TATA POWER

92nd Annual Report
2010-2011

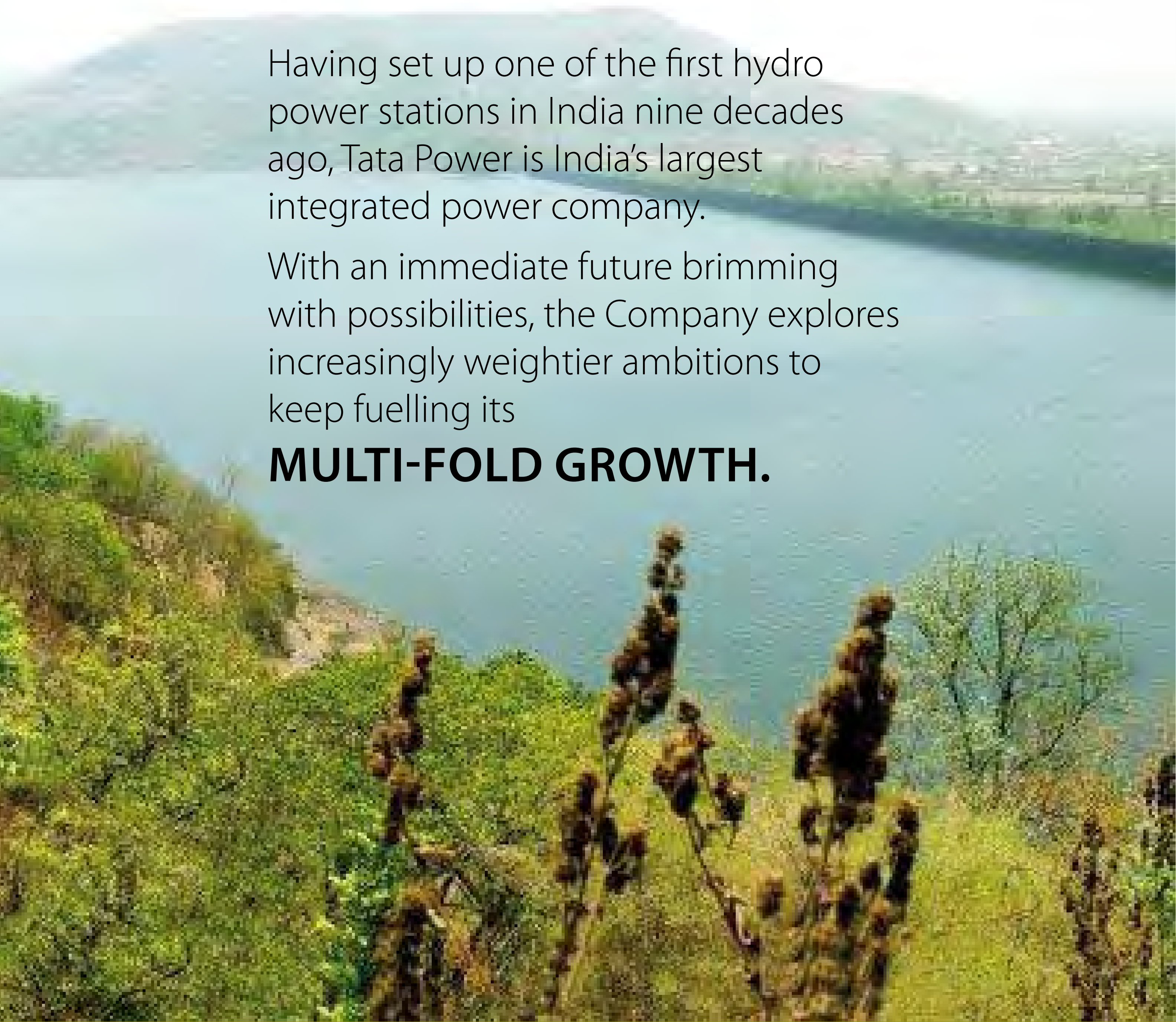
Lighting up Lives!

ON A MULTI-FOLD GROWTH PATH

Having set up one of the first hydro power stations in India nine decades ago, Tata Power is India's largest integrated power company.

With an immediate future brimming with possibilities, the Company explores increasingly weightier ambitions to keep fuelling its

MULTI-FOLD GROWTH.



Since inception, Tata Power has been a Pioneer in Technology and has contributed to the Indian Power Sector through its technological innovations.

- Early adopter of hydro electric power.
- First 150 MW thermal unit.
- First 500 MW thermal unit.
- First 220 and 110 KV gas insulated switch gear.
- Computerised grid control and energy management system.
- 220 KV transmission lines in four circuit towers.
- 220 KV Cable Transmission Network.
- Flue Gas De-sulphurisation plant using sea water.
- First to introduce SCADA and Fibre Optic ground wire communication.
- First pump storage unit in the country of 150 MW capacity.
- Bringing first 800 MW super critical thermal unit.

Unique Integrated Play

For more than nine decades, we, at Tata Power, have been guided by our founder, Shri Jamshetji Tata's vision of clean and affordable power for the country.

Our strategy has long established us as India's largest integrated private power player with presence across the power value chain. From Fuel and Logistics to Generation and Transmission to Distribution and Trading to even exploring renewable sources of energy, we now have a strong international presence.

The urgency in meeting the power requirement and its crucial role in ensuring the energy security of India has led us to catapult our growth. We are achieving it with our out-of-the-box thinking, pioneering operational procedures and a motivated team with a penchant for trendsetting.

Along with various projects commissioned in the last 3 years, the Company is on the verge of commissioning India's first Ultra Mega Power Project and, for the first time in the country, bringing in 800 MW super critical units with aggregated capacity of 4000 MW in Mundra, Gujarat. A 1050 MW mega power project in Maithon is close to commercialisation. A healthy pipeline of mega projects will be fuelling future growth. Two international clean energy projects are also under implementation viz. 114 MW Dagachhu hydro project in Bhutan and 240 MW geothermal project in Indonesia. The Company has partnership with SN Power, Norway for hydro projects and has won a bid for 236 MW Dugar Project in Himachal Pradesh. It is already a leading player in wind energy with 273 MW of wind capacity and will be adding 100-150 MW capacity every year.

While we have ambitious growth plans, we are committed to 'responsible growth'. From focusing on producing clean and green power to investing and implementing eco-friendly technologies; reducing our carbon footprint to joining global initiatives to combat climate change; scouting for clean power sources internationally to driving energy conservation and efficiency; creating sustainable livelihood for communities to green buildings and villages; we are doing all that we can to carry forward our green legacy.

Highlights Of The Year

- Consolidated Revenue stood at ₹ 19,450.76 crores.
- Consolidated Net Profit up by 5% at ₹ 2,059.60 crores.
- Annual Sales at 16,060 Million Units (MUs).
- Consumer base in Mumbai increased and crossed 1,50,000.
- New 120 MW unit commissioned at Jojobera Thermal Power Station in Eastern India.
- 3 MW, PV based, grid connected solar power plant commissioned at Mulshi in Maharashtra.
- Power Purchase Agreement (PPA) signed and construction underway for the 25 MW Solar PV Project at Mithapur in Gujarat.
- Won a bid for the 236 MW Dugar Hydro Electric Project in Himachal Pradesh along with SN Power, Norway.
- Leading private wind generator with an installed capacity of 273 MW.
- Won a bid for 240 MW Sorik Marapi geothermal project in Indonesia in a Consortium with Origin Energy, Australia and PT Supraco, Indonesia.

Putting People First

The creative and collaborative work environment at Tata Power has been instrumental in creating an invaluable workforce geared up for multi-fold growth.

Health & Safety

When it comes to achieving world class health and safety performance, there's no room for compromise at Tata Power. And it's not about statistics; it's about keeping people safe. The safety and health of our people is the principal consideration in the framing of our policies and all our business activities.

The Company invests a large amount of resources to reduce workplace accidents and ensure a safe working environment. By adhering to world class standards, promoting product and operational safety, and encouraging the active participation of every employee, Tata Power has created a healthy work environment that complements its superior business performance.

Striving for Zero Accidents and Injuries

The Company has created programmes to promote worker and contractor safety on the road, in the laboratory and wherever we operate.

Protecting Against Illness and Diseases

Tata Power is working on various awareness campaigns to help employees reduce illnesses and diseases in general. It has formally launched a Company-wide HIV/AIDS policy that is consistent with its belief that companies can be important participants in the effort to fight HIV/AIDS. It has focused on education, prevention, treatment and protecting the rights of HIV-positive employees and partners.

A healthy work environment that complements our superior business performance.

Our Green Initiatives

Powering a greener world.

At Tata Power, Sustainability forms the core of the Company's vision to make a difference and remain committed to the issues of resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around its areas of operations, such as:

- A **Sustainability Advisory Council** was constituted.
- A unique and well accepted initiative, **Tata Power Energy Club** has reached out to 285 schools nationwide (Mumbai, Delhi, Kolkata, Pune, Ahmedabad, Bengaluru, Lonavla, Jamshedpur, Belgaum), sensitised over 1.1 Million citizens and saved more than 2.4 MUs. The Club has a strong, sustainable and replicable model to spearhead a movement. It has 26,895 Energy Champions, 39,356 Energy Ambassadors and 154 self-sustaining mini energy clubs this year.
- A **BPO unit** at Khopoli has provided jobs to 213 local people in the catchment areas of the Company's hydro power stations.
- To drive energy efficiency, the Company has introduced a unique consumer initiative called **"My Mumbai Green Mumbai"**. The initiative has five programmes that offer significant discounts on energy efficient products.
- **Comprehensive education programme** has benefited over 13,000 students with over 600 learning centres in Maithon, Jharkhand.
- HIV/AIDS **awareness** campaign covered 45,890 people across Mumbai.
- **Mobile medical services** and **health camps** of Tata Power serviced 19,640 patients.
- 1,480 members from 89 **Self-Help Groups (SHGs)** have saved about ₹ 12 lakhs.
- **Employee volunteers** have contributed a total of 6,242 hours for various social and environmental causes.
- The Company is also working on the development and implementation of advanced **eco-friendly technologies** and processes for energy management.

Financial Highlights

Key Highlights - FY 2010-2011: Standalone

During the year, Tata Power reported Profit after Tax of ₹ 941.49 crores as against ₹ 938.76 crores for the previous year. Net Profit after Statutory Appropriations increased to ₹ 970.01 crores up by 2% as against ₹ 947.65 crores in the previous year. The Company's revenues were at ₹ 6,918.48 crores as compared to ₹ 7,098.27 crores in the previous year. Dividend recommended was up by ₹ 0.50 per share at ₹ 12.50 per share as compared to ₹ 12 per share last year.

Key Highlights - FY 2010-2011: Consolidated

On a consolidated basis, Tata Power's Revenues stood at ₹ 19,450.76 crores as compared to ₹ 18,985.84 crores in the last year. The Company's Net Profit after Tax before Statutory Appropriations was up 5% at ₹ 2,059.60 crores as compared to ₹ 1,966.84 crores for the last year. Net Profit after Statutory Appropriations increased by 6% to ₹ 2,088.12 crores as against ₹ 1,975.73 crores reported in FY10.

Industrial Energy Limited (IEL):

During the year, IEL earned revenues of ₹ 125.41 crores and a PAT of ₹ 24.88 crores as against revenues of ₹ 70.74 crores and a PAT of ₹ 9.46 crores in the previous year. IEL had commenced operations in May 2009.

North Delhi Power Limited (NDPL):

The Company's distribution subsidiary and Joint Venture (JV) with Delhi Govt., NDPL posted Revenues of ₹ 4,099.85 crores for the year ended March 2011, as compared to ₹ 3,393.81 crores registered in the corresponding period of the previous year. The Profit after Tax decreased to ₹ 258.18 crores as against ₹ 350.73 crores in the previous period last year mainly due to deferred tax reversal done last year.

Powerlinks Transmission Limited (Powerlinks):

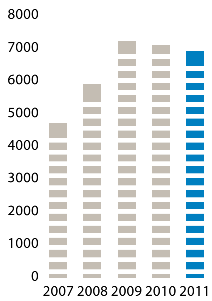
Powerlinks, the first public-private JV in power transmission in India, has earned Revenues of ₹ 288.41 crores in FY11 as against ₹ 300.98 crores in the previous year. The Profit after Tax stood at ₹ 105.68 crores as against ₹ 108.09 crores last year.

Tata Power Trading Company Limited (TPTCL):

TPTCL traded a total of 4,354 MUs as compared to 4,075 MUs in the same period of previous year. The Revenues stood at ₹ 1,933.12 crores in FY 11 as against ₹ 2,275.78 crores in the previous year. The Profit after Tax was at ₹ 9.15 crores as against ₹ 8.24 crores in the previous year, up by 11%.

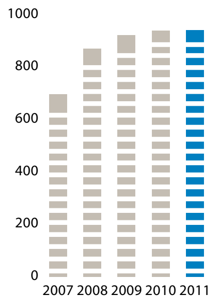
Robust financial performance reported by all businesses.

Standalone Results



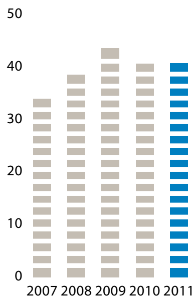
Revenues from Operations

₹ crores



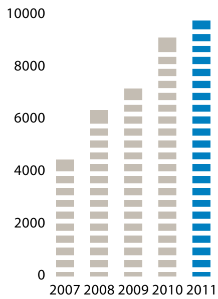
Profit After Tax

₹ crores



Earnings Per Share

in ₹



Net Worth

₹ crores

Growth Plans

Sustainable growth through various new projects.

Mundra Ultra Mega Power Project (UMPP), 4,000 MW

India's first UMPP at Mundra is progressing well with engineering, procurement and construction activities in full swing. The cumulative progress till the end of March 2011 was approximately 77%. The first unit is expected to be synchronized with the grid in the second quarter of FY12.

Maithon Power Project, 1,050 MW

The 1,050 Maithon Power Project is close to commissioning. Unit 1 has been successfully synchronized with secondary fuel oil in March 2011. Unit 1 coal firing and Commercial Operation Declaration (COD) is expected before end of H1 FY12.

Dagachu Hydro Power Project, 114 MW

This project, in partnership with The Royal Government of Bhutan (RGoB), is progressing well. Major ordering for the project has been completed. All statutory clearances, land, water and environment clearances have been received and PPA for the entire quantum of power has been signed. The project is expected to be commissioned in FY14.

Coastal Maharashtra Project, 1,600 MW

All statutory clearances required to start the 1,600 MW Coastal Maharashtra Project are in place. Disbursement of compensation to land owners is in progress by Raigad District Authorities and above 50% of private land has been acquired till date.

Tiruldih Power Project, Jharkhand, 1,980 MW

The process of land acquisition for the project is in progress. In principle clearance has been received from Railways for transportation of coal from Tubed Coal Block. Tubed Coal Block has been jointly allotted to Tata Power and Hindalco in Jharkhand.

Partnership with SN Power

The Company has signed an exclusive partnership agreement with SN Power, Norway to set up JVs for developing hydropower projects in India and Nepal.

Dugar Hydro Power Project, 236 MW

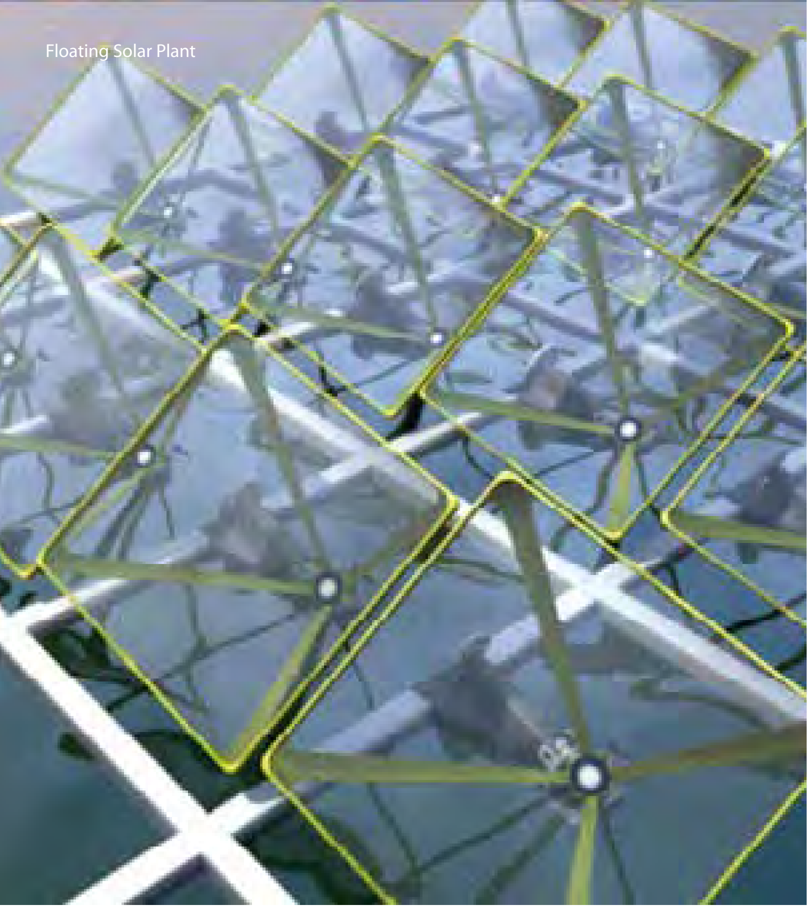
The Tata Power-SN Power consortium recently won the bid for 236 MW Dugar Hydro Power Project in Himachal Pradesh. The project will primarily feed the Northern Grid.

Naraj Marthapur, Orissa, 660 MW

The major clearances for the 660 MW Naraj Marthapur project have been obtained. The Environment Clearance has been granted by MoEF, subject to clearance from National Board of Wild Life for which the process is on. All the balance clearances for the project have been obtained.

Mundra project

Maithon project


Floating Solar Plant


Mulshi project

Robust Renewables Portfolio

25% generation through renewable sources of energy.

Solar Power:

Mulshi Solar Plant, 3 MW

The Company has commissioned a 3 MW, PV based, grid connected Solar plant at Mulshi, in the Western Ghats.

Solar Power Project, 25 MW

The Company has also signed a PPA with Gujarat Urja Vikas Nigam Limited for a 25 MW Solar Photovoltaic (PV) Power Project at Mithapur, Gujarat.

Solar Rooftop

A 60.48 kWp solar power plant has been installed on the rooftop of Tata Power's office at Carnac Bunder. It was implemented in the month of December 2010 and is estimated to operate at a PLF of around 16%.

Floating Solar Plant

The Company has also partnered with the Australian company – Sunengy Pty. Ltd. to build the first floating solar plant in India.

Wind Farm Projects:

Tata Power has an installed capacity of 273 MW spread across four states viz. Maharashtra, Gujarat, Tamil Nadu and Karnataka. The Company had placed an order for 150 MW additional wind capacity to be set up in Maharashtra and Tamil Nadu, of which 45 MW was commissioned in April 2011 and the balance is expected to be commissioned by December 2011.

Sorik Marapi Geothermal Project, 240 MW:

Tata Power led consortium along with Origin Energy, Australia and PT Supraco, Indonesia won the Sorik Marapi geothermal project in Indonesia. The Sorik Marapi project is estimated to support the development of approximately 240 MW of geothermal generation capacity. The expected Commercial Operation Date for the project is June 2015.

Operational Highlights

Healthy mix of conventional and non-conventional generation.

The Company had an installed capacity of 3,127 MW based on various fuel sources: thermal (coal, gas, oil), hydroelectric power, renewable energy (wind, solar PV and waste gases). The Company registered sales of 16,060 MUs of power in FY11 as against 15,574 MUs in FY10, a growth of 3%.


Trombay Thermal Power Plant

During the year, Company's Operations showed a steady performance. The Company generated 15,325 MUs of power from all its power plants.


Jojobera Power Plant

Excellence In Distribution

Mumbai Retail Business: The Company's retail business in Mumbai grew significantly, with retail sales increase of 58% to 4,393 MUs during FY11 from 2,782 MUs in the previous year. The total customer base as on 31st March, 2011 was 1,61,183. A number of services/customer convenience facilities were introduced during the year.


Wind Farms

Leading player in wind energy generation in the country.

BOARD OF DIRECTORS

(As on 19th May, 2011)

Mr R N Tata	Chairman
Mr R Gopalakrishnan	
Dr H S Vachha	
Mr A J Engineer	
Mr N H Mirza	
Mr D M Satwalekar	
Dr R H Patil	
Mr P G Mankad, IAS (Retd.)	
Mr A K Basu	
Mr Thomas Mathew T	LIC Nominee
Mr Anil Sardana	Managing Director
Mr S Ramakrishnan	Executive Director
Mr S Padmanabhan	Executive Director
Mr B Agrawala	Executive Director

COMPANY SECRETARY	Mr B J Shroff
REGISTERED OFFICE	Bombay House, 24, Homi Mody Street, Mumbai - 400 001
SHARE REGISTRARS	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr E Moses Road, Mahalaxmi, Mumbai - 400 011
SOLICITORS	Mulla & Mulla and Craigie Blunt & Caroe
AUDITORS	Deloitte Haskins & Sells
BANKERS	Citibank N. A. HDFC Bank Ltd. ICICI Bank Ltd. IDBI Bank Ltd. Kotak Mahindra Bank Ltd. Standard Chartered Bank Ltd. State Bank of India

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members.

Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live in.

Annual General Meeting

Date : Wednesday, 24th August, 2011

Time : 3 p.m.

Venue : Birla Matushri Sabhagar,
Sir Vithaldas Thackersey Marg,
19, New Marine Lines,
Mumbai 400 020.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.

Shareholders are requested to kindly bring their copies to the meeting.

Visit us at : www.tatapower.com

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Consolidated Financial Statements

NOTICE

The NINETY-SECOND ANNUAL GENERAL MEETING of THE TATA POWER COMPANY LIMITED will be held on Wednesday, the 24th day of August, 2011 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020, to transact the following business:-

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr D M Satwalekar, who retires by rotation and is eligible for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "RESOLVED that Dr R H Patil who retires as Director pursuant to the provisions of Section 256 of the Companies Act, 1956, be and is hereby appointed a Director of the Company to hold office upto 4th September, 2012."
5. To appoint a Director in place of Mr P G Mankad, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.
7. **Appointment of Mr Anil Sardana as Director**

   To appoint a Director in place of Mr Anil Sardana, who was appointed an Additional Director of the Company with effect from 1st February, 2011 by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing his candidature for the office of Director.
8. **Appointment of Mr Anil Sardana as Managing Director**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves of the appointment and terms of remuneration of Mr Anil Sardana as the Managing Director of the Company for the period from 1st February, 2011 to 31st January, 2016, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr Sardana.

   RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
9. **Sub-division of Equity Shares**

   To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

   "RESOLVED that subject to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, and subject to such other approvals, consents, sanctions, if any, required from any authority, 30,00,00,000 Equity Shares of ₹ 10/- each of the Company be sub-divided into 300,00,00,000 Equity Shares of ₹ 1/- each.

   RESOLVED FURTHER that pursuant to the sub-division of the Equity Shares of the Company, the 24,29,47,084 Issued Equity Shares having a face value of ₹ 10/- each, shall stand sub-divided into 242,94,70,840 Equity Shares of the face value of ₹ 1/- each.

   RESOLVED FURTHER that upon the sub-division of the Equity Shares as aforesaid, the existing physical share certificates in relation to the Issued Equity Shares of the Company shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date fixed by the Board of Directors of the Company (hereinafter referred to as "the Board", which terms shall also include any Committee thereof) and the Company may without requiring the surrender of the existing share certificate(s), issue new share certificates in lieu thereof, with regard to the sub-divided Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in case of Members who hold the Equity Shares/opt to receive the sub-divided Equity Shares in dematerialised form, the sub-divided Equity Shares shall be credited to the respective beneficiary account of the Members, with their respective Depository Participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing Equity Shares.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interests of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, Agreements and documents, including giving customary representations and warranties, together with such indemnities as may be deemed necessary and expedient in its discretion and settling any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding on all the Members."

10. **Alteration of Memorandum of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Clause VI of the Memorandum of Association of the Company be altered by substituting the following in place of the existing Clause VI:

'VI. The said capital is divided into 2,29,00,000 11% Cumulative Redeemable Preference Shares of ₹ 100/- each and 300,00,00,000 Equity Shares of ₹ 1/- each.'"

11. **Alteration of Articles of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Article 5 of the Articles of Association of the Company be altered by substituting the following in place of the existing Article 5:

'5. The Authorised Share Capital of the Company shall be as stated in Clauses V and VI of the Memorandum of Association of the Company.'"

12. **Authority to borrow in excess of paid-up capital and free reserves**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on 1st August, 2006 and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money not exceeding at any time the sum of ₹ 20,000 crores (Rupees Twenty thousand crores) on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

13. **Creation of charges**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on 1st August, 2006 and pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall also include a Committee thereof) to create such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/banks/insurance companies/other investing agencies/ trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions, banks, insurance companies, other investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not, at any time, exceed the limit of ₹ 20,000 crores.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

14. **Appointment of Branch Auditors**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), the Board of Directors be and is hereby authorised to appoint the Company's Auditors and/or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Act so far as Branch Offices in India are concerned, whether existing or which may be opened/acquired hereafter, or an accountant or accountants duly qualified to act as Auditor or Auditors of the Branch Offices of the Company situated in countries outside India, whether existing or which may be opened/acquired hereafter, in accordance with the laws of the country in which the Branch Offices of the Company are situated, to audit the accounts for the financial year 2011-12 of the Company's Branch Offices in India and abroad respectively and to fix their remuneration (which in the case of the Company's Auditors shall be in addition to their remuneration as the Company's Auditors) and the terms and conditions on which they shall carry out the audits."

NOTES:

(a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (the Act), in regard to the business as set out in Item Nos. 7 to 14 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos. 3 to 5 and 7 above as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.

(c) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.

(d) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(e) The Register of Members and the Transfer Books of the Company will remain closed from 4th August, 2011 to 24th August, 2011, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on and from 26th August, 2011 as under :

  i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 3rd August, 2011;

  ii) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 3rd August, 2011.

(f) Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents for shares held in physical form and to their respective Depository Participants for shares held in electronic form.

(g) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants.

(h) Pursuant to Section 205 of the Act, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995, have been transferred to the General Revenue Account of the Central Government. Members, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims in the prescribed Form No. II to the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to -

Office of the Registrar of Companies
Central Government Office Bldg., 'A' Wing, 2nd floor
Next to Reserve Bank of India
CBD Belapur – 400 614.

Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends for the subsequent years from the financial year ended 31st March, 1996 to the financial year ended 31st March, 2003, remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company were transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2004 onwards, are requested to make their claims to the Company accordingly, without any delay. Reminders in this regard have already been mailed to the concerned Members in December 2010.

By Order of the Board of Directors,

B J Shroff
Executive Vice-President & Company Secretary

Mumbai, 19th May, 2011

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 7 to 14 of the accompanying Notice dated 19th May, 2011:

Item Nos. 7 & 8: Mr Anil Sardana was appointed as an Additional Director of the Company with effect from 1st February, 2011 by the Board of Directors under Section 260 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 260 of the Act, Mr Sardana holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr Sardana's appointment as a Director. The Board had also appointed Mr Sardana as the Managing Director for the period from 1st February, 2011 to 31st January, 2016, subject to the approval of the Members.

Mr Sardana, aged 52 years, is an Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWAI) and holds a Post Graduate Diploma in Management from Delhi. Mr Sardana brings with him over three decades of proven experience in the power sector and has worked with companies like North Delhi Power Limited (a subsidiary of Tata Power), National Thermal Power Corporation Limited and BSES Limited (prior to it becoming an ADAG group company).

Mr Sardana was Managing Director of Tata Teleservices Limited for over 3 years as well as Tata Teleservices (Maharashtra) Limited for about 6 months. Earlier, he had held the position of Executive Director (Strategy and Business Development) of the Company from 1st March, 2007 to 3rd August, 2007 and then served as Non-Executive Director from 9th August, 2007 to 2nd July, 2008.

The principal terms and conditions of Mr Sardana's appointment as Managing Director (hereinafter referred to as 'Mr Sardana' or the 'Managing Director') are as follows:

(1) **Tenure of Agreement :**

For a period of 5 years commencing from 1st February, 2011 to 31st January, 2016.

(2) **Nature of duties:**

(a) The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

(b) The Managing Director shall not exceed the powers so delegated by the Board pursuant to Clause 2(a) above.

(c) The Managing Director undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

(3) (a) Remuneration: Basic salary upto a maximum of ₹ 6,50,000/- per month. The next annual increment will be effective 1st April, 2012. The annual increments which will be effective1st April each year, will be decided by the Board and will be merit-based and will also take into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances, as may be determined by the Board from time to time.

(b) Minimum Remuneration: Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.

(4) All personnel policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to the Managing Director, unless specifically provided otherwise.

The draft Agreement between the Company and the Managing Director also contains the following terms and conditions:

1. The terms and conditions of appointment of the Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.

2. The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

3. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

4. This appointment may be terminated by giving six months' notice on either side or the Company paying six months' remuneration in lieu of such notice.

5. The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

   (a) if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

   (b) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement to be executed between the Company and the Managing Director; or

   (c) in the event the Board expresses its loss of confidence in the Managing Director.

6. In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

7. Upon the termination by whatever means of the Managing Director's employment :

   (a) the Managing Director shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which the Managing Director is at the material time a Director or other officer;

   (b) the Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

8. The Managing Director's appointment is by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1)(I) of the Act.

9. If and when the Agreement expires or is terminated for any reason whatsoever, Mr Sardana will cease to be the Managing Director and also cease to be a Director. If at any time, Mr Sardana ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, Mr Sardana ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

10. The appointment of Mr Sardana in the Company will be construed as a transfer from Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited and for all intents and purposes, the date of joining will be the date on which Mr Sardana joined the Group. Mr Sardana will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

In compliance with the provisions of Sections 198, 269, 309 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Mr Sardana is not related to any other Director of the Company. Mr Sardana is concerned or interested in Item Nos.7 and 8 of the accompanying Notice.

The Board considers it desirable that the Company should continue to avail itself of the services of Mr Sardana as Director and Managing Director, in terms of Item Nos. 7 and 8 of the accompanying Notice, and commends the same for acceptance by the Members of the Company.

Item Nos.9 to 11: Over the last 2 years, the market price of the Company's Equity Shares has risen from ₹ 794.55 on 1st April, 2009 to ₹ 1,330.35 on 31st March, 2011. The number of trades on 1st April, 2009 were 4,822 as compared to 980 on 31st March, 2011. The number of investors has also dropped.

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, it is proposed to sub-divide the Company's Equity Shares, which currently have a face value of ₹ 10/- each, to ₹ 1/- each. Accordingly, 24,29,47,084 Issued Equity Shares of the Company having face value of ₹ 10/- each shall also stand sub-divided into 242,94,70,840 Equity Shares of the face value of ₹ 1/- each.

The Global Depositary Shares (GDS) held by Citibank N A, which currently represent 90 underlying Equity Shares of ₹ 10/- each per GDS, would now represent 900 Equity Shares of ₹ 1/- each per GDS. Accordingly, the Global Depositary Receipts (GDRs) held by The Bank of New York Mellon, which currently represent 1 underlying Equity Share of ₹ 10/- per GDR, would each represent10 Equity Shares of ₹ 1/- each per GDR. Each Foreign Currency Convertible Bond (FCCB) with a face value of USD 100,000, issued in 2009 and held by The Bank of New York Mellon, is convertible into 3,214 Equity Shares of ₹ 10 each. After sub-division, each FCCB will represent 32,140 Equity Shares of ₹ 1/- each.

The proposed sub-division of the face value of the Equity Shares of the Company from ₹ 10/- per share to ₹ 1/- per share, requires an amendment to the Memorandum and Articles of Association of the Company. Accordingly, Clause VI of the Memorandum of Association and Article 5 of the Articles of Association of the Company are proposed to be altered in the manner set out in the Resolutions, to reflect the alteration in the Authorised Share Capital of the Company.

The approval of the Members of the Company is sought pursuant to the provisions of Sections 16 and 31 of the Act, for the proposed alterations to the Memorandum of Association and the Articles of Association of the Company, respectively.

A copy of the Memorandum and Articles of Association of the Company, together with the proposed alterations, is open for inspection by the Members of the Company at the Registered Office of the Company between 10.00 a.m. and 12 noon on all working days of the Company excluding Saturdays and holidays.

The Directors commend the Resolutions at Item Nos. 9 to 11 of the accompanying Notice for acceptance by the Members of the Company.

The Directors of the Company may be deemed to be concerned or interested in the above resolutions to the extent of their respective holdings in the Company or to the extent of the shareholdings of the companies/institutions/trusts of which they are directors or members or trustees without any beneficial interest.

Item Nos. 12 & 13: Under Section 293(1)(d) of the Act, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say reserves not set apart for any specific purpose. At the Annual General Meeting of the Company held on 1st August, 2006, the Members had accorded consent to the Board of Directors borrowing any sum or sums of money not exceeding at any time the sum of ₹ 10,000 crores.

At the same Annual General Meeting of the Company, the Members had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations to secure borrowings upto ₹ 10,000 crores.

In view of its strategic intent to be the largest integrated private power company in India, the Company has aggressive growth plans in the fields of generation, transmission, distribution and fuel securitization. The Company is in the process of executing thermal generation projects like Coastal Maharashtra, Naraj Marthapur and Tiruldih, hydro power projects like Dagachhu and Dugar, solar power projects in Mulshi and Mithapur and additional wind projects. These projects will entail high capital expenditure which will need to be financed by both debt and equity. The Company is also making extensive investments in transmission projects for Mumbai operations and ramping up its retail customer base in Mumbai Licensed Area.

In order to meet the financial requirements for these and future projects as also for meeting other corporate requirements, borrowing limits previously sanctioned by the Members are proposed to be increased to ₹ 20,000 crores. The purpose of this Resolution is to seek Members' consent for increase in the borrowing powers as set out in the Resolution.

The proposed borrowings of the Company may, if necessary, be secured by way of mortgages, charges and hypothecations on the Company's movable and immovable properties, present and future, in favour of the financial institutions/banks/insurance companies/other investing agencies/trustees for the holders of debentures/bonds/other instruments. As the documents to be executed by, with, or in favour of, the lender/parties may contain the power to take over the management and concern of the Company in certain events, it is necessary for the Members to pass a resolution under Section 293(1)(a) of the Act, for the creation of mortgages, charges and hypothecations to secure such borrowings.

The Directors commend the Resolutions at Item Nos. 12 and 13 of the accompanying Notice for acceptance by the Members of the Company.

None of the Directors is concerned or interested in the Resolutions at Item Nos. 12 and 13 of the accompanying Notice.

Item No. 14: As Members are aware, the Company is undertaking several projects/contracts in India as well as outside India mainly for the erection, operation and maintenance of power generation and distribution facilities. To enable the Directors to appoint Branch Auditors/Accountants for the purpose of auditing the accounts of the Company's Branch Offices in India and abroad (whether now existing or as may be established), the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 228 of the Act, in terms of the Resolution under Item No. 14 of the accompanying Notice.

The Board commends the Resolution at Item No. 14 of the accompanying Notice for acceptance by the Members of the Company.

None of the Directors is concerned or interested in the Resolution at Item No. 14 of the accompanying Notice.

By Order of the Board of Directors,

B J Shroff
Executive Vice-President & Company Secretary

Mumbai, 19th May, 2011

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr D M Satwalekar	Dr R H Patil	Mr P G Mankad	Mr Anil Sardana
Date of Birth	14th November, 1948	5th September, 1937	18th November, 1941	16th April, 1959
Date of Appointment	12th February, 2008	3rd July, 2008	3rd July, 2008	1st February, 2011
Expertise in specific functional areas	Mr Satwalekar was the Managing Director and CEO of HDFC Standard Life Insurance Company Limited from November 2000 till his super-annuation in November 2008. Prior to this, he was the Managing Director of HDFC Limited from 1993 to 2000. He has considerable experience in the fields of finance, infrastructure and corporate governance.	Dr Patil is presently the Chairman of The Clearing Corporation of India Limited and an Independent Director on the Board of Axis Bank Limited. He was the first Managing Director of National Stock Exchange of India Limited and has also worked for 7 years with Reserve Bank of India and more than 18 years with Industrial Development Bank of India (now IDBI Bank Limited).	Mr Mankad is a retired civil servant with a distinguished career of over 40 years in the prestigious Indian Administrative Service, which he joined in 1964, topping his batch. Some of the important positions that he has held include Counsellor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India and Executive Director for India and four other countries and Board Member, Asian Development Bank, Manila, which was his last assignment till July 2004.	Mr Sardana brings with him over three decades of proven expertise in the power sector and has worked with companies like North Delhi Power Limited (a subsidiary of Tata Power), National Thermal Power Corporation Ltd. and BSES Ltd. (prior to it becoming an ADAG group company). Mr Sardana was the Managing Director of Tata Teleservices Limited for over 3 years as well as Tata Teleservices (Maharashtra) Limited for about 6 months. Earlier, he had held the position of Executive Director (Strategy & Business Development) of the Company from 1st March, 2007 to 3rd August, 2007 and then served as Non-Executive Director from 9th August, 2007 to 2nd July, 2008.
Qualifications	Bachelors Degree in Technology from the Indian Institute of Technology, Bombay and a Masters Degree in Business Administration from The American University, Washington D.C.	Masters Degree in Economics and Doctorate in International Economics.	Educated at Delhi University and later at Cambridge, UK, where he obtained a Post Graduate Diploma in Development Studies, with distinction.	An Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWAI) and holds a Post Graduate Diploma in Management from Delhi.

