

**95<sup>th</sup> Annual Report 2013-14**



Integrated play for **stakeholder value** creation



## Integrated Play for Stakeholder Value Creation

*Tata Power is India's largest integrated power company with a growing international presence. The Company together with its subsidiaries and jointly controlled entities has an installed gross generation capacity of 8584 MW in India and a presence in all the segments of the power sector viz. Fuel Security and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading.*

*It has drawn up an ambitious roadmap to expand its presence across the power value chain to empower and positively impact the lives of each and every stakeholder. With a customer base of 1.9 million, the Company plans to have 18,000 MW generation capacity, 4000 MW of distribution, 25 million tonnes per annum of energy resources and 10-X growth in value added businesses by 2022. The Company is also constantly innovating to ensure that stakeholder expectations are exceeded. Some of these are:*

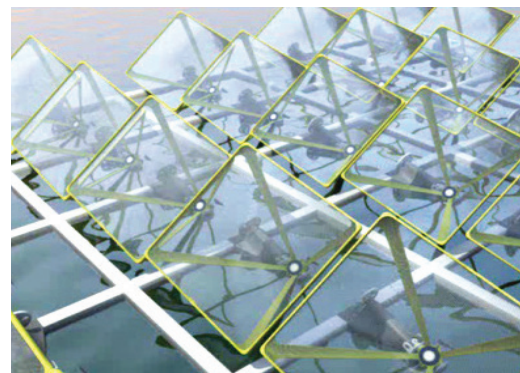
- *Successful public-private partnerships in Generation, Transmission and Distribution in India*
- *Developed country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology*
- *Focus on clean energy and one of the largest renewable energy players in India*
- *Strategic presence in Transmission through Powerlinks Transmission Limited in the Eastern and North Eastern region of India and Transmission operations in the Mumbai License Area*
- *International presence through strategic investments in Indonesian coal mines; in Singapore through Trust Energy Resources to securitise coal supply and the shipping of coal for its thermal power generation operations; in South Africa through a joint venture called 'Cennergi' to develop projects in South Africa, Botswana and Namibia; in Australia through investments in enhanced geothermal and clean coal technologies and in Bhutan through a hydro project in partnership with The Royal Government of Bhutan.*



## Highlights of the Year



- Tata Power Group's Consolidated Revenue crossed ₹ 35,000 crore.
- Touched 8584 MW capacity mark with 1.9 million customers across the country, reinforcing its position as India's largest integrated power company.
- The Company generated 42,809 MUs of power from all its power plants.
- Appointed Mr. Ashok S. Sethi as Executive Director of the Company effective 7<sup>th</sup> May 2014.
- Appointed Mr. Ramesh N. Subramanyam as the new Chief Financial Officer (CFO), effective 31<sup>st</sup> March 2014.
- Concluded Rights Issue of ₹ 1,993.38 crore, oversubscribed by 1.96 times.
- Completed acquisition of 100% shareholding in AES Saurashtra Windfarms Pvt. Ltd. (ASW), with an installed generation capacity of 39.2 MW.
- Joint Ventures (JVs) Adjaristsqali Netherlands BV and Adjaristsqali Georgia LLC incorporated as investment vehicles for the Georgia Hydro project.
- Signed an agreement to sell 30% stake in Arutmin Coal and retains PT Kaltim Prima Coal mines (KPC).







## Growth Plans: India & International

### INDIA

#### Projects under Implementation

**Kalinganagar, Odisha CPP 1 - 202.5 MW (3 x 67.5 MW):** The project is being executed through Industrial Energy Limited (IEL), a JV of the Company (74%) with Tata Steel Limited (26%) for its steel plant in Kalinganagar, Odisha. The project is in an advanced stage of execution.

#### Renewable Energy Projects

**Wind Power:** The Company is one of the leading wind power utilities in the country with an installed capacity of 460.6 MW. Tata Power Renewable Energy Limited (TPREL), a 100% subsidiary of Tata Power, acquired AES Saurashtra Wind farms Pvt. Ltd. (ASW), a 100% subsidiary of AES Corporation having 39.2 MW wind farm in Gujarat. The Company added 24 MW at its Visapur wind farms in Maharashtra.

