

96TH ANNUAL REPORT 2014-15

Lighting up Lives!



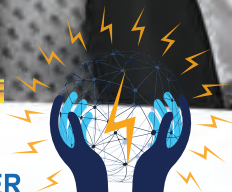
TATA

TATA POWER

100 YEARS OF INVISIBLE GOODNESS



TATA POWER
CELEBRATING 100 YEARS OF
**INVISIBLE
GOODNESS**



THIS IS JUST THE BEGINNING



Construction at Khopoli Power House



Khopoli Power House now called as Old Power House



Pipelines to carry water to Power House



Old Power House under construction



Jojobera Thermal Power Station



Supa Wind Farm



Haldia Power Station

100 YEARS AGO,
OUR VISIONARIES
NURTURED A DREAM.
TODAY, WE CHERISH
A BRIGHTER REALITY.

Goodness is most powerful when it is invisible. Like a gesture of kindness from a stranger, or an act of benevolence by someone from who you least expect it. From the beginning, Tata Power has silently pursued this Invisible Goodness with an unflinching steadfastness. We have seen India rise, striding forward with it at every moment, partnering it as it grows into an emerging superpower. Quietly, humbly, as the country has grown, we have made sure that electricity, the invisible force that powers the nation, a power that can do so much good, has always been ready and available to fuel the next great endeavour that it sets its collective sights on.

This journey began in 1915, when we commissioned our first hydro-electric power stations at Khopoli and later, Bhivpuri. And post that, keeping up with the demands of a growing nation, we kept growing. The new millennium brought with it a host of new challenges and opportunities. In 2003, Tata Power entered a Joint Venture (JV) with Power Grid Corporation

of India Limited, to develop a 1200 kms long transmission line, bringing electricity from faraway Bhutan, all the way to Delhi. In 2013, Tata Power implemented the country's first 4000 MW Ultra Mega Power Project at Mundra, Gujarat, based on super critical technology. In 2014, we further reiterated our commitment towards spreading Invisible Goodness by generating energy through renewable sources when we acquired a 39.2 MW wind farm in Gujarat and commissioned a 30 MW Solar Power project in Maharashtra.

And now, we want to give the nation something more than just power and reach as many destinations and touch as many lives as possible to make a difference. Today, a century later, we stand tall across major sectors of power and energy in India and across the globe. Our stature defines our accomplishments. Our vision of a brighter tomorrow is a reality worth cherishing for a lifetime. These 100 years have laid the foundation for the next 1000 delightful years to come.



2014-15 HIGHLIGHTS

- ♦ Tata Power Group's Consolidated Revenue stood at ₹ 34,367 crore.
- ♦ The Company achieved 8,726 MW capacity mark and crossed 2 million customers (14 lakh in Delhi and 6 lakh in Mumbai) across the country, reinforcing its position as India's largest integrated player and private power producer.
- ♦ The Company generated 47,200 MUs of power from all its power plants. Generation sales stood at 44,001 MUs.
- ♦ Tata Power successfully commissioned its 2nd 28.8 MW solar farm in Palaswadi, Maharashtra.
- ♦ The Company reiterated its commitment to renewable energy generation. It completed commissioning of 32 MW Wind Project in Maharashtra.
- ♦ The Company signed Share Purchase Agreement for acquisition of 270 MW Coal based Thermal Power Project in Maharashtra.
- ♦ Tata Power's 100% subsidiary redeemed USD 450 million Fixed to Floating Rate Subordinated Notes.
- ♦ The Company issued Non-Convertible Debentures worth ₹ 1,500 crore.
- ♦ The Company entered into a Share Purchase Agreement in relation to the 120 MW Itezhi Tezhi Hydropower Project in Zambia.
- ♦ Hon'ble Ex-Prime Minister of Georgia Mr. Irakli Garibashvili blessed the event to mark Financial Closure of Tata Power's Georgia Hydro Project.
- ♦ The Company announced full commissioning of 2 units of 63 MW each of Dagachhu Hydro Power Project in Bhutan to provide clean power to India.

THE GROWTH STORY

The Company is committed to responsible growth, especially as it opens the doors to new developments, nation building and better standards of living.