Directorships held in other companies (excluding foreign companies)	1. Infosys Technologies Ltd. 2. Asian Paints Ltd. 3. Piramal Healthcare Ltd. 4. IL&FS Transport Networks Ltd. 5. National Stock Exchange of India Ltd. 6. Franklin Templeton Asset Management (India) Pvt. Ltd. 7. Germinait Solutions Pvt. Ltd. 8. Indian Institute for Human Settlements	1. Axis Bank Ltd. 2. The Clearing Corporation of India Ltd. 3. National Securities Clearing Corporation Ltd. 4. National Stock Exchange of India Ltd. 5. NSE.It Ltd. 6. Clear Corp Dealing Systems (India) Ltd. 7. National Securities Depository Ltd. 8. SBI Capital Markets Ltd. 9. CorpBank Securities Ltd. 10. NSDL Database Management Ltd. 11. L&T Infrastructure Finance Co. Ltd. 12. Axis Private Equity Ltd. 13. L&T Investment Management Ltd.	1. Heidelberg Cement India Ltd. 2. Tata Elxsi Ltd. 3. Mahindra & Mahindra Financial Services Ltd. 4. Max India Ltd. 5. ICRA Ltd. 6. Noida Toll Bridge Co. Ltd. 7. SRF Ltd. 8. UB (Holdings) Ltd. 9. M & M Forgings Ltd. 10. Tata International Ltd. 11. DSP-ML Fund Managers Ltd. 12. Kingfisher Airlines Ltd.	1. Coastal Gujarat Power Ltd. 2. Af-Taab Investment Co. Ltd. 3. North Delhi Power Ltd. 4. Maithon Power Ltd.
Committee position held in other companies	**Audit Committee** Infosys Technologies Ltd. (Chairman) **Investors Grievance Committee** 1. Piramal Healthcare Ltd. (Chairman) 2. Infosys Technologies Ltd.	**Audit Committee** 1. National Stock Exchange of India Ltd. (Chairman) 2. CorpBank Securities Ltd. (Chairman) 3. NSDL Database Management Ltd. (Chairman) 4. L&T Infrastructure Finance Co. Ltd. (Chairman) 5. Axis Bank Ltd. 6. National Securities Clearing Corporation Ltd. 7. NSE.It Ltd. 8. National Securities Depository Ltd. 9. SBI Capital Markets Ltd. 10. L&T Investment Management Ltd.	**Audit Committee** 1. Heidelberg Cement India Ltd. 2. Noida Toll Bridge Co. Ltd. 3. SRF Ltd. 4. Tata International Ltd. 5. DSP-ML Fund Managers Ltd. **Investors Grievance Committee** 1. Heidelberg Cement India Ltd. (Chairman) 2. Tata Elxsi Ltd. (Chairman) 3. Max India Ltd. 4. Noida Toll Bridge Co. Ltd.	Nil
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	Nil Nil	Nil Nil	Nil Nil	Nil Nil

DIRECTORS' REPORT

To The Members,

The Directors are pleased to present their Ninety-Second Annual Report on the business and operations of the Company and the statements of account for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

Figures in ₹ crores

		Standalone		Consolidated	
		FY11	***FY10***	**FY11**	***FY10***
(a)	Net Sales / Income from Other Operations	6,918.48	*7,098.27*	19,450.76	*18,985.84*
(b)	Operating Expenditure	5,327.55	*5,219.66*	14,854.36	*15,132.64*
(c)	**Operating Profit**	**1,590.93**	***1,878.61***	**4,596.40**	***3,853.20***
(d)	Add: Other Income (including net gain on exchange)	493.58	*281.58*	410.50	*588.88*
(e)	Less: Interest and Finance Charges	462.02	*422.99*	868.37	*781.82*
(f)	Profit before Depreciation and Tax	1,622.49	*1,737.20*	4,138.53	*3,660.26*
(g)	Less: Depreciation / Amortisation / Impairment	510.14	*477.94*	981.06	*892.96*
(h)	**Profit before Tax**	**1,112.35**	***1,259.26***	**3,157.47**	***2,767.30***
(i)	Less: Provision for Taxes (including provision for Deferred Tax and Fringe Benefit Tax)	170.86	*320.50*	975.56	*628.66*
(j)	**Net Profit after Tax**	**941.49**	***938.76***	**2,181.91**	***2,138.64***
(k)	Less: Minority Interest	-	-	196.50	*233.46*
(l)	Add: Share of Profit of Associates	-	-	74.19	*61.66*
(m)	**Net Profit after Tax, Minority Interest and Share of Profit of Associates**	**941.49**	***938.76***	**2,059.60**	***1,966.84***
(n)	Less: Statutory Appropriations	(28.52)	*(8.89)*	(28.52)	*(8.89)*
(o)	**Distributable Profits**	**970.01**	***947.65***	**2,088.12**	***1,975.73***
(p)	Add: Balance brought forward from the previous year	2,417.75	*2,253.21*	3,640.56	*2,476.54*
(q)	Add: Reserves acquired during the year	-	-	-	*(1.90)*
(r)	**Balance**	**3,387.76**	***3,200.86***	**5,728.68**	***4,450.37***
	which the Directors have appropriated as under to:				
	(i) Proposed Dividend	296.92	*285.05*	296.92	*285.05*
	(ii) Dividend (in respect of previous year)	-	*0.31*	-	*0.31*
	(iii) Additional Income-tax on Dividend	16.27	*37.98*	42.53	*49.05*
	(iv) Debenture Redemption Reserve	24.92	*59.77*	24.92	*59.77*
	(v) General Reserve	400.00	*400.00*	430.85	*410.61*
	(vi) Special Reserve Fund	-	-	32.62	*3.02*
	(vii) Self Insurance Reserve	-	-	-	*2.00*
	(viii) Capital Redemption Reserve	-	-	1.01	-
	TOTAL	738.11	*783.11*	828.85	*809.81*
(s)	Leaving a balance of to be carried forward	**2,649.65**	***2,417.75***	**4,899.83**	***3,640.56***

2. FINANCIAL HIGHLIGHTS

2.1 Standalone results

During the year, the Company reported a Profit After Tax (PAT) of ₹ 941.49 crores, as against ₹ 938.76 crores for the previous year. The Operating Revenue was lower at ₹ 6,918.48 crores, as against ₹ 7,098.27 crores, a decline of 3%. Operating Revenue was lower mainly on account of lower fuel cost. The Operating Profit was lower by 15% mainly due to lower generation and lower merchant tariffs in the year, as also due to one-time impact of an order of the Appellate Tribunal for Electricity (ATE) in the previous year.

Other Income was higher at ₹ 493.58 crores, as against ₹ 281.58 crores in the previous year, a growth of 75%. This was mainly due to higher dividend income from the investments made by the Company.

Earnings per share (basic) was at ₹ 40.84, as against ₹ 40.77 in the previous year.

2.2 Consolidated results

The Consolidated Operating Revenue at ₹ 19,450.76 crores grew by 2% and PAT at ₹ 2,059.60 crores grew by 5%, as against ₹ 18,985.84 crores and ₹ 1,966.84 crores respectively, for the previous year. The increase in the Consolidated Operating Revenue was primarily on account of the higher coal price realization in Indonesian Coal Companies. The Consolidated PAT is higher mainly on account of higher profits in the Indonesian Coal Companies as compared to the previous year. The Consolidated PAT growth would have been higher, but for foreign exchange gain of ₹ 358.13 crores in FY10 in Coastal Gujarat Power Limited as compared to ₹ 122.86 crores in FY11.

3. DIVIDEND

The Directors of your Company are pleased to recommend a higher dividend of 125% (₹ 12.50 per share) for the approval of the shareholders (FY10 dividend of ₹ 12 per share).

4 EXISTING BUSINESSES

As of 31st March, 2011, the Company had an installed generation capacity of 2,887 MW based on various fuel sources: thermal (coal, gas, oil), hydroelectric power, renewable energy (wind and solar photovoltaic) and waste heat recovery. The details of the installed capacity are given in Table 1.

Table 1: Details of installed capacity

Fuel Source	Location	State	Installed Capacity (MW)	Category Total (MW)
Thermal – Coal / Oil / Gas	Trombay	Maharashtra	1,580	2,089
	Jojobera	Jharkhand	428	
	Belgaum	Karnataka	81	
Thermal – Waste Heat Recovery	Haldia	West Bengal	120	120
Hydro	Bhira	Maharashtra	300	447
	Bhivpuri	Maharashtra	75	
	Khopoli	Maharashtra	72	
Renewables	Wind farms	Maharashtra Gujarat Karnataka	228	231
	Solar Photovoltaic (PV)	Maharashtra	3	
Total			**2,887**	**2,887**

Thus, the Company has achieved 27.6% of MW capacity through non-Green House Gas (GHG) based generating sources.

The Company also has businesses of Transmission, Power Distribution cum Retail in Mumbai, and other value added businesses.

Table 2: Details of other businesses

Business	Key details
Transmission (Mumbai)	Over 1,080 circuit kms. of transmission lines, connecting generating stations in Mumbai operations to 17 receiving stations in Mumbai.
Distribution (Mumbai)	Over 1,900 circuit kms. of distribution lines.
Retail (Mumbai)	Over 1,60,000 customers with sales of over 4,300 MUs in FY11.
Strategic Electronics	One of the leading suppliers of defence equipment and solutions amongst Indian Private Sector.
Power Services	One of the leading service providers for Project Management, Operations and Maintenance (O&M) and specialized services in the power sector.

4.1 Operational Highlights

The Company registered sales of 16,060 Million Units (MUs) of power in FY11, as against 15,574 MUs in FY10, a growth of 3%. The Company, however, generated 15,325 MUs of power from all its power plants during the year as compared to 15,946 MUs in the previous year, a decrease of 4%. Owing to high oil cost, the Company purchased competitive energy and met the growth needs.

4.2 TATA POWER – MUMBAI OPERATIONS

4.2.1 Generation

The Company's power generation units in the Mumbai Operations Area are at Trombay, Bhira, Bhivpuri, Khopoli, Mulshi as also wind assets at various locations in Maharashtra.

- **Trombay Thermal Power Station**

  The Trombay Thermal Power Station has an installed capacity of 1,580 MW, of which primarily 750 MW is coal fired, 650 MW uses oil and gas and the balance 180 MW uses gas as a fuel. However, Unit 5 also has multi-fuel firing capability.

  During the year, the station recorded a generation of 9,530 MUs (previous best of 10,168 MUs in FY10) with an all time high coal firing of 2.69 Million Tonnes (MT). The operational performance of the units is given in Table 3.

Table 3: Details of thermal power generation – Trombay

	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY11	*FY10*	FY11	*FY10*	FY11	*FY10*
Trombay	9,530	*10,168*	93	*87*	69	*74*

While the availability was maintained at higher levels as compared to the past year, the PLF was lower mainly on account of increased purchases of power to offset oil-based generation, in order to deliver lower tariffs for consumers. The Company is also pursuing sourcing of Administered Price Mechanism (APM) gas with the Ministry of Power (MoP) to replace oil-based generation on Unit 6 as well as to operate Unit 4, which is currently on standby due to stringent environmental norms, and thus improve the utilisation of existing assets in Mumbai.

During the year, the Company successfully completed the overhaul of Unit 6, during which the Unit underwent critical component upgradation.

- **Hydroelectric Power Stations – Bhira, Bhivpuri and Khopoli**

  The Company has three hydroelectric power generating stations, totalling 447 MW, located in the Raigad district of Maharashtra.

  During the year, the three hydroelectric power plants collectively generated 1,310 MUs, as against 1,455 MUs generated in the previous year. This reduction in generation was primarily on account of lower inflow in Bhivpuri and Khopoli lakes due to lean monsoon, resulting in lower lake levels. This has led to a lower PLF as compared to the previous year. The Company has sustained the generation availability of about 97% even with outages taken for the refurbishment of old units at Bhivpuri, major repairs to Bhira Pump Storage Unit guide vane servomotor and Bhivpuri new units' spherical valve seals.

Table 4: Details of hydroelectric power generation

	Generation (MUs)		Generation Availability (%)		PLF (%)	
	FY11	*FY10*	FY11	*FY10*	FY11	*FY10*
Bhira	318	*349*	99	*99*	24	*27*
Bhira Pump Storage Unit	557	*542*	98	*99*	42	*41*
Bhivpuri	199	*305*	90	*97*	30	*46*
Khopoli	236	*259*	99	*98*	37	*41*
Total	**1,310**	***1,455***	**97**	***99***	**33**	***37***

- **Mulshi Solar PV plant**

  The Company has commissioned a 3 MW grid connected solar PV plant, one of the largest of its kind in Maharashtra, on 31st March, 2011.

- **Wind generation assets in Mumbai Operations**

  The Company has generation assets at Supa, Bramanvel, Khandke, Sadawaghapur, and Visapur that supply wind power to its Mumbai Distribution business. During the year, the Company commissioned an additional 6 MW of wind power capacity in Maharashtra, taking the total installed wind power capacity in Mumbai Operations to 106 MW.

  Table 5: Details of installed wind power capacity in Mumbai Operations

Location	State	Installed Capacity (MW)
Supa	Maharashtra	17
Bramanvel	Maharashtra	11
Khandke	Maharashtra	50
Sadawaghapur	Maharashtra	18
Visapur	Maharashtra	10
Total		**106**

  During the year, the Company's wind farms in Mumbai Operations generated 168 MUs, as against 166 MUs in the previous year.

  Table 6: Details of wind power generation in Mumbai Operations

	Generation (MUs)		Generation Availability (%)		PLF (%)	
	FY11	*FY10*	FY11	*FY10*	FY11	*FY10*
Supa	23	*27*	94	*98*	15	*18*
Khandke	96	*95*	99	*99*	22	*22*
Bramanvel	16	*19*	98	*96*	16	*19*
Sadawaghapur	25	*24*	97	*97*	17	*18*
Visapur	8	*1*	99	*93*	21	*6*
Total	**168**	***166***	**97**	***97***	**18**	***18***

4.2.2 Transmission

The Company has about 1,082 circuit kms. of transmission network in Mumbai Operations area, comprising 971 circuit kms. of 220 kV / 110 kV overhead lines and 111 circuit kms. of 220 kV / 110 kV underground cables, which connects Trombay and the hydro generating stations to 17 receiving stations spread across the Mumbai Operations area. The transmission lines are used by Tata Power Distribution business, Brihanmumbai Electric Supply and Transport Undertaking (BEST) and Reliance Infrastructure Limited (RInfra). The major highlights for the year were as below:

- During the year, the Company added 35.3 circuit kms. of network and upgraded existing network and systems at several locations.
- 145 kV Gas Insulated Switchgear (GIS) has been commissioned at Backbay for meeting projected growth in BEST area.
- A state-of-the-art SCADA system was commissioned at Dharavi, Parel, Malad and Versova with new Remote Terminal Units.
- Under 'Jan Jagruti Abhiyaan' initiative - an awareness campaign for community safety and overhead line fault reduction - awareness programs for school children were held in Borivali and Kalyan section, covering 2,150 students from 5 schools.

During the year, transmission grid availability was 98.71% (previous year 98.86%), as against the Maharashtra Electricity Regulatory Commission (MERC) norm of 98%.

4.2.3 Distribution

The Company's distribution business in Mumbai has achieved significant growth during the year. The major highlights for the year were as below:

- System availability was maintained at a very high level, with an Average System Availability Index (ASAI) of 99.988% in FY11, as against 99.986% in FY10. This was accompanied by a reduction in the number of technical complaints per 1,000 customers from 13.34 to 11.
- To meet the increase in growth, 3 distribution substations and 65 consumer substations (80 MVA capacity) were commissioned. 152.27 circuit kms. of HT cable network and 97 circuit kms. of LT cable network were added to take the total network length to more than 1,900 circuit kms. (including LT).

4.2.4 Retail

The Company's retail business in Mumbai grew significantly, with retail sales increase of 58% to 4,393 MUs during FY11 from 2,782 MUs in the previous year. The major highlights for the year were as below:

- The Company acquired 98,590 changeover customers (Industrial – 2,396, Commercial – 14,354, Residential – 81,840) and 4,093 direct customers. The total customer base as on 31st March, 2011 was 1,61,183 (34,323 direct customers and 1,26,860 changeover customers).
- Customer satisfaction index for direct customers improved to 85 as compared to 84.5 last year. For changeover customers, the index was 80.
- A state-of-the-art meter testing lab was commissioned at Dharavi. The lab is equipped with 4 fully automatic energy meter test benches by which 500 meters can be tested in an 8 hour shift, thus significantly increasing the Company's testing capacity.
- A number of services / customer convenience facilities were introduced:
  - Master customer care center and 8 bill collection centers were opened.
  - A new modern call center was made operational since 2nd July, 2010 for commercial calls. The existing center continues to handle technical calls.
  - The customer information portal was revamped with many new customer friendly features like bill calculator, demand side management (DSM) web page, etc.
  - Mobile collection van was launched for facilitating cash payments by customers.
  - Credit and debit card online payment facility was launched.

4.3 Other power plants of Tata Power

4.3.1 Jojobera Thermal Power Station

The Jojobera Thermal Power Station in Jharkhand has an installed capacity of 428 MW. During the year, the station recorded a generation of 3,078 MUs, which is also the highest ever, as compared to 3,002 MUs in the previous year. The station also achieved highest ever plant availability of 97% during the year. Unit 4 underwent complete turbine overhaul for the first time since commissioning, resulting in improvement in the heat rate of the Unit due to significant improvement in vacuum.

4.3.2 Belgaum Thermal Power Station

The Belgaum Thermal Power Station, an Independent Power Producer in Karnataka, has a heavy fuel oil-based generation capacity of 81 MW. During the year, the plant generated 300 MUs as compared to 394 MUs in the previous year, a decrease of about 24% due to lower demand by Karnataka Power Transmission Corporation Limited during the rainy season and major outages of Units 2, 4 and 5. Demand for the current year was affected due to a better monsoon than the past year, since demand for oil-based generation is primarily for peaking purposes.

4.3.3 Haldia Power Plant

Haldia Power Plant in West Bengal has an installed capacity of 120 MW consisting of 3 Turbine Generator (TG) sets (2 of 45 MW and 1 of 30 MW) and 16 waste heat recovery boilers. This is a green power plant based on waste heat recovery from flue gas from coke ovens of Tata Steel Limited (Tata Steel). One sixth of the power generated is sold to West Bengal State Electricity Distribution Company Limited and the balance is traded through Tata Power Trading Company Limited (Tata Power Trading). During the year, the collective generation of all units was 760 MUs. The Company completed Unit 1 TG overhauling and annual overhauling (statutory obligations) of all 16 boilers.

During the year, Haldia division undertook several improvement initiatives for improving plant availability and PLF like upgradation of DM plant capacity, flue gas temperature improvement, reduction of unplanned outages and reducing grid failures by implementation of carrier protection and proper relay coordination, etc.

Table 7: Details of thermal power generation outside Mumbai Operations

	Generation (MUs)		Generation Availability (%)		PLF (%)	
	FY11	***FY10***	**FY11**	***FY10***	**FY11**	***FY10***
Jojobera	3,078	*3,002*	97	*93*	82	*80*
Belgaum	300	*394*	82	*79*	42	*55*
Haldia	760	*608*	92	*89*	78	*70*

4.4 Wind Generation outside Mumbai Operations

During the year, the Company acquired a 21 MW wind farm, taking the total installed capacity outside Mumbai operations to 122 MW. The installed capacity for wind power generation at various locations outside Mumbai Operations is given in Table 8.

Table 8: Details of installed wind power capacity outside Mumbai Operations

Location	State	Installed Capacity (MW)
Samana	Gujarat	50
Gadag	Karnataka	50
Nivede	Maharashtra	21
Total*		**122**

* Total does not add up due to rounding off.

The collective generation by the wind farms outside Mumbai Operations was 179 MUs during the year as against 154 MUs in the previous year.

Table 9: Details of wind power generation outside Mumbai Operations

	Generation (MUs)		Generation Availability (%)		PLF (%)	
	FY11	***FY10***	**FY11**	***FY10***	**FY11**	***FY10***
Samana	78	*79*	99	*99*	18	*18*
Gadag	80	*75*	100	*99*	18	*17*
Nivede*	22	-	96	-	12	-
Total**	**179**	***154***	**98**	***99***	**17**	***17***

* Acquired in FY11.

** Total does not add up due to rounding off.

4.5 Value Added Businesses

4.5.1 Tata Power Strategic Electronics Division (SED)

SED has been a leading domestic player in the defence systems and engineering space for over four decades and has now emerged as a prime contractor to Ministry of Defence (MoD) for indigenous defence products and systems. During the year, SED has reinforced its position as India's premier private sector defence company in its role as a prime systems integrator with the capability of leading alliances of internationally reputed defence companies, in addition to being recognised as one of the leading suppliers of defence equipment in India.

During FY11, SED had a turnover of ₹ 140.68 crores as against ₹ 122.48 crores in FY10, a growth of 14%. SED ended the year with an order backlog in excess of ₹1,500 crores. During the year, SED scored a number of achievements. Notable among them are:

- SED was awarded a contract on Modernisation of Airfield Infrastructure – Phase I from the MoD to modernise thirty Indian Air Force Airfields. SED is the first private Indian company to win a prime contract against global competition under a tender categorised as 'Buy Global' under Defence Procurement Procedure 2008.
- Indian Army declared its Pinaka regiment comprising 20 launchers and 8 command posts developed and supplied by SED, as fully operational, after having exercised it tactically and technically in desert terrain in Rajasthan. This is a testimony to the engineering and technical skills of SED as the first private sector company in India to have designed, developed and delivered a weapon system.
- SED successfully delivered the first lot comprising four launchers of Akash Air Force launcher programme to Bharat Electronics Limited.
- SED has received an Expression of Interest (EoI) for Tactical Communication System programme of Indian Army of over USD 1 billion from MoD.

To support MoD's agenda of achieving self-reliance for Indian Defence, SED has made substantial investments through advanced development programmes to realise world-class indigenous products and systems, which enables SED to address future programmes of national importance. With increased private sector participation in defence, SED has the necessary credibility and capability to be a long term reliable partner for India's defence forces.

4.5.2 Power Services Business

The Power Services business is a new division created in FY09 within the Company with a view to leverage the Company's capability and experience in power plant O&M, project management, specialized testing services and related activities. It offers customized solutions to new as well as existing power plants and distribution networks. During the year, the Power Services division has bagged contracts as below:

- O&M Service
  - 2 x 525 MW coal fired thermal power plant at Maithon, Jharkhand of Maithon Power Limited.
  - 120 MW coal fired thermal power plant at Jojobera, Jharkhand of Industrial Energy Limited.
  - 108 MW combined cycle power plant at Rithala, Delhi of North Delhi Power Limited.
  - 70 MW coal fired thermal power plant at Korba, Chhattisgarh.
- Specialised Services
  - GIS testing services were delivered to a major manufacturer for HV testing of 220 kV GIS at Kalwa, Thane.
  - GIS and field testing services were delivered to large executing agencies for their 220 kV GIS at their Bhandup site, Mumbai.
  - GIS testing was undertaken for a large EPC contractor relating to the 110 kV GIS at projects in southern India.

During FY11, the Power Services Business had a turnover of ₹ 45.45 crores as against ₹ 30.05 crores in FY10, a growth of 50%.

5. NEW GENERATION PROJECTS

5.1 Projects Under Construction

Table 10: Details of projects under construction

Fuel Source	Location	State	Capacity (MW)	Category Total (MW)
Thermal – Coal / Oil / Gas	Mundra	Gujarat	4,000	5,090
	Maithon	Jharkhand	1,050	
	Lodhivali	Maharashtra	40	
Hydro	Dagachhu	Bhutan	114	114
Renewables	Wind farms	Maharashtra Tamil Nadu	150	185
	Solar PV	Gujarat Maharashtra	35	
Total			**5,389**	**5,389**

5.1.1 Coastal Gujarat Power Limited (CGPL)

CGPL, the Company's wholly-owned subsidiary, is implementing the 4,000 MW (800 x 5 units) Ultra Mega Power Project (UMPP) at Mundra in Gujarat. The project, estimated to cost ₹ 17,500 crores, is progressing as per schedule, with engineering, procurement and construction activities in full swing. The cumulative progress till the end of March 2011 was approximately 77% with total capital commitments of 100% of total equipment ordering and a total actual expenditure of ₹ 13,166 crores. Civil, structural, mechanical, electrical and control and instrumentation work is underway with over 11,500 direct and indirect workmen deployed at the site.

Unit 1 boiler was lit up on 22nd March, 2011, and steam blowing is nearing completion. The first unit is expected to be synchronized with the grid in the second quarter of FY12. CGPL has been informed that there is a delay in commissioning of the transmission lines by Power Grid Corporation of India Limited (PGCIL), who are responsible for providing evacuation facilities on behalf of the procurers. However, both PGCIL and other Government agencies involved are making efforts to minimize the delay. The construction and commissioning of balance four units is progressing satisfactorily. The jetties for unloading coal, by Mundra Port and Special Economic Zone Limited, were commissioned in December 2010 and three coal consignments totalling 0.25 MT of coal have already been unloaded in CGPL's stockyard till date. As a part of ongoing efforts, adequate safety systems have been put in place including training and systems developed with the help of leading safety experts like DuPont. Outreach programs are organized with the help of an NGO to build bonds with and sensitize the supervisors, workers and safety stewards.

CRISIL has revised its outlook on the long term loan to 'Positive' from 'Stable', while reaffirming the rating at 'A+'. The outlook revision reflects the significant progress made on the project.

CGPL has taken several initiatives for the local community in the area of livelihood and income generation, education and health as part of its community relationship programme involving local communities. A green belt development plan is under implementation to enhance environment improvement in the project area.

CGPL has a subsidiary in Singapore - Energy Eastern Pte. Limited (EEPL) for meeting its fuel logistics.

5.1.2 Maithon Joint Venture Project

Maithon Power Limited (MPL), a joint venture (JV) between the Company (74%) and Damodar Valley Corporation (26%), is constructing a 1,050 MW (2 x 525 MW) power plant at Maithon in Jharkhand. The Company is rendering project management and O&M services to MPL.

Unit 1 has been successfully synchronized with secondary fuel oil on 28th March, 2011. Unit 1 coal firing and Commercial Operation Declaration (COD) is expected before end of H1 FY12. Commissioning of water system, including RW pumps, CW pumps, IDCT 1, etc. is completed and DM plant operation has been put on automation. Stacker reclaimer has been commissioned and coal bunkering for Unit 1 has commenced too. All the balance work pertaining to coal handling and ash handling systems, required for Unit 1 commissioning, is scheduled to be completed before end of H1 FY12.

In Unit 2, the stator was lifted on 31st January, 2011. Turbine erection commenced on 25th March, 2011. Erection work of the boiler is progressing well and boiler light up is expected to be completed by H2 FY12. The unit commissioning is expected to be completed before end of H2 FY12. As of 31st March, 2011, the Company has infused equity of ₹1,162.92 crores in MPL. The debt drawn by MPL is ₹ 2,420.25 crores.

5.1.3 Diesel Generation (DG) Capacity

The Company has refurbished and converted for dual fuel (natural gas + oil) operation the 4 DG sets to be commissioned at Lodhivali. The plant is scheduled to commence commercial operation post receipt of gas from GAIL (India) Limited in H1 FY12.

5.1.4 Dagachhu Hydroelectric Power Project, Bhutan

The 114 MW (2 x 57 MW) Dagachhu project is being implemented by Dagachhu Hydro Power Corporation Limited (a JV of the Company [26%] with Druk Green Power Corporation Limited [59%] and National Pension and Provident Fund of Bhutan [15%]) in Bhutan. Diversion of Dagachhu river for weir construction has been completed and weir foundation is ready for concreting. Concreting of the desilter is in progress. Work for head race tunnel, power house access tunnel, etc. is in progress. Cumulatively, 3.12 kms. of tunnelling has been completed. Manufacturing activities pertaining to bifurcator, distributor, power house crane, switchgear, generator, etc. are in progress and generator frames have already been dispatched to the project site. The project is expected to be commissioned in FY14.

5.1.5 Renewable Projects

- **Wind Power**

  The Company is developing wind power projects of over 200 MW, of which 150 MW is proposed to be commissioned during FY12 across Maharashtra (50 MW) and Tamil Nadu (100 MW).

- **Solar Power**

  The Company is developing a 25 MW solar PV plant at Mithapur in Gujarat through its subsidiary, Industrial Power Infrastructure Limited (IPIL). IPIL has signed a Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited for the same. The purchase orders have been placed for the development of solar fields and the project activities have commenced. The Company is also developing a solar PV plant of 10 MW between Mulshi on its own land and on the identified roofs of the plant premises of Tata Motors Limited at Pune.

5.2 Projects Under Planning - India

5.2.1 Coastal Maharashtra Project

During the year, the Company has made further progress in the Coastal Maharashtra project at Dehrand, Maharashtra. All statutory clearances for commencement of initial phase of 1,600 MW are in place. Agreement for fresh water allocation for the project has been signed with the Maharashtra Industrial Development Corporation (MIDC).

Subsequent to the issue of Gazette notification by Government of Maharashtra (GoM) u/s 32(1) of the Maharashtra Industrial Development Act, 1961 (MID Act), a high powered committee of GoM approved the land compensation payable to land owners. Actual compensation disbursement to land owners commenced on 3rd August, 2010, by District Collector as per provision under MID Act. MIDC has so far acquired more than 50% of private land. Acquisition of balance land is in progress.

Socio-economic survey of project affected persons in respective villages has been completed. Economic options for coal logistics are under evaluation.

5.2.2 Tiruldih Power Project, Jharkhand

The process of land acquisition for the 1,980 MW project is in progress and the first tranche of 101 acres of land has been transferred in the name of the Company on 28th March, 2011. The entire land acquisition process is scheduled to be completed by March 2012. The Company is in discussions with the Government of Jharkhand (GoJ) for a Memorandum of Understanding (MoU) for allocation of water, various land related permissions, right of way for transmission lines / water pipelines, coal allocation from Jharkhand State Mineral Development Corporation Limited in exchange for sale of power (25% capacity) from the proposed plant, etc. Application for water allocation of 62 cusecs for the project has been made to the water resource department, GoJ. It is anticipated that the allocation of water will be from Chandil reservoir which is about 25 kms. away from site. In-principle clearance has been received from Railways for transportation of coal from Tubed coal block. On Environmental Clearance (EC), Terms of Reference (ToR) have been approved by Ministry of Environment and Forests (MoEF). Environmental monitoring has been completed and Environmental Impact Assessment (EIA) report is under finalization. Discussions have been initiated with Tata Steel for developing the captive unit and entering into a MoU for the same. The Company expects to issue Notice To Proceed (NTP) for the project around Q4 FY12 (Zero date being considered in Q1 FY13).

5.2.3 Kalinganagar, Orissa 652.5 MW [3 x 67.5 MW (Gas based) + 3 x 150 MW (Coal and gas based)]

The project is being executed through Industrial Energy Limited, a JV of the Company (74%) with Tata Steel (26%). Tata Steel has commenced project related works for its 3 MTPA steel plant and has requested the Company to initiate the enabling works related to power plant. RITES, a Government of India (GoI) enterprise, has been appointed as the consultant for preparation of combined Detailed Project Report (DPR) for Tata Steel and the Company's prospective coal unloading arrangements, obtaining approval from East Coast Railways, etc. Tata Steel has already obtained EC for production gas-based plant along with their steel plant. Water allocation has also been obtained. Process has been initiated for obtaining coal linkage, water allocation, EC, etc. for additional coal-based plant. The ToR has been approved by Orissa State Pollution Control Board (OSPCB). Tata Consulting Engineers Limited (TCE) has been engaged as the Owners' Engineer and DPR, plot plan, technical specifications for various packages, etc. are under finalization. Soil investigation is currently underway at the project site and zero date for the gas based project is envisaged in H2 FY12.

5.2.4 Maithon Expansion – 1,320 MW (2 x 660)

The Company has finalised the DPR and initiated studies for obtaining EC for the project. No additional water allocation is required for expansion project as the Water Optimization Study by TCE has confirmed that water allocated for Phase I will suffice the Phase II requirements also. Currently, the environmental consents are in progress. Subsequently, the Company expects to start the site related activities by H1 FY13 and place orders for its main plant equipment in H2 FY13 (Zero date being considered in H2 FY13).

5.2.5 Dugar Hydroelectric JV Project

The consortium of the Company and SN Power Singapore Pte. Limited (SN Power), a subsidiary of Statkraft, Norway, was successful in winning the Dugar hydroelectric power project through a competitive bidding process carried out by the Government of Himachal Pradesh (GoHP). The project is being developed through a Special Purpose Vehicle (SPV), Dugar Hydro Power Limited (DHPL). DHPL is a JV between the Company (50% + 1 share) and SN Power (50% - 1 share). The capacity for the project is estimated to be between 236 MW-280 MW. This is a Peaking-Run-of-the-River (PROR) project with storage, for peaking capacity in the lean season. It is the last project in cascade in Himachal Pradesh on the river Chandrabhaga (Chenab).

The letter of intent was issued to the Company on 5th April, 2011, and the letter of allotment on 4th May, 2011. The Pre-implementation Agreement is to be signed with the Directorate of Energy, GoHP, shortly. The Company is undertaking a detailed exploration and design study to plan and finalize the project implementation.

5.2.6 Naraj Marthapur Project, Orissa

The major clearances for the 660 MW Naraj Marthapur project have been obtained. The EC has been granted by MoEF, subject to clearance from National Board of Wild Life for which the process is on.

5.3 Projects Under Planning – International

5.3.1 Tamakoshi - 3 Hydroelectric Power Project, Nepal

On 22nd July, 2010, the Company signed a Shareholders' Agreement (SHA) with SN Power to acquire an equity holding of 50% - 1 share in the project SPV to develop, own and operate the Tamakoshi 3 Hydroelectric Power Project located at the Dolakha and Ramechhap districts in Nepal. The SHA is pending approval of Government of Nepal (GoN).

5.3.2 Sorik Marapi Geothermal Project, Indonesia

On 2nd September, 2010, the consortium of Tata Power – Origin – Supraco was awarded the 240 MW Sorik Marapi geothermal project in Indonesia based on the tariff of USD 0.081 / kWh. The development of the project will require a process of progressively proving the technical and commercial viability of the project while also meeting a range of regulatory obligations.

From the assessment of existing resource data, preliminary locations have been identified for exploration wells within the inferred high temperature resource area. Initial surface exploration (geology, geochemistry and geophysics) have commenced along with community relations activities at the project area. The exploration phase would end by H1 FY13, after which the project implementation details will be finalised.

6. KEY SUBSIDIARIES

6.1 Industrial Energy Limited (IEL)

IEL is presently operating Power House 6 in Jamshedpur and Unit 5 in Jojobera. During the year, IEL earned Revenues of ₹ 125.41 crores and a PAT of ₹ 24.88 crores, as against ₹ 70.74 crores and ₹ 9.46 crores respectively in the previous year. IEL commenced operations in May 2009.

6.1.1 Power House 6 (PH6) at Jamshedpur

120 MW PH6 is the first unit of IEL and is located inside Tata Steel works at Jamshedpur. During the year, PH6 recorded a generation of 738 MUs while achieving generation availability of 93%.