**49.5 MW Wind Pethshivpur Project, Kolhapur** is expected to be commissioned during FY15.

**Solar Power:** The Company's existing solar capacity is 28+ MW.

**Palaswadi 28.8 MW (DC) solar project:** TPREL has executed the project and the plant is awaiting 110 kV line outage of Maharashtra State Electricity Transmission Company Limited (MSETCL) to establish power evacuation connectivity to grid.

#### Distribution

**Tata Power Jamshedpur Distribution Limited, Jharkhand:** The Company signed a Distribution Franchisee Agreement with JSEB on 5<sup>th</sup> December 2012 for a period of 15 years for power distribution in the Jamshedpur Circle in Jharkhand.

#### Projects under Development

**Dugar Hydroelectric JV Project:** The pre-feasibility study has been completed by the consortium team. The site investigations and development of the detailed Project Report are under progress.



100 MW Poolavadi Wind Project



28.8 MW Palaswadi Solar Project



50 MW Khandke Wind Project



**1600 MW Coastal Maharashtra Project:** All statutory clearances required to start the project implementation are in place. The project is in advanced stages of land acquisition.

**1980 MW Tiruldh Power Project, Jharkhand:** The process of land acquisition for the project has made further progress. Water allocation has been obtained. Environmental clearance is being discussed at the Expert Appraisal Committee (EAC) level in the Ministry of Environment and Forests (MoEF).

## INTERNATIONAL

**Dagachhu Hydroelectric Power Project, Bhutan:** The 126 MW Dagachhu project is being implemented in Bhutan by Dagachhu Hydro Power Corporation Limited [a JV of the Company]. The excavation of Head Race tunnel has been completed and the lining of the tunnel is in progress. All Civil works at the Barrage and Power House have been completed. Electro-mechanical works are in advanced stages of completion. The erection of various

electro mechanical components at the dam site and in the Power House is under progress. Project is expected to be commissioned in FY15.

**Cennergi Projects, South Africa:** The Company's JV in South Africa, Cennergi (Proprietary) Limited, achieved financial closure of the 134 MW Amakhala Emoyeni Wind Farm and the 95 MW Tsitsikamma Community Wind Farm in May 2013 and June 2013 respectively. Currently, engineering and planning activities are in progress.

**Georgia Hydro Project:** In June 2013, the Company acquired 40% shares in Adjaristsqali Netherlands BV, which is implementing hydro projects in Georgia through its 100% subsidiary, Adjaristsqali Georgia LLC. The construction of 185 MW Shuakhevi Hydro Project has commenced with all major contracts having been awarded. Activities to achieve the financial closure are at an advanced stage. The development of 150 MW Koromkheti Hydro Project has also commenced.



Ground breaking ceremony, Georgia Hydro Project



126 MW Dagachhu Hydro Project







## Leadership with CARE

### CARE FOR OUR PEOPLE

#### Safety at the Core

In Tata Power, Safety is a core value over which no business activity has a higher priority. The commitment is shown through the Safety vision, pledge and policy. Apart from this, Safety culture at Tata Power is guided by the **10 commandments of Safety**.

An **Apex Safety Committee** chaired by the Chief Executive Officer and Managing Director reviews the safety performance and guides the implementation of detailed action plans through Central Safety Committees and Site Implementation teams.

The **Safety Bipartite Committees** structure enhances the safety culture and standards in the organisation with the involvement of all employees and reinforces safety as a core value and percolates the ownership of safety at an individual level with the help of structured reviews and discussion.

### CARE FOR OUR CUSTOMERS

#### Empowering Customers with Choice

Living by the vision of its founders, Tata Power increased its consumer base to 5 lakh in Mumbai in April 2014 and has a consumer base of 1.4 million in Delhi. The Company is a fast

growing power utility in the city of Mumbai and has empowered consumers with the 'Right to Choose' their preferred power supplier.