INDIA

Projects under Execution

Tata Power Renewable Energy Limited (TPREL): Two wind projects of 154 MW are under construction in Gujarat and Rajasthan, of which 18 MW is already commissioned.

Industrial Energy Limited (IEL): The 202.5 MW Kalinganagar project is being executed through IEL, a JV of the Company (74%) with Tata Steel Limited (26%) for its steel plant in Kalinganagar, Odisha. The project is in advanced stages of execution.

INTERNATIONAL

Cennergi, South Africa: The Company's JV in South Africa, Cennergi Limited, achieved financial closure of 134.4 MW Amakhala Emoyeni Wind Farm and 95.17 MW Tsitsikamma Community Wind Farm in May 2013 and

June 2013 respectively. The construction of both projects is progressing on schedule.

Adjaristsqali Hydro Project, Georgia: The construction of 187 MW Shuakhevi Hydro Project in Georgia has commenced with all major contracts having been awarded. The Company achieved the financial closure for Shuakhevi Hydro Project on 19th March, 2015.

Itezhi Tezhi Hydro Power Project: The Company has acquired 50% shares held by Tata Africa Holdings (SA) (Pty) Limited (Tata Africa) in Itezhi Tezhi Power Corporation Limited during the year, which is implementing the 120 MW Itezhi Tezhi Hydro Project in Zambia. The balance 50% is held by Zambia Electricity Supply Company Limited, the national power utility of Zambia.

Potential Future Growth Areas

INDIA

1600 MW Coastal Maharashtra, Dehrand: During the year, the Company has successfully completed acquisition and possession of private land for the project. All statutory approvals required to start the project are in place. Clearance by Government of Maharashtra for transfer of Government land to Maharashtra Industrial Development Corporation for Tata Power is in final stages.

380 MW Dugar Hydroelectric JV Project: The site investigations and development of the Detailed Project

Report are under progress through its SPV, Dugar Hydro Power Limited.

1980 MW Tiruldih Power Project: The Company has acquired around 40% of the required land. Water allocation for the project has been obtained. Environment Clearance (EC) is being discussed at the level of EAC (Expert Appraisal Committee) in the MoEF. Post deallocation of Tubed coal block, further action on EC is contingent on obtaining a firm coal linkage for the project.

Odisha Project: Naraj Marthapur was originally envisaged as an end-use plant for Mandakini coal block. Due to the proximity to the wild life sanctuary, the Company is exploring all options including an alternate site for location of the thermal power project and associated coal linkage.

Tata Power Renewable Energy Limited: The Company is developing over 200 MW of wind power projects in India. It has acquired land in the state of Gujarat and in Rajasthan for future solar based projects.

Ideal Energy Projects Limited (IEPL): The Company signed a Share Purchase Agreement with IEPL, promoted by IRB group, for acquisition of 100% of shares in the 270 MW power project located near Nagpur, Maharashtra. Currently, both sides are working towards completing the conditions precedent to the transaction.



Cennerji, South Africa Project



Itezhi Tezhi Hydro Power Project



Adjaristsqali Hydro Project, Georgia
Financial Closure



Trombay Thermal Power Station



Mithapur Solar Project



Samana Wind Farm

100 YEARS OF LEADERSHIP WITH CARE

Tata Power's Sustainability model encompassing *Care for Environment, Care for Community, Care for Customers, and Care for People*, (i.e. employees, shareholders, suppliers and partners) aims at strengthening structures and processes for environmental performance, stronger engagement with community, customers and employees, by using enablers like new technology, benchmarking and going beyond compliance in key operational parameters.

In its Centenary year, Tata Power has reinforced its commitment towards this strategic pillar through various initiatives.

Care for Environment

Care for the Environment addresses various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, bio-diversity and green buildings.

In its Centenary year, Tata Power committed to develop 450 MW of clean power through hydel (same as its current existing capacity of 450 MW of Hydros at Maharashtra), as its contribution to facilitate clean power for India.

The Company also plans to exponentially expand its unique programme on energy, resource, civic and moral values conservation, **Club Enerji**. It is spearheaded by school children and focuses on a larger objective of nation building by creating responsible citizens. This will be facilitated through mass awareness drives/rallies and unique initiatives conducted by these school children.