Table 11: Details of thermal power generation for FY11 – IEL

	Generation (MUs)		Generation Availability (%)		PLF (%)	
	FY11	*FY10*	FY11	*FY10*	FY11	*FY10*
PH6, Jamshedpur	738	*563*	93	*89*	70	*54*

6.1.2 Unit 5 at Jojobera

A 120 MW coal-based power plant has been commissioned at the Company's existing site at Jojobera to cater to the increasing demand of Tata Steel. The COD was declared on 27th March, 2011.

6.2 Maithon Power Limited

MPL is constructing a 1,050 MW (2 x 525 MW) power plant at Maithon in Jharkhand (Refer Section 5.1.2).

6.3 Powerlinks Transmission Limited (PTL)

PTL is a JV between the Company (51%) and PGCIL (49%). PTL transmits power from the 1,020 MW Tala Hydro Electric Power Project in Bhutan and surplus power from the Eastern / North-Eastern region of India through its transmission lines between Siliguri (West Bengal) and Mandaula (Uttar Pradesh), spanning a distance of 1,166 kms. The availability of transmission line was maintained at 98.62% for Eastern Region and 99.78% for Northern Region in FY11, as against the minimum stipulated availability of 98%.

During FY11, PTL has earned revenues of ₹ 288.41 crores (previous year revenues of ₹ 300.98 crores) and a PAT of ₹ 105.68 crores (previous year PAT of ₹ 108.09 crores). PTL has paid interim dividend of ₹ 1.4 per share (previous year interim dividend - Nil) and recommended final dividend of ₹ 0.70 per share for FY11 (previous year final dividend ₹ 1.80 per share).

6.4 North Delhi Power Limited (NDPL)

NDPL, engaged in distribution of electricity in North and North West Delhi, is a subsidiary of the Company (51% share), the balance being held by Delhi Power Company Limited (a Government of Delhi undertaking). NDPL services over one million consumers spread over 510 sq. kms. in the North Delhi area. The peak load in this area is about 1,313 MW, with energy consumption of over 7,300 MUs.

NDPL has earned revenues of ₹ 4,099.85 crores during FY11, a growth of about 21% over the previous year (₹ 3,393.81 crores). The Company earned PAT of ₹ 258.18 crores in FY11 compared to ₹ 350.73 crores in FY10. PAT for FY10 included reversal of deferred tax liability of earlier years amounting to ₹ 139.15 crores. The Aggregate Technical and Commercial losses have been reduced at the end of FY11 to around 13.2% against the regulatory target of 17%.

The Tariff Order for FY11 was not released by Delhi Electricity Regulatory Commission due to a stay order of Delhi High Court in a Public Interest Litigation filed before it. The stay has now been vacated and tariff for FY12 is under determination. Therefore, NDPL is currently billing its consumers at a rate which was projected for FY10 and based on power purchase cost of ₹ 2.63 per unit as against actual cost of ₹ 3.68 and ₹ 4.21 per unit respectively for FY10 and FY11. Due to the delay in release of tariff order, NDPL's current year revenues include ₹ 1,156.43 crores (previous year ₹ 672.68 crores) as income recoverable from future tariff.

NDPL estimates that it would need an appropriate hike in tariff to recover the regulatory assets. Regulator has issued a letter of comfort to NDPL clarifying that these dues would be recognized in tariff order after prudence checks in course of tariff determination exercise and an amortization plan for these dues along with carrying cost at prevailing rates of interest would be provided in the tariff order expected to be issued by August 2011.

During FY11, NDPL was bestowed the 'Asian Power Utility of the Year Award' for 2010, by Asian Power Awards, Singapore for the fourth year in succession, 'Excellence Award' by Institute of Economic Studies and the Safety Innovation Award 2010 by the Institute of Engineers (India).

6.5 Tata Power Trading Company Limited

Tata Power Trading, incorporated in December 2003 with an equity capital of ₹ 2 crores, was the first company in India to receive a power trading license from the Central Electricity Regulatory Commission (CERC) in June 2004.

Tata Power Trading transacted 4,354 MUs during the year as compared to 4,075 MUs in the previous year and has shown a CAGR of 29% over the past 5 years. It was ranked the fifth largest trader with a market share of 8% in 2011.The gross revenue for FY11 was ₹ 1,933.12 crores as compared to ₹ 2,275.78 crores in the previous year. The decrease in revenue was mainly due to the decrease in the average rate of power from ₹ 5.58 / kWh in FY10 to ₹ 4.43 / kWh in FY11. The PAT increased by 11% to ₹ 9.15 crores, as against ₹ 8.24 crores in the previous year.

Electricity traded in the short term power market has gradually increased to nearly 7% of the generation, of which close to 5% is via bilateral trading and the balance 2% is through power exchanges. With the advent of the power exchanges in 2008 and the priority given to them by CERC for booking of corridors in the day ahead market, volumes on the exchange platform are on an increasing trend. Tata Power Trading has participated actively in the exchange segment. Nearly one third of the total clients registered with the power exchanges are now with Tata Power Trading. In addition to short term trading, Tata Power Trading has also diversified its supply sources by entering into long term power purchase contracts with various power developers for sale of their power in the long term as well as in the merchant market.

6.6 Trust Energy Resources Pte. Limited (Trust Energy)

Trust Energy, a wholly-owned subsidiary of the Company, was set up in 2008 to manage overseas fuel logistics and coal sourcing, thereby achieving vertical integration in order to support the Company's growing power business.

Trust Energy (along with EEPL, a wholly-owned subsidiary of CGPL) has organized a fleet of five Cape size vessels. Trust Energy has purchased two new vessels, Trust Agility, which was delivered in May 2011 and its sister vessel, Trust Integrity due to be delivered in H1 of FY12, both built at STX Offshore and Shipbuilding Company Limited of South Korea. EEPL has entered into long term charters for another three cape size vessels. The shipping operations are scheduled to commence from FY12 with the commissioning of the power plant at Mundra. With increase in the generation portfolio and hence, imported coal requirement of Tata Power, Trust Energy will play an increasingly important role in securitization of coal supply and shipping of imported coal for Tata Power's thermal power generation operations.

6.7 NELCO Limited (NELCO)

NELCO, established in 1940, is listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company, along with its subsidiary, holds 50.1% stake in NELCO.

NELCO's current businesses cater to physical safety and security solutions for defence establishments, homeland security, mass transportation like railways, process monitoring solutions for some specific industries like steel plants, refineries, energy establishments, etc. and turnkey satellite communication networks in India and abroad, including related managed services. It also provides 24 x 7 network management and communication services to more than 400 corporate and enterprise customers in India. Tatanet Services Limited (Tatanet), a subsidiary of NELCO, holds the requisite licenses for providing the shared hub VSAT services. Apart from these, NELCO is providing niche meteorology solutions to sectors like Indian Air Force and meteorology department.

With effect from 28th July, 2010, NELCO has transferred the undertakings which comprise traction electronics, SCADA and industrial drives businesses as a 'going concern' on a slump sale basis to Crompton Greaves Limited for a total consideration of ₹ 81 crores.

During the 12 months period ended 30th September, 2010, NELCO has posted a Total Income of ₹ 142.82 crores and PAT of ₹ 21.40 crores.

6.8 Af-Taab Investment Company Limited (Af-Taab)

Af-Taab is a wholly-owned investment subsidiary of the Company. During FY11, Af-Taab earned an operating income of ₹ 206.65 crores and PAT of ₹ 163.07 crores, as against ₹ 39.55 crores and ₹ 15.07 crores respectively in FY10. The growth in profit is primarily due to sale of long term investments.

6.9 Chemical Terminal Trombay Limited (CTTL)

CTTL is a wholly-owned subsidiary of the Company offering warehousing facility for organic and inorganic chemicals including petrochemicals. During FY11, CTTL earned an operating income of ₹ 13.37 crores and PAT of ₹ 3.44 crores, as against ₹ 11.15 crores and ₹ 3.41 crores respectively in FY10.

7. INVESTMENTS IN INDONESIAN COAL COMPANIES

The outstanding debt taken for the acquisition of a 30% stake in two major Indonesian Coal Companies, PT Kaltim Prima Coal and PT Arutmin Indonesia and related companies (Coal Companies) stood at USD 240 million as on 31st March, 2011 compared to USD 695 million as on 31st March, 2010. The Coal Companies raised USD 450 million in April 2011 through a hybrid issue guaranteed by Tata Power. USD 242 million out of the USD 450 million raised by the hybrid issue were used to prepay the non-recourse loan. The prepayment was with effect from 10th May, 2011.

The performance of the two Indonesian thermal coal companies, viz. PT Kaltim Prima Coal and PT Arutmin Indonesia continued to be robust. The production during calendar year 2010 was 60 MT as against 63 MT in 2009. The main reason for the drop in production was very heavy monsoons during the third calendar quarter. Coal prices showed good recovery in CY10. Coal price realization for the year was USD 68 / tonne as compared to USD 50.6 / tonne in the previous year. These high prices of coal ensured that the profitability of the coal companies improved even with a marginal fall in production.

The equity interest in the two Indonesian Coal Companies provides a natural hedge for the power business, which uses imported coal, against rising coal prices, besides providing security of fuel supply through the offtake agreements.

8. SUSTAINABILITY AT TATA POWER

Sustainability forms the core of the Company's vision - "To be the most admired Integrated Power and Energy Company delivering sustainable value to all stakeholders". In fact, the Company owes its very existence to its founder, Mr Jamsetji Tata's vision that "Clean, cheap and abundant power is one of the basic ingredients for the economic progress of a city, state or country". The vision of the Company's founder is the guiding principle for its sustainability initiatives.

At Tata Power, Sustainability integrates economic progress, social responsibility and environmental concerns with an objective of improving the quality of life for all stakeholders, now and for generations to come. The Company views it as an opportunity to make a difference and remain committed to the issues of resource conservation, energy efficiency, environment protection and enrichment and development of local communities in and around its areas of operations. It is an integral part of the Company's objective of 'Leadership with Care'.

In its drive towards a clean environment, the Company is trying to set standards in the development and implementation of advanced eco-friendly technologies and processes for energy management. The Company is working with policymakers and regulators to advance technology, strengthen the renewable energy portfolio, accelerate the development of cost-effective energy efficiency programs and manage consumers' demand for electricity. The Company has also tied up with various organizations engaged in cutting-edge research in the renewables space and is piloting projects based on geothermal energy, solar concentrators, biomass gasification, etc. - all with a view to bring these to commercial operation and scale in the medium term. During the year, the Company has notched up a number of achievements in relation to Sustainability, chief of which are as below:

- The Company has been bestowed two awards - 'Best performer in the Power Industry' at the Financial Express – Emergent Ventures India Green Business Leadership Awards and Certificate of Merit - Global CSR Awards 2010.
- With a view to bring in external views and insights into the sustainability process, a Sustainability Advisory Council was constituted in FY11, with experts from the field of climate change, community development and sustainable environment management. The council meets regularly and guides the Company in its sustainability and community relations journey, including contributing to strategy development.
- Tata Power Energy Club (the Club) -
  - In FY11, the Club has reached out to 285 schools nationwide (Mumbai, Delhi, Kolkata, Pune, Ahmedabad, Bengaluru, Lonavla, Jamshedpur, Belgaum), sensitised over 1.1 million citizens and saved more than 2.4 MUs. The Club has a strong, sustainable and replicable model to spearhead a movement. It has developed 26,895 Energy Champions, 39,356 Energy Ambassadors and 154 self-sustaining mini energy clubs this year. This energy brigade is creating a self-sustaining movement on energy conservation across the nation.
  - The Club has also been recognised internationally and was bestowed the 'Most Innovative Campaign' award at USA's The Energy Daily's 2010 Leadership Awards. The Association of Business Communicators of India has bestowed a gold award on the Club for 'Environment Communications' and it has also ranked 2nd among 22 participants in 'Earth Care' category for Siemens Ecovative Award 2010.
  - Cumulatively, from 2008 onwards, the Club has reached out to more than 450 schools across India, sensitised more than 2 million citizens and saved more than 3.4 MUs. The Club has an energy brigade comprising 40,445 Energy Champions and 70,450 Energy Ambassadors.
- A BPO unit at Khopoli, a JV of the Company, Mannat Foundation (an NGO formed by the Company) and Tata Business Support Services Limited, has provided jobs to 213 local people in the catchment areas of the Company's hydro power stations.

- Improvement of comprehensive education programme has benefited over 13,000 students with over 600 learning centers in Maithon, Jharkhand.
- HIV/AIDS awareness covered 45,890 people across Mumbai.
- Mobile medical services and health camps by the Company serviced 19,640 patients.
- 1,480 members from 89 Self-Help Groups have saved about ₹ 12 lakhs.
- Employee volunteers have contributed a total of 6,242 hours for various social and environmental causes.
- The Company has a portfolio of five DSM programs for different category of consumers, thus becoming the first utility in India to launch five DSM programs with approval from the regulator.
- Sustainability awareness sessions have been conducted at various locations of the Company. A total of 1,516 employees have been covered till March 2011.

9. GLOBAL COMPACT COMPLIANCE

The Company has been reporting data since 2006 as per the Global Compact Initiative taken up by the Secretary General of the United Nations in 2002. The Compact requires businesses to adhere to Ten Principles in the areas of human rights, labour standards, environment and anti-bribery. The Company submitted to the Global Compact website its 'Communication on Progress' as required in respect of implementation of the Ten Principles in its business processes. In accordance with the Global Reporting Initiative (GRI) guidelines, the Company is in the process of conducting a Stakeholder and Materiality analysis. The feedback from this study will be used to formulate the Company's Sustainability Report in accordance with the GRI G3 guidelines.

The Company has also adopted Corporate Sustainability Protocol (CSP) since FY11, which is a score based system, intended to improve overall sustainability in the Company. Each division must achieve the yearly target set for the Company. In order to achieve the target, the divisions must set up and implement action plans where the lacunae have been identified. This not only ensures a higher CSP score for their division but helps in achieving overall sustainability targets for the Company.

10. SAFETY

The Company has given safety a high priority, appointing DuPont as a consultant to guide it on its journey to Safety Excellence. A number of initiatives have been taken to embed a culture of safety and safe working practices in the organisation. A detailed corporate safety action plan has been prepared, including the activities that will be guided and supervised by DuPont staff and by the Company staff on a monthly basis. An Apex Safety Committee (ASC) – chaired by the Managing Director – reviews the Company's safety performance every two months and guides the implementation of detailed action plans through Central Safety Committees and Site Implementation teams at all sites. Five Corporate Committees for Safety Observations, Incident Investigation, Rules and Procedures, Capability Building and Contractors Safety Management act as 'Keepers of Standards', introducing new and improved procedures, systems and processes for implementation through the ASC and the local counterparts of the five corporate committees. An integrated Safety Management System based on Occupational Health and Safety Administration Process Safety Management Model was developed and has been implemented across the Company.

New safety work procedures in line with DuPont methodologies have been implemented. Intensive training modules have been organised by DuPont as well as DuPont trained trainers. Various meetings were organised on safety, including a safety strategy meet, a construction safety meet organized at Maithon and an annual safety meet of safety professionals. Safety requirements have been drilled down to the level of contractors' employees and made a part of all contracts.

The Company has also deployed software for recording, analyzing and reporting the results of Safety Training Observation Program (STOP) audits, a proprietary DuPont methodology for safety observations. Additionally, software for safety audits and incident reporting including near-misses with tracking of implementation of recommendations has been deployed. A cross functional audit team trained by DuPont has been conducting audits against safety standards at the Company's project sites at regular intervals.

During the year, the Jojobera Thermal Power Station was bestowed the 'Shreshtha Suraksha Puraskar' award by the National Safety Council of India for the assessment period of 2006 to 2008, and the Trombay Thermal Power Station was bestowed the Greentech Gold award for safety in the Thermal Power Sector.

11. RENEWABLES AND NEW TECHNOLOGY

The Company is a member of the Cleantech Forum and various websites, which helps it to keep abreast of the Research and Development (R&D) updates on clean technologies. Periodic visits to vendors and participation in conferences also assist in identifying and selecting companies for reviewing. Interactions are on with faculty members from the Indian Institute of Technology (IIT) - Bombay, Mumbai University Institute of Chemical Technology (ICT), Massachusetts Institute of Technology (MIT), University of California at Berkeley, Purdue and Washington Universities to stay updated on technology. Various technologies in a variety of areas like CO_2 absorption using algae, carbon capture reuse and storage, fuel cell (telecom tower application), gasification (biomass, coal), solar (PV, thin-film and concentrated thermal), micro-turbine wind energy generation, etc. are being evaluated. During the year, the Company has continued to expand its presence in the field of renewable energy. Some key highlights are:

- **Geothermal** – The Company has invested in Geodynamics, a leading Australian company in enhanced geothermal systems with a view to bring the learnings from the investment to India. The Company has invested AUD 50 Million in the project so far.
- **Solar Concentrated Thermal** – The Company is working on two different technologies – a 1 MW unit in association with IIT Bombay and a 500 kW unit with ICT and Tata Steel. Further, field experiments are being carried out to minimize the water resource for cooling purposes by implementing geo-exchange cooling.
- **Floating Solar PV** – Sunengy Pty. Limited (Sunengy) is an Australia based start-up company that has designed a floating concentrated PV system using Fresnel lenses. Tata Power is planning to test a 13.5 kW pilot unit at Walwhan lake. In order to bring the cost of the Sunengy units further down, talks are on with local vendors for supply of parts and manufacturing in India. The project is expected to be completed in FY12.
- **Micro-Wind** – Windtronics wind turbines are 2 kW units with very low cut-in speed. This makes them ideal for Indian conditions where the wind speeds are not very high. Tata Power has completed installation of one of the 2 kW Windtronics micro-wind turbines in the hydro generating area, and the installation of the other unit at Trombay Power station is currently under progress.
- **Microwave applications in drying of coal** – There are losses in efficiency due to high moisture content in coal used in coal fired power plants. In order to reduce these losses and investigate the possibility of drying of coal using microwave, preliminary studies along with experiments were carried out. The success of the study will pave the way for establishing future capacity. This application would also be useful in the Exergen process for removing the moisture from the coal.
- **CO_2 sequestration using algae** – The Company is exploring options of capturing the CO_2 generated from its thermal power stations using algae. This will essentially reduce the amount of CO_2 generated from the plant while assuring sustainable utilization of the CO_2. A 10 TPD CO_2 capture pilot plant is proposed at Trombay and subsequent usage of the CO_2 for algae uptake.

12. CORPORATE SERVICES

12.1 Financing

In April 2011, the Company raised, through its wholly-owned subsidiary - Bhira Investments Limited, a USD 450 Million 60 year (Non-callable for 5 years) hybrid capital securities offering guaranteed by the Company, at 8.5% p.a., payable semi-annually. The proceeds of the issue of the securities will be applied to fund its corporate and acquisitive activities and to repay outstanding loans.

The Company issued 15 year Non-Convertible Debentures (NCDs) aggregating ₹ 350 crores at a fixed interest rate of 9.15% p.a., in July 2010. The proceeds of this issue were utilized to prepay an existing 10.95%, 10 year term loan from Indian Renewable Energy Development Agency Limited (IREDA) availed by the Company for funding its wind projects in Gujarat and Karnataka. The Company issued further 15 year NCDs in September 2010, aggregating ₹ 250 crores, at a fixed interest rate of 9.15% p.a., for meeting its general corporate objectives and part funding wind power project requirements.

IREDA sanctioned a ₹ 450 crores line of credit to the Company at 9.60% p.a., with an interest reset at the end of the 5th year and annually thereafter, for part funding the capital expenditure requirements relating to wind power projects. This line is available for drawdown till March 2012.

The Company availed a term loan of ₹ 150 crores at an interest rate of 10% p.a. from ICICI Bank Limited (ICICI Bank) in July 2010, for partly funding the capital expenditure requirements of its Mumbai Operations. The Company availed an unsecured term loan from ICICI Bank of ₹ 29 crores at the rate of 6% p.a. in March 2011. The proceeds of this loan will be used for developing a few critical technologies in the area of CO_2 capture and reuse (using algae) for the power sector and advanced electronics for defence sector.

Moody's has retained the Company's corporate family rating at Ba3 and senior unsecured rating at B1 with a stable outlook, S&P has retained the corporate credit rating to BB- with a positive outlook and ICRA has reaffirmed its LAA rating on the Company's NCDs programme with 'Positive' outlook and also reaffirmed its A1+ rating on the Company's commercial paper / short term debt programme.

Trust Energy secured a long term loan of USD 141.84 mn from ICICI Bank Limited (Singapore) on a debt equity ratio of 80:20 to finance the contract price of 2 ships. Till 19th May, 2011, USD 112.21 million has been drawn down under the loan facility.

12.2 Business Excellence

- **Tata Business Excellence Model (TBEM)**

  During the year, the Company continued on its journey of business excellence by strengthening its existing initiatives and introducing a few new ones to cater to the demands of the changing business environment, including in the areas of customer management, process management, operational excellence and cost reduction. The TBEM assessment during the year resulted in a marginal drop in scores, and diagnosed that some of the processes in the organization were now ready for an improvement to the next higher level, and that the organization needs to focus on safety practices that can take the challenge and complexity of doing mega projects in India with world-class safety systems.

- **Organisation Transformation (OT)**

  The OT exercise rolled out during FY09 made significant progress. A total of two hundred officers in the management cadre, across functions, levels and sites have been covered, which is close to the critical mass required for effective transformation. These officers, in critical positions including divisional / departmental heads and functional heads are supporting the organizational interventions like performance management, operational excellence, employee development through role-model leadership, improving employee engagement in their areas of improvement and taking part in improvement initiatives themselves. The cultural shifts, though hard to quantify, include taking ownership, collaborative responsiveness, taking decisions that address the greater common good, and working on their own individual development plans. Another OT initiative, LASER (Learn, Apply, Share, Enjoy, Reflect), aimed at achieving high standards of shop-floor excellence and strengthening the relationships between front-line officers and workmen achieved high levels of success, in terms of relationship building, improving operational efficiencies, and improving the workplace through programmes like autonomous maintenance, 5-S and focused improvement projects, overall equipment effectiveness, safety, etc. The programme covered all operating sites, and resulted in a saving of ₹ 7 crores through focused improvement projects (most projects undertaken are being horizontally deployed, and savings accrual has not been taken on board), and impacted other performance indicators like cycle time reduction in processes, savings in water consumption, improvement in customer facing processes, etc.

- **Structured Problem Solving (SPS)**

  The SPS programme has been launched in the Company this year and is presently being extended to the various locations. SPS attempts to analyse data available from the various processes, using quality tools, and arrive at solutions for continuous improvements.

- **Sankalp**

  Sankalp, a programme to bring in operational excellence, delivery excellence and cost efficiency, would be launched in the Company early next year. The preparatory work of team formation has been completed.

12.3 Human Resources Development

During FY11, net addition to manpower was 461 people, primarily to enhance project execution skills and build operations teams for upcoming power plants, taking the total to 4,270. During the year under review, a number of HR initiatives were taken to supplement the Company's effort towards business sustainability and growth.

- **Employee Engagement**

  Based on the employee engagement and satisfaction survey by Gallup in FY10, VOICES communication and action planning workshops were conducted to communicate the survey findings and facilitate formulation of action plans at different divisions to address areas of concern. In FY11, the engagement score crossed the '4' point mark.

- **Training**

  A number of training programmes were conducted to ensure development of the required competencies. A training program on project management, developed by URS Corporation, jointly with Clemson University and Construction Industry Institute, was conducted for the Company's engineers at Princeton, New Jersey in USA. Special training programmes were initiated through reputed premier institutes like IIT-Kharagpur and Birla Institute of Technology and Science, Pilani to enhance technical competency of employees. The Company's centre for excellence and learning, Tata Power Training Institute at Ambernath, was inaugurated with the start of training programme for cable jointers and linemen.

- **Talent Management and Succession Planning**

  To identify the right talent and develop a pipeline of key resources, the Company has a structured talent management process whereby high potential officers were identified and individual development plans prepared to hone their potential. In addition, four officers were selected through ACE 2011, a specialized program to provide fast track career growth opportunities and leadership exposure to bright young officers. The succession planning exercise was reviewed and updated in view of various changes and developments in the organization.

- **Performance Management System (PMS)**

  The PMS is a well evolved system with appraisal letters being issued within a month of closure of the financial year, for the fifth year in a row.

- **Compensation Benchmarking**

  Salary restructuring and revision were completed in 2010 for all officers in accordance with the market benchmarks. Additional merit rise was given to retain key officers.

- **Industrial Relations**

  On the industrial relations front, the Company enjoyed a cordial year. Mumbai Operations Union settlement was signed on 30th August, 2010 for a period of four years, i.e. January 2010 to December 2013.

12.4 Regulatory matters

The business of Tata Power is governed primarily under the Electricity Act, 2003 (EA 2003) and the regulations framed by the regulatory commissions under EA 2003. The regulations framed, and sometimes, the discretion of the regulatory commission, decide the revenue that is allowed for the Company and the tariff to be charged to the consumers. Every year, each regulated business of the Company is required to file two documents with the concerned regulatory commission – an Annual Performance Review (APR) for the year gone by and Annual Revenue Requirement (ARR) for the coming year. The APR contains details of the actual performance of the business, including all relevant operational and financial details. The ARR contains the projected revenue requirement based on demand projections, fuel cost and plans for operational and capital expenditure.

The regulatory commission reviews both documents and subjects both to a public scrutiny, which culminates in a public hearing, which is open for all to attend. In the hearing, the comments and observations of consumer representatives, consumer forums, power sector experts, individual consumers, etc. are heard by the regulatory commission and responded to by the Company. Thereafter, the tariff is published through the tariff order issued by the regulatory commission.

The legal provisions permit an appeal in the Appellate Tribunal for Electricity (ATE) against the decisions of the regulatory commission on tariff or other matters and thereafter, in the Supreme Court.

Of late, regulatory commissions have issued Multi Year Tariff (MYT) regulations, that propose a method to fix tariff for a period of 5 years, with a possibility of a mid-term review.

12.4.1 MERC tariff order for FY11

MERC passed an order in September 2010 on the Company's tariff petition for FY11. In its tariff order, certain expenditure for FY09 was disapproved by MERC. An appeal has been filed against such disallowances in the ATE.

12.4.2 Appeals against MERC Tariff Orders

The Company had filed appeals in the ATE with regards to certain disallowances in the tariff orders for FY10 passed in May-June 2010. The ATE passed an order allowing the contentions of the Company on most issues. The Company will, in the next filings for tariff, ask MERC to implement the impact of the judgement of the ATE.

12.4.3 Power Sale to Mumbai during the year

Immediately after the judgement of the Supreme Court on the PPAs matter, the Company notified RInfra of its intention to stop supplying 460 MW power to it from 1st April, 2010, giving RInfra a notice of over 9 months to arrange power from elsewhere for its consumers. Further, the Company signed an agreement with BEST to supply 100 MW of the remaining capacity. RInfra had approached the GoM for relief. In response, the GoM issued a memorandum in which it suggested supply of certain quantum of power during FY11 to RInfra against which the Company had filed a Writ Petition in the Bombay High Court.

Despite the setting aside of the memorandum by the Bombay High Court (refer section 12.6.3 for details), the Maharashtra State Load Despatch Centre (MSLDC) did not schedule the power requisitioned by the Company. The Company has filed petitions / appeals in various forums challenging the refusal of MSLDC to schedule power according to dispatch instructions of the Company, including the supply from Tata Power (Generation) to Tata Power (Distribution) towards additional power required by Tata Power (Distribution) to meet the load requirement of its consumers in Mumbai Operations area. The matters are presently pending. MSLDC has started scheduling additional power from Tata Power (Generation) to Tata Power (Distribution) according to its dispatch instructions with effect from 1st April, 2011.

In the meantime, MERC on the advice of the GoM, initiated a suo motu hearing on this matter in June 2010, seeking views of the public at large. The order of MERC is awaited.

12.4.4 Changeover of consumers to Tata Power

The Company has successfully changed over a large number of consumers from another power distributor to Tata Power (Refer section 4.2.4 for details). It was contended that such changeover is causing financial loss due to loss in cross subsidy and this loss needs to be recovered. A petition was filed in MERC, which decided that this would be considered at the time of the tariff filings of the other distributor. The order on tariff filings is awaited.

12.4.5 MYT regulations of MERC

MERC has announced the MYT regulations for determination of tariff. The allowable revenue for the Company's Mumbai Licensed Area for the period of 5 years from FY12 to FY16 (called 'Control Period') would be governed by these regulations.

The present MYT regulations as compared with the previous regulations have brought in changes in the norms for operation and the financial norms used for determination of the allowable revenue. The financial norms for return on equity and rates of depreciation have been revised upwards and are now in line with the norms prescribed by CERC. Further, the norm for target availability of generating plants has been revised upwards to 85%.

12.4.6 Eastern Region Operations

- **MYT regulations and ARR for Unit 2 and 3 at Jojobera**

  The Jharkhand State Electricity Regulatory Commission (JSERC) published the MYT regulations that will be applicable for determination of allowable annual revenue by Unit 2 and Unit 3 for the period FY12 to FY16. The Company has filed a petition with JSERC based on these regulations and the same is under the scrutiny of JSERC. The revenue from Unit 2 and Unit 3 (120 MW each) was being governed by the terms of the PPA signed between Tata Power and Tata Steel. As per the directions of JSERC, the revenue to be received from Tata Steel from these units would be as determined by these new MYT regulations.

- **Capital Cost Approval for 1,050 MW Maithon Power Project**

  The Company has filed a petition for determination of capital cost and the tariff therefrom with CERC. The order from CERC is awaited.

12.5 Risk Management

As part of the Risk Management Process (RMP), during the year, the Company reviewed the various risks and finalized mitigation plans. These were reviewed periodically by the Risk Management Committee. Further, seven Risk Management Sub-Committees (RMSCs) closely monitored and reviewed the risk plans periodically. Employees contribute to the risk identification process through the web-based Risk Perception System.

The major risk areas identified by the RMP were covered by the Internal Audit Plan. Major risks were also discussed at quarterly meetings of the Audit Committee of Directors.

12.6 Legal Matters

12.6.1 Standby Charges

On an appeal filed by the Company, the Supreme Court has stayed the operation of the ATE order, subject to the condition that the Company deposits an amount of ₹ 227 crores and submits a bank guarantee for an equal amount. The Company has complied with both the conditions. RInfra has also subsequently filed an appeal before the Supreme Court challenging the ATE order. Both the appeals have been admitted and are listed for hearing and final disposal.

12.6.2 Energy Charges and 'Take or Pay' Obligation

MERC directed RInfra to pay ₹ 323.87 crores to the Company towards the difference between the rate of ₹ 1.77 per kWh paid and ₹ 2.09 per kWh payable for the energy drawn at 220 kV interconnection and towards its 'Take or Pay' obligation for the years 1998 - 1999 and 1999 - 2000. On an appeal filed by RInfra, the ATE upheld the Company's contention with regard to payment for energy charges but reduced the rate of interest. As per the ATE order, the amount payable works out to ₹ 56.12 crores (including interest), as on 31st May, 2008. As regards the 'Take or Pay' obligation, the ATE has ordered that the issue should be examined afresh by MERC after the decision of the Supreme Court in the appeals relating to the distribution licence and rebates given by RInfra. The Company and RInfra filed appeals in the Supreme Court. Both the appeals have been admitted and are listed for hearing and final disposal. The Supreme Court, vide its order dated 14th December, 2009, has granted stay against the ATE order and has directed RInfra to deposit with the Supreme Court a sum of ₹ 25 crores and furnish a bank guarantee for the balance amount. Pursuant to the liberty granted by the Supreme Court, the Company has withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the appeal is decided against the Company.

12.6.3 Writ Petition in the Bombay High Court

The Company had filed a Writ Petition in the Bombay High Court challenging the Memorandum and Report of the GoM dated 7th May, 2010 inter alia directing the Company to supply 360 MW power to RInfra upto 30th June, 2010 and thereafter, 200 MW upto 31st March, 2011.

By an Order dated 18th January, 2011, the Bombay High Court has held that the Memorandum issued by the State Government on 7th May, 2010, was ultra vires and has quashed and set aside the same.

13. FOREIGN EXCHANGE EARNINGS / OUTGO

The foreign exchange earnings of the Company during the year under review amounted to ₹ 117.76 crores (previous year ₹ 57.68 crores), mainly on account of forex interest, etc. The foreign exchange outflow during the year was ₹ 1,241.25 crores (previous year ₹ 1,587.56 crores), mainly on account of fuel purchase of ₹ 1,016.83 crores (previous year ₹ 1,254.97 crores), repayment of foreign currency loans with interest thereon, NRI dividends and Foreign Currency Convertible Bonds (FCCB) interest of ₹ 57.19 crores (previous year ₹ 69.41 crores) and purchase of capital equipment, components and spares and other miscellaneous expenses of ₹ 173.85 crores (previous year ₹ 270.72 crores).

14. DISCLOSURE OF PARTICULARS

Particulars required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the prescribed format as Annexure I to the Directors' Report.

Particulars of Employees: In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Act, the Annual Report is being sent to all Members of the Company excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

15. SUBSIDIARIES

Vide General Circular No.: 2/2011 dated 8th February, 2011, the Ministry of Corporate Affairs, GoI has granted a general exemption to companies from attaching the Balance Sheet, Profit and Loss Account and other documents referred to in Section 212 (1) of the Act in respect of its subsidiary companies, subject to fulfillment of the conditions mentioned therein. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiary companies is contained in the report. The Annual Accounts of the subsidiary companies are open for inspection by any Member / Investor and the Company will make available these documents / details upon request by any Member of the Company or to any investor of its subsidiary companies who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the Company's Head Office and that of the subsidiary company concerned and would be posted on the website of the Company.

16. DIRECTORS

Mr P R Menon, Managing Director, retired on 31st January, 2011. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr Menon.

Mr Anil Sardana was appointed as an Additional Director with effect from 1st February, 2011, in accordance with Article 132 of the Articles of Association of the Company and Section 260 of the Act. Mr Sardana holds office only upto the date of the forthcoming Annual General Meeting (AGM) and a Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Mr Sardana's appointment as a Director. The Board also appointed Mr Sardana as the Managing Director effective the same date. His appointment and the remuneration payable to him require the approval of the Members at the ensuing AGM.

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr D M Satwalekar, Dr R H Patil and Mr P G Mankad retire by rotation and are eligible for re-appointment.

17. AUDITORS

Messrs Deloitte Haskins & Sells (DHS), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing AGM. It is proposed to re-appoint DHS to examine and audit the accounts of the Company for FY12. DHS has, under Section 224 (1) of the Act, furnished a certificate of its eligibility for re-appointment. The Members will be requested, as usual, to appoint Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No. 6 of the Notice.

Members will also be requested to pass a resolution (vide Item No.14 of the Notice) authorising the Board of Directors to appoint Auditors / Branch Auditors / Accountants for the purpose of auditing the accounts maintained at the Branch Offices of the Company, in India and abroad.

In accordance with the requirement of the Central Government and pursuant to Section 233B of the Act, the Company carries out an audit of cost accounts relating to electricity every year. Subject to the approval of the Central Government, the Company has appointed N I Mehta & Co. to audit the cost accounts relating to electricity for FY12.

18. AUDITORS' REPORT

The Notes forming part of the Accounts referred to in Auditors' Report of the Company are self-explanatory and, therefore, do not call for any further explanation under Section 217 (3) of the Act.

The consolidated financial statements of the Company have been prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements, Accounting Standard 23 on Accounting of Investments in Associates and Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, issued by the Council of the Institute of Chartered Accountants of India.

19. CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Statement, Report on Corporate Governance and Auditors' Certificate, are included in the Annual Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Act, the Directors, based on the representations received from the Operating Management, confirm that :

i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) they have prepared the annual accounts on a going concern basis.

21. ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, both international and domestic, Bankers, Financial Institutions and Academic Institutions.

The Directors are thankful to the Government of India and the various Ministries, the State Governments and the various Ministries, the Central and State Electricity Regulatory authorities, Corporation and Municipal authorities of Mumbai and other cities where we are operational.

Finally, we appreciate and value the contributions made by all our employees and their families for making Tata Power what it is.