'**My Mumbai Green Mumbai**' gives an opportunity to Mumbai consumers to exchange their inefficient electrical

appliances for new energy efficient appliances and has partnered with leading consumer appliance companies. Our consumers in Delhi are serviced through state-of-the-art Infrastructure at every touch point like '**24x7 Sampark Kendras**', an integrated, software based **Complaint Management Process** and interactive avenues like **ANUBHAV**.

**Energy audits** are undertaken for Industrial and Commercial consumers. Tata Power has launched initiatives such as **Demand Response** and **Thermal Energy Storage** incentive, which motivate the consumers to shift load from peak to off peak.



During the year, the Company's school contact programme **Club Enerji**, reached **285 schools** nationwide, sensitised **1.67 million citizens**, saved **2.72 million units** and added **32,000 Energy Champions**. The Club also has **1,150 self-sustaining Mini Club Enerjis** and has won several national and international accolades.





## CARE FOR OUR ENVIRONMENT

### Promoting the Green Agenda

The Company addresses various aspects of environment conservation such as resource conservation, energy efficiency, carbon footprint, renewable power generation, bio-diversity and green buildings. It also follows various measures like Environmental Compliance, Corporate Sustainability Protocol Index (CSPI), Green Manufacturing Index (GMI) to keep a track of the initiatives and their impact. This is done through:

- Compliance at all times to relevant Environment related requirements
- Commitment to have 20-25% of its portfolio from non-GHG sources
- Reducing Water Consumption; promoting reuse and ensuring necessary discharge temperature and quality of discharge water
- Preserving the Biodiversity around our plants.



The Company strives to create environmentally responsible employees by promoting and showcasing individual efforts in green initiatives through **Greenolution**.

## CARE FOR OUR COMMUNITY

### Supporting Vocational and Infrastructural Activities

Tata Power firmly believes in making a positive impact on the community in and around its operations. The Company has identified five thrust areas for its community relations efforts. These five thrust areas have also been aligned to the national and global frameworks on Community Development and are as follows:

- a) Augmenting Rural Primary Education System
- b) Building and Strengthening Healthcare Facilities
- c) Enhancing Programmes on Livelihood and Employability
- d) Building Social Capital and Infrastructure
- e) Nurturing Sustainability for Inclusive Growth.

To ensure that workforce deployed by the contractors is adequately skilled, **Tata Power Skill Development Institute** will be involved in imparting modular power skills training, testing, certification and accreditation, in a phased manner to the workers.





# FINANCIAL HIGHLIGHTS

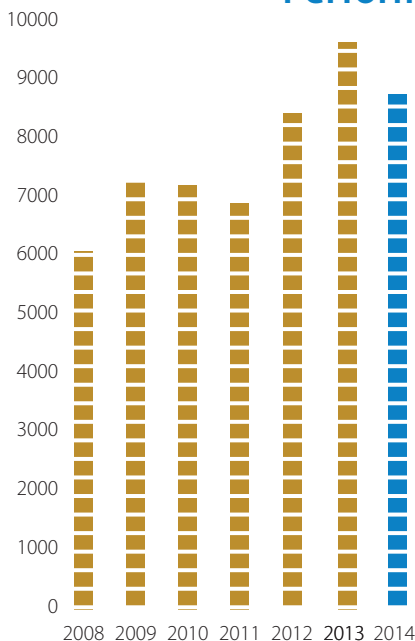
## CONSOLIDATED

- Tata Power Group's FY14 Revenue was up by 8% to ₹ 35,648.70 crore as compared to ₹ 33,025.43 crore last year mainly due to full operations of Mundra UMPP, Maithon's additional 150 MW long term sale tie up with WBSEDL, high units sold by TPTCL as well as higher sales volume by TPSSL.
- Operating Profit was up 16% at ₹ 7,706.45 crore as compared to ₹ 6,638.50 crore in the corresponding period last year driven by full operations of Mundra UMPP and Maithon's improved operational profit due to additional tie up of 150 MW sale and favourable ATE order for Mumbai operations.
- PAT stood at ₹ (259.97) crore, as against ₹ (85.43) crore reported in FY13.

