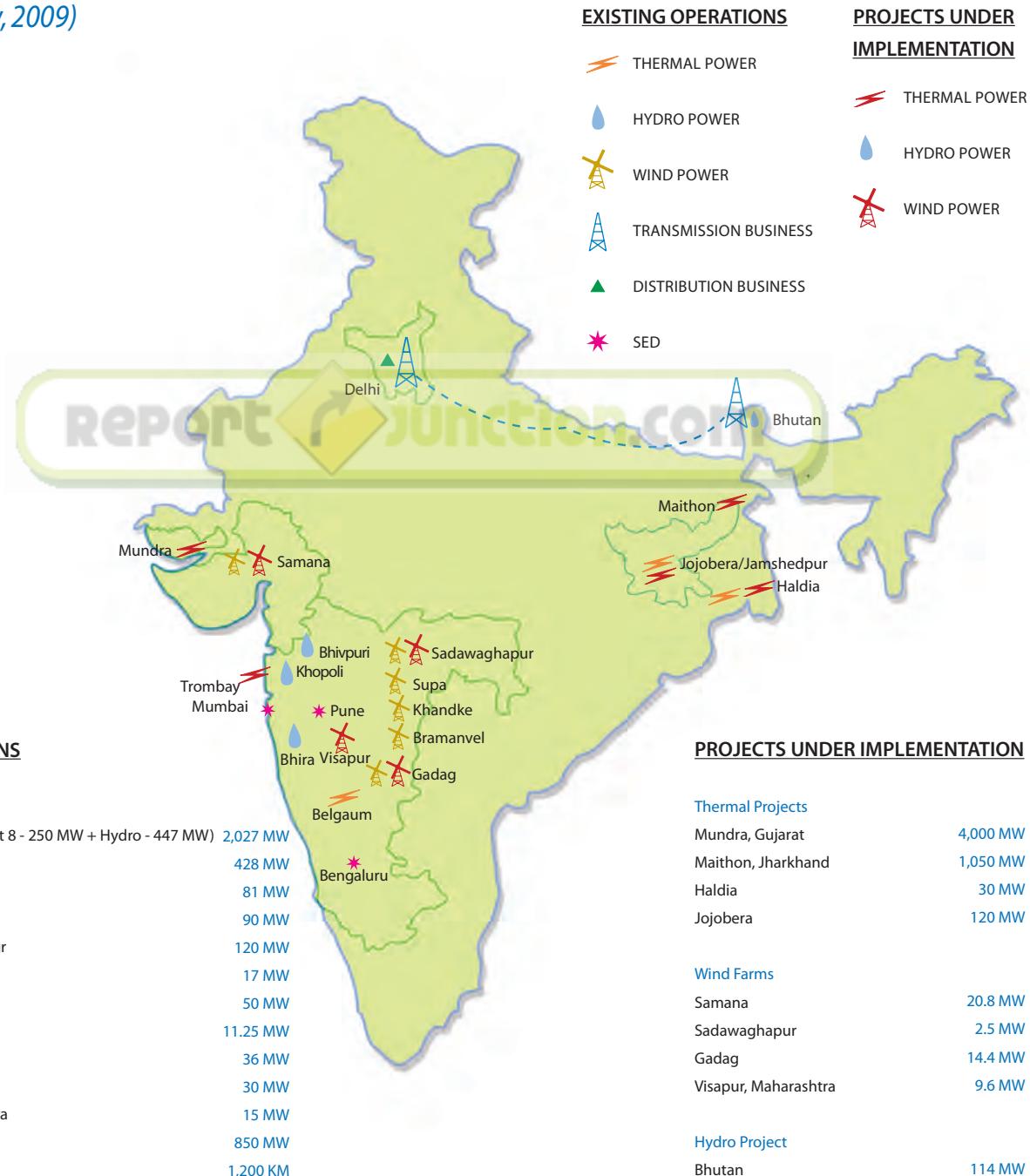
lower on account of the restriction imposed by Krishna Water Dispute Tribunal Award.