On behalf of the Board of Directors,

R N Tata
Chairman

Mumbai, 19th May, 2011

Annexure I to the Directors' Report

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development (R & D)

1.	Specific area in which R & D carried out by the Company	i. Development of secure algorithms and encryption modules for trusted platforms and digital communication systems. ii. Development of a cost-effective floating Concentrated Photovoltaic (C-PV) System.
2.	Benefits derived as a result of the above R & D	i. Imported products replaced by indigenous products for use by Indian Defence in the area of secure computing and communications. ii. Potential to install up to 400 MW solar C-PV system on the lakes in the Company's hydro areas.
3.	Future plan of action	i. Develop a secure and robust communications backbone for fixed and mobile tactical communications. ii. Test a pilot plant of 13.5 kW on Walwhan lake.
4.	Expenditure on R & D (in ₹ crores) a) Capital b) Recurring c) Total	 7.95 0.19 8.14

Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	i. Prototypes for secure IP-based voice and data communication systems are being developed in partnership with Defence Research and Development Organisation and other Indian Government organisations. ii. The Company has acquired a 17% equity stake in an Australian company called Sunengy - the developer of the technology.
2.	Benefits derived as a result of the above efforts	i. State-of-the-art indigenous solutions for communications viz. terrestrial radios, IPPBX, etc. have been developed for use by defence and security agencies. ii. Sunengy will manufacture a pilot plant of 13.5 kW and provide it to the Company for testing on Walwhan lake by October 2011.
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	 Yes 2010 No Pilot unit is under construction.

A) TECHNOLOGIES ADOPTED

1. Trombay

- **Technology to improve boiler efficiency**

  The Company has adopted technology that aims to enhance the boiler performance by optimising combustion process. It measures various air, fuel and flue gas circuits and captures deviation from desired performance. These deviations are analysed and corrective actions are taken accordingly. The system has been commissioned in Trombay Unit 5.

- **500 MW training simulator**

  New PC based 500 MW training simulator at Trombay has been commissioned, which will be used for in-house training of O&M engineers. The new simulator is a high fidelity simulator which simulates all the plant parameters closely within the specified limit under different operating conditions.

- **Mobile belt for transporting coal replacing coal movement**

  A mobile belt system has been installed which can be used to feed coal stored at coal berth to the coal conveying system. The coal conveying system at coal berth gets its regular coal supply from the barge unloader. The mobile belt system has improved the flexibility of coal logistics at coal berth. During the collision between vessels MV MSC Chitra and MV Khalijia - III, off the Mumbai coast, the coal receipt was affected and the portable conveyor was very useful.

- **Radar at coal jetty for following unwanted vessels**

  As per statutory requirement of International Ships and Port Facility Security Code, it is mandatory to install Automatic Identification System (AIS) radar at port facility. It helps in monitoring and tracking the movement of ships, barges and boats plying in the sea with the help of AIS transponder fitted on it. AIS transponder and radar gives the information about the name, type of vessel, country it belongs to, its gross weight, speed, bearing and distance of vessel from the Company's location. This information helps in establishing the identity of vessel and authorising its movement in port facility jurisdiction. This system has been installed at coal jetty in March 2011.

2. Jojobera

- **Reduction of particulate matter in flue gas at Jojobera**

  The environmental clearance for Unit 5 at Jojobera was accorded subject to reduction in Solid Particulate Matter (SPM) of existing units. Use of anhydrous ammonia spray was identified as a cost effective solution and tried out in one of the existing units. The pilot test of anhydrous ammonia dosing was conducted and that resulted in SPM reduction of 190 ppm as against the planned reduction of 175 ppm. Anhydrous ammonia dosing is now being implemented in other units at Jojobera.

3. Transmission and Distribution (T&D)

- **High ampacity conductor**

  New tower erection in Mumbai area is difficult due to various encroachments. The new Aluminium Conductor Composite Reinforced (ACCR) conductor is a tailor made solution to address this issue. The ACCR conductor has double the current carrying capacity of similar conventional Aluminium Conductor Steel Reinforced (ACSR) conductor. About 192 kms. of ACCR conductor has been successfully strung on existing towers of the 110 kV Salsette-Saki and Borivli-Malad lines without affecting the ground clearance.

- **Ultrasonic meter for measuring distances**

  Cable height meter is a handheld meter for accurate measurement of cable sag, cable height distance and overhead clearance of conductors. It can be used in any weather and is an advanced alternative to the conventional telescopic measuring poles. It uses ultrasonic signals to determine the height of overhead cables up to 23 metres (75 feet).

- **Using of special tubing on bare conductors**

  In order to prevent the overhead faults, the bare conductors on the H frame were covered with special tubing. These tubes have high IR value and are resistant to the Ultraviolet rays effect. These properties are expected to increase the life of the tubing as compared to the tubing used previously.

- **Cable cure life extension technique**

  Cable cure technology is a life extension technique used for the HT Cross Linked Polyethylene (XLPE) cables. The XLPE cable over the years develops defects called water trees which lower the insulation value of the cable, thereby causing premature failure. In cable cure, a silicon based compound is injected into the cable conductor for a length of 250 meters which diffuses into the insulation and fills up the voids / water trees. This increases the insulation level, thus enhancing the life of the cable by almost 20 years. This technology has been successfully adopted in the 22 kV THDC-Odyssey cable in October 2010.

- **Geographical Information System (GIS)**

  GIS will help the Company to carry out network analysis, network planning and network management, in a cost-effective manner and ensure network reliability to meet customer expectations and regulatory requirements. GIS will provide geo-referenced maps which will help the Company in better providing customer services like connection feasibility, meter installation, meter reading, bill delivery and load enhancement. Integrating enterprise GIS with SAP ISU module and CRM is expected to help in responding to customer queries and complaints and communicating more effectively in a timely manner.

- **Unified SCADA for receiving station**

  Unified SCADA with distributed nodal backup has been commissioned for the Company's receiving stations. This new technology is expected to provide complete monitoring and control capability of the Company's T&D network in unified manner. The Company has replaced old SCADA systems, which were operating on standalone basis for each station. This is expected to improve reliability of the power system.

- **Online condition monitoring of power transformer using gas chromatography**

  Online condition monitoring of power transformers helps in averting forced outages. The Company has adopted online gas chromatography to detect abnormal conditions while the transformer is in service.

- **One Second Arc Proof Test for metal clad MV switchgear**

  The One Second Arc Proof Test has been introduced as an added safety feature in the 22 kV / 33 kV switchgear to safeguard men and material. This will enable containing the arc within the enclosure in case of fault.

- **Implementation of IEC61850 technologies**

  Implementation of IEC61850 technologies for integration of protection and control system has been carried out at 33 kV level. This feature reduces hard wire requirement and ensures faster commissioning of switchgear.

4. Retail

- **Mobile work stations in consumer section**

  A special delight team has been constituted to visit the customers at their doorsteps and educate them on the services provided by the Company. The team registers them on portal for viewing bill details, receiving alerts, etc. and demonstrates the various facilities available on the portal. This activity is done using laptops and wireless broadband for ease of mobility.

- **Paperless customer application processing**

  Paperless customer application processing helps in easy retrieval, thereby increasing the efficiency of operations and improving cycle time to answer customer queries. All the applications along with supporting documents are scanned and stored in the software 'Customer Connect'.

- **Hand held units for meter reading**

  Hand held units (HHUs) are used for meter reading of single phase as well as three phase supply given to the consumers. The energy meter readings are entered into the HHU and then directly downloaded into the system. The system has less manual intervention and hence, reduced possibilities of errors, reduced cycle time for meter reading and uploading of data into the system. Additionally, site related issues can be captured with help of identified HHU codes and proactive action can be initiated.

5. Information Technology

- **Synchronous Digital Hierarchy (SDH) protocol for fiber optic communication network**

  The old fiber optic terminal equipment has been replaced with new SDH which will allow the Company's communication network to be managed efficiently and in a flexible way. This will help in improving the reliability of communication network.

- **River bed technology for bandwidth management**

  River bed technology does the data crunching and uncrunching over the WAN, hence optimising the WAN bandwidth. This allows the Company to run its business application efficiently across the organisation.

- **Documentum technology for documentation of land records**

  Electronic Land Record Management System has been implemented using Documentum technology. This will enable the Company to manage its land and estate records efficiently.

6. Sustainability Group

- **Solar Roof Top PV System**

  The Company has installed a 60 kW solar rooftop PV system on top of the A Block of its Corporate Office at Carnac, Mumbai. The system, provided by Tata BP Solar India Limited, has been synchronized with the grid. This is the first such system in Maharashtra. The system was commissioned in January 2011 and has logged in a production of approximately 25,000 kWh. The Smart Metering System that was ordered with the system, has been installed.

- **Hybrid Solar and Wind System**

  The Company has installed a hybrid solar PV (2.2 kW) and a micro-wind turbine (0.8 kW) of a total capacity of 3 kW on top of the Station B building at Trombay. This system is not hooked to the grid but provides power to the lights in the passageway of 5th Floor. Further, the Company is in the process of installing a standalone micro-wind turbine (2 kW) at the coal jetty to test the function of this micro-wind turbine.

B) TECHNOLOGIES BEING REVIEWED / ADOPTED

- **Automatic Meter Reading**

  The Automatic Meter Reading (AMR) system acquires energy data from consumer meters automatically from remote locations, avoiding any human intervention. This data is used for billing, planning, monitoring, decision making and taking corrective actions accordingly. The AMR system also helps in carrying out energy audits, analyzing energy consumption and load profile of various consumers and detecting metering abnormalities. The system generates reports to highlight demand violations, poor power factor condition, significant drop or increase in consumption, improve services, reduce costs and reduce the need for peak-load capacity.

- **Smart Grids**

  The Company is in the midst of implementing AMR / Advanced Metering Infrastructure (AMI) system. These meters will be provided for all the customers above 20 kW i.e. for around 5,000 customers. In phase 1, meters for 1,500 customers will be installed by November 2011. With the implementation of this system, the Company's customers will be able to download their daily consumption through its website and analyze their consumption pattern and optimize their utilization, as also vary it based on the time of day (TOD) use, leading to energy and cost saving. A Smart Grid involves delivering of power to consumers through a two way digital communication and control of appliances at consumers' homes. It also has the capability of integrating renewable energy effectively. With the implementation of AMI system, the Company will be able to provide this facility to its customers in FY12. Thus, when power is least expensive one can switch on appliances at home and switch off when it is costlier. Hence, Smart Grid will enable every consumer to have access to the Grid, and vary consumption dynamically, enabling use of technology to conserve energy and save energy cost.

- **Coat for transmission line towers**

  Due to proximity of saline and corrosive atmosphere, the tower bracings on Malad-Versova lines are facing corrosion problems. Various polymeric and bituminous paints were used for coating the towers, but the results were not encouraging. A new product that forms elastic film and has zero permeability to water and air has been applied at location No. 19 of Malad-Versova lines. The performance of the coat will be monitored during the monsoon before applying it at the other locations.

- **Consumer substations (CSS) on upper floor**

  The Company has been following the conventional practice of installing the CSS with standard layouts on the ground floor. Mumbai is developing vertically and space is one of the major issues for installation of the CSS. Considering the customer's requirement of installing substation in less space, a study was carried out along with other utilities. The Company has now designed for floor wise substation installation.

- **CO_2 Recovery and Reaction with Algae**

  The Company needs to have a long term strategy for CO_2 mitigation. In addition to improved energy efficiency, use of ultra super critical technology and high efficiency combined cycle plants using natural gas, active CO_2 mitigation may be required. The Company has ruled out CO_2 Capture and Sequestration because it is very expensive, energy intensive and will result in a tariff increase of 70 to 80%. Therefore, the Company has decided to build a pilot plant to recover CO_2 from the flue gas after the SO_2 scrubber of Unit 5 at Trombay and to react it with algae to create biomass as a supplementary fuel. Third generation solvents will be tested in this pilot plant (10 TPD CO_2 equivalent to 0.5 MW) so that the energy penalty of CO_2 recovery is cut down by 50%. The concentrated CO_2 will be reacted with pre-selected algae so that the capital and operating costs of the Photo Bio Reactor (PBR) is reduced by more than 50% as compared to those when using flue gas with 12% CO_2 in the PBR.

- **Fuel Cells with Methanol**

  The Company has been examining various technologies for distributed power systems in the range of 1 kW to 5 kW. These can be used for telecom towers, for urban rich families as backup systems and once their costs are reduced when widely used, for the rural communities who do not have power. One such technology that is being closely reviewed is Direct Methanol Fuel Cells (DMFCs). Methanol supply is, currently, far ahead of the demand worldwide and is expected to be so for 10 years. At current prices, if DMFCs are made in India, power can be produced at less than ₹ 10 / kWh. The purpose of this applied R & D project is to cut the capital costs down to USD 1.5 / W and to ensure that the Company has a reliable supply of methanol.

- **Microwave drying of coal**

  Studies have been carried out for utilizing microwave for moisture removal from coal. Preliminary studies indicate favourable results. Techno-economic analysis of the overall system for implementation is being taken up at a lab scale.

- **Geo-Exchange Cooling**

  Field experiments have been conducted for heat rejection to the ground. To reduce / minimise the requirement of cooling water, the ground is being used as a sink and experiments with buried pipes have been carried out to determine the potential of heat loss to the ground. Preliminary results show a heat loss of about 5 degrees on an average. The hardware for these experiments is further being optimsed.

C) OTHER NEW TECHNOLOGIES ADOPTED (NOT REPORTED PREVIOUSLY)

- **Introduction of 33 kV Isolator Ring Main Units (RMUs) for the first time in Tata Power distribution network**

  33 kV Isolator RMUs have been installed at the Dahisar and Mira Road distribution substation (DSS) for capacity augmentation and easy isolation of the feeders in case of emergency. These RMUs are operated from remote location on the existing distribution automation system. Earlier, 33 kV source cables for Mira Road DSS had limited the firm capacity of both DSS to 17 MVA only. To strengthen the existing network and to improve the reliability between Dahisar and Mira Road substations, the 33 kV ring network using gas insulated RMUs has been installed.

- **Ceramic pulley lagging on coal conveyor belts in Trombay**

  The original rubber lagging of coal conveyor belt in one of the junction towers, which was imported from South Africa, had worn out completely. The absence of lagging resulted in belt slippage on drive pulley and heavy vibrations to junction tower. The estimated period required for replacement of pulley lagging job was at least nine days which could involve removal of pulley, fixing of lagging and installing back the removed pulley with drive alignment. Options were explored to look for non-conventional or innovative solutions to achieve the desired goal of pulley lining with reduced cycle time. The ceramic pulley lagging was adapted for the pulley and the job could be completed within 24 hours without necessity of removing the pulley.

MANAGEMENT DISCUSSION AND ANALYSIS

1. SECTOR OVERVIEW

1.1 Global Energy Demand

The global average per capita consumption of energy is currently at about 2,500 kWh. It is said that the basic minimum need of energy for a decent quality of life is about 4,500 to 5,000 kWh per capita[1]. Further, global population is expected to rise from about 6.8 billion currently to about 9 billion by 2050 and then stabilize[2]. Therefore, no matter which way one looks at energy demand viz. either to just provide a basic quality of life to the existing population or to take care of the needs of another 2.2 billion people, the world will need more energy.

While the rate of growth in energy consumption is expected to be very high in growing economies like China, India, Africa, South America, etc., the growth in energy consumption in absolute terms is projected to be the highest in China followed by North America, India, Middle East, etc. For the power sector, growth in absolute energy consumption is more relevant than just percentage change in energy consumption. Further, it is also seen that the ability to pay in markets that have high energy growth rates is weaker as compared to the developed markets.

In absolute terms, the United States of America (USA) is by far the largest consumer of energy followed by China and Western Europe. Japan, South Korea, the Middle East and Russia are the other big consumers. In comparison, India's energy consumption today is much lower but is expected to be around the current levels of Japan, South Korea, and others by 2030[3].

With evolving consumer needs and technology, energy and electricity are getting more fungible. Electricity, however, is the most convenient form of energy and, hence, it is expected that its share of delivered energy will rise from the current 17% to 20% by 2030[4].

The key factors that will shape the energy / electricity markets will be climate change and energy security. The key drivers for the power sector will be based on:

- World moving towards the optimal energy mix based on low carbon and low cost.
- Focus on increasing the overall system efficiency through technology breakthroughs.
- New delivery models like decentralized generation.

1.2 Global Energy Supply

The World has fossil fuel reserves that are projected to last for 91 years based on current consumption levels and around 45 years based on increasing consumption trends (See Chart 1). Russia has sizeable energy consumption and also one of the largest reserves. Saudi Arabia, South Africa and Australia are other regions of large reserves with a far lower domestic consumption and, hence, can play a major role in the global trade of energy.

Chart 1: Fossil fuel reserves of key countries (2010)[5]

Regions	Consumption (Million tonnes of oil equivalent [MTOE])	Years of reserves if domestic consumption remains constant	Years of reserves if domestic consumption grows (Business-as-usual)	Coal Reserves* (% of total energy reserves)	Gas Reserves* (% of total energy reserves)	Oil Reserves* (% of total energy reserves)
World	11,164	91	45	60	19	21
USA	2,182	86	57	94	4	2
China	2,177	39	20	95	3	3
Japan and Korea	701	3	24	100	0	0
Western Europe (France, UK, Germany, Italy and Spain)	1,026	7	4	89	7	4
Russia	635	274	183	67	26	7
India	468	90	34	95	2	2
Brazil	225	50	17	68	5	27
Saudi Arabia	191	231	52	0	16	84
South Africa	126	161	59	100	0	0
Australia	119	457	104	94	5	1
Egypt	76	35	18	0	76	24

* The totals do not add up due to rounding off.

[1] Internal Analysis
[2] U.S. Energy Information Administration (EIA)
[3] EIA
[4] EIA
[5] BP Statistical Review

Oil is the most widely traded commodity primarily because of its ease of handling and usage. However, oil exports are largely controlled by countries of the Middle East, Russia and Nigeria. The major oil importers are the USA, Western Europe, China, India and Japan. Increasing cost of oil production, falling reserves and increasing demand are likely to push oil prices upwards[6].

Volume of gas as a traded commodity is fast increasing, facilitated by improving Liquefied Natural Gas (LNG) infrastructure. The major gas consumers are the USA, Western Europe and Japan, whereas the main suppliers are Russia and countries in the Middle East. The discovery of shale gas in North America could, however, dramatically change the gas supply scenario, leading to drop in demand and stranded LNG capacity, resulting in lower gas prices in the near term[7].

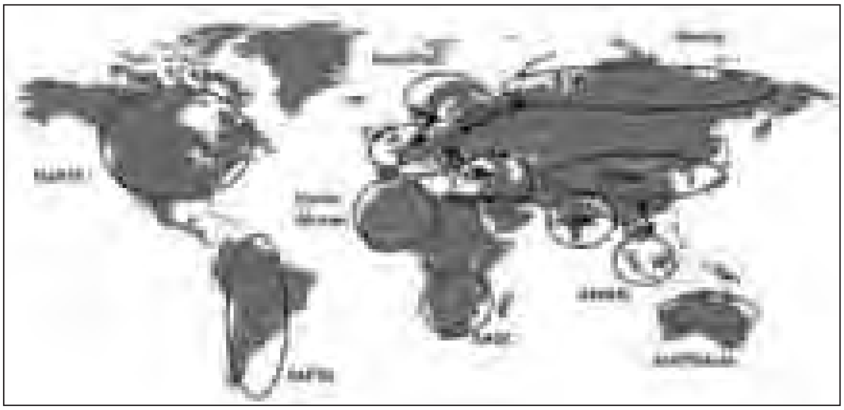
Sea-borne coal trade, especially thermal coal, accounts for only about 15% of the total coal consumption. The main importers of coal are the USA, China, India, Western Europe, Korea and Japan. The main suppliers are Russia, Indonesia, Australia, South Africa and Colombia. The USA has the largest reserves of coal but is currently not exploiting them. Growing demand for energy in China and bottlenecks in internal supply in India are expected to drive global demand for coal in the near term.

At a macro level, this implies limited fossil fuel supply and that many people might in their lifetime see fossil fuel availability taper off. Hence, prices of fossil fuels are expected to rise. This would also lead to an increase in electricity prices. Since major consuming economies like Western Europe, Japan, South Korea and China do not have sufficient domestic resources, nuclear power and renewable sources would be more important to fulfill their energy requirements.

1.3 Market Structure

While primary energy sources like coal, gas and oil are global commodities, electricity has traditionally been a more local / regional commodity. However, with international grids getting connected, the picture hereunder might change.

Chart 2: International Grids (Existing and Planned)[8]



Globally, a structure seems to be evolving where electricity generation and retail will be open to competition and the wires will be a natural monopoly and available to all. The power generated will be sold to a common pool on the basis of 'Least marginal cost of supply' wherefrom all retailers will buy their supply needs. The markets will permit direct hedging contracts between the retailers and generators to manage price volatility in the common pool.

India has different models of power sale ranging from an integrated utility (the old State Electricity Board [SEB] structure), to a 'single buyer' (MoU based / regulated generation), to 'wholesale competition' (Ultra Mega Power Projects [UMPPs], Case 1) and retail competition (Mumbai). Migration to developed market structure is expected to occur as soon as the gap between demand and supply is narrowed.

While the electricity market structure is subject to a high degree of regulation, the basic input to electricity i.e. fuel, remains free of all control and can provide opportunities for a deregulated play over a longer term (in India fuel is not yet free of all control – coal mines are still 'allocated' and oil and gas prices are still administered).

An analysis of the value chain from fuel to electricity generation to transmission to distribution and finally to retail suggests that the maximum value lies on the fuel side followed by generation. The volatility of returns in fuel, however, is higher as compared to that in generation.

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[6] EIA, FACTS, Internal Analysis
[7] EIA, FACTS, McKinsey Gas Report, Internal Analysis
[8] Internal analysis, various websites

1.4 India Scenario

Current per capita consumption of electricity in India is about 733 kWh[9] which would have to grow 7-8 fold to provide a decent quality of life. At a GDP growth rate of 5-9%, the demand is expected to grow to about 2 times the current demand by 2017[10]. It is expected that with the 12th five year plan (2017), India might have sufficient base load capacity. However, with economic growth, there will still be a need to add 115 GW to 190 GW of base load capacity between 2020 and 2030 i.e. about 12,000 MW to 19,000 MW every year. Hence, there would be a need to continue adding base load capacity in the 13th and 14th five year plans as well[11].

The expected growth would mean that about 40,000 MW will be under construction every year. About 75,000 to 80,000 new skilled workers would be required only for construction and operations in the power sector[12]. However, the power sector faces competition from both infrastructure sectors and other industries such as Information Technology (IT) for skilled manpower. Further, at an average cost of ₹ 6 crores per MW covering all forms of generation, India will need ₹ 240,000 crores to ₹ 300,000 crores as capital, with an additional requirement of about ₹ 60,000 crores to ₹ 80,000 crores per year. Hence, people development and funding are critical to cater to the growing demand.

The major fuel source for base load capacity addition is expected to be coal. However, availability of domestic coal is a challenge on account of various bottlenecks such as capacity expansion of Coal India Limited, coal block allocation, tribal land acquisition, environmental and forest clearances, etc. This is further compounded by issues around land acquisition for the power plant, water availability and ash disposal for domestic coal-based plants. As per the annual report of FY11 released by the Ministry of Coal, the projected coal demand in FY12 is 713 Million Tonnes (MT) (including both coking and non-coking coal), while the likely supply is expected to be 592 MT. This would leave a deficit of about 120 MT which would need to be made up by imported coal or blended coal as per plant design. This would lead to increased demand for imported coal, resulting in a rise in fuel cost for generating companies.

In view of the inherent risks and challenges in developing and executing new projects and rising fuel costs, the cost of generation is likely to increase. However, the political will to pass on these costs to consumers has been rather weak, thereby forcing Governments to increase subsidy bills. It is ironic that while the consumers are willing to pay for diesel generation sets and invertors, from which the cost of power is very high, they are unwilling to pay for power from the utilities. People need to be educated and prepared for price increases and Governments need to address this communication challenge. Unless the challenge of an increasing subsidy bill is addressed urgently, it could become another serious bottleneck in capacity addition.

Currently, the power sector relies excessively on coal-based generation. When the climate change movement gathers momentum, India will need to move away from coal to other power generation sources such as hydro and nuclear. Even without the challenge of climate change, just the sheer need for more energy and the need for self-reliance will drive the Indian power sector towards energy efficiency, conservation and cleaner power.

Towards this end, the Company has enunciated a path for sustainability to address the fallouts and opportunities. It has undertaken various initiatives in areas such as Environment, Architecture, Community Development, Advocacy, Renewables, New Technology, Green Buildings, New Models of Development, etc. It has established the Tata Power Energy Club for creating mass awareness on energy conservation across the country and established renewable energy generation as part of the approach.

Nuclear power is considered to be another option for India, given the shortage of adequate existing energy sources. The three stage process adopted by India that uses reprocessed spent fuel in fast breeder reactors, eventually moving to a Thorium-based cycle, would offer the long term solution, provided concerns arising out of safety issues including the recent incident at Fukushima in Japan get addressed appropriately.

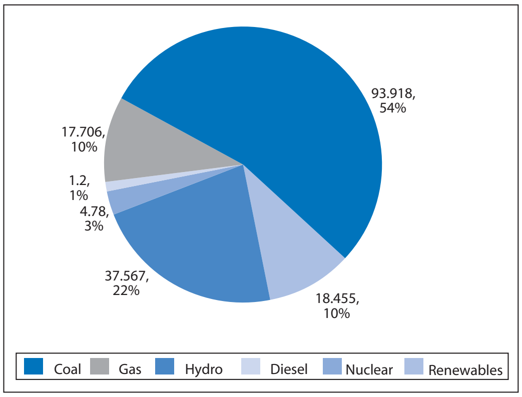
1.5 Performance of the Indian Power Sector during the year 2010-11

1.5.1 Generation

The total power generation in the country during FY11 was 811.10 Billion Units (BUs) which comprised primarily 664.91 BUs from thermal, followed by 114.29 BUs from hydro, 26.28 BUs from nuclear and import of 5.61 BUs from Bhutan. The average thermal plant load factor was 75.07%. The installed generating capacity in the country (as shown in Chart 3) as on 31st March, 2011, was 173.626 GW[13]. The base load deficit during the year was about 73,000 MUs and the average peak load deficit for the year was about 12,910 MW[14].

[9] Central Electricity Authority (CEA) Monthly Review of Power Sector, March 2011
[10] McKinsey and Co. 'Powering India – the Road to 2017', Internal projections
[11] EIA, Internal Analysis
[12] Internal Analysis
[13] CEA, Infraline reports
[14] CEA

Chart 3: Installed capacity by Fuel (Capacity in GW and %)



1.5.2 Capacity Addition

The capacity addition in the 9th and 10th five year plans put together was 46.534 GW. The revised 11th plan (2007-2012) target is 62.000 GW. Capacity commissioned during 11th plan (upto 31st March, 2011) was 41.297 GW. The expected capacity addition, although much higher than earlier five year plans, is, however, still short of the revised target.

1.5.3 Fuel Availability - Coal

Current domestic coal supply has been affected by environmental restrictions on coal mining because of which Coal India Limited (CIL) has not been able to ramp up production to planned levels, as also, a large quantity of coal has not been transported from the mines (about 60 MT as per CIL). This has impacted generation availability of domestic coal-based plants in the country. As many as 28 plants amounting to a capacity of about 30,000 MW, were facing critical fuel stock situation with a coal stock of less than 7 days, as per the CEA monthly report. The production of CIL in FY11 was 431 MT of coal, with non–coking coal production of 390 MT. This is significantly lower than the demand. Import of coal is, therefore, being resorted to during the last few years and utility-wise allocation is being made by the Ministry of Power in consultation with CEA. The import of coal is set to rise from about 100 MT per annum (MTPA) currently to over 150 MTPA by 2013[15].

1.5.4 Fuel Availability - Gas

The installed generation capacity of gas-based power stations as on 31st March, 2011, was about 17.706 GW. Although the Ministry of Petroleum and Natural Gas has come up with guidelines for allocation of domestic gas, there is uncertainty in domestic gas supply with respect to quantity as well as price. Production from KG D-6 of Reliance Industries Limited, India's largest producing gas field, has dropped significantly during the last few months. Due to this uncertainty, gas projects that have requested for gas have been put on hold by the concerned authorities in the power sector till further clarity emerges on the production scenario. Under such circumstances, new gas-based capacities are unlikely to come up in the near future, till the above issues are resolved. Imported LNG, which is a direct substitute for domestic natural gas, is at almost double the price. In this way, electricity produced from imported LNG makes the cost of generation relatively higher to merit dispatch on a base load basis.

1.5.5 Transmission

The rate of growth of the transmission network (at voltages of 220 kV and above) during the past decade has been at about 6-7% per annum. The inter-regional transmission capacity has increased from 5.050 GW (end of 9th plan) to about 22 GW by March 2011. However, this still falls short of the 14% per annum growth in transmission capacity targeted in the 11th plan. The Government policy plans to increase inter-regional transmission capacity to 58.700 GW by 2015. It is expected that thereafter, inter-regional transmission will not be a constraint[16]. New Inter-State Transmission Charges and Losses Regulations, 2010, came into effect from 1st April, 2011.

1.5.6 Distribution

Power distribution still remains a segment that needs significant reform, as this would have a direct impact on the sector's commercial viability and ultimately on the consumers and generators. The sector has been plagued by high distribution losses (as high as 35-40%) and low billing recovery, resulting in poor financial health of the utilities. After the mediocre results of the Accelerated Power Development and Reforms Programme (APDRP), the Government has introduced the Revised Accelerated Power Development and

[15] CEA, CIL reports
[16] CEA, Infraline reports

Reforms Programme (R-APDRP). The programme is to be implemented in two phases. The focus of the first phase is on implementation of IT systems for distribution. This is to be followed by large scale distribution franchising in the second phase in order to remove inefficiencies. The reform of the distribution sector is also crucial for the success of the generation sector as the generation companies cannot sell power to financially unviable entities[17].

At least 25% financial savings could be accrued by reducing distribution losses. This can help offset the increase in fuel and energy costs.

The 13th Finance Commission has advocated that the States need to address the problem of losses in the power sector in a time-bound manner. In its recommendations, it has included the following recommendations, among others:

"i) Reduction of Transmission and Distribution (T&D) losses should be attempted through metering, feeder separation, introduction of High Voltage Distribution Systems (HVDS), metering of distribution transformers and strict anti-theft measures. Distribution franchising and Electricity Services Company (ESCO)-based structures should be considered for efficiency improvement.

ii) Unbundling needs to be carried out on priority basis and open access to transmission strengthened."

The Company, with its integrated operation and significant experience in public private partnerships in all areas of the value chain, is well poised to address opportunities in the sector as they arise.

Alternate models for distribution, particularly decentralized generation using renewable energy sources could be effectively used to address the needs of the country's rural and semi–rural communities.

1.5.7 Power Trading

The Electricity Act, 2003 (EA 2003), recognised power trading as a new segment apart from generation, transmission and distribution. Tata Power Trading Company Limited was the first company to be granted a license by the Central Electricity Regulatory Commission (CERC) in June 2004. Power trading has since enabled the country as a whole to balance its power surpluses and deficits and has helped to optimally utilise its generation resources. Electricity traded in the short term power market has gradually increased to nearly 7% of the generation, of which close to 5% is via bilateral trading and the balance 2% is through power exchanges. Power trading has been continuously evolving since its inception and the increase in volumes reflects the confidence of market participants. Open access to generators and consumers, increased share of merchant power in upcoming independent power plants, banking of power, establishment of distribution franchisees and supply of power to Special Economic Zones, etc. is expected to lead to further growth in power trading business in the future. With these increased opportunities, however, the competition has also grown fierce due to increase in number of CERC licensed traders from 13 in FY05 to 39 in FY11[18].

While the outlook for power trading is bright in the longer term, the sector is currently facing several challenges that need to be addressed by the regulators and policymakers. The financial condition of the distribution sector is a matter for concern. This is limiting their purchases and constraining their ability to pay for power procured. Distribution companies (discoms) prefer to shed load rather than purchase power, resulting in lower off-take and dampened prices in the merchant market. It is a paradox in the Indian market that consumers have to invest in generating expensive power using backup power equipment while inexpensive power remains un-dispatched due to load shedding by discoms. In addition, the unwillingness of discoms to allow for open access to their consumers in spite of the provisions in EA 2003 is acting as a barrier to further growth and competition in the sector. A combination of tariff increases, distribution reforms, open access and enforcement of the 'obligation to serve' is required going forward.

2. OPPORTUNITIES AND OUTLOOK

2.1 Domestic

2.1.1 Generation

- The country needs to add substantial generation capacity but magnitude of addition is skewed region / state wise. Hence, certain regions of the country could offer significant opportunities for investment in generation facilities.
- Policy directions do not indicate any significant development with respect to addressing peaking power shortage. Gas-based generation capacity and decentralized generation opportunities may emerge under these circumstances.
- Bidding on domestic coal-based UMPPs, which got delayed due to various reasons, seems to be gathering steam. The Government is committed to float more such opportunities in the near term. It has already started the bidding process for two UMPPs in Orissa and Chhattisgarh.

[17] CEA, Infraline reports
[18] CERC

2.1.2 Distributed Generation

- The need for access to reliable electricity would drive opportunities in decentralised distributed generation. This would require innovative business models with a mix of technologies to address this market and the Company is working on these.

2.1.3 Renewables

- The National Solar Mission has presented an opportunity to grow the solar generation portfolio of the Company and the Company is looking forward to a 300 MW market for installed capacity by 2013.
- Strengthening of Renewable Energy Certificate (REC) mechanism is expected to help manage the liquidity in the renewable energy market by allowing States that lack renewable energy sources to meet their Renewable Purchase Obligation (RPO). This would stimulate growth in the renewable energy space. There could be significant opportunities in this space depending on how the REC market evolves, and also on whether regulators penalise discoms that do not meet RPO.

2.1.4 Distribution

- While there have been declarations of intent at the Central Government level on privatizing distribution, a lot still needs to be done. The Government has recently set up a sub-group in the Planning Commission on Public Private Partnership in distribution and the Company is actively participating in the process.
- The Planning Commission has proposed to give incentives to SEBs putting in efforts towards reducing losses.
- Distribution franchisee model has been accepted by a few States as the route to bring private investments in the distribution business. However, there has been little inclination to implement it.

2.1.5 Transmission

- The recent regulatory interventions have paved the way for private sector participation in build-up of new transmission systems.
- Transmission would remain a strategic play for the Company, based on opportunities that come up.

The Company is reviewing each opportunity in the above areas as it presents itself and is participating in chosen opportunities.

2.2 International

- Several countries across the globe are liberalizing their energy sector. This is expected to open up opportunities for growth and participation.
- The Company is uniquely positioned, being an integrated player from resources to managing retail customers.
- As a part of its international strategy, the Company is looking for integrated energy value chain opportunities across the world. The Company aims to be significant in chosen geographies it operates in.
- The Company will seek opportunities to acquire energy resources across the globe, over and above de-risking of domestic fuel availability.
- The Company is also looking for opportunities in capacity addition across various geographies.

3. RISKS, THREATS AND CONCERNS

The large opportunity for additional generation capacity created by high economic growth will be subject to a lot of risks which the Government and utilities will need to address:

- Domestic coal supply remains a big concern with environmental factors weighing negatively. While domestic coal supply is inadequate to meet current demand, there is not enough infrastructure in both, the exporting countries and India, to handle large quantities of coal for import into India. This is likely to lead to higher fuel costs, which will need to be passed on to the consumers.
- Price of imported coal is a cause of serious concern as, in the recent past, the price of coal has gone up from about USD 50 per tonne to over USD 80 per tonne.
- Shortage of domestic gas and expensive LNG imports would hamper the financial viability of gas-based power plants without policy intervention.
- Delays in land acquisition, environmental clearances and other approvals remain an area of concern.
- Lack of water is another threat to the capacity addition plans, since about 79% of the upcoming capacity will be in areas of water scarcity. There is a need to address this through de-salination plants or building more coastal power plants.
- The rising subsidy bill of discoms needs to be addressed for the long term viability of the sector in India.
- Another cause of concern faced by the infrastructure sector, and the power sector in particular, is the lack of skilled manpower.
- The availability and cost of capital for funding of new projects could also be a cause of concern, given that power projects are capital intensive and that Reserve Bank of India has been increasing key interest rates, with commercial banks and lenders following suit. The economic and monetary policies will need to play a key role in ensuring that these projects receive timely funds.