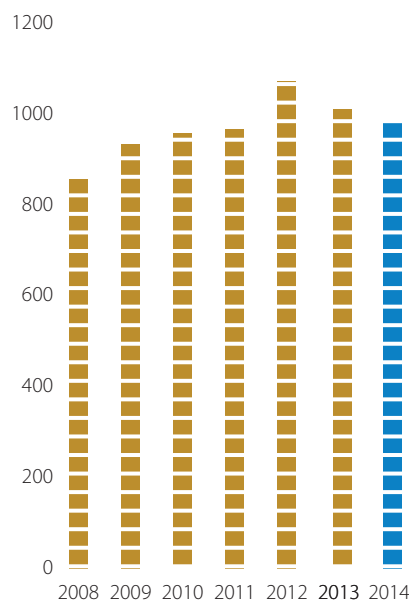
## STANDALONE

- Revenue stood at ₹ 8627.04 crore as compared to ₹ 9,567.28 crore last year.
- Operating Profit was higher at ₹ 2,554.29 crore as compared to ₹ 2,057.84 crore due to favourable ATE order in Mumbai Licence Area.
- PAT stood at ₹ 954.08 crore as against ₹ 1,024.69 in the corresponding period last year mainly due to forex losses. Last year's operating Profit also had an exceptional item pertaining to Depreciation rate adjustment.
- Board recommended a dividend of ₹ 1.25 per share as compared to ₹ 1.15 per share.

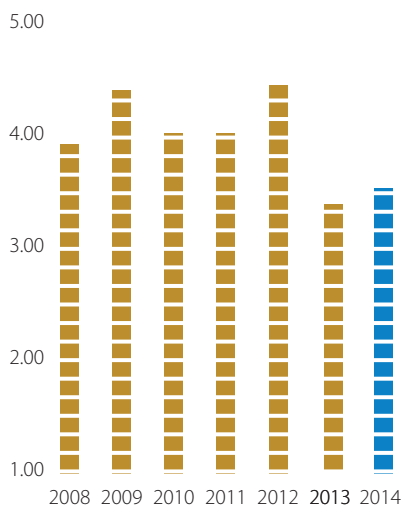
## Strong Operational Performance driving Financials



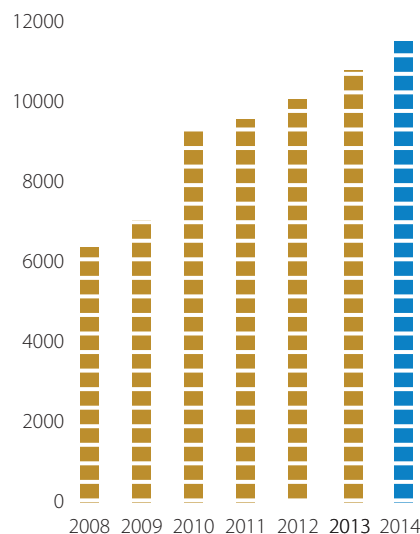
[Revenue from Operations]



[Profit After Tax]



[EPS]



[Net Worth]