The Company also launched '**Act for Mahseer**', a sustainable programme focused at conservation of the Mahseer, an endangered species of fish. It is a call to action public campaign aimed at spreading awareness about the mighty Mahseer to help preserve this valuable fish species in a big way, at the national level.

Care for Customers

One of the Company's missions is to earn the affection of consumers by delivering superior experience and value, thereby making them our ambassadors. It believes that customers come first and it ensures service excellence with uninterrupted, reliable and quality power with cutting edge technology. Tata Power focuses on building relationships with all its customers. All the efforts are aligned towards:

- ♦ Customers and the culture of exceeding their expectations
- ♦ Understanding and managing people who impact the culture of our organisation
- ♦ Customers being recognised and treated as family
- ♦ Increasing value perception on relationship building
- ♦ Service being seen as a value-adding activity
- ♦ Reward and recognition being based on customer focus and sustainability i.e., 'going the extra mile'
- ♦ Improving technological support for services
- ♦ Ensuring safety through Technological Interventions
- ♦ Listening and learning by being adopters of various communication channels

This Centenary year, a bouquet of innovative and unique initiatives have been lined up to delight Tata Power customers, such as launch of the first ever free mobile application for customer convenience in electricity distribution and a special reward scheme to honour loyalty.





The Company has also launched its 'Be Green' initiative under the aegis of **Greenolution** to unify consumers in the green movement. The initiative will also motivate them to associate with and contribute to ensuring a greener and sustainable planet in a more integrated fashion. The key programs that will run under Be Green are Demand Side Management (DSM) programs, carbon footprint mapping, e-billing and other e-initiatives, electronic payment modes like ECS, sapling distribution, energy conservation awards, energy conservation and efficiency initiatives and all future initiatives planned with respect to sustainability.

Care for Communities

Tata Power firmly believes in making a positive impact on the community in whose vicinity its power plants operate. The Company has identified five thrust areas that can help it focus its community relations efforts, that have also been aligned to the national and global frameworks on Community Development. They are, augmenting Rural Primary Education System with focus on girl child, building and strengthening Health & Sanitation facilities, enhancing programmes on Livelihood & Employability, building Social Capital & Infrastructure and nurturing Sustainability for Inclusive Growth.

In FY15, Tata Power Group companies reached out to more than 250 villages/urban pockets across 7 states and its Licensed Area of Delhi. The year saw Tata Power ramp-up CSR capabilities and operations across all locations by bringing robustness to systems and processes to ensure effective programs which deliver long-term impact and change to the community. **Key highlights of programs in FY15 are as follows:**

- ♦ Reached out to **half a million beneficiaries** through initiatives in Education, Health, Livelihood, Social Capital & Nurturing Sustainability
- ♦ Reached out to **more than 260 schools** covering **more than 83,000 school students** through various Educational initiatives
- ♦ **96 villages** covered under Vocational Training and Employability programme covering approximately - 1000 youth with an average income between ₹ 5000-8000
- ♦ More than **110 villages** reached through water and energy solutions
- ♦ More than **50 villages** installed with Solar Street Lights across locations

During Centenary year and in line with its nationalistic spirit, the Company also dedicated the **Tata Power Skill Development Institute** (TPSDI) meant for empowerment of the Indian workforce. TPSDI will be targeting to skill more than 5000 trainees in the next 3 years and more than 60,000 by 2022.

Care for People

Safety at the Core

Safety has been a core value and always the top-most priority in Tata Power. Tata Power has a structured Safety organisation for monitoring, implementing, and taking corrective actions for safety improvements.

There were approximately 12,500 direct and contract workers at various locations of Tata Power Group. The Company is committed to developing a culture that supports Human Rights and has instituted a Policy on the same.

The Company organises special safety awareness programmes in the vicinity of High Tension lines in Mumbai, under its Jan Jagruti Abhiyaan initiative. Over 38,000 people were sensitised in various sessions throughout the year.