- The imposition of export restrictions or levy of taxes by energy exporting countries could make the cost of imported energy into India even more expensive and unaffordable for the common man.
- The lower tariff hikes being approved by regulatory commissions are resulting in an increasing size of the regulatory assets of discoms. This is leading to increased borrowing by discoms to run day-to-day operations, and an increased burden on the consumers on account of interest costs. The inability or unwillingness of regulatory commissions to address the issue of pass through of increased costs to consumers could result in financial stress for the discoms.
- Regulatory assets are adjustments provided by the regulatory commissions which are non-cash in nature and would need to be liquidated during the subsequent tariff orders. The increasing quantum of regulatory assets pose a challenge to the discoms as cash has to be arranged from alternate sources.
- Risks pertaining to Mundra UMPP:
  - Coastal Gujarat Power Limited (CGPL), a subsidiary of the Company implementing the Mundra UMPP, has committed to charging no escalation on 55% of the cost of coal in its Power Purchase Agreement (PPA). This exposes CGPL to any unfavourable movement in coal prices over the term of the PPA. Given the volatility in the fuel prices and significant increases in the recent years, this may have a material adverse effect on Tata Power Group's revenues and results of operation.
  - During the year, Tata Power has assessed the cash flows expected to be generated by CGPL over the useful life of the assets of 40 years and concluded that there is no impairment. In estimating the future cash flows, management of CGPL, based on externally available information, has made certain assumptions relating to future fuel prices, future revenues, operating parameters and the asset's useful life, which management of CGPL believes reasonably reflects the future expectation of these items.
  - However, if these assumptions change adversely consequent to changes in future conditions that affect these, CGPL may incur an impairment loss and, consequently, the Company may have to provide for diminution in the value of its investment in CGPL. The assumptions will be monitored on periodic basis by the management of CGPL and adjustments will be made if external conditions relating to the assumptions indicate that such adjustments are appropriate.

4. FINANCIAL PERFORMANCE OF THE COMPANY

4.1 Standalone results

Tata Power recorded a Profit after Tax of ₹ 941.49 crores during the financial year ended 31st March, 2011 (FY10: ₹ 938.76 crores). The diluted earnings per share was at ₹ 39.60 for FY11 (FY10: ₹ 38.60) while the basic earnings per share for FY11 was at ₹ 40.84 (FY10: ₹ 40.77).

The analysis of major items of the financial statements is shown below:

a) Revenue

Figures in ₹ crores

	FY11	FY10	Change	% Change
Revenue from Power Supply and Transmission Charges	6,599.36	6,893.47	(294.11)	(4)
Revenue from Contracts	174.66	146.14	28.52	20
Other Revenue	144.46	58.66	85.80	146
Total Revenue	6,918.48	7,098.27	(179.79)	(3)

Revenue from power supply is lower mainly on account of lower fuel costs that are passed on to the consumers. Higher revenue from contracts is mainly contributed by Strategic Electronics Division (SED) and Services division. Increase in other revenue is primarily on account of the change in accounting policy in respect of Capital / Service line contributions received from consumers. Such contributions, which were hitherto accounted for and carried forward as a liability, are now being accounted as income over the average life of the related assets.

b) Other Income

Figures in ₹ crores

	FY11	FY10	Change	% Change
Dividend Income	223.42	90.69	132.73	146
Interest Income	174.40	116.08	58.32	50
Gain on Exchange	50.61	51.98	(1.37)	(3)
Others	45.15	22.83	22.32	98
Total Other Income	493.58	281.58	212.00	75

Dividend income is higher mainly on account of higher dividend declared by Af-Taab Investment Company Limited during the year. Interest income is higher primarily on account of higher interest from subsidiaries and interest on income tax refunds. Other income also includes a profit of ₹ 16.26 crores on buyback of shares by a subsidiary company.

c) Cost of Power Purchased and Cost of Fuel

Figures in ₹ crores

	FY11	FY10	Change	% Change
Cost of Power Purchased	784.21	251.69	532.52	212
Cost of Fuel	3,485.64	4,060.92	(575.28)	(14)

Cost of Power Purchased was higher as a result of higher quantum of power purchased due to increased changeover customers as well as availability of power at a lower cost from external sources (on account of low merchant rates) than from Unit 6 generation, as the latter is based on oil as feedstock.

d) Staff Expenses

Figures in ₹ crores

	FY11	FY10	Change	% Change
Staff Expenses	341.12	300.35	40.77	14

Staff cost was higher during the current financial year mainly due to annual increases in salary, as also due to induction of new executives.

e) Operation and Other Expenses

Figures in ₹ crores

	FY11	FY10	Change	% Change
Repairs and Maintenance	240.90	196.83	44.07	22
Components Consumed	77.25	41.95	35.30	84
Others	320.14	291.65	28.49	10
Total Operation and Other Expenses	**638.29**	**530.43**	**107.86**	**20**

Operation and Other Expenses have increased primarily on account of higher spend on repairs and maintenance of plant and machinery at Trombay and Lodhivali. Components consumed have increased on account of increase in business volumes of SED.

f) Fixed Assets

Figures in ₹ crores

	FY11	FY10	Change	% Change
Gross Block	10,518.92	10,010.80	508.12	5
Less: Depreciation to date	(4,735.98)	(4,258.06)	(477.92)	11
Capital Work-in-Progress	1,469.50	476.21	993.29	209
Net Fixed Assets	7,252.44	6,228.95	1,023.49	16

Increase in gross block mainly represents the capex incurred in the Mumbai Transmission and Distribution divisions. Increase in Capital Work-in-Progress is on account of the new wind capacity that is being added to increase the contribution of renewable energy sources.

Accordingly, the depreciation charge in FY11 was higher at ₹ 510.14 crores (FY10: ₹ 477.94 crores).

g) Investments

Figures in ₹ crores

	FY11	FY10	Change	% Change
Investments in Subsidiary Companies	5,060.03	3,598.75	1,461.28	41
Others	2,879.88	3,089.87	(209.99)	(7)
Total Investments	7,939.91	6,688.62	1,251.29	19

Increase in investments is mainly on account of additional equity contributed by the Company to CGPL (₹ 1,096.50 crores) and Maithon Power Limited (MPL) (₹ 318.20 crores) during the year. A 120 MW unit being set up by the Company's subsidiary, Industrial Energy Limited at Jojobera was commissioned in March 2011.

h) Net Current Assets

Figures in ₹ crores

	FY11	FY10	Change	% Change
Net Current Assets	3,251.97	3,785.99	(534.02)	(14)

The reduction in net current assets is mainly on account of higher sundry creditors.

i) Borrowings

Figures in ₹ crores

	FY11	FY10	Change	% Change
Secured Loans	4,753.91	4,105.38	648.53	16
Unsecured Loans	2,235.37	1,766.63	468.74	27
Total Loans	6,989.28	5,872.01	1,117.27	19

Increase in secured loans is on account of new debenture borrowings of ₹ 600 crores. Increase in unsecured loans is on account of buyer's credit facility of ₹ 503 crores availed for the purchase of fuel.

While the interest charge in FY11 was marginally higher at ₹ 416.89 crores (FY10: ₹ 406.64 crores), finance charges were substantially higher at ₹ 45.13 crores (FY10: ₹ 16.35 crores). This was essentially due to higher hedging cost of ₹ 39.61 crores (FY10: ₹ 10.26 crores)

j) Tax

Figures in ₹ crores

	FY11	FY10	Change	% Change
Current Tax*	134.44	227.15	(92.71)	(41)
Deferred Tax	36.42	93.35	(56.93)	(61)
Total Tax	170.86	320.50	(149.64)	(47)

* includes wealth tax and FBT

Current tax is lower primarily on account of higher share of dividend income during the year and also due to MAT credit accounted during the year. Deferred tax is lower on account of lower wind capitalisation during the year.

k) Net Worth (Including Statutory Reserves)

Figures in ₹ crores

	FY11	FY10	Change	% Change
Net Worth	10,641.97	9,998.75	643.22	6

The net worth of the Company has increased by 6% during the year on account of profits of the year transferred to Reserves.

4.2 Consolidated Results

The consolidated financials are summarized below:

Figures in ₹ crores

	FY11	FY10	Change	% Change
Total Income	19,861.26	19,574.72	286.54	1
Depreciation	980.24	877.68	102.56	12
Interest and Finance Charges	868.37	781.82	86.55	11
Profit Before Taxes, Share of Associates, Minority Interest, Statutory Appropriations	3,157.47	2,767.30	390.17	14
Profit After Taxes, Share of Associates, Minority Interest and Before Statutory Appropriations	2,059.60	1,966.84	92.76	5

The increase in Total Income was primarily on account of the higher coal price realization in Indonesian Coal Companies. Royalty towards coal mining was higher during the year (FY11: ₹ 765.83 crores, FY10: ₹ 695.37 crores) due to higher coal prices. Coal processing charges were lower during the year (FY11: ₹ 1,667.52 crores, FY10: ₹ 1,719.40 crores) due to lower quantity of coal sold. There was a net capitalisation of ₹ 362.84 crores on account of deferred stripping cost in FY11 as compared to a net charge of ₹ 119.53 crores in FY10. The charge in FY10 was based on a revised technical report. The Company's share of deferred stripping as at 31st March, 2011, was ₹ 740.88 crores as compared to ₹ 389.52 crores as at 31st March, 2010.

Interest charge was higher primarily on account of additional loans taken by the Company's subsidiaries. A large share of the increase in interest charge is on account of North Delhi Power Limited where the tariff recoverable amount has increased to ₹ 2,172.06 crores as on 31st March, 2011 (FY10: ₹ 1,015.63 crores) and which is being funded by higher borrowings.

Provision for Tax stood at ₹ 975.56 crores, as against ₹ 628.66 crores in the previous year. The increase is mainly due to increased profits of Indonesian Coal Companies. The Consolidated PAT is higher mainly on account of increased profits of Indonesian Coal Companies. The Consolidated PAT growth would have been higher, but for the foreign exchange gain of ₹ 358.13 crores in FY10 in CGPL as compared to ₹ 122.86 crores in FY11.

5. RISK MANAGEMENT PROCEDURE AND STRUCTURE

Risk Management as a formal exercise began in the Company in 2004 – well before the Clause 49 mandate. Risks are evaluated based on the probability and impact of each risk. The Risk Register contains the mitigation plans for eleven categories of risks. Risk Owners prepare their risk plans which include responsibilities and timelines. These are periodically updated for the actions taken. Seven Risk Management Sub-Committees (RMSCs) closely monitor and review the risk plans. The Company's Risk Management Committee (RMC) comprises the Executive Directors, Chief Risk Officer and other senior managers. The RMC meets every quarter to review the risk plans and to suggest further mitigation action points. During the year, divisional RMSCs reviewed the major risks at the business unit level. A consultant benchmarked the Risk Management Process and certain improvements in the process were implemented.

An update on the major risks is presented to the Audit Committee of Directors (Audit Committee) at quarterly Audit Committee meetings. The major risks include volatility in prices of fuel and availability of fuel, country risk regarding coal investments, cost competitiveness of generation, project execution related risks, stricter emission norms impacting generation and projects, volume risk due to open access, impact of global financial turmoil, major threats from terrorism / sabotage, etc. The Risk Management Policy is reviewed and revised annually. The major risk areas are covered in the risk based Internal Audit Plan.

- **Internal controls and systems**

  The Internal Audit function has been outsourced to a firm of Chartered Accountants who conduct the audit on the basis of an Annual Audit Plan. The Internal Audit process includes review and evaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. The departmental performance is rated through the Control Effectiveness Index given by the Internal Auditors. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan.

6. INFORMATION TECHNOLOGY

With significant movements in distribution / retail segment and upcoming generation projects, the focus of IT operations during the year was primarily towards IT enablement of business processes to help business to ensure sustainability and competitiveness. The same was achieved with implementation of IT enabled systems for land records, invoices processing, SAP-PM implementation and fuel approval memos. SAP continues to remain the base platform and all other state-of-the-art non-SAP systems have been integrated with SAP. Value engineering studies were conducted and systems such as GIS, business analytics, SAP-CRM and roll out of generation billing and power purchase / sale for MPL and CGPL are the key projects that have been taken up recently. On the IT infrastructure front, a disaster recovery center was setup at different seismic zone. Green IT initiatives such as widespread video conferencing facilities to reduce travel and upgrading to power efficient servers have been completed.

7. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors.

Auditors' Report

TO THE MEMBERS OF
THE TATA POWER COMPANY LIMITED

1. We have audited the attached Balance Sheet of THE TATA POWER COMPANY LIMITED ("the Company"), as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion we draw attention to:

    (i) Note 10 (f) of the Notes forming part of the Accounts. As stated in the Note, subject to the outcome of the Appeal filed before the Supreme Court, no adjustment has been made by the Company in respect of the standby charges accounted for as revenue in earlier periods estimated at ₹ 519 crores and its consequential effects [Note 10 (f) and (g)] for the period upto 31st March, 2011. The impact of the above on the results for the year cannot presently be determined pending the ultimate outcome of the matter. The Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged. In view of this no provision/adjustment has been considered necessary.

    (ii) Note 10 (j) , which describes the key source of estimation uncertainty as at 31st March, 2011 relating to the Company's long-term investment in its subsidiary.

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:

    (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (ii) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books ;

    (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

    (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(1) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

(2) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

(3) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of the written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership Number: 71387)

Mumbai, 19th May, 2011.

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. In respect of materials lying with third parties, these have substantially been physically verified or confirmed by third parties. In our opinion the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.

(vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the electricity business and electronic products of the Company and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(ix) According to information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess and other material statutory dues in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Customs Laws	Customs Duty	2.74	1993-94 to 2003-04	Appellate Authority - upto Commissioner level
Central Excise Laws	Excise Duty	13.78	1992-93 to 2002-03	Appellate Authority - upto Tribunal Level
Sales Tax Laws	Sales Tax/Entry Tax	13.27	2006-07 to 2010-11	Supreme Court
Cess Laws	Cess	8.71	1992-93 to 2009-10	Appellate Authority of The Water (Prevention and Control of Pollution) Cess Act, 1977
Income Tax Act, 1961	Income Tax	25.77	2008-09 to 2009-10	Appellate Authority-Commissioner

(x) The Company does not have accumulated losses as at 31st March, 2011 and has not incurred cash losses during the financial year ended as on that date or in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application of term loans of ₹ 252 crores in working capital and short-term bank deposits.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xviii) According to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has created securities/charges in respect of the debentures issued.

(xx) The Company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership Number: 71387)

Mumbai, 19th May, 2011.

Balance Sheet as at 31st March, 2011

	Schedule No.	Page	₹ Crores	₹ Crores	*As at 31-03-2010 ₹ Crores*
FUNDS EMPLOYED:					
1. SHARE CAPITAL	"A"	66		237.33	*237.33*
2. RESERVES AND SURPLUS	"B"	67		10,404.64	*9,761.42*
3. SPECIAL APPROPRIATION TOWARDS PROJECT COST				533.61	*533.61*
4. CAPITAL/SERVICE LINE CONTRIBUTIONS FROM CONSUMERS				64.41	*91.41*
5. SECURED LOANS	"C"	68		4,753.91	*4,105.38*
6. UNSECURED LOANS	"D"	69		2,235.37	*1,766.63*
7. DEFERRED TAX LIABILITY (NET)			230.12		*209.42*
Add: Tax to be recovered in future tariff determination			(15.07)		*(1.64)*
				215.05	*207.78*
8. TOTAL FUNDS EMPLOYED				**18,444.32**	***16,703.56***
APPLICATION OF FUNDS:					
9. FIXED ASSETS	"E"	69			
a) Gross Block			10,518.92		*10,010.80*
Less: Depreciation to date			4,735.98		*4,258.06*
				5,782.94	*5,752.74*
b) Capital Work-in-Progress (including advances against capital expenditure ₹ 440.15 crores - *31st March, 2010 - ₹ 111.62 crores*)				1,469.50	*476.21*
c) Increase in foreign currency liabilities (Net) for purchase of capital assets			645.32		*645.32*
Less: Amount written off to date			645.32		*645.32*
				Nil	*Nil*
				7,252.44	*6,228.95*
10. INVESTMENTS	"F"	70		7,939.91	*6,688.62*
11. CURRENT ASSETS, LOANS AND ADVANCES	"G"	72			
a) Inventories			629.57		*589.36*
b) Unbilled Revenue			97.41		*119.20*
c) Sundry Debtors			1,876.91		*1,857.11*
d) Cash and Bank Balances			837.29		*1,277.64*
e) Other Current Assets			17.20		*39.34*
f) Loans and Advances			2,554.33		*2,071.61*
			6,012.71		*5,954.26*
Less:					
12. CURRENT LIABILITIES AND PROVISIONS	"H"	73			
a) Current Liabilities			2,058.25		*1,465.70*
b) Provisions			702.49		*702.57*
			2,760.74		*2,168.27*
13. NET CURRENT ASSETS				3,251.97	*3,785.99*
14. TOTAL APPLICATION OF FUNDS				**18,444.32**	***16,703.56***
15. NOTES FORMING PART OF THE ACCOUNTS	"I"	77			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Profit and Loss Account for the year ended 31st March, 2011

	Schedule No.	Schedule Page	₹ Crores	₹ Crores	Previous Year ₹ Crores
INCOME:					
1. REVENUE	"1"	74		6,918.48	*7,098.27*
2. OTHER INCOME	"1"	74		493.58	*281.58*
3. TOTAL INCOME				**7,412.06**	***7,379.85***
EXPENDITURE:					
4. COST OF POWER PURCHASED			789.35		*251.98*
Less: Cash Discount			5.14		*0.29*
				784.21	*251.69*
5. COST OF FUEL				3,485.64	*4,060.92*
6. GENERATION, TRANSMISSION, DISTRIBUTION AND OTHER EXPENSES	"2"	75		1,057.70	*907.05*
7. DEPRECIATION/AMORTISATION				510.14	*477.94*
8. INTEREST AND FINANCE CHARGES	"3"	76		462.02	*422.99*
9. ADJUSTMENT OF EXPENSES RECOVERABLE THROUGH TARIFF			Nil		*108.83*
Less: DRAWN FROM CONTINGENCIES RESERVE			Nil		*108.83*
				Nil	*Nil*
10. TOTAL EXPENDITURE				**6,299.71**	***6,120.59***
PROFIT BEFORE TAXES AND STATUTORY APPROPRIATIONS				**1,112.35**	***1,259.26***
11. PROVISION FOR TAXATION -					
a) CURRENT TAX:					
For the period			206.39		*227.64*
In respect of earlier years			(18.48)		*2.73*
			187.91		*230.37*
MAT credit recognised (in respect of earlier years)			(54.00)		*Nil*
			133.91		*230.37*
b) DEFERRED TAX:					
For the period			49.14		*94.05*
In respect of earlier years			0.71		*1.78*
			49.85		*95.83*
Net Tax to be recovered in future tariff determination			(13.43)		*(2.48)*
			36.42		*93.35*
c) FRINGE BENEFIT TAX (NET)			Nil		*(4.73)*
				170.33	*318.99*
12. PROVISION FOR WEALTH TAX (Net of reversal of prior years)				0.53	*1.51*
PROFIT AFTER TAXES AND BEFORE STATUTORY APPROPRIATIONS				**941.49**	***938.76***
13. STATUTORY APPROPRIATIONS	"4"	76		(28.52)	*(8.89)*
DISTRIBUTABLE PROFITS				**970.01**	***947.65***
APPROPRIATIONS:					
14. PROPOSED DIVIDEND				296.92	*285.05*
15. DIVIDEND (in respect of previous year)				Nil	*0.31*
16. ADDITIONAL INCOME-TAX ON DIVIDEND				16.27	*37.98*
17. TRANSFER TO DEBENTURE REDEMPTION RESERVE				24.92	*59.77*
18. TRANSFER TO GENERAL RESERVE				400.00	*400.00*
				738.11	*783.11*
BALANCE CARRIED TO BALANCE SHEET				**231.90**	***164.54***
19. EARNINGS PER SHARE (in ₹)					
(on distributable profits on shares outstanding) (Face Value ₹ 10)					
BASIC EARNINGS PER SHARE				40.84	*40.77*
DILUTED EARNINGS PER SHARE				39.60	*38.60*
20. NOTES FORMING PART OF THE ACCOUNTS	"I"	77			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Cash Flow Statement for the year ended 31st March, 2011

		Year ended 31-03-2011 ₹ Crores		Year ended 31-03-2010 ₹ Crores
A. Cash Flow from Operating Activities				
Net Profit before Taxes and Extraordinary Items		1,112.35		1,259.26
Adjustments for:				
Depreciation / Amortisation	510.14		477.94	
Interest Expenditure	416.89		406.64	
Interest Income	(174.40)		(116.08)	
Dividend Income	(223.42)		(90.69)	
Provision for doubtful debts / advances (Net)	(5.28)		8.55	
Provision for diminution in value of Investments written back (Net)	(5.85)		Nil	
Provision for future foreseeable losses etc.	(3.43)		0.19	
Provision for Warranties	0.62		2.33	
(Discount) / Premium accrued / amortised on Bonds (Net)	(11.39)		0.20	
Guarantee Commission received from Subsidiaries	(1.02)		(1.03)	
Provision in respect of Current Assets held for disposal	Nil		33.00	
Adjustment of expenses recoverable under tariff	Nil		(108.83)	
Profit on sale/retirement of Assets (Net)	(16.14)		1.28	
Profit on settlement of Options / Swaps	(15.09)		Nil	
Profit on Sale of Investments (Net)	(26.89)		(22.00)	
Transfer of Capital / Service Line Contributions	(47.35)		Nil	
Derivative Premium Charges	39.61		10.26	
Unrealised Exchange Gain (Net)	(55.50)		(36.67)	
		381.50		565.09
Operating Profit before Working Capital Changes		1,493.85		1,824.35
Adjustments for:				
Trade and Other Receivables	(17.12)		(362.08)	
Inventories	(40.21)		54.78	
Trade Payables and Provisions	482.23		54.09	
		424.90		(253.21)
Cash Generated from Operations		1,918.75		1,571.14
Taxes Paid (including Fringe Benefit Tax) (Net)		(244.24)		(218.29)
Net Cash from Operating Activities **A**		**1,674.51**		**1,352.85**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets and CWIP		(1,462.06)		(916.31)
Sale of Fixed Assets		23.54		3.03
Purchase of Investments in Subsidiaries		(1,776.25)		(1,168.58)
Purchase of Investments in Joint Ventures / Associates		(53.47)		(17.93)
Purchase of Investments - Others		(10,571.72)		(9,101.42)
Sale of Investments		10,863.05		9,264.97
Buy-back of Shares by Subsidiary		22.73		Nil
Interest Received		158.50		109.71
Inter-corporate Deposits (Net)		Nil		30.30
Shareholders Loan to Subsidiaries (Net)		(28.00)		(172.00)
Dividend received		223.82		90.29
Derivative premium charges paid		(39.61)		(10.26)
Guarantee Commission received from Subsidiaries		1.02		1.03
Profit on settlement of Options / Swaps		15.09		15.00
Net Cash used in Investing Activities **B**		**(2,623.36)**		**(1,872.17)**
C. Cash Flow from Financing Activities				
Increase in Capital Contributions		20.35		42.55
Proceeds from Borrowings		1,713.74		610.29
Repayment of Borrowings		(570.91)		(1,181.57)
Proceeds from Global Depository Receipt Issue		Nil		1,619.78
Global Depository Receipt Issue Expenses Paid		Nil		(3.18)
Proceeds from issue of Foreign Currency Convertible Bonds (FCCB)		Nil		1,404.45
FCCB Issue Expenses Paid		Nil		(12.76)
Interest Paid		(381.64)		(401.65)
Debenture Issue Expenses		(1.20)		Nil
Dividend Paid		(284.06)		(253.46)
Additional Income-tax on Dividend Paid		(22.91)		(31.68)
Net Cash from Financing Activities **C**		**473.37**		**1,792.77**
Net (Decrease) / Increase in Cash and Cash Equivalents **(A+B+C)**		**(475.48)**		**1,273.45**
Cash and Cash Equivalents as at 1st April (Opening Balance)		**1,318.95**		**45.50**
Cash and Cash Equivalents as at 31st March (Closing Balance)		**843.47**		**1,318.95**

Cash Flow Statement for the year ended 31st March, 2011 (*Contd.*)

Notes:

1. Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised ₹ 32.06 crores (*Previous Year - ₹ 35.01 crores*).
2. Cash Flow from Financing Activities excludes non-cash transaction of conversion of Foreign Curency Convertible Bonds (FCCB) to Equity Shares.
3. Cash and Cash Equivalents include:

	As at 31-03-2011 ₹ Crores	***As at 31-03-2010 ₹ Crores***
(i) Cash and Cheques on Hand (includes cheques on hand ₹ 1.98 crores, *31-03-2010 - ₹ 21.25 crores*)	2.13	*21.46*
(ii) Current Accounts with Scheduled Banks	230.15	*42.40*
(iii) Current Accounts with Standard Chartered Bank - Singapore and Jakarta branches - Non Scheduled Bank	2.83 !	*3.11* !
(iv) Term Deposits with Scheduled Banks	602.18 !	*1,210.67* !
	837.29	*1,277.64*
Add: Unrealised Exchange Loss included in Cash and Cash Equivalents	6.18	*41.31*
	843.47	***1,318.95***

! In foreign currency

4. Purchase of Investments in Subsidiaries and Joint Ventures / Associates includes Advance paid towards Equity.
5. Previous year's figures have been regrouped, wherever necessary, to conform to current year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Schedule forming part of the Balance Sheet

SCHEDULE "A": SHARE CAPITAL

				As at 31-03-2010
		₹ Crores	₹ Crores	₹ Crores
AUTHORISED CAPITAL-				
2,29,00,000	Cumulative, Redeemable Preference Shares of ₹ 100 each	229.00		*229.00*
30,00,00,000	Equity Shares of ₹ 10 each	300.00		*300.00*
			529.00	*529.00*
ISSUED CAPITAL-				
24,29,47,084	Equity Shares of ₹ 10 each *(31st March, 2010 - 24,29,47,084 shares)* [including 2,30,308 shares (*31st March, 2010 - 2,30,308 shares*) not allotted but held in abeyance, 4,40,270 shares cancelled pursuant to a Court Order, 48,04,040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]		242.95	*242.95*
SUBSCRIBED CAPITAL-				
23,73,07,236	Equity Shares of ₹10 each *(31st March, 2010 - 23,73,07,236 shares)* (excluding 2,30,308 shares not allotted but held in abeyance, 4,40,270 shares cancelled pursuant to a Court Order and 48,04,040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay).	237.31		*237.31*
	Less: Calls in arrears [including ₹ 0.01 crore *(31st March, 2010 - ₹ 0.01 crore)* in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited]	0.04		*0.04*
		237.27		*237.27*
1,65,230	*Add*: Equity Shares forfeited - Amount paid	0.06		*0.06*
			237.33	***237.33***

Of the above Equity Shares:

(i) 1,67,500 shares are allotted at par as fully paid pursuant to contracts without payment being received in cash.

(ii) 11,33,790 shares issued as Bonus Shares by capitalisation of General Reserve.

(iii) 49,63,500 shares issued on exercise of the options by the financial institutions for the conversion of part of their loans/ subscription to debentures.

(iv) 56,81,818 shares are allotted at premium as fully paid pursuant to contracts without payment being received in cash.

(v) 5,20,84,832 shares (excluding 47,560 shares held in abeyance) have been allotted to the shareholders of the erstwhile The Andhra Valley Power Supply Company Limited pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay.

(vi) 3,50,97,824 shares (excluding 45,168 shares held in abeyance) have been allotted to the shareholders of the erstwhile The Tata Hydro-Electric Power Supply Company Limited pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay.

Schedule forming part of the Balance Sheet

SCHEDULE "B" : RESERVES & SURPLUS

	Opening Balance ₹ Crores	Additions ₹ Crores	Deductions ₹ Crores	Closing Balance ₹ Crores
STATUTORY RESERVES:				
[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]				
TARIFFS AND DIVIDENDS CONTROL RESERVE	22.43	-	-	22.43
	47.32	-	*24.89 [e]*	*22.43*
SPECIAL RESERVE	27.00	7.00 [a]	21.00 [f]	13.00
	21.00	*6.00 [a]*	-	*27.00*
CONTINGENCIES RESERVE	80.52	11.00 [a]	25.52 [f]	66.00
	179.35	*10.00 [a]*	*108.83 [e]*	*80.52*
DEVELOPMENT RESERVE	5.29	-	-	5.29
	5.29	-	-	*5.29*
DEFERRED TAXATION LIABILITY FUND	279.76	-	-	279.76
	279.76	-	-	*279.76*
INVESTMENT ALLOWANCE RESERVE	121.18	-	-	121.18
	121.18	-	-	*121.18*
DEBT REDEMPTION RESERVE	51.94	-	-	51.94
	51.94	-	-	*51.94*
DEBENTURE REDEMPTION RESERVE..........	56.63	-	-	56.63
	56.63	-	-	*56.63*
OTHER RESERVES:				
CAPITAL RESERVE	61.66	-	-	61.66
	61.66	-	-	*61.66*
CAPITAL REDEMPTION RESERVE	1.60	-	-	1.60
	1.60	-	-	*1.60*
SECURITIES PREMIUM	3,680.97	-	1.20 [b]	3,679.77
	2,147.54	*1,681.79 [c]*	*148.36 [g]*	*3,680.97*
DEBENTURE REDEMPTION RESERVE..........	222.03	24.92 [a]	-	246.95
	162.26	*59.77 [a]*	-	*222.03*
EXCHANGE TRANSLATION RESERVE (Net)	(107.51)	16.12 [d]	-	(91.39)
	59.54	-	*167.05*	*(107.51)*
GENERAL RESERVE	2,840.17	400.00 [a]	-	3,240.17
	2,440.17	*400.00 [a]*	-	*2,840.17*
PROFIT AND LOSS ACCOUNT	2,417.75	231.90	-	2,649.65
	2,253.21	*164.54*	-	*2,417.75*
Total Reserves and Surplus - 2010-11	**9,761.42**	**690.94**	**47.72**	**10,404.64**
- 2009-10..........	*7,888.45*	*2,322.10*	*449.13*	*9,761.42*

[a] Amount set aside during the year.
[b] Expenses pertaining to Debenture issue adjusted.
[c] Includes Securities Premium received and reversal of provision for Premium payable on FCCB during the previous year.
[d] Net of Deferred Tax.
[e] Withdrawn to meet the impact of the ATE Order/Tariff Orders.
[f] Reversal of certain Statutory Appropriations no longer required.
[g] Issue expenses pertaining to Foreign Currency Convertible Bonds (FCCB)/Global Depository Receipts issue adjusted and premium payable on redemption of FCCB accounted for.

Previous year's figures are in italics.

Schedule forming part of the Balance Sheet

SCHEDULE "C": SECURED LOANS

		₹ Crores	₹ Crores	As at 31-03-2010 ₹ Crores
	DEBENTURES:			
(a)	10.20% Secured, Redeemable, Non-Convertible Debentures (2010)	Nil		*43.67*
(b)	7.10% Secured, Redeemable, Non-Convertible Debentures (2015)................	600.00		*600.00*
(c)	10.10% Secured, Redeemable, Non-Convertible Debentures (2019)	500.00		*500.00*
(d)	10.40% Secured, Redeemable, Non-Convertible Debentures (2019)	500.00		*500.00*
(e)	9.15% Secured, Redeemable, Non-Convertible Debentures (2025)................	350.00		*Nil*
(f)	9.15% Secured, Redeemable, Non-Convertible Debentures (2025)................	250.00		*Nil*
			2,200.00	*1,643.67*
(g)	LOANS FROM BANKS - CASH CREDIT		174.96	*Nil*
	TERM LOANS:			
(h)	Term Loan from Asian Development Bank	149.81		*165.57*
(i)	Term Loans from IDBI Bank..	692.50		*698.00*
(j)	Term Loans from Industrial Renewable Energy Development Agency..........	69.42		*429.68*
(k)	Loan from HDFC Bank..	514.23		*294.00*
(l)	Term Loan from ICICI Bank..	134.50		*Nil*
(m)	Term Loans from Infrastructure Development Finance Company Limited (IDFC) ...	804.60		*856.70*
(n)	Term Loan from Export Import Bank of India **...	13.52		*17.04*
(o)	Lease finance - Vehicle loans (secured by hypothecation of specific assets)...	0.37		*0.72*
			2,378.95	*2,461.71*
			4,753.91	***4,105.38***

** In foreign currency

Security

(i) The Debentures mentioned in (a) and (b) have been secured by land in Village Takve Khurd (Maharashtra), moveable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra.

(ii) The loans from Asian Development Bank and Industrial Renewable Energy Development Agency mentioned in (h) and (j) respectively have been secured by a charge on the tangible moveable properties, plant and machinery and immovable properties situated at Khandke, Bramanvel and Sadawaghapur in Maharashtra.

(iii) The loans from IDBI Bank, HDFC Bank and ICICI Bank mentioned in (i), (k) and (l) have been secured by a *pari passu* charge on all moveable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including moveable machinery, machinery spares, tools and accessories.

(iv) The loans from IDFC mentioned in (m) have been secured by a charge on the moveable assets except assets of all windmill projects present and future more particularly situated in Supa, Khandke, Bramanvel, Sadawaghapur, Gadag and Samana in Maharashtra, Karnataka and Gujarat.

(v) The loan from Export Import Bank of India mentioned in (n) has been secured by receivables (present and future), book debts and outstanding monies.

(vi) The Debentures mentioned in (c) and (d) have been secured by a *pari passu* charge on land in Village Takve Khurd (Maharashtra) and moveable and immovable properties in and outside Maharashtra.

(vii) The Debentures mentioned in (e) have been secured by a *pari passu* charge on the wind farms situated at Samana and Gadag in Gujarat and Karnataka.

(viii) The Debentures mentioned in (f) have been secured by a *pari passu* charge on immovable properties at Takve Khurd of Taluka Mawal, District, Pune and Sub-District Mawal and first *pari passu* charge on movable fixed assets (excluding land and building) present and future except assets of all windmill projects, present and future.

Redemption

(i) The Debentures mentioned in (a) have been redeemed on 30th July, 2010.

(ii) The Debentures mentioned in (b) are redeemable at premium in three instalments at the end of 9th, 10th and 11th year from 18th October, 2004.

(iii) The Debentures mentioned in (c) and (d) are redeemable at par at the end of 10 years from the respective dates of allotment viz. 25th April, 2018 and 20th June, 2018.

(iv) The Debentures mentioned in (e) above are redeemable at par in fifteen instalments commencing from 23rd July, 2011.

(v) The Debentures mentioned in (f) above are redeemable at par in fifteen annual instalments commencing from 18th September, 2011.

Schedules forming part of the Balance Sheet

SCHEDULE "D": UNSECURED LOANS

		₹ Crores	₹ Crores	As at 31-03-2010 ₹ Crores
	SHORT TERM LOANS AND ADVANCES -			
	FROM BANKS:			
(a)	Temporary overdrawn balance in bank current accounts	8.19		*54.31*
(b)	Buyers' Credit **	503.03		*Nil*
	FROM OTHERS:			
(c)	Short Term Borrowing from Companies	5.07		*5.07*
			516.29	*59.38*
	OTHER LOANS:			
(d)	8.50% Euro Notes (2017) **	266.10		*268.94*
(e)	1.75% Foreign Currency Convertible Bonds (2014) **	1,340.40		*1,354.73*
(f)	Sales Tax Deferral (2018)	83.58		*83.58*
(g)	Loan from ICICI Bank	29.00		*Nil*
			1,719.08	*1,707.25*
			2,235.37	***1,766.63***

** Repayable in foreign currency.

SCHEDULE "E": FIXED ASSETS

₹ Crores

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2010 (at cost)	Additions	Deductions	As at 31-03-2011 (at cost)	As at 01-04-2010	For the year	Deductions	As at 31-03- 2011	As at 31-03-2011	As at 31-03-2010
INTANGIBLE ASSETS:										
1. TECHNICAL KNOW-HOW	0.95	–	–	0.95	0.94	*	–	0.94	0.01	0.01
2. LICENCES	0.26	–	–	0.26	0.26	–	–	0.26	Nil	Nil
TANGIBLE ASSETS:										
3. LAND	33.00	17.78	–	50.78	–	–	–	–	50.78	33.00
4. LEASEHOLD LAND	107.78	4.53	–	112.31	2.26	1.44	–	3.70	108.61	105.52
5. HYDRAULIC WORKS	478.22	0.64	–	478.86	137.33	14.30	–	151.63	327.23	340.89
6. BUILDINGS - PLANT	642.12	28.83	0.02	670.93	208.46	30.07	0.01	238.52	432.41	433.66
7. BUILDINGS - OTHERS	117.89	2.44	0.14	120.19 @	36.11	3.44	0.13	39.42	80.77	81.78
8. COAL JETTY	105.96	0.14	–	106.10	7.07	5.04	–	12.11	93.99	98.89
9. RAILWAY SIDINGS, ROADS, CROSSINGS, ETC.	43.37	4.48	–	47.85	9.86	1.77	–	11.63	36.22	33.51
10. PLANT AND MACHINERY	7,303.41	336.74	11.82	7,628.33	3,306.46	391.61	7.35	3,690.72	3,937.61	3,996.95
11. TRANSMISSION LINES, CABLE NETWORK, ETC.	1,021.13	135.82	0.02	1,156.93	462.76	48.22	–	510.98	645.95	558.37
12. FURNITURE, FIXTURES AND OFFICE EQUIPMENT	45.03	12.01	0.68	56.36	24.19	4.65	0.65	28.19	28.17	20.84
13. MOTOR VEHICLES, LAUNCHES, BARGES, ETC.	50.87	4.28	4.10	51.05	36.12	6.10	3.52	38.70	12.35	14.75
14. MOTOR VEHICLES UNDER FINANCE LEASE	1.48	–	0.19	1.29	1.04	0.23	0.17	1.10	0.19	0.44
15. HELICOPTERS	59.33	0.05	22.65	36.73	25.20	3.27	20.39	8.08	28.65	34.13
TOTAL - 2010-2011	**10,010.80**	**547.74**	**39.62**	**10,518.92**	**4,258.06**	**510.14**	**32.22**	**4,735.98**	**5,782.94**	**5,752.74**
- 2009-2010	*8,985.86*	*1,044.45*	*19.51*	*10,010.80*	*3,795.32*	*477.94*	*15.20*	*4,258.06*	*5,752.74*	–

Notes:

@ Buildings include ₹* being cost of ordinary shares in co-operative housing societies.