## KEY SUBSIDIARIES

- **Coastal Gujarat Power Limited:** The Company has implemented and operated all five units of the 4000 MW (5 x 800 MW) Ultra Mega Power Plant (UMPP) at Mundra in Gujarat. Revenue for the year FY14 stood at ₹ 5,637.16 crore, up by 102% and Loss After Tax at ₹ (1,491.86) crore.
- **Maithon Power Limited:** The 74:26 Joint Venture company between Tata Power and Damodar Valley Corporation reported Revenue of ₹ 2,293.06 crore, up by 40% and PAT at ₹ 102.98 crore for the year FY14.
- **Industrial Energy Limited:** The Company reported Revenue at ₹ 480.16 crore, down by 6% and PAT at ₹ 88.61 crore, up by 10% for FY14.
- **Tata Power Renewable Energy Limited (TPREL):** Revenue for FY14 stood at ₹ 89.65 crore and PAT at ₹ 4.41 crore. Q4 FY14 Revenues stood at ₹ 25.55 crore, up by 43% and PAT was at ₹ 1.17 crore. During the year, TPREL has successfully commissioned 24 MW out of the 32 MW wind project at Visapur in Maharashtra, and acquired the 39.2 MW operating wind farm at Saurashtra in Gujarat from AES Corporation.
- **Tata Power Delhi Distribution Limited (TPDDL):** TPDDL, the Company's distribution subsidiary and Joint-Venture with Delhi Government, posted Revenue of ₹ 5,978.51 crore, up 6% and PAT at ₹ 333.86 crore for FY14.
- **Powerlinks Transmission Limited (Powerlinks):** Powerlinks, the first public-private Joint-Venture in power transmission in India reported FY14 Revenue at ₹ 254.21 crore, up by 4% and PAT at ₹ 112.90 crore, down by 5% as compared to the corresponding last year.
- **Tata Power Trading Company Limited (TPTCL):** TPTCL traded a total of 11,488 MUs in FY14 as compared to 9,431 MUs in the previous year. Revenue for FY14 was ₹ 4,140.26 crore, up 9% and PAT was ₹ 39.20 crore, up 60% over last year.





## Awards & Recognition

Tata Power was recognised amongst the **World's Most Ethical Company 2014**, by the Ethisphere Institute, an independent centre of research in USA, promoting best practices in corporate ethics and governance.

Honoured with **CII-ITC Sustainability Award 2013** for its commitment and exemplary work done in the area of Sustainability in Category A, for year 2012.

Mr. Anil Sardana, CEO and MD, Tata Power was awarded "CATEGORY-VI: **Power Persona of the Year 2013**– CONVENTIONAL ENERGY-Thermal Power" at the "7<sup>th</sup> ENERTIA Awards 2013-India's Awards for Sustainable Energy and Power."

Honoured with the **Silver Shield Award** by the **Central Electricity Authority (CEA)** for its Mundra Ultra Mega Power Plant (UMPP) under its 'Comprehensive Award Scheme'. This award has been awarded for the early completion of Mundra UMPP's unit 5 (800 MW).

Honoured with the **Silver Shield Award** by the **Central Electricity Authority (CEA)** in two categories under its 'Comprehensive Award Scheme'. The award has been presented to Tata Power for its excellence in 'Performance for Distributing Power to the city of Mumbai' and 'Performance of Thermal Power Company' for Trombay Combined Cycle Power Station.

Dr. Yogendra Saxena, Head of Sustainability-Tata Power was honoured with **GreenTech Environment Champion Award 2014** for Sustainability.

Mannat BPO Center initiative won the first prize for **PRIDE: Partner Recognition for Illustrious Delivery & Excellence** for being the BEST Center & BEST Partner across its partnership for Customer Care services.

Tata Power's Trombay Thermal Power Station awarded three National Awards at the **14<sup>th</sup> Annual Excellence in Energy Management Awards** organised by CII, in Hyderabad for "**Excellent Energy Efficient unit**", "**Best innovative energy saving Project**" and "**Most useful presentation**."

Winner of the **MACCIA Awards 2013 in the Power and Energy category** for the excellent leadership and commitment demonstrated by the Company for the progress of the State of Maharashtra.

Winner of the Energize Awards 2012-2013 for "**Excellence in Power Transmission**" and "**Excellence in Power Distribution**" in Mumbai given in recognition to those organisations and individuals who have made and are making a difference to India's energy sector.

Tata Power's Process Innovation entry "**Cost Reduction by use of alternative coal in Mundra**" won the Tata Innovista Award at the Global Finals.

Bestowed with two Awards at the **Power Line Award 2013** viz. '**Best Performing Private Discom**' award for its Delhi distribution arm Tata Power Delhi Distribution Limited and Runners up Award for '**Best Performing Renewable Company**'.