FINANCIAL HIGHLIGHTS

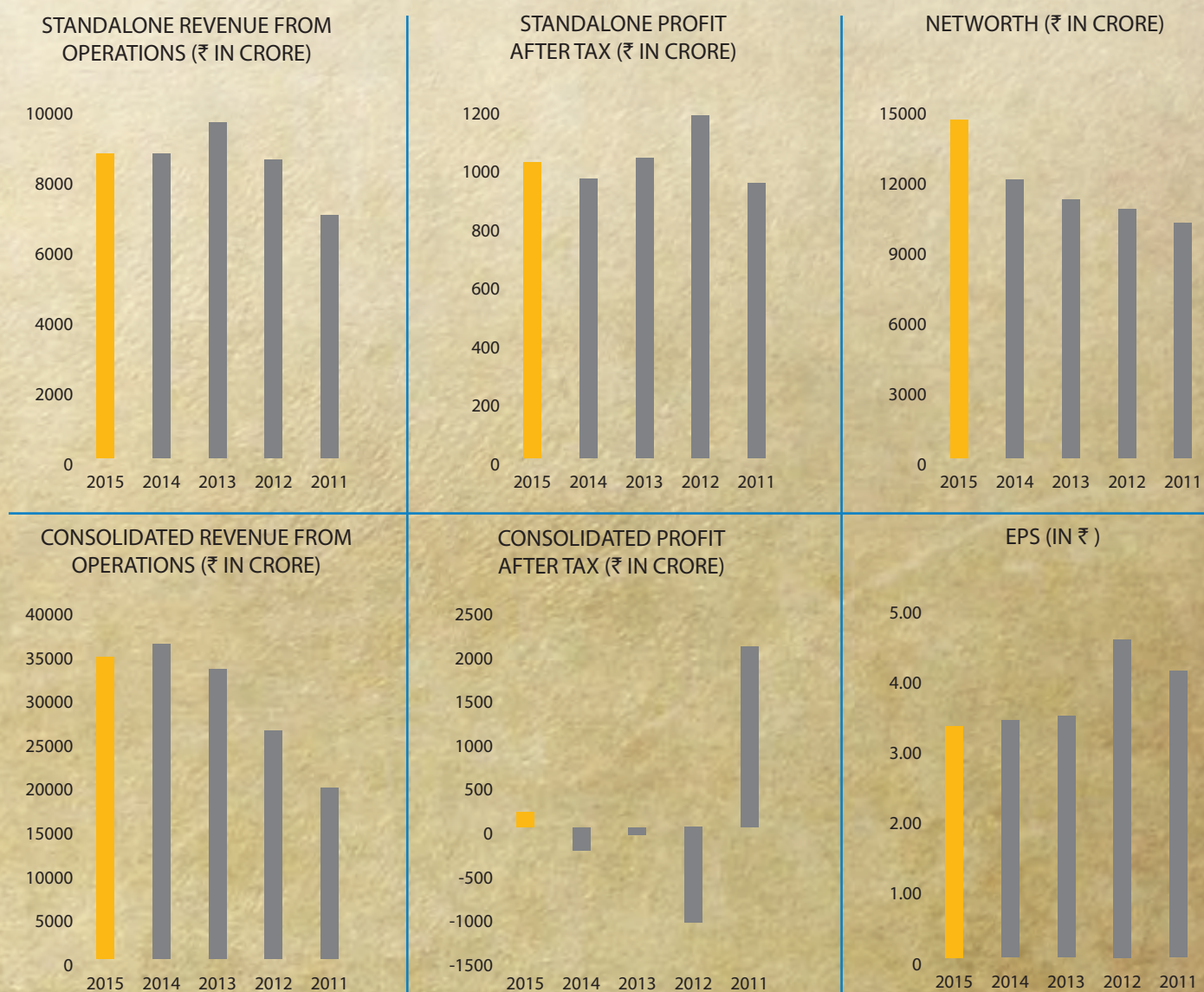
CONSOLIDATED

- ◆ Tata Power Group's FY15 Revenue stood at ₹ 34,367 crore as compared to ₹ 35,873 crore last year. This is mainly due to lower realisation in Coal Companies and lower revenue from Trombay Units, which were under restoration.
- ◆ PAT was up at ₹ 168 crore as compared to a loss of ₹ (260) crore in the previous year, mainly on account of improved operational performance of Coastal Gujrat Power Limited and Maithon Power Limited, lower depreciation and favourable impact of forex in VAT settlement in coal companies.

STANDALONE

- ◆ For the Financial Year ended March 31, 2015, Revenue stood at ₹ 8,678 crore as compared to ₹ 8,676 crore last year.
- ◆ PAT up by 6% to ₹ 1,010 crore as against ₹ 954 crore in the corresponding period last year. This was mainly due to higher dividend income and interest.