Fixed Assets having Gross Block of ₹ 1,640.19 crores (*31st March, 2010 - ₹ 1,617.10 crores*) [Net Block ₹ 587.54 crores (*31st March, 2010 - ₹ 668.65 crores*)] are on leased land for which agreement is pending finalisation.

In respect of Fixed Assets having Gross Block of ₹ 45.18 crores (Net Block ₹ 41.94 crores), transfer formalities are pending completion.

Figures below ₹ 50,000 are denoted by '*'.

Schedule forming part of the Balance Sheet

SCHEDULE "F": INVESTMENTS

	Quantity: Opening Balance	Additions	Deductions/ Cancellations	Closing Balance	Face Value ₹ Crores	As at 31-03-2011 ₹ Crores	*As at 31-03-2010 ₹ Crores*
1. CONTINGENCIES RESERVE INVESTMENTS -							
A. Government of India Securities - (Unquoted)							
7.50% GOI (2010)	4,26,550	–	4,26,550 !!	–	–	Nil	*4.27*
11.30% GOI (2010)	11,50,000	–	11,50,000 !!	–	–	Nil	*11.50*
6.85% GOI (2012)	9,08,700	–	9,08,700 !!!	–	–	Nil	*9.09*
9.00% GOI (2013)	10,00,000	–	10,00,000 !!!	–	–	Nil	*10.00*
7.59% GOI (2016)	19,000	–	–	19,000	0.19	0.19	*0.19*
7.49% GOI (2017)	7,36,000	–	–	7,36,000	7.36	7.36	*7.36*
7.99% GOI (2017)	12,46,000	15,77,000 @	–	28,23,000	28.23	28.23	*12.46*
6.35% GOI (2020)	–	16,01,300 @	–	16,01,300	16.01	16.01	*Nil*
8.24% GOI (2027)	9,65,000	–	–	9,65,000	9.65	9.65	*9.65*
						61.44	*64.52*
B. Other Securities - (Unquoted)							
5.50% NABARD Capital Gain Bonds (2011)	9,000	–	9,000 !!	–	–	Nil	*9.00*
						61.44	*73.52*
2. DEFERRED TAXATION LIABILITY FUND INVESTMENTS -							
A. Government of India Securities - (Unquoted)							
7.55% GOI (2010)	25,00,000	–	25,00,000 !!	–	–	Nil	*25.00*
11.30% GOI (2010)	73,50,000	–	73,50,000 !!	–	–	Nil	*73.50*
9.39% GOI (2011)	60,00,000	–	–	60,00,000	60.00	60.00	*60.00*
6.85% GOI (2012)	40,91,300	–	–	40,91,300	40.91	40.91	*40.91*
9.00% GOI (2013)	10,00,000	–	–	10,00,000	10.00	10.00	*10.00*
7.49% GOI (2017)	–	25,00,000 @	–	25,00,000	25.00	25.00	*Nil*
7.99% GOI (2017)	4,52,000	9,23,000 @	–	13,75,000	13.75	13.75	*4.52*
6.25% GOI (2018)	–	15,00,000 @	–	15,00,000	15.00	15.00	*Nil*
6.05% GOI (2019)	–	42,00,000 @	–	42,00,000	42.00	42.00	*Nil*
6.35% GOI (2020)	–	2,48,700 @	–	2,48,700	2.49	2.49	*Nil*
7.35% GOI (2024)	–	31,00,000 @	–	31,00,000	31.00	31.00	*Nil*
						240.15	*213.93*
B. Other Securities - (Unquoted)							
5.50% NABARD Capital Gain Bonds (2011)	25,980	–	25,980 !!	–	–	Nil	*25.98*
7.85% EXIM Bank Bonds F6 Series (2012)	40	–	–	40	40.00	40.00	*40.00*
						40.00	*65.98*
						280.15	*279.91*
3. TRADE INVESTMENTS -							
A. Ordinary Shares - (Quoted) fully paid-up							
Tata Teleservices (Maharashtra) Ltd.	13,72,63,174	–	–	13,72,63,174	137.26	119.67	*119.67*
Tata Communications Ltd.	1,09,80,837	24,41,200 @	–	1,34,22,037	13.42	343.81	*293.81*
						463.48	*413.48*
B. Ordinary Shares - (Unquoted) fully paid-up							
Tata Services Ltd.	1,112	–	–	1,112	0.11	0.11	*0.11*
The Associated Building Co. Ltd.	1,400	–	–	1,400	0.13	0.13	*0.13*
Yashmun Engineers Ltd.	9,600	–	–	9,600	0.10	0.01	*0.01*
Tata Projects Ltd.	9,67,500	–	–	9,67,500	9.68	85.01	*85.01*
Tata Teleservices Ltd.	32,83,97,823	–	–	32,83,97,823	328.40	735.48	*735.48*
Panatone Finvest Ltd.	50,00,00,000	–	–	50,00,00,000	500.00	500.00	*500.00*
Indian Energy Exchange Ltd.	12,50,000	–	–	12,50,000	1.25	1.25	*1.25*
						1,321.99	*1,321.99*
C. Debentures - (Unquoted) fully paid-up							
Tata Projects Ltd. - 8% Secured Non-Convertible Debentures	93,750 ##	–	–	93,750	28.13	18.75	*28.13*
Panatone Finvest Ltd. - 0.10% Unsecured Convertible Debentures	100	–	–	100	100.00	100.00	*100.00*
						118.75	*128.13*
						1,904.22	*1,863.60*
4. INVESTMENTS IN SUBSIDIARY COMPANIES -							
A. Ordinary Shares - (Quoted) fully paid-up							
NELCO Ltd.	1,10,99,630	–	–	1,10,99,630	11.10	11.07	*11.07*
B. Ordinary Shares - (Unquoted) fully paid-up							
Chemical Terminal Trombay Ltd.	2,11,200	–	–	2,11,200	2.11	42.88	*42.88*
Af-Taab Investment Co. Ltd.	13,39,200	–	1,01,000 $	12,38,200	12.38	79.25	*85.72*
Powerlinks Transmission Ltd.	23,86,80,000	–	–	23,86,80,000	238.68	238.68	*238.68*
Tata Power Trading Co. Ltd.	1,60,00,000	–	–	1,60,00,000	16.00	37.00	*37.00*
Maithon Power Ltd.	48,75,99,120	31,82,00,000 !	–	80,57,99,120	805.80	806.03	*487.83*
Industrial Energy Ltd.	24,64,20,000	–	–	24,64,20,000	246.42	246.42	*246.42*
Coastal Gujarat Power Ltd.	17,34,00,000	10,96,50,000 !	–	28,30,50,000	2,830.50	2,830.50	*1,734.00*
Bhira Investments Ltd.	10,00,000	–	–	10,00,000	USD 10,00,000	4.10	*4.10*
Bhivpuri Investments Ltd.	7,46,250	–	–	7,46,250	Euro 7,46,250	4.08	*4.08*
Veltina Holdings Ltd.	2,000	–	–	2,000	Euro 2,000	0.01	*0.01*
Khopoli Investments Ltd.	7,350	–	–	7,350	USD 7,350	0.03	*0.03*
Trust Energy Resources Pte. Ltd.	11,01,66,356	1,12,99,211 !	–	12,14,65,567	USD 12,14,65,567	558.83	*506.00*
North Delhi Power Ltd.	28,15,20,000	–	–	28,15,20,000	281.52	200.93	*200.93*
Industrial Power Utility Ltd.	–	1,10,000 @	–	1,10,000	0.11	0.11	*Nil*
Industrial Power Infrastructure Ltd.	–	1,10,000 @	–	1,10,000	0.11	0.11	*Nil*
						5,048.96	*3,587.68*
						5,060.03	*3,598.75*
Carried over..						7,305.84	*5,815.78*

Schedule forming part of the Balance Sheet

SCHEDULE "F": INVESTMENTS (*Contd.*)

	Quantity: Opening Balance	Quantity: Additions	Quantity: Deductions/ Cancellations	Quantity: Closing Balance	Face Value ₹	As at 31-03-2011 ₹ Crores	*As at 31-03-2010 ₹ Crores*
Brought forward....						7,305.84	*5,815.78*
5. INVESTMENTS IN JOINT VENTURE COMPANIES -							
A. Ordinary Shares - (Unquoted) fully/partly paid-up							
Tubed Coal Mines Ltd.	19,80,000	8,00,000 !	–	27,80,000	2.78	2.78	*1.98*
Mandakini Coal Company Ltd.	52,00,000	2,81,00,000 !	–	3,33,00,000	33.30	33.30	*5.20*
Dagachhu Hydro Power Corporation Ltd. - partly paid-up	8,42,400	–	–	8,42,400	Nu 84.24	53.21	*28.64*
Tata BP Solar India Ltd.	33,21,000	–	–	33,21,000	33.21	111.43	*111.43*
						200.72	*147.25*
B. Preference Shares - (Unquoted) fully paid-up							
Tata BP Solar India Ltd.	22,05,000	–	–	22,05,000	22.05	22.05	*22.05*
						222.77	*169.30*
6. OTHER INVESTMENTS -							
A. Ordinary Shares - (Quoted) fully paid-up							
HDFC Bank Ltd.	1,500	–	–	1,500	*	*	*
Industrial Development Bank of India	1,42,720	–	–	1,42,720	0.14	1.14	*1.14*
Voltas Ltd.	2,33,420	–	–	2,33,420	0.02	0.25	*0.25*
Tata Consultancy Services Ltd.	452	–	–	452	*	*	*
						1.39	*1.39*
B. Ordinary Shares - (Unquoted) fully paid-up							
Aditya Birla Minacs IT Services Ltd.	1,35,244	–	1,35,244 ‼	–	–	Nil	*6.45***
Tata Industries Ltd.	35,51,903	22,76,223 !	–	58,28,126	58.28	102.69	*40.09*
Rujuvalika Investments Ltd.	1,83,334	–	–	1,83,334	0.18	0.30	*0.30*
Tata Ceramics Ltd.	91,10,000	–	–	91,10,000	1.82	9.11 **	*9.11***
Tata Sons Ltd.	6,673	–	–	6,673	0.67	241.95	*241.95*
Haldia Petrochemicals Ltd.	2,24,99,999	–	–	2,24,99,999	22.50	22.50	*22.50*
						376.55	*320.40*
C. Government of India Securities - (Unquoted)							
8.07% GOI (2017)	3,000	–	–	3,000	0.03	0.03	*0.03*
D. Other Securities - (Unquoted)							
5.50% NABARD Capital Gain Bonds (2011)	1,31,330	–	1,31,330 ‼	–	–	Nil	*131.33*
5.50% Rural Electrification Corporation Bonds (2011)	21,990	–	–	21,990	21.99	21.99	*21.99*
6.85% GOI (2012)	–	9,08,700 !!!	–	9,08,700	9.09	9.09	*Nil*
9.00% GOI (2013)	–	10,00,000 !!!	–	10,00,000	10.00	10.00	*Nil*
J M Equity Fund - Units	5,00,000	–	–	5,00,000	0.50	0.50	*0.50*
Taurus Mutual Fund - Bonanza Exclusive Growth	6,66,667	–	–	6,66,667	0.67	0.50	*0.50*
Templeton India Growth Fund	2,50,000	–	–	2,50,000	0.25	0.25	*0.25*
UTI Balanced Fund	95,587	–	–	95,587	0.10	0.11	*0.11*
# Tata Liquid Super High Investment Fund - Appreciation	3,82,727	2,21,37,522 @	2,25,20,249 ‼	–	–	Nil	*65.00*
# ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	73,49,926	16,18,38,827 @	16,91,88,753 ‼	–	–	Nil	*100.00*
# HDFC Cash Management Fund - Savings Plan - Growth	2,59,80,909	21,38,97,853 @	23,98,78,762 ‼	–	–	Nil	*50.00*
# DWS Insta Cash Management Fund - Super Institutional Plan - Growth	2,26,14,391	3,72,19,818 @	5,98,34,209 ‼	–	–	Nil	*27.00*
						42.44	*396.68*
						420.41	*718.50*
						7,949.02	***6,703.58***
** Provision for diminution in value of Investments other than temporary						(9.11)	*(14.96)*
						7,939.91	***6,688.62***

	As at 31-03-2011 ₹ Crores	*As at 31-03-2010 ₹ Crores*
Notes: (1) Aggregate of Quoted Investments -		
Cost	475.94	*425.94*
Market Value	640.96	*803.00*
(2) Aggregate of Unquoted Investments - Cost	7,473.08	*6,277.64*

(3) During the year the Company acquired and sold the following investments :

	No. of Units	*Purchase Cost ₹ Crores*
SBI Magnum Insta Cash Fund - Cash Option	22,36,93,781	*468.75*
Kotak Liquid Institutional Premium Plan Option - Growth	6,62,53,095	*126.25*
Tata Liquid Super High Investment Fund - Appreciation	2,21,37,522	*3,858.06*
Birla Sun Life Cash Plus Institutional Premium - Growth	70,64,42,316	*1,068.50*
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	16,18,38,827	*2,299.90*
UTI Liquid Cash Plan Institutional - Growth Plan	52,02,875	*801.25*
Principal Cash Management Fund-Liquid Option Institutional Premium Plan - Growth	69,61,219	*10.00*
GCCG IDFC Cash Fund - Super Institutional Plan C - Growth	56,96,18,927	*650.60*
Religare Liquid Fund - Super Institutional Growth	21,72,44,718	*278.25*
HDFC Cash Management Fund - Savings Plan - Growth	21,38,97,853	*418.25*
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	3,72,19,818	*44.60*
JM High Liquidity Fund - Super Institutional Plan	19,58,13,083	*289.60*
		10,314.01

Current Investments - all other investments are long term investments.
Nu Bhutan Ngultrum
Partial redemption.
@ Acquired during the year.
! Subscribed during the year.
‼ Sold/redeemed during the year.
!!! Consequent to reclassification.
$ Buy-back by the Investee Company.

Schedule forming part of the Balance Sheet

SCHEDULE "G": CURRENT ASSETS, LOANS AND ADVANCES

	₹ Crores	₹ Crores	*As at 31-03-2010 ₹ Crores*
CURRENT ASSETS -			
(a) Inventories -			
(i) Stores and Spare Parts	211.29		*189.34*
(ii) Loose Tools	0.34		*0.31*
(iii) Fuel	279.97		*281.11*
(iv) Fuel in transit	106.30		*93.29*
(v) Property under development	29.58		*25.31*
(vi) Work-in-progress	2.09		*Nil*
		629.57	*589.36*
(b) Unbilled Revenue		97.41	*119.20*
(c) Sundry Debtors -			
(i) Debts outstanding for more than six months	250.36		*227.13*
Other debts	798.40		*902.17*
	1,048.76 #@		*1,129.30* #@
(ii) Fuel Adjustment Charges Recoverable	209.02		*185.84*
(iii) Tariff Adjustment Account	636.46		*560.34*
	1,894.24		*1,875.48*
Less: Provision for Doubtful Debts	17.33		*18.37*
		1,876.91	*1,857.11*
Notes -			
Sundry Debtors fully secured	61.93		*28.14*
Sundry Debtors unsecured and considered good	1,814.98		*1,828.97*
Sundry Debtors considered doubtful	17.33		*18.37*
	1,894.24		*1,875.48*
# Includes ₹ 17.53 crores (*31st March, 2010 - ₹ 13.00 crores*), which, in accordance with the terms of the contracts were not due for payments as at 31st March, 2011.			
@ Includes ₹ 73.44 crores (*31st March, 2010 - ₹ 90.11 crores*) due from Subsidiaries.			
(d) Cash and Bank Balances -			
(i) Cash and Cheques on Hand (includes cheques on hand ₹ 1.98 crores - *31st March, 2010 - ₹ 21.25 crores*)	2.13		*21.46*
(ii) Current Accounts with Scheduled Banks	230.15		*42.40*
(iii) Current Accounts with Standard Chartered Bank - Singapore and Jakarta branches - Non-Scheduled Bank (maximum amount outstanding during the year - ₹ 3.15 crores - *31st March, 2010 - ₹ 3.56 crores*)	2.83 !		*3.11* !
(iv) Term Deposits with Scheduled Banks	602.18 !		*1,210.67* !
		837.29	*1,277.64*
! Partially in foreign currency.			
(e) Other Current Assets -			
Assets held for disposal (Valued at lower of cost and net realisable value)	Nil		*10.50*
Interest accrued on Investments / Bank Deposits	17.20		*28.84*
		17.20	*39.34*
		3,458.38	***3,882.65***
LOANS AND ADVANCES - Considered good - unless otherwise stated - (Unsecured)			
(a) Advances with public bodies		4.81	*2.26*
(b) VAT/Sales Tax receivable (Inputs) (Net)		36.25	*30.69*
(c) Loans to subsidiaries (including interest accrued) :			
Bhira Investments Ltd. (including interest accrued ₹ 15.24 crores - *31st March, 2010 - ₹ 7.70 crores*)	1,234.73		*1,240.23*
Khopoli Investments Ltd. (including interest accrued ₹ 1.08 crores - *31st March, 2010 - ₹ 1.14 crores*)	135.09		*136.59*
Coastal Gujarat Power Ltd. (including interest accrued ₹ 21.06 crores - *31st March, 2010 - ₹ 1.65 crores*)	221.06		*173.65*
		1,590.88	*1,550.47*
(d) Advances to Subsidiaries/Joint Ventures (Net)			
Maithon Power Ltd.	Nil		*0.05*
Industrial Energy Ltd.	Nil		*0.31*
Powerlinks Transmission Ltd.	Nil		*0.02*
Trust Energy Resources Pte. Ltd.	Nil		*0.01*
OTP Geothermal Pte. Ltd.	1.93		*Nil*
Coastal Gujarat Power Ltd.	0.04		*0.06*
		1.97	*0.45*
(e) Deposits with other Companies	1.27		*1.27*
Less: Provision for doubtful deposits	1.27		*1.27*
		Nil	*Nil*
(f) Other Deposits	324.81		*287.34*
Less: Provision for doubtful deposits	8.25		*16.44*
		316.56	*270.90*
(g) Other Advances (including advances considered doubtful) (including amount due from Directors ₹ Nil - *31st March, 2010 - ₹ 0.11* crore maximum amount due during the year - ₹ 0.11 crore - *31st March, 2010 - ₹ 0.12 crore*)	495.91		*202.12*
Less: Provision for doubtful advances	3.21		*Nil*
		492.70	*202.12*
(h) MAT Credit Entitlement		54.00	*Nil*
(i) Payment of Taxes (net of provisions and including Fringe Benefit Tax)		57.16	*14.72*
		2,554.33	***2,071.61***
		6,012.71	***5,954.26***

Schedule forming part of the Balance Sheet

SCHEDULE "H": CURRENT LIABILITIES AND PROVISIONS

		₹ Crores	₹ Crores	As at 31-03-2010 ₹ Crores
CURRENT LIABILITIES -				
(a)	Consumers' Benefit Account	21.94		21.94
(b)	Sundry Creditors - Total outstanding dues of Micro and Small Enterprises	1.31		0.91
(c)	Sundry Creditors - Total outstanding dues of creditors other than Micro and Small Enterprises	1,017.70		775.24
(d)	Tariff Adjustment Account	280.00		226.32
(e)	Advance and progress payments	252.95		70.08
(f)	Premium on redemption of Debentures	134.70		134.70
(g)	Interest accrued but not due on Secured Loans	101.90		68.42
(h)	Interest accrued but not due on Unsecured Loans	13.20		11.43
(i)	Investor Education and Protection Fund shall be credited by the following amounts namely:- **			
	(i) Unpaid Dividend	10.20		9.21
	(ii) Unpaid Matured Debentures	*		*
	(iii) Interest	0.10		0.10
	(iv) Unpaid Matured Deposits	0.06		0.08
(j)	Other Liabilities	77.96		45.72
(k)	Security Deposits from Consumers	113.17		62.62
(l)	Tender Deposits from Vendors	2.18		2.84
(m)	Sundry Deposits from Customers	30.88		36.09
			2,058.25	***1,465.70***
**	Includes amounts outstanding aggregating ₹ 0.81 crore (*31st March, 2010 - ₹ 0.74 crore*) for more than seven years pending legal cases.			
PROVISIONS -				
(a)	Provision for Wealth Tax	1.64		2.27
(b)	Provision for Proposed Dividend	296.92		285.05
(c)	Provision for Additional Income-tax on Dividend	31.29		37.93
(d)	Provision for Employee Benefits	238.84		239.36
(e)	Provision for Premium on redemption of Foreign Currency Convertible Bonds	126.94		128.29
(f)	Provision for future foreseeable losses on contracts, etc.	Nil		3.43
(g)	Provision for Warranties	6.86		6.24
			702.49	***702.57***
			2,760.74	***2,168.27***

Figures below ₹ 50,000 are denoted by '*'.

Schedule forming part of the Profit and Loss Account

SCHEDULE "1": REVENUE AND OTHER INCOME

	₹ Crores	₹ Crores	*Previous Year ₹ Crores*
1. REVENUE -			
(a) Revenue from Power Supply and Transmission Charges	6,677.96		*6,690.73*
Less: Cash Discount	58.60		*50.69*
Add: Income to be (utilised)/recovered in future tariff determination (Net)	(20.00)		*253.43*
	6,599.36		*6,893.47*
(b) Revenue from Contracts:			
Electronic Products	138.10		*117.41*
Less: Excise Duty	8.78		*1.55*
	129.32		*115.86*
Transmission EPC Business	Nil		*1.29*
Project/Operation Management Services	45.34		*28.99*
	174.66		*146.14*
(c) Rental of Land, Buildings, Plant and Equipment, etc.	15.43		*12.19*
(d) Income in respect of Services rendered	20.46		*12.89*
(e) Compensation Earned	9.70		*1.64*
(f) Transfer of Capital/Service Line contribution	47.35		*Nil*
(g) Miscellaneous Revenue and Sundry Credits	30.10		*31.94*
(h) Provision for Doubtful Debts and Advances written back (Net)	5.28		*Nil*
(i) Profit on sale/retirement of Assets (Net) (Including capital profit ₹ 0.73 crore)	16.14		*Nil*
		6,918.48	***7,098.27***
2. OTHER INCOME -			
(a) Interest on Government and Other Securities, Loans, Advances, Deposits, etc. (including Income-tax deducted ₹ 0.30 crore - *Previous Year - ₹ 0.63 crore*)	63.52		*31.62*
(b) Interest on Contingency Reserve Investments	4.26		*5.77*
(c) Interest on Deferred Taxation Liability Fund Investments	21.49		*24.96*
(d) Interest from Subsidiaries (including Income-tax deducted ₹ 1.95 crores - *Previous Year - ₹ 2.67 crores*)	78.32		*41.75*
(e) Interest from Trade Investments (including Income-tax deducted ₹ 0.19 crore - *Previous Year - ₹ 0.52 crore*) @	1.91		*2.36*
(f) Interest from Other Investments @	4.90		*9.62*
(g) Dividend from Trade Investments @	7.29		*6.11*
(h) Dividend from Subsidiaries	203.27		*71.27*
(i) Dividend from Joint Ventures	7.96		*7.96*
(j) Dividend from Other Investments @	4.90		*5.35*
(k) Discount amortised/accrued on Bonds (Net)	11.39		*(0.20)*
(l) Profit on Sale of Current Investments (Net)	15.73		*22.00*
(m) Provision for diminution in value of Investments written back	5.85		*Nil*
(n) Profit on Sale of Long Term Investments (Net) (including ₹ 16.26 crores profit on buy-back of shares of a Subsidiary - *Previous Year - ₹ Nil*)	11.16		*Nil*
(o) Guarantee Commission from Subsidiaries	1.02		*1.03*
(p) Gain on Exchange (Net)	50.61		*51.98*
		493.58	***281.58***
		7,412.06	***7,379.85***

@ Long term Investments

Schedule forming part of the Profit and Loss Account

SCHEDULE "2": GENERATION, TRANSMISSION, DISTRIBUTION AND OTHER EXPENSES

	₹ Crores	₹ Crores	*Previous Year ₹ Crores*
1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES -			
(a) Salaries, Wages and Bonus (excluding ₹ Nil on Repairs and Maintenance - *Previous Year - ₹ 0.16 crore*)	279.21		*218.23*
(b) Company's contribution to Provident Fund	12.84		*9.60*
(c) Retiring Gratuities	30.85		*13.18*
(d) Welfare Expenses	52.99		*43.96*
(e) Contribution to Superannuation Fund	16.85		*12.49*
(f) Leave Encashment Scheme	(25.89)		*24.36*
(g) Pension Scheme	6.59		*2.24*
	373.44		*324.06*
Less: Employee cost capitalised	20.84		*13.07*
Less: Employee cost recovered	5.47		*5.70*
Less: Employee cost inventorised	6.01		*4.94*
		341.12	*300.35*
2. OPERATION AND OTHER EXPENSES -			
(a) Stores, Oil, etc. consumed (excluding ₹ 90.59 crores on Repairs and Maintenance - *Previous Year - ₹ 48.94 crores*)	13.39		*14.28*
(b) Rental of Land, Buildings, Plant and Equipment, etc.	15.33		*15.29*
(c) Repairs and Maintenance -			
(i) To Buildings and Civil Works	24.97		*32.08*
(ii) To Machinery and Hydraulic Works	211.84		*160.43*
(iii) To Furniture, Vehicles, etc.	4.09		*4.32*
	240.90		*196.83*
(d) Rates and Taxes	31.17		*47.14*
(e) Insurance	17.18		*16.08*
(f) Components consumed	77.25		*41.95*
(g) Cost of materials and erection charges	Nil		*0.20*
(h) Other Operation Expenses	106.25		*84.88*
(i) Auditors' Remuneration	4.58		*4.04*
(j) Cost of Services Procured	56.41		*37.91*
(k) Bad Debts	0.11		*Nil*
(l) Provision for Doubtful Debts and Advances (Net)	Nil		*8.55*
(m) Loss on sale/retirement of Assets (Net) (including capital profit ₹ 1.82 crores)	Nil		*1.28*
(n) Miscellaneous Expenses	75.72		*62.00*
		638.29	*530.43*
3. TRANSMISSION CHARGES		78.29	*49.88*
4. PROVISION IN RESPECT OF CURRENT ASSETS HELD FOR DISPOSAL		Nil	*26.91*
5. TRANSFER OF REVENUE EXPENSES TO CAPITAL		Nil	*(0.52)*
		1,057.70	***907.05***

Schedules forming part of the Profit and Loss Account

SCHEDULE "3": INTEREST AND FINANCE CHARGES

		₹ Crores	₹ Crores	*Previous Year ₹ Crores*
	INTEREST-			
(a)	Interest on Debenture Loans	174.35		*144.68*
(b)	Interest on Fixed Period Loans - Euro Notes and FCCB	49.95		*33.35*
(c)	Interest on Fixed Period Loans - Others	245.21		*257.22*
(d)	Other Interest and Commitment Charges (Net)	(20.56)		*6.40*
		448.95		*441.65*
	Less: Interest Capitalised	32.06		*35.01*
			416.89	***406.64***
	FINANCE CHARGES-			
(a)	Commission and Brokerage	2.22		*2.35*
(b)	Other Finance Charges	42.91		*14.00*
			45.13	***16.35***
			462.02	***422.99***

SCHEDULE "4": STATUTORY APPROPRIATIONS

		₹ Crores	*Previous Year ₹ Crores*
(a)	Contingencies Reserve (Net)	(14.52)	*10.00*
(b)	Special Reserve (Net)	(14.00)	*6.00*
(c)	Tariffs and Dividends Control Reserve	Nil	*(24.89)*
		(28.52)	***(8.89)***

Schedule "I" Notes forming part of the Accounts

1. Major Accounting Policies:-

   (a) Basis for preparation of accounts:

   The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in compliance with the relevant provisions of the Companies Act, 1956.

   (b) Use of estimates:

   The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Examples of such estimates include provision for employee benefit plans, provision for diminution in value of long term investments, provision for doubtful debts/advances, provision for income taxes, etc.

   (c) Fixed Assets:

   (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation.

   (ii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised upto the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

   (d) Impairment:

   At each balance sheet date, the Company assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

   (e) Depreciation/Amortisation:

   (i) Depreciation for the year in respect of assets relating to the electricity business of the Company as Licensee/other than a Licensee, has been provided on straight line method in terms of the repealed Electricity (Supply) Act, 1948 on the basis of Central Government Notification No.S.O.265(E)/266(E) dated 27th March, 1994/29th March, 1994, except that computers acquired on or after 1st April, 1998 are depreciated at the rate of 33.40% p.a. on the basis of approval obtained from the State Government.

   (ii) In respect of assets relating to other business of the Company, depreciation has been provided for on written down value basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in the case of technical know-how which is written off on a straight line basis over a period of six years.

   (iii) Assets costing less than ₹ 5,000/- are depreciated at the rate of 100%.

   (iv) Leasehold Land is amortised over the period of the lease.

   (v) Depreciation on additions/deletions of assets is provided on pro-rata basis.

   (vi) Depreciation rates used for various classes of assets are:

Hydraulic Works	–	1.95% to 3.40%
Buildings	–	3.02% to 33.40%
Railway Sidings, Roads, Crossings, etc.	–	3.02% to 5.00%
Plant and Machinery	–	1.80% to 45.00%

Transmission Lines, Cable Network, etc.	–	3.02% to 13.91%
Furniture, Fixtures and Office Equipment	–	12.77% to 18.10%
Mobile Phones	–	100%
Motor Vehicles, Launches, Barges, etc.	–	25.89% to 33.40%
Helicopters	–	9.00% to 33.40%

Depreciation so provided has been determined as being not less than the depreciation which would have been recognised in the Profit and Loss Account had the rates and the manner prescribed under Schedule XIV to the Companies Act, 1956, been applied.

(f) Leases:

(i) Finance Lease:

Assets taken on finance lease are accounted for as fixed assets in accordance with Accounting Standard (AS -19) - "Leases". Accordingly, the assets are accounted at fair value. Lease payments are apportioned between finance charge and reduction in outstanding liability.

(ii) Operating Lease:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis.

(g) Investments:

Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

(h) Inventories:

Inventories of stores, spare parts, fuel and loose tools are valued at lower of cost and net realisable value. Cost is ascertained on weighted average basis. Work-in-progress and property under development are valued at lower of cost and net realisable value. Cost includes cost of land, material, labour, manufacturing and other overheads.

(i) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax, which is computed on the basis of enacted/substantively enacted rates, is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

(j) Research and Development Expenses:

(i) Expenditure of the research phase (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and

(ii) Expenditure on development phase which met the recognition criteria are recognised as an intangible asset and the expenditure which do not meet recognition criteria are charged as an expense in the year in which they are incurred.

(k) Intangible Assets:

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

(l) Premium on redemption of Debentures and Foreign Currency Convertible Bonds (FCCB):

Premium payable on redemption of FCCB and Debentures as per terms of their respective issues is provided fully in the year of issue by adjusting against the Securities Premium Account.

(m) Warranty Expenses:

Anticipated product warranty costs for the period of warranty are provided for in the year of sale.

(n) Foreign Exchange Transactions:

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) All monetary assets and monetary liabilities in foreign currencies other than net investments in non-integral foreign operation are translated at the relevant rates of exchange prevailing at the year end and exchange differences are recognised in the Profit and Loss Account.

(iii) Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Exchange Translation Reserve Account.

(iv) In respect of foreign exchange contracts, the premium or discount arising at the inception of such a contract is amortised as expense or income over the life of the contract.

(o) Employee Benefits:

(i) Defined Contribution Plan:

Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan/Long term compensated absences:

Company's liability towards gratuity, compensated absences, post retirement medical benefit schemes, etc. are determined by independent actuaries, at each reporting date, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Profit and Loss Account as incomes or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related services are rendered.

(p) Revenue Recognition:

(i) Revenue from Power Supply and Transmission Charges are accounted for on the basis of billings to consumers/State Transmission Utility and inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued upto the end of the accounting year.

(ii) The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its Mumbai Licensed Area operations (i.e. Generation, Transmission and Distribution) based on the principles laid down under the respective Tariff Regulations as notified by Maharashtra Electricity Regulatory Commission (MERC) and on the basis of Tariff Order's issued by them. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations have been made during the year. Further, any adjustments that may arise on annual performance review by MERC under the aforesaid Tariff Regulations will be made after the completion of such review.

(iii) Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered.

(iv) Interest income/Guarantee commission is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

(v) Amounts received from consumers towards capital/service line contributions is accounted as a liability and is subsequently recognised as income over the life of the fixed assets.

(vi) Revenue from infrastructure management services is recognised as income as and when services are rendered and when no significant uncertainty as to the collectability exists.

(q) Accounting for Construction Contracts:

Income on contracts in respect of Transmission EPC, Strategic Electronics Business and Project Management Services are accounted on "Percentage of Completion" basis measured by the proportion that cost incurred upto the reporting date bear to the estimated total cost of the contract.

(r) Issue Expenses:

(i) Expenses incurred in connection with the issue of Euro Notes, Foreign Currency Convertible Bonds, Global Depository Receipts and Debentures are adjusted against Securities Premium Account.

(ii) Discount on issue of Euro Notes are amortised over the tenure of the Notes.

(s) Payments under Voluntary Retirement Schemes (VRS):

Compensation paid under VRS is charged to the Profit and Loss Account in the year of exercise of option.

(t) Segment Reporting:

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable income/expenses".

(u) Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

2. During the year the Company has changed its accounting policy pertaining to amounts received from consumers towards capital/service line contributions. These contributions which were earlier recognised as liability are now recognised as income over the life of the fixed assets. Pursuant to this change a sum of ₹ 38.90 crores pertaining to earlier years has been recognised as income during the current year.

3. During the previous year, the Company issued 3,000 1.75% Foreign Currency Convertible Bonds (FCCB) with face value of U.S. $ 100,000 each aggregating to U.S. $ 300 million (₹ 1,404.45 crores at issue, net proceeds received ₹ 1,391.67 crores). The bondholders have an option to convert these Bonds into Equity Shares, at an initial conversion price of ₹ 1,456.125 per share at a fixed rate of exchange on conversion of ₹ 46.81 = U.S. $ 1.00, at any time on and after 31st December, 2009, upto 11th November, 2014. The conversion price is subject to adjustment in certain circumstances. The FCCB may be redeemed, in whole but not in part, at the option of the Company at any time on or after 20th November, 2011 subject to satisfaction of certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCB fall due for redemption on 21st November, 2014 at 109.47 percent of their principal amount together with accrued and unpaid interest.

The unutilised portion of FCCB amounting to U.S. $ 129.44 million (*31st March, 2010 – U.S. $ 247.75 million)* has been invested in short term deposits with Bank.

4. During the previous year, the Company issued equity shares in the form of Global Depository Receipts (GDRs) listed on the Luxembourg Stock Exchange for a gross amount of U.S. $ 335 million. Each GDR represents 1 equity share of the Company, at a nominal value of ₹ 10 per equity share. The Company had issued 1,48,38,110 GDRs which had been priced at U.S. $ 22.577 per GDR (₹ 48.27 being the reference exchange rate) as per relevant pricing guidelines for issue of GDRs. Consequently, in previous year, there was an increase in the Subscribed Share Capital by ₹ 14.84 crores and Securities Premium Account by ₹ 1,601.38 crores (net of issue expenses).