- The Jojobera Thermal Power Station recorded a generation of 3,009 MUs during the year as compared to 2,862 MUs in the previous year, an increase of 5.14%. The power station achieved the highest ever generation, crossing the 3,000 MUs mark for the first time while surpassing the previous record of 2,862 MUs in FY08.
- The Belgaum Independent Power Plant generated 447 MUs during the year as compared to 237 MUs in the previous year, an increase of 88.61% due to increased demand from Karnataka Power Transmission Corporation Ltd.

NETWORK AND BEYOND

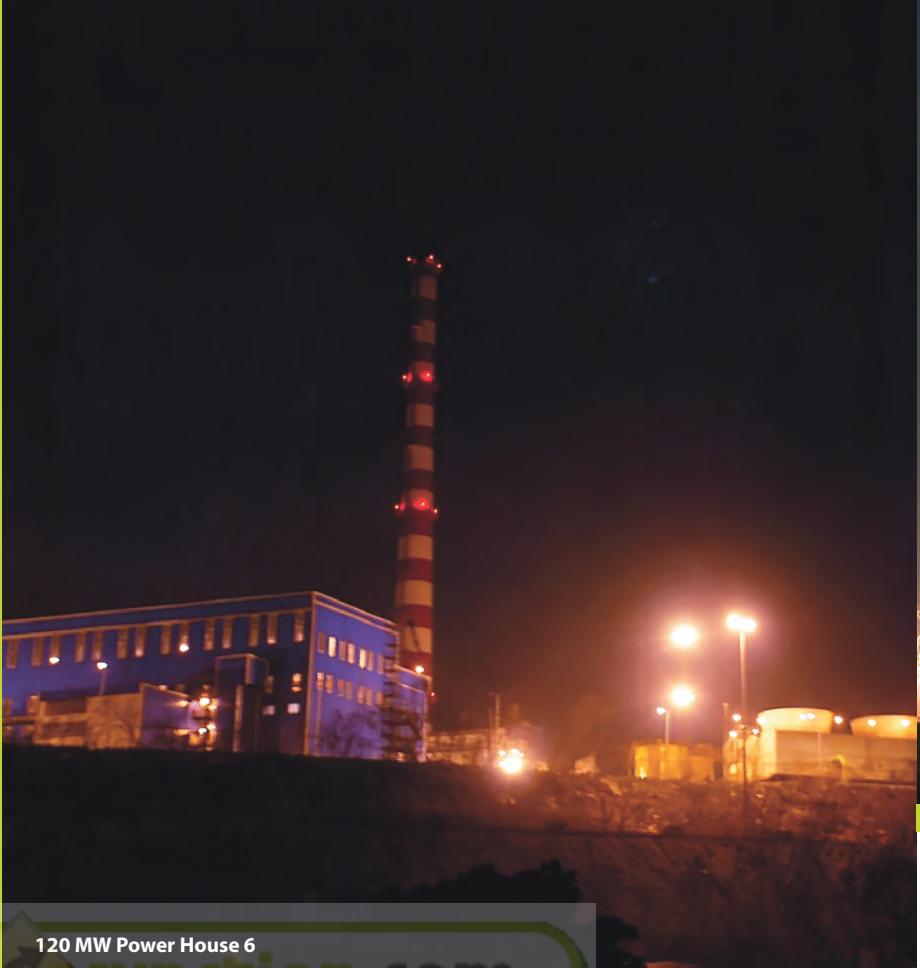
A Pan India Presence

(As on 28th May, 2009)





250 MW Trombay Project, Unit 8



120 MW Power House 6

INITIATIVES AND BEYOND

New Projects



■ **250 MW expansion Project at Trombay, Unit 8:**

The 250 MW Unit 8 imported coal based plant at Trombay was commissioned during the year and started commercial operations from end March 2009.

■ **120 MW Power Project at Haldia:**

During the year, the Company commissioned Units 1 and 2 of 45 MW each. The 30 MW Unit 3 is scheduled to be commissioned in Q1 of FY10.

■ **Captive Power Projects for Tata Steel Limited:**

Industrial Energy Limited (IEL), a joint venture between Tata Power (74%) and Tata Steel (26%) is implementing the following projects:

■ **120 MW Power House 6 for Tata Steel Works, Jamshedpur:**

The 120 MW power plant being constructed at Tata Steel works, Jamshedpur for use by Tata Steel was inaugurated in May 2009. The waste gas based Power House 6, will be supplying the entire generated capacity to Tata Steel thereby meeting the increasing demand for power for the Company's Jamshedpur works.