Strong Operational Performance Driving Financials



KEY SUBSIDIARIES

- ♦ **Coastal Gujarat Power Limited (CGPL):** Revenue for the Financial Year (FY15) stood at ₹ 5,982.23 crore up by 6% and Loss After Tax at ₹ (898.08) crore decreased by 40%.
- ♦ **Maithon Power Limited (MPL):** The 74:26 Joint Venture Company between Tata Power and Damodar Valley Corporation reported Revenue of ₹ 2,317.71 crore down by 1% and PAT at ₹ 210.51 crore up by 104% for FY15.
- ♦ **Industrial Energy Limited (IEL):** The Company reported Revenue at ₹ 516.70 crore up by 8% and PAT at ₹ 11.86 crore down by 87% for FY15.
- ♦ **Tata Power Renewable Energy Limited (TPREL):** Revenue for FY15 stood at ₹ 148.62 crore up by 66% and PAT at ₹ 6.31 crore up by 43%.
- ♦ **Tata Power Delhi Distribution Limited (TPDDL):** The Company's distribution subsidiary and Joint-Venture with Delhi Government, posted Revenue of ₹ 6,528.71 crore up 9% and PAT at ₹ 335.99 crore up by 1% for FY15.
- ♦ **Powerlinks Transmission Limited (Powerlinks):** Powerlinks, the first public-private Joint Venture in power transmission in India, reported FY15 Revenue at ₹ 241.91 crore down by 5% and PAT at ₹ 112.11 crore down by 1% as compared to the corresponding period last year.
- ♦ **Tata Power Trading Company Limited (TPTCL):** TPTCL traded a total of 10,572 MUs in FY15 as compared to 11,488 MUs in the previous year. Revenue for FY15 was ₹ 4,181.21 crore up 1% and PAT was ₹ 29.13 crore down by 26% over last year.



Vocational Training



Distribution of Tata Swach



Vocational Training



Enabling Education Facilities

100 YEARS OF TRIUMPH

With motivation comes effort and with dedication comes recognition. We honour every effort that goes into making us who we are today.

- ♦ Tata Power named as **"2015 - world's most ethical company"** by the Ethisphere Institute for the second year in succession.
- ♦ Tata Power **won five prestigious awards** at the 54th Association of Business Communicators Awards Nite 2015 (February 27, 2015).
- ♦ **Agni V, DRDO missile was launched** at 8.10 am on 31st January, 2015 from SED Launcher and reached the target of 5000 kms successfully.
- ♦ Tata Power was honoured with the **"CBIP Award, for Outstanding Performance in the Power Sector"** and **'Power Persona of the Year'** respectively, at the Central Board of Irrigation and Power (CBIP) Awards, 2015.
- ♦ The Company was awarded **ISO 31000:2009 Statement of Compliance for Enterprise Risk Management System** from British Standards Institution (BSI) [28th November, 2014]. Tata Power is the first Company from amongst the Tata Group to receive this Statement of Compliance for ISO 31000:2009 for its Enterprise Risk Management System, and probably second in the country.
- ♦ Trombay Thermal Power Station **honoured in three prominent categories for the second consecutive time** at the 15th CII National Award for Energy Management 2014. These categories include "Excellent Energy Efficient Unit", "Best Innovative Project" and "Most Useful Presentation".
- ♦ Tata Power - DSM Cell received the **Innovative Energy Saving Service Award** at the 15th National Award for Excellence in Energy Management 2014 by CII.
- ♦ Tata Power's Jojobera Quality Control team wins **Gold Award at Chapter Convention Quality Circle, 2014** by Quality Circle Forum India, Durgapur (QCFI). The case study presented by the Company at the convention has helped in reducing the water used in the ash plant area.
- ♦ The Company has been conferred the National Award for **Excellence in Corporate Governance** for 2013 by The Institute of Company Secretaries of India. An award was also conferred on Mr. H. M. Mistry as **Company Secretary of the winning Company**.
- ♦ Tata Power Delhi Distribution Limited (TPDDL) recently won **the 'Innovation for India Awards 2014'** for developing Tamper Evident and Defraud Electricity Meter (April 2014).