5. In an earlier year, the Company had commissioned its 120 MW thermal power unit at Jojobera, Jharkhand. Revenue in respect of this unit is recognised on the basis of a draft Power Purchase Agreement prepared jointly by the Company and its customer which is pending finalisation.

6. The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Company.

7. The Company has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crores *(31st March, 2010 – ₹ 735.48 crores).* Based on the accounts as certified by the Management for the year ended 31st March, 2011, TTSL has accumulated losses which have significantly eroded its net worth. In the opinion of the Management, having regard to the long term nature of the business, there is no diminution other than temporary, in the value of the investment.

8. Capital commitments not provided for are estimated at ₹ 903.72 crores *(31st March, 2010 – ₹ 594.10 crores*).

9. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

₹ crores

			2009-10
(a)	Principal amount remaining unpaid as on 31st March	1.31	*0.91*
(b)	Interest due thereon as on 31st March@	–	–
(c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year@	–	–
(d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006@	–	–
(e)	Interest accrued and remaining unpaid as at 31st March@	–	–
(f)	Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise@	–	–

@ Amounts unpaid to MSM vendors on account of retention money have not been considered for the purpose of interest calculation.

10. Contingent Liabilities and Other Commitments:

(a) Claims against the Company not acknowledged as debts ₹ 261.81 crores (*31st March, 2010 – ₹ 216.14 crores*) consists mainly of the following:

(i) Octroi claims disputed by the Company aggregating to ₹ 5.03 crores *(31st March, 2010 – ₹ 5.03 crores)*, in respect of Octroi exemption claimed by the Company.

(ii) A Suit has been filed against the Company claiming compensation of ₹ 20.51 crores *(31st March, 2010 – ₹ 20.51 crores)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 103.37 crores *(31st March, 2010 – ₹ 99.06 crores).*

(iii) Rates, Cess, Way Leave Fees, Entry tax and Duty claims disputed by the Company aggregating to ₹ 87.47 crores *(31st March, 2010 – ₹ 62.14 crores)*. In respect of certain dues as per the terms of an agreement, the Company has the right to claim reimbursement from a third party.

(iv) Other claims against the Company not acknowledged as debts ₹ 45.43 crores (*31st March, 2010 – ₹ 29.40 crores*).

(b) Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):

		₹ crores
		As at 31st March, 2010
(i) Matters on which there are decisions of the appellate authorities in the Company's favour, not accepted by the tax authorities	48.53	*29.06*
(ii) Interest and penalty demanded	15.19	*10.13*

(c) Uncalled liability on partly paid up shares ₹ 31.03 crores *(31st March, 2010 – ₹ 55.60 crores)*.

(d) (i) Indirect exposures of the Company :

Name of the Company	Contingent Liabilities			Other Commitments	
	Guarantees given	Shares pledged	Sponsor support agreement	Letter of comfort	Undertaking for non-disposal of shares
	(₹ crores)	(Nos.)	(₹ crores)	(₹ crores)	(₹ crores)
Tata Teleservices Limited (TTSL)	– *–*	21,98,18,101 *21,98,18,101*	– *–*	– *–*	– *–*
Panatone Finvest Limited (PFL)	– *250.00*	– *–*	– *–*	– *–*	– *–*
North Delhi Power Limited (NDPL)	– *–*	– *–*	– *–*	– *–*	1,157.28 *1,157.28*
Powerlinks Transmission Limited (PTL)	– *–*	23,86,80,000 *23,86,80,000*	– *366.00*	– *–*	– *–*
NELCO Limited (NELCO)	– *–*	– *–*	– *–*	25.00 *25.00* [Refer (e) below]	– *–*
Tata Power Trading Company Limited (TPTCL)	– *50.00*	– *–*	– *–*	– *–*	– *–*
Coastal Gujarat Power Limited (CGPL)	2,235.81 (including JPY 31,219 million) *1,812.24 (including JPY 31,219 million)*	113,93,40,000 *88,43,40,000*	[Refer (d) (ii) below] *[Refer (d) (ii) below]*	– *–*	– *–*

Name of the Company	Contingent Liabilities			Other Commitments	
	Guarantees given	Shares pledged	Sponsor support agreement	Letter of comfort	Undertaking for non-disposal of shares
	(₹ crores)	(Nos.)	(₹ crores)	(₹ crores)	(₹ crores)
Industrial Energy Limited (IEL)	– *–*	12,56,74,200 *12,56,74,200*	[Refer (d) (iii) below] *[Refer (d) (iii) below]*	– *–*	– *–*
Bhivpuri Investments Limited (BIL)	– *–*	7,46,250 *7,46,250*	– *–*	– *–*	– *–*
Khopoli Investments Limited (KIL)	2,613.78 (equivalent to USD 585 million) plus interest and finance costs *2,641.71 (equivalent to USD 585 million) plus interest and finance costs*	– *–*	– *–*	– *–*	– *–*
Bhira Investments Limited (BHIL)	– *–*	10,00,000 *10,00,000*	– *–*	– *–*	– *–*
Trust Energy Resources Pte. Limited (TERL)	316.87 (equivalent to USD 70.92 million) *560.45 (equivalent to USD 124.11 million)*	– *–*	– *–*	– *–*	– *–*
Tubed Coal Mines Limited (TCML)	11.36 *11.36*	– *–*	– *–*	– *–*	– *–*
Mandakini Coal Company Limited (MCCL)	20.26 *20.26*	– *–*	– *–*	– *–*	– *–*
Energy Eastern Pte. Limited (EEL)	44.68 (equivalent to USD 10 million) *45.16 (equivalent to USD 10 million)*	– *–*	– *–*	– *–*	– *–*
Tata Sons Limited (TSL)	[Refer (h) below]	– *–*	– *–*	– *–*	– *–*

Note : Previous year's figures are in italics.

(ii) In terms of the Sponsor Support agreement entered into between the Company, Coastal Gujarat Power Limited (CGPL) and lender's of CGPL, the Company has undertaken to provide support by way of base Equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The sponsor support also includes support by way of additional equity for any overrun in project costs and Debt Service Reserve Guarantee as provided under the financing agreements. The support will cease on the date of "financial completion" as defined under the relevant financing agreements. Further, CGPL has entered into an Agreement with the Company for Additional Subordinated Loan to the extent of U.S. $ 50 million (equivalent to ₹ 200.00 crores). In accordance with this agreement the Company has provided an Additional Subordinated Loan of ₹ 200.00 crores *(31st March, 2010 – ₹ 172.00 crores)* to CGPL. The accrued interest on Additional Subordinated Loan shall be payable subject to fulfillment of conditions in Subordination Agreement and Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

(iii) In terms of the Sponsor Support agreement entered into between the Company, Industrial Energy Limited (IEL) and lender's of IEL, in the event of any overrun in the project cost of IEL to the extent of 10% of the project cost, the Company has undertaken to provide in proportion to its shareholding in IEL, support by way of infusion of fresh equity/preference capital or unsecured loans.

(e) In respect of NELCO Limited, the Company has undertaken to arrange for the necessary financial support to NELCO Limited in the form of interim short term funding for meeting its business requirements.

(f) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra - formerly Reliance Energy Ltd.) for the period from 1st April, 1999 to 31st March, 2004, the ATE, set aside the MERC Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crores (including interest of ₹ 15.14 crores) and pay interest at 10% per annum thereafter. As at 31st March, 2011 the accumulated interest was ₹ 162.36 crores *(31st March, 2010 - ₹ 151.16 crores)* (₹ 11.20 crores for the year ended 31st March, 2011). On appeal, the Hon'ble Supreme Court vide its interim order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Company has furnished a bank guarantee of the sum of ₹ 227.00 crores and also deposited ₹ 227.00 crores with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court. The said deposit has been accounted as "Other Deposits".

Further, no adjustment has been made for the reversal in terms of the ATE Order dated 20th December, 2006 of Standby Charges credited in previous years estimated at ₹ 519.00 crores. The aggregate of Standby Charges credited in previous years, net of tax is estimated at ₹ 415.56 crores, which will be adjusted, wholly by a withdrawal/set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to R-Infra. Since 1st April, 2004, the Company has accounted Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged and hence, adjustments, if any, including consequential adjustments to the Deferred Tax Liability Fund and the Deferred Tax Liability Account will be recorded by the Company on the final outcome of the matter.

(g) MERC vide its Tariff Order dated 11th June, 2004, had directed the Company to treat the investment in its Wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the Capital Base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 10(f) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 10(f) above.

(h) In an earlier year, in terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 2,72,82,177 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. Accordingly, the Company realised ₹ 316.72 crores on sale of these shares resulting in a profit of ₹ 255.62 crores.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the Company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro-rata basis, upto a maximum sum of ₹ 409.51 crores.

The exercise of the option by SP being contingent on several variables, the liability if any, is considered by management to be remote and indeterminable.

(i) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Ltd. (Panatone), an associate of the Company, with the Government of India, Panatone has contractually undertaken a "Surplus Land" obligation including agreeing to transfer 45% of the share capital of the Resulting Company, at Nil consideration, to the Government of India and other selling shareholders upon Demerger of the Surplus Land by Tata Communications Limited (TCL). The Company has till date acquired 1,34,22,037 shares of TCL from Panatone. The Company would be entitled to be allotted 4.71% of the share capital of the Resulting Company based on its holding of 1,34,22,037 shares of TCL. The Company has undertaken to Panatone to bear the "Surplus Land" obligation pertaining to these shares.

(j) The Company has a long term investment of ₹ 3,172.50 crores (including advance towards equity) and has extended loans amounting to ₹ 221.06 crores (including interest accrued) to Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of the Company which is implementing the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP").

Management is of the view that at the end of the reporting period there are estimation uncertainties in assessing the recoverability of carrying amounts of asset under construction that could result in a material adjustment to the Company's long term investment in CGPL.

CGPL has agreed to charging no escalation on 55 percent of the cost of coal in terms of the 25 year power purchase agreement relating to the Mundra UMPP. During the year, as a result of the changes in the fuel prices, management has assessed the recoverability of the carrying amount of the asset under construction at Mundra as of 31st March, 2011 of ₹ 12,842.95 crores and concluded that the cash flows expected to be generated (on completion of construction and commencement of commercial operations) over the useful life of the asset of 40 years would be sufficient to recover the carrying amount of such asset. In estimating the future cash flows, management has based on externally available information, made certain assumptions relating to the future fuel prices, future revenues, operating parameters and the asset's useful life which management believes reasonably reflects the future expectation of these items.

Having regard to the above, in the opinion of the management of the Company, no provision is considered necessary on this account as at 31st March, 2011.

However, if these assumptions change consequent to change in future conditions, there could be an adverse effect on the recoverable amount of the underlying asset.

The assumptions will be monitored on periodic basis by the management and adjustments will be made if external conditions relating to the assumptions indicate that such adjustments are appropriate.

11. (a) In the previous year, in respect of the Company's Generation Business as a Licensee, MERC in its Tariff Order dated 28th May, 2009, had drawn from Contingencies Reserve to partially meet the impact on tariff of the ATE Order dated 12th May, 2008, wherein ATE upheld the stand taken by the Company regarding allowability of expenses/accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for financial years 2004-05 and 2005-06. Accordingly, the Company had drawn ₹ 108.83 crores from Contingencies Reserve. Further, the Company had recognised revenue of ₹ 105.40 crores and transferred ₹ 24.89 crores from Tariffs and Dividends Control Reserve consequent to the above Order and the Orders pertaining to the Transmission and Distribution Businesses dated 28th May, 2009 and 15th June, 2009 respectively. Certain disallowances arising from these Orders aggregating to about ₹ 91.00 crores had not been recognised as expense since they have been challenged by the Company at the ATE.

(b) In the previous year, ATE in its Order dated 15th July, 2009, had upheld the Company's claim regarding allowability of certain expenses/accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for the financial year 2006-07. On this basis, during the period ended 31st December, 2009, the Company had treated such expenses as recoverable through tariff and had recognised revenue of ₹ 147.00 crores in respect of the financial years 2006-07 to 2008-09.

(c) During the year ended 31st March, 2011, MERC had completed truing-up for the financial year 2008-09 and has accordingly issued Tariff Orders. In these Tariff Orders, it has disallowed certain reasonable claims made by the Company amounting to ₹ 74.00 crores. Further, while giving effect to the favourable ATE Order dated 15th July, 2009, pertaining to the financial years 2006-07 to 2007-08, MERC has disallowed certain items amounting to ₹ 47.00 crores. Consequently, the Company has appealed to the ATE against these disallowances. Based on the earlier favourable ATE Order on similar matters, the Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial statements.

(d) During the year ATE in its order dated 15th February, 2011, has upheld amongst others the Company claim towards entitlement of carrying cost in respect of truing-up done by MERC for financial years 2004-05 and 2005-06. Accordingly the Company has booked an amount of ₹ 86.00 crores as its entitlement of carrying cost during the current year.

12. In the matter of claims raised by the Company on R-Infra, towards (i) the difference in the energy charges for the period March 2001 to May 2004 and (ii) for minimum off-take charges of energy for the period 1998 to 2000, MERC has issued an Order dated 12th December, 2007 in favour of the Company. The total amount payable by R-Infra including interest is estimated to be ₹ 323.87 crores as on 31st December, 2007. ATE in its order dated 12th May, 2008 on appeal by R-Infra, has directed R-Infra to pay for the difference in the energy charges amounting to ₹ 34.98 crores for the period March 2001 to May 2004. In respect of the minimum off-take charges of energy for the period 1998 to 2000 claimed by the Company from R-Infra, ATE has directed MERC that the issue be examined afresh and after the decision of the Supreme Court in the Appeals relating to the distribution licence and rebates given by R-Infra. The Company and R-Infra had filed appeals in the Supreme Court. The Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Supreme Court, a sum of ₹ 25.00 crores and furnish Bank Guarantee of ₹ 9.98 crores. The Company had withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Company. On grounds of prudence, the Company has not recognised any income arising from the above matters.

13. Other Advances include advance towards equity, paid to Coastal Gujarat Power Limited ₹ 342.00 crores (*31st March, 2010 - ₹ 52.00 crores*) and Maithon Power Limited ₹ 74.00 crores (*31st March, 2010 - ₹ 55.50 crores*).

14. Employee Benefits:

(a) In an earlier year the Company had adopted Accounting Standard (AS-15) (Revised 2005) - 'Employee Benefits'. This had resulted in a transitional liability (net) of ₹ 61.70 crores as at 1st April, 2007. In accordance with the transitional provisions of the Accounting Standard, the Company had decided to charge the transitional liability as an expense over a period of 5 years and accordingly ₹ 22.40 crores (*31st March, 2010 – ₹ 12.34 crores)* has been recognised as an expense for the year under item 1 of Schedule "2" and balance amount of ₹ 2.28 crores (*31st March, 2010 – ₹ 24.68 crores)* is the unrecognised transitional liability as at 31st March, 2011.

(b) The Company makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Trustees of Tata Power Consolidated Provident Fund and the Superannuation Fund is administered by the Trustees of Tata Power Superannuation Fund. Under the Schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Central Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the shortfall shall be made good by the Company. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any shortfall in the foreseeable future.

On account of Defined Contribution Plans, a sum of ₹ 29.69 crores (*Previous Year – ₹ 22.09 crores*) has been charged to the Profit and Loss Account.

(c) The Company operates the following unfunded defined benefit plans:

(i) Post Retirement Gratuity

(ii) Ex-Gratia Death Benefits

(iii) Retirement Gifts

(iv) Post Retirement Medical Benefits and

(v) Pension

(d) The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2011. The following tables set out the amounts recognised in the financial statements as at 31st March, 2011 for the above mentioned defined benefit plans:

(i) Net employee benefit expense (recognised in employee cost) for the year ended 31st March, 2011:

₹ crores

		2009-10
Current Service Cost	7.82	*6.07*
Interest	10.93	*9.55*
Actuarial Loss/(Gain) (Net)	11.70	*(9.89)*
Past Service Cost	1.67	*7.11*
1/5th of Transitional Liability	7.58	*4.38*
Total Expense	39.70	*17.22*

(ii) Change in the Defined Benefit Obligation during the year ended 31st March, 2011:

₹ crores

		2009-10
Present value of Defined Benefit Obligation as at 1st April as per books	132.49	*123.69*
Unrecognised Transitional Liability as at 1st April	8.79	*13.17*
Employee benefit expenses (excluding transitional liability) – per (i) above	32.12	*12.84*
Benefits Paid (Net)	(7.94)	*(8.42)*
Present value of Defined Benefit Obligation as at 31st March	165.46	*141.28*
Less: Unrecognised Transitional Liability as at 31st March	1.21	*8.79*
Provision for Defined Benefit Obligation as at 31st March as per books	164.25	*132.49*

		2009-10	*2008-09*	*2007-08*
Defined Benefit Obligation	164.25	*132.49*	*123.69*	*102.57*
Experience Adjustment on Plan Liabilities	19.83	*1.60*	*3.01*	*(0.04)*

(iii) Actuarial assumptions used for valuation of the present value of the defined benefit obligations of various benefits are as under:

		2009-10
Discount Rate	8.00%	*8.00%*
Salary Growth Rate	6% p.a.	*6% p.a.*
Turnover Rate	Age 21 to 44 years 2% p.a. Age 45 years and above 0.50% p.a.	*Age 21 to 44 years 2% p.a.* *Age 45 years and above 0.50% p.a.*
Pension Increase Rate	3% p.a.	*3% p.a.*
Mortality Table	LIC (1994-96)	*LIC (1994-96)*
Annual Increase in Health Cost	6% p.a.	*6% p.a.*

- Discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of the inflation, seniority, promotion and other relevant factors.

(iv) Effect of change in assumed health care cost trend rate:

₹ crores

			2009-10	
	1% increase	1% decrease	*1% increase*	*1% decrease*
Effect on the aggregate of the service cost and interest cost	0.16	(0.08)	*0.31*	*(0.31)*
Effect on defined benefit obligation	1.51	(1.24)	*2.77*	*(2.22)*

(v) The contribution expected to be made by the Company during the financial year 2011-12 has not been ascertained.

15. (a) Total number of electricity units sold during the year as certified by Management – 16,060 MUs (*31st March, 2010 – 15,574 MUs*).

(b) Total number of electricity units purchased during the year as certified by Management – 1,510 MUs (*31st March, 2010 – 292 MUs*).

16. In respect of the contracts pertaining to the Transmission EPC, Strategic Electronics Business and Project Management Services, disclosures required as per AS-7 (Revised) are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 163.26 crores *(31st March, 2010 – ₹ 141.94 crores)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2011 – ₹ 159.94 crores *(31st March, 2010 – ₹ 157.41 crores)*.

(ii) Advances and progress payments received as at 31st March, 2011 – ₹ 244.24 crores *(31st March, 2010 – ₹ 19.04 crores)*.

(iii) Retention money included as at 31st March, 2011 in Sundry Debtors – ₹ 8.39 crores *(31st March, 2010 – ₹ 6.58 crores)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2011 – ₹ 181.49 crores (*31st March, 2010 – ₹ Nil*).

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2011 – ₹ 66.63 crores (*31st March, 2010 – ₹ Nil)*.

17. Deferred Tax Liability (Net) as at 31st March, 2011 comprises of:

₹ crores

			2009-10
Deferred Tax Liability :			
Arising on account of timing differences in:			
Depreciation		628.49	*582.03*
Less : Balance in Deferred Tax Liability Fund		279.76	*279.76*
	(A)	**348.73**	***302.27***
Deferred Tax Assets :			
Arising on account of timing differences in:			
Provision for doubtful debts and advances		9.75	*11.99*
Provision for tax, duty, cess, fee		16.71	*12.20*
Provision for employee benefits		60.25	*64.60*
Exchange losses on loans to subsidiaries		29.16	–
Others		2.74	*4.06*
	(B)	**118.61**	***92.85***
Net Deferred Tax Liability	**(A) – (B)**	**230.12**	***209.42***

₹ crores

		2009-10
18. (a) (i) Managerial Remuneration for Directors	17.41@	*12.87*
The above is inclusive of:		
(a) Estimated value of benefits in cash or in kind provided to Whole-time Directors [includes retirement benefits of ₹ 1.07 crores *(Previous year - ₹ Nil)* paid to retired Managing Director]	3.91	*2.47*
(b) Contribution to Provident and other Funds	0.50	*0.41*
(c) Commission to Directors	11.17	*8.46*
(ii) Directors' Sitting Fees	0.30	*0.34*

@ includes ₹ 0.24 crore *(31st March, 2010 – ₹ Nil)* which is subject to the approval of members in the forthcoming Annual General Meeting.

(b) Managerial Remuneration shown above includes ₹ 1.00 crore (*31st March, 2010 – ₹ 0.21 crore*) being short provision for commission relating to the previous year.

(c) The above figures do not include charge for Gratuity, leave encashment and other long term benefits, as separate figures are not available.

(d) The Company has paid during the year monthly payments aggregating to ₹ 0.95 crore *(31st March, 2010 – ₹ 0.83 crore)* under the post retirement scheme to former Managing/Executive Directors.

(e) Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 and Commission payable to the Whole-time and other Directors.

₹ crores

			2009-10
Profit before Taxes and Statutory Appropriations as per Profit and Loss Account		1,112.35	*1,259.26*
Add : Managerial Remuneration	17.71		*13.21*
Provision for Doubtful Debts and Advances (Net)	–		*8.55*
		17.71	*21.76*
		1,130.06	*1,281.02*
Less: Profit on Sale of Investments (Net)	26.89		*22.00*
Profit on Sale of Assets	16.14		*1.82*
Provision for Doubtful Debts and Advances (Net)	5.28		–
Provision for Diminution in Value of Investments written back	5.85		–
		54.16	*23.82*
Net Profit as per Section 309(5)		1,075.90	*1,257.20*
Commission provided to:			
(a) Whole-time Directors - 10% of Net Profit – ₹ 107.59 crores *(Previous Year – ₹ 125.72 crores)* (net of short provision of ₹ 1.00 crore of previous year) *(Previous Year - net of excess provision of ₹ 0.46 crore)*		8.17	*5.71*
(b) Non Whole-time Directors – 1% of Net Profit – ₹ 10.76 crores *(Previous Year – ₹ 12.57 crores)* (net of excess provision of ₹ Nil of previous year) *(Previous Year – net of excess provision of ₹ 0.25 crore)* restricted to		3.00	*2.75*
		11.17	*8.46*

19. Miscellaneous Expenses include donations aggregating to ₹ Nil *(31st March, 2010 – ₹ 1.00 crore)* to Electoral Trust whose main object is to create a transparent, non-discriminatory and non-discretionary vehicle which would enable making of contributions to political parties in a well regulated, efficient and objective manner. The Trust currently provides only for distribution of funds for the Lok Sabha Parliamentary Election.

20. Details of Auditors' Remuneration [inclusive of service tax of ₹ 0.42 crore (*31st March, 2010 - ₹ 0.28 crore)*]

₹ crores

		2009-10
(i) Audit fees$	2.72	*2.72*
(ii) Fees for taxation matters	0.85	*0.43*
(iii) Fees for company law matters	*	*
(iv) Fees for other services**	0.90	*0.79*
(v) Reimbursement of out-of-pocket expenses (included under Miscellaneous Expenses)	0.01	*0.01*
(vi) Audit Fees to Branch Auditors	–	*0.01*

$ Includes for quarterly audits.

** Excluding ₹ Nil recovered/adjusted against Securities Premium Account (*31st March, 2010 – ₹ 0.72 crore).*

The remuneration disclosed above excludes fees of ₹ 0.11 crore (*31st March, 2010 – ₹ 0.08 crore)* for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

₹ crores

		2009-10
21. (a) C.I.F. value of imports:		
(i) Capital goods	136.19	*234.59*
(ii) Components and spare parts	19.19	*18.45*
(iii) Fuel	1,016.83	*1,254.97*
(b) Expenditure in foreign currency:		
(i) Professional and consultation fees	7.92	*7.83*
(ii) Interest and issue expenses	50.57	*61.87*
(iii) Other matters	10.55	*9.85*

(c) Value of components, stores and spare parts consumed (including fuel consumed and stores consumption included in Repairs and Maintenance):

₹ crores

			2009-10	
(i) Imported	1,291.54	35.22%	*1,766.86*	*42.41%*
(ii) Indigenous	2,375.33	64.78%	*2,399.43*	*57.59%*
	3,666.87	100.00%	*4,166.29*	*100.00%*

(d) Remittances by the Company in foreign currencies for dividends (including amounts credited to Non-Resident External Accounts):

Dividend for the year ended	31st March, 2010	*31st March, 2009*
No. of non-resident shareholders	3,922	*4,051*
No. of Equity Shares of face value ₹ 10 each held	27,13,409	*27,99,257*
Amount of Dividend (₹ crores)	3.26	*3.33*

₹ crores

		2009-10
(e) Earnings in foreign exchange:		
(i) Interest	77.38	*40.13*
(ii) Export on FOB basis	Nil	*1.29*
(iii) Export of Services	4.88	*0.24*
(iv) Guarantee Commission from Subsidiaries	1.02	*1.03*
(v) Dividend	21.10	*Nil*
(vi) Others	13.38	*14.99*

₹ crores

		2009-10
(f) Expenditure incurred on research and development by the Company:		
(i) Revenue Expenditure	0.19	*0.53*
(ii) Capital Expenditure	7.95	*4.28*

22. Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" are as follows:

Names of the related parties and description of relationship:

(a) Related parties where control exists:	
Subsidiaries	Af-Taab Investment Co. Ltd. (AIL) Chemical Terminal Trombay Ltd. (CTTL) Tata Power Trading Co. Ltd. (TPTCL) Powerlinks Transmission Ltd. (PTL) NELCO Ltd. (Nelco) Maithon Power Ltd. (MPL) Industrial Energy Ltd. (IEL) North Delhi Power Ltd. (NDPL) Coastal Gujarat Power Ltd. (CGPL) Veltina Holdings Ltd. (VHL) Bhira Investments Ltd. (BIL) Bhivpuri Investments Ltd. (BHIL) Khopoli Investments Ltd. (KIL) Trust Energy Resources Pte. Ltd. (TERL) Energy Eastern Pte. Ltd. ** (EEL) Industrial Power Utility Ltd. (IPUL) Tatanet Services Ltd.** (TNSL) Industrial Power Infrastructure Ltd. (IPIL) Vantech Investments Ltd. ** (VIL) PT Itamaraya Tbk. ** (ITMA) Tata Power Green Energy Private Ltd. ** (TPGEPL) (from 5th January, 2011)
(b) Other related parties (where transactions have taken place during the year):	
(i) Associates	Panatone Finvest Ltd. (PFL) Tata Ceramics Ltd. (TCL) Tata Projects Ltd. (TPL) Yashmun Engineers Ltd. (YEL) Rujuvalika Investments Ltd. (RUIL)
(ii) Joint Ventures	Tubed Coal Mines Ltd. (TCML) Mandakini Coal Company Ltd. (MCCL) Tata BP Solar India Ltd. (TBSIL) Dagachhu Hydro Power Corporation Ltd. (DHPCL) OTP Geothermal Pte. Ltd. ** (OTPGL) (from 19th April, 2010)
(iii) Promoters holding together with its Subsidiary is more than 20%	Tata Sons Ltd.
(c) Key Management Personnel	Prasad R. Menon (upto 31st January, 2011) Anil Sardana (from 1st February, 2011) S. Ramakrishnan S. Padmanabhan Banmali Agrawala

** Through Subsidiary Companies.

(d) Details of Transactions:

₹ crores

	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Promoters
Purchase of goods/power	524.20	-	-	-	-
	111.23	-	-	-	-
Sale of goods/power	605.64	-	-	-	-
	606.23	-	-	-	-
Purchase of fixed assets	10.05	56.12	34.16	-	-
	0.94	*59.92*	*10.89*	-	-
Sale of fixed assets	-	-	-	-	-
	0.56	-	-	-	-
Rendering of services	60.55	0.10	-	-	-
	36.95	*0.03*	-	-	-
Receiving of services	3.08	5.46	-	-	0.54
	1.30	*3.42*	-	-	*0.46*
Brand equity contribution	-	-	-	-	17.37
	-	-	-	-	*17.76*
Guarantee, collaterals etc. given#	250.00	-	-	-	-
	1,562.24	-	-	-	-
Amount received on buy-back of equity shares	22.73	-	-	-	-
	-	-	-	-	-
Remuneration paid	-	-	-	14.41	-
	-	-	-	*9.86*	-
Interest income	78.32	2.35	-	0.01	-
	41.75	*0.27*	-	-	-
Dividend received	203.27	7.32	7.96	-	4.67
	71.27	*2.95*	*7.96*	-	*4.67*
Dividend paid	0.05	-	-	-	84.90
	0.05	-	-	-	*76.79*
Guarantee commission earned	1.02	-	-	-	-
	1.03	-	-	-	-
Provision for doubtful debts	-	0.01	-	-	-
	-	*0.10*	-	-	-
Loans given	82.43	-	-	-	-
	172.00	-	-	-	-
Security deposits given	1.00	-	-	-	-
	254.09	-	-	-	-
Refunds towards security deposits given	-	-	-	-	0.80
	284.38	-	-	-	-
Equity contribution (including advance towards equity contribution) @	1,776.03	-	53.46	-	-
	1,341.71	-	*17.93*	-	-
Redemption of preference shares/debentures	-	9.38	-	-	-
	18.00	-	-	-	-

₹ crores

	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Promoters
Purchase of investments#	0.22	50.00	-	-	-
	-	*79.99*	-	-	-
Loans repaid	54.71	-	-	0.11	-
	-	-	-	*0.01*	-
Deposits repaid	-	-	-	-	-
	-	-	-	-	*1.00*
Balances outstanding					
Security deposits given	1.00	-	-	-	-
	-	-	-	-	-
Other receivables (net of provisions) including advance towards equity contribution	480.87	0.05	2.09	-	-
	182.54	*0.04*	-	-	-
Loans given (including interest thereon)	1,590.88	120.93	-	-	-
	1,550.46	*130.75*	-	*0.11*	-
Loans provided for as doubtful advances	-	1.27	-	-	-
	-	*1.27*	-	-	-
Dividend receivable	-	-	-	-	-
	0.40	-	-	-	-
Preference shares outstanding	-	-	22.05	-	-
	-	-	*22.05*	-	-
Guarantees, Collaterals etc. outstanding#	5,211.14	-	31.62	-	409.51
	5,109.56	*250.00*	*31.62*	-	*409.51*
Letter of Comfort outstanding#	25.00	-	-	-	-
	25.00	-	-	-	-
(Other payables)/Advances given	(34.62)	(3.06)	(2.51)	-	(17.10)
	(1.55)	*(4.01)*	*10.60*	-	*(17.44)*
Deposits taken (including interest accrued)	0.05	-	-	-	-
	-	-	-	-	-

@ Including shares pursuant to loan being converted to equity.

Also refer notes 10(d), 10(e), 10(h) and 10(i).

Note: Previous year's figures are in italics.

(e) Details of material related party transactions:

(i) Subsidiaries:

₹ crores

Particulars	AICL	IEL	PTL	TPTCL	MPL	NELCO	BHIL	BIL	CTTL	KIL	TERL	CGPL	NDPL
Purchase of goods/power	-	-	-	333.27	-	-	-	-	-	-	190.93	-	-
	-	-	-	*13.11*	-	-	-	-	-	-	*98.12*	-	-
Sale of goods/power	-	-	-	605.22	-	-	-	-	-	-	-	-	-
	-	-	-	*606.23*	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	9.89	-	-
	-	-	-	-	-	*0.62*	-	-	-	-	-	-	*0.32*
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	*0.56*	-
Rendering of services	-	9.97	-	12.82	23.99	-	-	-	-	-	-	-	6.26
	-	*9.81*	-	*4.70*	*15.02*	-	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	1.75	-	-	0.62	-	-	0.66	-
	-	-	-	-	-	*1.21*	-	-	-	-	-	-	-
Guarantees, collaterals etc. given	-	-	-	-	-	-	-	-	-	-	-	250.00	-
	-	-	-	-	-	-	-	-	-	-	-	*1,512.24*	-
Amount received on buyback of equity shares	22.73	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	54.20	-	-	-	19.42	-
	-	*9.56*	-	-	-	-	-	*24.41*	-	*5.54*	-	-	-
Dividend received	99.77	-	76.38	-	-	-	21.10	-	-	-	-	-	-
	-	-	*23.87*	-	-	-	-	-	-	-	-	-	*39.41*
Guarantee commission earned	-	-	-	-	-	-	-	-	-	1.02	-	-	-
	-	-	-	-	-	-	-	-	-	*1.03*	-	-	-
Loans given	9.00	-	-	-	-	-	-	-	-	-	41.43	28.00	-
	-	-	-	-	-	-	-	-	-	-	-	*172.00*	-
Security deposits given	-	-	-	-	-	-	-	-	1.00	-	-	-	-
	-	*144.09*	-	-	-	-	-	-	-	-	-	-	*90.00*
Refund towards security deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*174.38*	-	-	-	-	-	-	-	-	-	-	*90.00*
Equity contribution (including advance towards equity contribution)	-	-	-	-	336.70	-	-	-	-	-	-	1,386.50	-
	-	-	-	-	*284.16*	-	-	-	-	-	*187.55 @*	*835.00*	-
Redemption of preference shares/ debentures	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	*18.00*	-	-	-	-	-	-	-	-	-
Purchase of investments	0.22	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans repaid	9.00	-	-	-	-	-	-	-	-	-	41.71	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

@ Includes ₹ 173.13 crores loan being converted to equity.

Note: Previous year's figures are in italics.

(ii) Associates and Joint Ventures:

₹ crores

	Associates				Joint Ventures		
Particulars	PFL	TPL	YEL	TCL	TBSIL	MCCL	DHPCL
Purchase of fixed assets	-	52.99	-	-	34.16	-	-
	-	*57.41*	-	-	*10.89*	-	-
Rendering of services	-	-	0.10	-	-	-	-
	-	-	*0.10*	*(0.07)*	-	-	-
Receiving of services	-	-	5.46	-	-	-	-
	-	-	*3.42*	-	-	-	-
Purchase of investments	50.00	-	-	-	-	-	-
	79.99	-	-	-	-	-	-
Interest income	-	2.25	-	-	-	-	-
	(1.98)	*2.26*	-	-	-	-	-
Dividend received	-	7.26	-	-	7.96	-	-
	-	*2.90*	-	-	*7.96*	-	-
Provision for doubtful debts	-	-	0.01	-	-	-	-
	-	-	*0.10*	-	-	-	-
Equity contribution (including advance towards equity contribution)	-	-	-	-	-	28.10	24.56
	-	-	-	-	-	-	*16.68*
Redemption of preference shares/ debentures	-	9.38	-	-	-	-	-
	-	-	-	-	-	-	-

Note: Previous year's figures are in italics.

23. Disclosures as required under Clause 32 of listing agreement:

Loans and Advances in the nature of Loans to Subsidiaries and Associates:

₹ crores

		Name	Amount Outstanding as at the year-end **	Maximum Amount Outstanding during the year**	Investments in Company's Shares (Nos.)
Subsidiary	#	North Delhi Power Ltd.	Nil	Nil	Nil
			Nil	*50.00*	*Nil*
"	#	Af-Taab Investment Co. Ltd.	Nil	5.00	Nil
			Nil	*Nil*	*Nil*
"	#	Industrial Energy Ltd.	Nil	Nil	Nil
			Nil	*142.67*	*Nil*
"	#	Industrial Power Infrastructure Ltd.	Nil	4.00	Nil
			Nil	*Nil*	*Nil*
"	###	Coastal Gujarat Power Ltd.	200.00	200.00	Nil
			172.00	*172.00*	*Nil*
"	##	Bhira Investments Ltd.	1,219.49	1,298.66	Nil
			1,232.53	*1,373.19*	*Nil*
"		Khopoli Investments Ltd.	134.01	142.71	Nil
			135.45	*150.90*	*Nil*
"	#	Trust Energy Resources Pte. Ltd.	Nil	42.17	Nil
			Nil	*178.01*	*Nil*
Associates	&	Nelito Systems Ltd.	1.27	1.27	Nil
			1.27	*1.27*	*Nil*

** Excluding Interest accrued.

On call – no repayment schedule.

No repayment schedule with a right to convert to equity.

Right to convert to equity.

& Provided for.

Note: Previous year's figures are in italics.

24. (i) Derivative Instruments:

The Company has entered into forward contracts, which are not intended for trading or speculative purposes, to establish the amount of reporting currency required or available at the settlement date of certain short term borrowings.