Unit 5 at Jojobera:

A 120 MW power plant is being constructed at the Company's existing site at Jojobera. IEL has placed orders for major equipment and construction work is in full swing. The project is expected to be commissioned in Q3 of FY10.



4,000 MW Mundra Project



1,050 MW Maithon Project



Wind Farm Project

■ **4,000 MW Mundra Ultra Mega Power Project (UMPP) on Fast Track:**

4,000 MW Mundra Project implementation is progressing as per schedule with engineering, procurement and construction activities in full swing. Overall project progress achieved is 23%. Ordering of all critical items and major packages has been completed. Out of a total of approximately 100 packages, 91 have been issued to bidders and 71 packages have been awarded. The Project site has over 5,000 direct and indirect workmen. Services of DuPont have been contracted to strengthen safety systems and procedures at site to 'best-in-class' international levels. Work on boilers, cooling water system, TG building, main control room, chimney shell casting, cable and pipe racks, 220 kV switchyard, 400 kV switchyard, ash handling and internal coal handling systems is in progress.

■ **1,050 MW Maithon Joint Venture Project:**

Maithon Power Limited (MPL), a joint venture between the Company (74%) and Damodar Valley Corporation (DVC) (26%), has received all the statutory clearances including environmental clearance from MOEF. All the PPAs have

been signed and power evacuation arrangement is in place. The Project is in an advanced stage of execution. Vendors have been finalized and contracts have been signed for supply and services of all the packages, including Boiler, Turbine Generator package, which has been awarded to BHEL. Major dispatches have been completed for Boiler & ESP structural for both units. Major civil foundations have been completed for Unit 1, whereas civil works of Railway system, coal handling system, ash handling system, IDCT, chimney, raw water intake channel works are in progress at full swing. Boiler drum has been lifted and pressure parts erection commenced for Unit 1, whereas structural erection is in progress for Unit 2. The first unit is scheduled to be in operation by Q3 of FY10 and second unit by Q1 of FY11.

■ **Wind Farm Projects:**

During the year, the Company commissioned additional 80.6 MW wind power capacity. This included 36 MW at Gadag (Karnataka), 29.6 MW at Samana (Gujarat) and 15 MW at Sadawaghapur (Maharashtra). The collective generation by these wind farms was 177 MUs during the year as against 127 MUs generated in the previous year.

COMMITMENTS AND BEYOND

Corporate Sustainability Initiatives



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TOWARDS A
GREEN WORLD



Tata Power has a long history and a tradition of looking beyond business. It is this ethos which guides us to further strengthen our efforts in sustainability. The Company is deeply committed to sustainable means of conducting its operations and is looking at various initiatives such as:

- Increasing renewable generation through wind, solar and geothermal technologies.
- Working along with EXERGEN in Australia to critically evaluate Clean Coal Technologies for commercial applications.
- Undertaking various projects under Clean Development Mechanism including wind mill projects with total capacity of above 200 MW and various small scale energy efficiency projects.
- **Tata Power Energy Club**, an initiative to sensitize the youth to reduce power wastage and save energy through various active measures. The Company has covered over 10,000 students in 28 schools of Mumbai and 3 schools in

Belgaum. These students have in turn sensitized 20,000 Mumbai citizens as part of their secondary sensitization of 'friends and neighbourhood'. Out of these 10,000 students, 300 students have started saving power at home and are called the energy champions.

- Educating customers and masses on ensuring efficient use of energy through elimination of energy wastage.
- Adopting the triple bottom line approach of economic, social and environmental value addition to the communities in and around our area of operation. The Company continued its emphasis on CSR initiatives through developing infrastructure for education, sanitation, drinking water schemes and accessibility at remote areas; health awareness programmes including Suraksha Rally on HIV/AIDS, eye camps, blood donation camps at different locations; vocational training schemes for unemployed youth, self help groups for women at various project locations and resource conservation.