The following are the outstanding forward contracts, entered into, as on 31st March, 2011:

	Foreign Currency (in Millions)	₹ crores	*2009-10* Foreign Currency (in Millions)	*2009-10* ₹ crores
Forward Contracts	USD 101.13	456.53	–	–

(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	Foreign Currency (in Millions)	₹ crores	*2009-10* *Foreign Currency (in Millions)*	*₹ crores*
(a) Amounts receivable in foreign currency on account of the following:				
(i) Export of goods	USD 3.64	16.28	*USD 5.16*	*23.31*
(ii) Loan receivable from Subsidiaries	USD 303.00	1,353.50	*USD 303.00*	*1,367.98*
(iii) Interest receivable	USD 3.69	16.47	*USD 2.00*	*9.03*
(iv) Other Advances receivable from Subsidiaries	USD 1.10	4.92	*USD **	***
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 28.67	128.08	*USD 15.86*	*71.64*
	EURO *	0.02	*EURO 0.15*	*0.91*
	–	–	*GBP 0.03*	*0.18*
(ii) Capital Imports	EURO 1.71	10.82	*EURO 0.29*	*1.73*
	JPY 27.96	1.51	*JPY 37.97*	*1.84*
	USD 0.59	3.36	–	–
	GBP 0.13	0.94	–	–
(iii) Interest payable	USD 2.98	13.31	*USD 2.33*	*10.53*
(iv) Loans payable	USD 374.04	1,671.23	*USD 363.33*	*1,640.71*
(v) Premium payable on borrowings	USD 28.41	126.94	*USD 28.41*	*128.29*
(c) Bank balances	SGD 0.77	2.71	*SGD 0.92*	*2.98*
	USD 131.83	588.86	*USD 250.86*	*1,132.56*
	TAKA 0.25	0.02	*TAKA 31.41*	*4.81*

25. Segment Information:

(a) Primary Segment Information:

₹ crores

	Power	Others	Eliminations	Total
REVENUE				
External Revenue	6,733.27	185.21	–	6,918.48
	6,944.02	*154.25*	*–*	*7,098.27*
Total Revenue	**6,733.27**	**185.21**	**–**	**6,918.48**
	6,944.02	***154.25***	***–***	***7,098.27***
RESULT				
Total Segment Results	1,133.20	26.77	–	1,159.97
	1,442.98	*25.01*	*–*	*1,467.99*
Interest Expense				(416.89)
				(406.64)
Unallocable Income net of Unallocable Expense				369.27
				197.91
Income Taxes				(170.86)
				(320.50)
Profit after Tax				**941.49**
				938.76

₹ crores

	Power	Others	Eliminations	Total
OTHER INFORMATION				
Segment Assets	10,075.97	321.19	–	10,397.16
	8,840.86	*311.47*	–	*9,152.33*
Unallocable Assets				10,807.90
				9,719.50
Total Assets				**21,205.06**
				18,871.83
Segment Liabilities	1,852.64	323.55	–	2,176.19
	1,557.12	*100.32*	–	*1,657.44*
Unallocable Liabilities				7,853.29
				6,682.03
Total Liabilities				**10,029.48**
				8,339.47
Capital Expenditure	1,505.80	35.23	–	1,541.03
	741.86	*17.64*	–	*759.50*
Non-cash Expenses other than Depreciation/Amortisation	0.11	0.62	–	0.73
	36.09	*3.58*	–	*39.67*
Depreciation/Amortisation	504.41	5.73	–	510.14
	472.79	*5.15*	–	*477.94*

Types of products and services in each business segment:

Power – Generation, Transmission and Distribution of Electricity.

Others – Defence Electronics, Project Contracts/Infrastructure Management Services, Coal Bed Methane and Property Development.

Note: Previous year's figures are in italics.

(b) Secondary Segment Information:

The export turnover of the Company being Nil *(31st March, 2010 – 0.02%)* of the total turnover, there are no reportable geographical segments.

26. Earnings per share:

			2009-10
(a)	Distributable Profits (₹ crores)	970.01	*947.65*
(b)	The weighted average number of Equity Shares for Basic EPS (Nos.)	23,75,37,544	*23,24,38,750*
(c)	The nominal value per Equity Share (in ₹)	10.00	*10.00*
(d)	Basic Earnings per share (in ₹)	40.84	*40.77*
(e)	Distributable Profits for Basic EPS (₹ crores)	970.01	*947.65*
	Add/(Less): Debit/(Credit) to Profit and Loss Account of FCCB (net of tax) (₹ crores)	8.75	*(37.36)*
(f)	Distributable Profits for Diluted EPS (₹ crores)	978.76	*910.29*
(g)	The weighted average number of Equity Shares for Basic EPS (Nos.)	23,75,37,544	*23,24,38,750*
	Add: Effect of potential Equity Shares on conversion of FCCB (Nos.)	96,44,090	*33,82,037*
(h)	The weighted average number of Equity Shares for Diluted EPS (Nos.)	24,71,81,634	*23,58,20,787*
(i)	Diluted Earnings Per Share (in ₹)	39.60	*38.60*

27. Disclosures as required by AS-29 "Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2011, are as follows:

₹ crores

Particulars	Opening Balance	Provision during the year	Payments made during the year	Reversal/ Regrouped during the year	Closing Balance
Provision for Warranties	6.24	6.27	(0.73)	(4.92)	6.86
	3.91	*6.34*	*(0.41)*	*(3.60)*	*6.24*
Provision for Premium on Redemption of FCCB	128.29	–	–	(1.35)@	126.94
	11.49	*133.00*	*(0.07)*	*(16.13)@*	*128.29*
Provision for Premium on Redemption of Debentures	–	–	–	–	–
	134.70	*–*	*–*	*(134.70)*	*–*
Provision for Future foreseeable losses on Contracts etc.	3.43	–	–	(3.43)	–
	3.24	*0.19*	*–*	*–*	*3.43*

@ On account of conversion of FCCB to shares and exchange loss/(gain).

Note: Previous year's figures are in italics.

28. Interest in Joint Ventures:

The Company's interest, as a venturer, in jointly controlled entity is:

Name of the Company	Country of Incorporation	Principal activities	Percentage of Voting Power as at 31st March, 2011
Tubed Coal Mines Ltd. (TCML)	India	Coal Mining	40%
Tata BP Solar India Ltd. (TBSIL)	India	Solar Photovoltaic Systems and its components	49%
Mandakini Coal Company Ltd. (MCCL)	India	Coal Mining	33.33%
Dagachhu Hydro Power Corporation Ltd. (DHPCL)	Bhutan	Hydro Power Generation	26%

The Company's interest in these Joint Ventures is reported as Long Term Investment (Schedule "F") and stated at cost less provision for diminution other than temporary, if any, in the value of such investment. The Company's share of each of the assets, liabilities, incomes and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in these joint ventures (in case of MCCL, TCML and DHPCL based on unaudited accounts) are as under:

₹ crores

		2009-10
I. ASSETS		
1. Fixed Assets (including CWIP, etc.)	379.99	*282.22*
2. Investments	–	*–*
3. Current Assets, Loans and Advances		
a) Inventories	120.16	*64.88*
b) Sundry Debtors	67.78	*83.33*
c) Cash and Bank Balances	34.59	*69.56*
d) Other Current Assets	0.24	*–*
e) Loans and Advances	56.47	*56.87*
4. Miscellaneous Expenditure (to the extent not written off)	–	*0.02*
5. Debit balance in Profit and Loss Account	0.36	*0.87*

		₹ crores
		2009-10
II. LIABILITIES		
1. Loan Funds		
a) Secured Loans	45.29	*17.56*
b) Unsecured Loans	206.78	*155.76*
2. Advance against Equity	–	–
3. Current Liabilities and Provisions		
a) Liabilities	62.01	*88.60*
b) Provisions	22.61	*26.16*
4. Deferred Tax - Net	18.16	*13.07*
III. INCOME		
1. Sales and Other Operations	444.56	*477.35*
2. Other Income	0.28	*0.49*
IV. EXPENSES		
1. Cost of Materials	342.50	*392.58*
2. Manufacturing and Other Expenses	57.62	*55.77*
3. Depreciation/Amortisation	23.77	*12.49*
4. Interest	5.54	*0.66*
5. Provision for Taxation	8.70	*4.27*
V. OTHER MATTERS		
1. Contingent Liabilities	2.51@	*2.51@*
2. Capital Commitments	8.21@	*23.22@*

@ excludes contingent liabilities and capital commitments of DHPCL, as figures are not available.

29. Previous year's figures have been regrouped, wherever necessary, to conform to this year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50,000 are denoted by '*'.

Signatures to Notes and Schedules "A" to "H" and "1" to "4"
For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary

S. RAMAKRISHNAN
Executive Director

TATA

Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956: Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 11 – 00567

State Code 11

Balance Sheet Date 31 (Date) 03 (Month) 2011 (Year)

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue: NIL

Bonus Issue: NIL

Rights Issue: NIL

Private Placement: NIL

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities: 18444238

Total Assets: 18444238

Sources of Funds:

Paid-up Capital: 2373296

Reserves & Surplus (including Special Appropriation towards Project Cost - 53,36,129 and Capital/ Service line Contributions from Consumers - 6,44,156): 11002626

Secured Loans: 4753126

Unsecured Loans: 22353722

Deferred Tax Liability (Net): 2150468

Application of Funds:

Net Fixed Assets: 7252490

Investments: 7939086

Miscellaneous Expenditure: NIL

Net Current Assets: 3251962

Accumulated Losses: NIL

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover (Total Income): 7412038

Total Expenditure: 6299144

\+ – Profit/(Loss) Before Tax: ✔ (+) 11123494

\+ – Profit/(Loss) After Tax: ✔ (+) 9414920

Please tick appropriate box (+ for Profit, – for loss)

Basic Earnings per Share in Rupees (₹)

(on profit after taxes): 40.84

(on distributable profits): 39.60

Dividend Rate (%): 125

V. Generic Names of Three Principal Products/Services of Company (as per Monetary terms)

Item Code Nos. (ITC Codes)	Product Descriptions
N.A.	POWER
N.A.	ELECTRONIC PRODUCTS
N.A.	TECHNICAL SERVICES

Performance Perspective

₹ crores

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Generation (in MUs)	11,782	12,996	12,917	13,283	13,746	14,269	14,717	14,807	15,946	**15,325**
Operating Income	3,803	4,300	4,239	3,930	4,563	4,715	5,916	7,236	7,098	**6,918**
Operating Expenses	2,907	3,116	2,952	2,978	3,727	3,992	4,979	6,095	5,220	**5,328**
Operating Profit	896	1,184	1,287	953	835	723	937	1,141	1,879	**1,591**
Other Income	265	152	160	387	326	344	498	632	282	**494**
Interest and Finance Charges	348	341	284	191	165	190	174	328	423	**462**
Depreciation	282	318	334	360	278	292	291	329	478	**510**
PBT	672	677	734	759	747	586	970	1,117	1,259	**1,112**
PAT	508	520	509	551	611	697	870	922	939	**941**
Distributable Profits	381	450	467	555	575	674	811	968	948	**970**
Earning Per Share (EPS) - Rs./share	19	23	24	28	29	34	39	44	41	**41**
Dividend per share (%)	50%	65%	70%	75%	85%	95%	105%	115%	120%	**125%**

Return On Capital Employed [ROCE] (%)	17%	18%	18%	14%	13%	12%	12%	11%	11%	**10%**
Return On Net Worth [RONW] (%)	14%	14%	13%	15%	14%	15%	13%	14%	10%	**10%**
Long Term Debts/Equity	0.65	0.50	0.34	0.55	0.49	0.51	0.34	0.52	0.55	**0.58**
Total Debts/Equity	0.66	0.51	0.34	0.56	0.50	0.60	0.38	0.60	0.55	**0.62**

Capital	198	198	198	198	198	198	221	221	237	**237**
Shareholder's Reserves	2,745	3,162	3,450	3,579	3,962	4,437	6,331	7,182	9,173	**9,845**
Statutory Reserves	1,290	1,360	1,402	1,360	1,395	1,398	1,486	1,289	1,213	**1,158**
Borrowings	2,789	2,399	1,721	2,860	2,755	3,633	3,037	5,198	5,872	**6,989**
Gross Block (incl. Capital WIP)	5,531	5,709	5,841	5,903	6,137	7,010	8,164	9,747	10,487	**11,988**
Depreciation	1,725	2,035	2,364	2,657	2,922	3,199	3,477	3,795	4,258	**4,736**
Net Block	3,806	3,674	3,477	3,246	3,215	3,811	4,687	5,952	6,229	**7,252**

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

As a Tata Company, Corporate Governance is a way of life at Tata Power. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. As a responsible corporate citizen, Tata Power has established systems to encourage and recognise employee participation in environment and social initiatives that contribute to organisational sustainability, training, learning, personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring communities.

This philosophy has been sought to be strengthened through the Tata Code of Conduct, the Tata Business Excellence Model and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth, and at the same time, protect the interests of all its stakeholders.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements with the Stock Exchanges, the disclosure requirements of which are given below :

Board of Directors

➢ **Composition** :

As on 19th May, 2011, the Board of Directors has 14 Members, out of whom 4 are Executive Directors and 10 are Non-Executive Directors, who bring in a wide range of skills and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreements.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Table 1: The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2011	# No. of other Committee positions as on 31.3.2011		No. of Board Meetings attended during the year	Attendance at the 91st Annual General Meeting held on 8.9.2010
			Chairman	Member		
Mr R N Tata, Chairman	Non-Independent, Non-Executive	10	–	–	8	Yes
Mr R Gopalakrishnan		7	–	3	7	Yes
Mr A J Engineer		6	–	2	8	Yes
Dr H S Vachha	Independent, Non-Executive	6	3	1	8	Yes
Mr N H Mirza		4	4	1	8	Yes
Mr D M Satwalekar		5	2	1	5	Yes
Dr R H Patil		13	4	6	3	No
Mr P G Mankad		12	2	7	8	Yes
Mr A K Basu		8	–	6	7	Yes
Mr Thomas Mathew T (Representative of LIC as Investor/Lender)		5	–	1	2	Yes

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2011	# No. of other Committee positions as on 31.3.2011		No. of Board Meetings attended during the year	Attendance at the 91st Annual General Meeting held on 8.9.2010
			Chairman	Member		
Mr P R Menon, Managing Director (Retired on 31.1.2011)	Executive	10	-	1	6	Yes
Mr Anil Sardana, Managing Director (Appointed on 1.2.2011)		5	-	-	2	NA
Mr S Ramakrishnan, Executive Director		6	2	3	8	Yes
Mr S Padmanabhan, Executive Director		5	-	2	7	Yes
Mr B Agrawala, Executive Director		4	-	2	8	Yes

* Excludes Alternate Directorships and directorships in private companies, foreign companies and Section 25 companies.

\# Represents Memberships/Chairmanships of Audit Committee and Shareholders'/ Investors' Grievance Committee.

None of the Directors of the Company are related to each other.

Eight Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

13th April 2010, 24th May 2010, 12th August 2010, 5th October 2010, 12th November 2010, 13th January 2011, 14th February 2011 and 15th March 2011.

The information, as required under Annexure IA to Clause 49, is being made available to the Board.

Code of Conduct

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website www.tatapower.com. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.

Committees of the Board

Audit Committee

Table 2: Composition of the Audit Committee and details of meetings attended by the Directors during the year under review

Sl. No.	Name of the Director	Category	No. of Meetings attended	Remarks
1	Dr H S Vachha, Chairman	Non-Executive Independent	12	Dr Vachha is a former executive of ICICI Limited and, accordingly, has the requisite accounting / related financial management expertise.
2	Mr A J Engineer	Non-Executive Non-Independent	12	Financially literate
3	Mr D M Satwalekar	Non-Executive Independent	11	
4	Mr P G Mankad (Appointed on 3.8.2010)	Non-Executive Independent	9	

The Audit Committee met twelve times during the year under review on the following dates:

22nd May 2010, 18th June 2010, 8th July 2010, 11th August 2010, 20th October 2010, 21st October 2010, 10th November 2010, 11th November 2010, 22nd December 2010, 10th January 2011, 12th February 2011 and 15th March 2011.

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreements with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 (the Act) pertaining to Audit Committee and its functioning.

At its meeting held on 29th March, 2001, the Board delegated the following powers to the Audit Committee :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Managing Director, Executive Directors and head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings. Mr B J Shroff, the Company Secretary, acts as the Secretary of the Committee.

Remuneration Committee

Table 3: Composition of the Remuneration Committee and details of meetings attended by the Directors during the year under review

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Mr N H Mirza, Chairman	Non-Executive, Independent	5
2.	Mr R N Tata	Non-Executive, Non-Independent	4
3.	Mr R Gopalakrishnan	Non-Executive, Non-Independent	5

The Remuneration Committee met five times during the year under review on the following dates:

4th June 2010, 2nd August 2010, 18th November 2010, 10th January 2011 and 14th February 2011.

The terms of reference of the Committee include recommending to the Board of Directors specific remuneration packages for Executive Directors.

Remuneration Policy

➢ **Non-Executive Directors**

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the Members' approval obtained at the Annual General Meeting (AGM) held on 10th September, 2008, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Act). The distribution of Commission amongst the NEDs is placed before the Remuneration Committee and the Board. The Commission payment for the year ended 31st March, 2010 was distributed broadly on the following basis:

1. Number of meetings of the Board and substantive Committees of the Board attended;
2. Role and responsibility as Chairman/Member of the Board/Committee;
3. Individual contributions at the meetings; and
4. Time spent other than in meetings relating to the operations of the Company.

During the year, the Company paid sitting fees of ₹ 20,000/- per meeting to the NEDs for attending meetings of the Board, Executive Committee of the Board, Audit Committee and Remuneration Committee. The fees paid for other Committee meetings was ₹ 5,000/- per meeting attended.

➢ **Executive Directors**

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director and the Executive Directors. Salary is paid within the range approved by the Members. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on perquisites and allowances as a percentage of salary, is fixed by the Board. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee and approved by the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board on the recommendation of the Remuneration Committee at the end of the financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Act. Specific amount payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

➢ ***Management Staff***

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his annual performance etc. For the last few years, efforts have also been made to link the annual variable pay of employees with the performance of the Company. The performance pay policy links the performance pay of each officer to his individual, divisional and overall organisational performance on parameters aligned to Company's objectives.

Remuneration to Directors

Table 4: Details of remuneration to NEDs during the year under review

Name of the Director	Sitting Fees paid (Gross) (₹)	Commission paid (Gross) (₹) *
Mr R N Tata	3,60,000	57,87,200
Mr R Gopalakrishnan	3,40,000	40,96,600
Dr H S Vachha	4,20,000	27,64,200
Mr R K Misra @	-	7,63,000
Mr A J Engineer $	5,25,000	44,08,000
Mr N H Mirza	3,85,000	40,17,400
Mr D M Satwalekar	4,20,000	46,58,600
Dr R H Patil	60,000	7,63,000
Mr P G Mankad	3,40,000	9,81,000
Mr A K Basu	1,40,000	12,16,000
Mr Thomas Mathew T @	40,000	5,45,000

* Commission relates to the financial year ended 31st March, 2010, which was paid during the financial year under review. Commission of ₹ 3 crores has been provided as payable to the eligible NEDs in the accounts for the year ended 31st March, 2011, the distribution of which is yet to be determined.

@ Commission of Mr Misra, Nominee Director of LIC, was paid to LIC. Sitting Fees and Commission of Mr Thomas Mathew T, Nominee Director of LIC, were paid to LIC.

$ During the year, the following amounts were also paid to Mr Engineer, retired Managing Director :

Pension	₹ 24,90,312
Residential accommodation	₹ 12,45,156
Medical	₹ 16,176

Apart from this, none of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors' Fees and Commission received by them.

Table 5: Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961 to the Managing Director and Executive Directors

Name	Salary (₹)	@ Commission paid in 2010-11 (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr P R Menon, Managing Director (Retired on 31.1.2011)	62,00,000	2,50,00,000	59,70,807	16,74,000	3,88,44,807
Mr Anil Sardana, Managing Director (Appointed w.e.f. 1.2.2011)	9,00,000	–	12,75,981	2,43,000	24,18,981
Mr S Ramakrishnan, Executive Director	42,00,000	1,25,00,000	53,58,016	11,34,000	2,31,92,016
Mr S Padmanabhan, Executive Director	37,20,000	1,25,00,000	51,02,868	10,04,400	2,23,27,268
Mr B Agrawala, Executive Director	33,60,000	1,25,00,000	92,09,925	9,07,200	2,59,77,125

@ Commission relates to the financial year ended 31st March, 2010, which was paid during the financial year under review. Commission of ₹ 7.17 crores has been provided as payable to the Managing Director and Executive Directors in the accounts for the year ended 31st March, 2011, the distribution of which is yet to be determined.

An amount of ₹ 1,22,06,924 was paid towards Gratuity, Ex-gratia and leave encashment to Mr P R Menon, retired Managing Director, during FY11.

Table 6: Salient features of the agreements executed/to be executed by the Company with Mr Sardana, Managing Director and Mr Ramakrishnan, Mr Padmanabhan and Mr Agrawala, Executive Directors, consequent upon obtaining Members' approval at the AGM.

Terms of Agreement	Mr Anil Sardana Managing Director	Mr S Ramakrishnan Executive Director	Mr S Padmanabhan Executive Director	Mr B Agrawala Executive Director
Period of appointment	1-2-2011 to 31-1-2016	1-10-2009 to 28-2-2014	6-2-2008 to 5-2-2013	15-2-2008 to 14-2-2013
Remuneration - Salary	Basic salary upto a maximum of ₹ 6,50,000 p.m.	Basic salary upto a maximum of ₹ 6,00,000 p.m.		
- Commission	At the discretion of the Board within the limits stipulated under the Act.			
- Incentive Remuneration	At the discretion of the Board, not exceeding 200% of basic salary.			
- Benefits, perquisites and allowances (excluding Company's contribution to Provident Fund, Superannuation, Gratuity, Leave Encashment)	As may be determined by the Board from time to time.			
Notice period	The Agreements may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof.			
Severance fees	There is no separate provision for payment of severance fees.			
Stock Option	Nil			

The above agreements are contractual in nature.

Details of number of shares and convertible instruments held by Directors

Name of the Director	No. of Equity Shares held	No. of convertible instruments held
Mr R N Tata	400	Nil
Mr S Ramakrishnan - Individually - Karta (HUF)	 300 100	 Nil Nil

Shareholders'/Investors' Grievance Committee

Table 7: Composition of the Shareholders'/Investors' Grievance Committee and details of meetings attended by the Directors during the year under review

Name of the Director	Category of Directorship	No. of Meetings attended
Dr H S Vachha (Chairman)	Non-Executive, Independent	2
Mr S Ramakrishnan	Executive	2
Mr S Padmanabhan	Executive	1

The Shareholders'/Investors' Grievance Committee met two times during the year under review on the following dates:

10th November 2010 and 31st March 2011.

In accordance with Clause 49(IV)(G)(iv) of the Listing Agreements with the Stock Exchanges, the Board has authorised Mr B J Shroff, Company Secretary and Compliance Officer, and Mr A S Bapat, Chief - Legal of the Company, to severally approve share transfers/ transmissions, in addition to the powers with the members of the Shareholders'/Investors' Grievance Committee. Share Transfer formalities are regularly attended to and atleast once a fortnight.

All investor complaints which cannot be settled at the level of Mr B J Shroff, Company Secretary and Compliance Officer, are placed before the Committee for final settlement.

The status of total number of complaints received during the year under review were as follows:

Sl. No.	Description	Total		
		Received	**Replied**	**Pending**
A.	**Letters received from Statutory Bodies**			
	Securities & Exchange Board of India	12	12	0
	Stock Exchanges	3	3	0
	Depositories (NSDL/CDSL)	6	6	0
	Registrar of Companies	1	1	0
B.	**Dividends**			
	Non-receipt of dividend/interest warrants (pending reconciliation at the time of receipt of letters)	25	25	0
	Total	**47**	**47**	**0**

There were no unresolved complaints as on 31st March, 2011.

10 transfers and 84 demats, which were pending as on 31st March, 2011, have been subsequently processed and completed.

Investor Survey

A questionnaire was sent to all the Members of the Company in November 2010 to determine the satisfaction levels and explore avenues for improvement based on suggestions made by them. 3,158 responses were received. Various suggestions received from the Members were duly considered and appropriate action was taken on the merits. The Company would welcome suggestions that will further help improve its services to Members.

As per the commitment made in the questionnaire, a sum of ₹ 3,15,800/- was donated to 'Indian Cancer Society' for the responses received by the Company @ ₹ 100 per response received.

Executive Committee of the Board

The Executive Committee of the Board comprises of Mr R N Tata (Chairman), Mr R Gopalakrishnan, Mr A J Engineer, Mr N H Mirza, Mr D M Satwalekar, Mr Anil Sardana (Managing Director) and Mr S Ramakrishnan, Mr S Padmanabhan and Mr B Agrawala (Executive Directors). This Committee covers a detailed review of the following items before being presented to the full Board:

- ➢ Business and strategy review
- ➢ Long-term financial projections and cash flows
- ➢ Capital and Revenue Budgets and capital expenditure programmes
- ➢ Acquisitions, divestments and business restructuring proposals
- ➢ Senior management succession planning
- ➢ Any other item as may be decided by the Board

Nominations Committee

The Nominations Committee comprises of Dr H S Vachha (Chairman), Mr R N Tata and Mr N H Mirza. This Committee makes recommendations regarding composition of the Board and would therefore identify Independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.

Ethics and Compliance Committee

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers and Employees of a Tata Company owe a fiduciary duty to, among others, the Members of the Company to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code.

In terms of this Code, a Committee has been constituted called 'Ethics and Compliance Committee' comprising of Dr H S Vachha (Chairman) and Mr A J Engineer.

Mr S Ramakrishnan, Executive Director (Finance) is the Compliance Officer to ensure compliance and effective implementation of the Regulations and also this Code across the Company.

General Body Meetings

The last three AGMs were held as under :

Financial Year ended	Day & Date	Time	Venue
31st March, 2008	Wednesday, 10th September, 2008	3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.
31st March, 2009	Thursday, 6th August, 2009		
31st March, 2010	Wednesday, 8th September, 2010		

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	Particulars of Special Resolutions passed thereat
10th September, 2008	Commission to Directors
6th August, 2009	No Special Resolutions were passed at this AGM.
8th September, 2010	No Special Resolutions were passed at this AGM.

None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

No Court-convened Meetings were held during the last three years.

Disclosures

1. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
2. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
4. The Board of Directors of the Company has adopted a Whistle Blower Policy for establishing a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy has been posted on the Company's intranet site. The Company affirms that no employee has been denied access to the Audit Committee.
5. All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
6. The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
7. In terms of Clause 49(V) of the Listing Agreements, the Managing Director and the Executive Director (Finance) made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

Means of Communication

1. **Quarterly Results:** Quarterly and half-yearly reports are published in the following newspapers :

Name of the Newspaper	Region	Language
Indian Express – All editions	Ahmedabad, Vadodara, Mumbai, Chandigarh, New Delhi, Kolkata, Lucknow, Nagpur and Pune	English
Financial Express	Mumbai, Pune, Ahmedabad, Delhi, Lucknow, Chandigarh, Kolkata, Hyderabad, Bengaluru, Kochi and Chennai	English
Loksatta – All editions	Ahmednagar, Mumbai, Pune, Nagpur, Aurangabad and Delhi	Marathi
Jam-e-Jamshed Weekly	Mumbai	Gujarati
Vyapar + Phulchhab	Mumbai and Rajkot	Gujarati

2. **Half-Yearly Reports:** Half-yearly reports covering financial results are sent to Members at their registered address.
3. **News Releases, Presentations etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website www.tatapower.com. Official media releases, sent to the Stock Exchanges, are given directly to the press.
4. **Website:** Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website www.tatapower.com. The 'Investor Relations' section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, shareholding pattern, presentations made to analysts etc.

   Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the 'Investor Relations' section.
5. **Annual Reports:** The Annual Report is posted to Members and others entitled to receive it.
6. **Corporate Filing and Dissemination System (CFDS):** The CFDS portal is a single source to view information filed by listed companies. All disclosures and communications to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.

7. **Reminders to Members:** Reminders for unclaimed dividends were sent to the Members as per records.
8. **Factory visit:** To familiarise our Members with the Company's operations, based on requests by them, the Company arranges for visits to its hydro station in small batches. During FY11, Members were taken to Khopoli Generating Station.

General Shareholder Information

1. The AGM is scheduled to be held on Wednesday, 24th August, 2011 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.

   As required under Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 24th August, 2011.

2. **Financial Year** : 1st April, 2010 to 31st March, 2011
3. **Book Closure** : From 4th August, 2011 to 24th August, 2011 (both days inclusive).
4. **Dividend Payment Date** : On and from 26th August, 2011
5. **Listing on Stock Exchanges** : The Company's Equity Shares are listed on the following two Stock Exchanges in India :

   Bombay Stock Exchange Limited
   (Regional Stock Exchange)
   Phiroze Jeejeebhoy Towers
   Dalal Street, Mumbai 400 001

   National Stock Exchange of India Limited
   'Exchange Plaza'
   Bandra-Kurla Complex
   Bandra (E), Mumbai 400 051.

   In February 1994, the Company jointly with the erstwhile The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited issued Global Depository Shares (GDS) in the International Market which have been listed on the Luxembourg Stock Exchange and have been accepted for clearance through Euroclear and Cedel. They have also been designated for trading in the PORTAL System of the National Association of Securities Dealers, Inc.

   In July 2009, the Company raised USD 335 million through offering of Global Depositary Receipts (GDRs). The GDRs are listed in and traded in Euro MTF market of the Luxembourg Stock Exchange and are also available for trading on IOB (International Order Board) of London Stock Exchange.

   In November 2009, the Company issued 1.75% Foreign Currency Convertible Bonds (FCCBs) due in 2014, to raise USD 300 million. These FCCBs are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

   The following series of Debentures issued by the Company have been listed on the Wholesale Debt Market segment of NSE :

Sl. No.	Series	Amount outstanding as on 31.3.2011 (₹ in crores)
1.	6,000 7.1% Transferable Secured Redeemable Non-Convertible Debentures	600
2.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500
3.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500
4.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	350
5.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	250

   The Company has paid the requisite Annual Listing Fees to the two Stock Exchanges for FY11.

6. **Stock Code (For Equity Shares)**

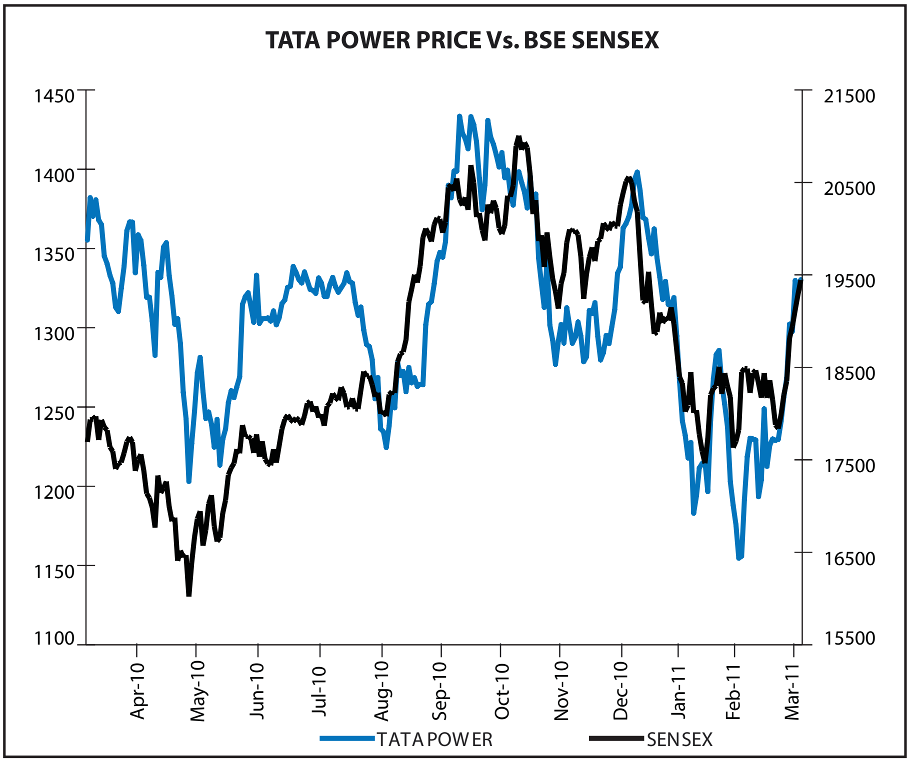
Bombay Stock Exchange Limited (physical form) (demat form)	 400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

7. **Market Information :**

(a) Market Price Data : High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below :

Stock Exchange	**BSE**			**NSE**		
Month	**High ₹**	**Low ₹**	**No. of shares traded during the month**	**High ₹**	**Low ₹**	**No. of shares traded during the month**
April 2010	1,382.05	1,310.25	7,64,274	1,384.15	1,312.70	60,06,519
May 2010	1,353.65	1,203.05	14,08,371	1,352.35	1,203.95	70,48,148
June 2010	1,333.15	1,213.35	9,56,377	1,333.65	1,211.95	77,81,697
July 2010	1,338.70	1,301.80	8,13,532	1,342.00	1,304.95	67,57,432
August 2010	1,334.65	1,224.45	7,16,714	1,334.45	1,222.40	59,30,518
September 2010	1,354.30	1,238.00	24,67,120	1,355.20	1,239.00	85,04,027
October 2010	1,433.40	1,374.45	10,18,523	1,438.25	1,374.90	76,80,683
November 2010	1,399.40	1,276.90	5,30,392	1,404.65	1,272.80	46,95,388
December 2010	1,365.70	1,278.50	4,50,860	1,365.55	1,278.25	36,13,260
January 2011	1,398.15	1,241.20	4,05,660	1,400.90	1,243.10	46,58,626
February 2011	1,285.70	1,154.65	4,81,057	1,287.10	1,150.15	58,91,609
March 2011	1,330.35	1,155.95	6,17,179	1,335.15	1,151.20	70,58,388

b) Performance of Tata Power Share price in comparison to BSE Sensex :



8. **Registrars and Transfer Agents:** TSR Darashaw Limited (TSRDL)
6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio
20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011
Tel : 022 6656 8484, Fax : 022 6656 8494
Email: csg-unit@tsrdarashaw.com, Website: www.tsrdarashaw.com

For the convenience of Members based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRDL :

Branches of TSRDL

1. TSR Darashaw Limited
503, Barton Centre, 5th floor
84, Mahatma Gandhi Road
Bengaluru 560 001
Tel : 080 2532 0321
Fax : 080 2558 0019
E-mail : tsrdlbang@tsrdarashaw.com

2. TSR Darashaw Limited
Bungalow No.1, 'E' Road
Northern Town, Bistupur
Jamshedpur 831 001
Tel : 0657 242 6616
Fax : 0657 242 6937
E-mail: tsrdljsr@tsrdarashaw.com

3. TSR Darashaw Limited
Tata Centre, 1st Floor
43, Jawaharlal Nehru Road
Kolkata 700 071
Tel : 033 2288 3087
Fax : 033 2288 3062
E-mail : tsrdlcal@tsrdarashaw.com

4. TSR Darashaw Limited
Plot No. 2/42, Sant Vihar
Ansari Road, Darya Ganj
New Delhi 110 002
Tel : 011 2327 1805
Fax : 011 2327 1802
E-mail : tsrdldel@tsrdarashaw.com

Agent of TSRDL
Shah Consultancy Services Limited
1, Sumatinath Complex, 2nd Dhal
Pritam Nagar, Ellisbridge
Ahmedabad 380 006
Telefax : 079 2657 6038
E-mail : shahconsultancy8154@gmail.com

9. **Share Transfer System** : Share Transfers in physical form can be lodged with TSRDL at the abovementioned address or at their branch offices, addresses of which are available on website: www.tsrdarashaw.com.
Transfers are normally processed within 20 days from the date of receipt. If the documents are complete in all respects, Mr B J Shroff, the Company Secretary and Compliance Officer and Mr A S Bapat, Chief-Legal, are severally empowered to approve transfers, in addition to the powers with the Members of the Shareholders'/Investors' Grievance Committee.

10. **Distribution of Shares as on 31st March 2011**

Slab	Number of Shares				Number of Members					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 500	48,79,335	92,95,327	1,41,74,662	5.97	36,547	90.00	1,00,555	88.88	1,37,102	89.18
501 - 1000	19,48,870	48,59,502	68,08,372	2.87	2,869	7.07	6,775	5.99	9,644	6.27
1001 - 2000	10,47,967	46,07,412	56,55,379	2.38	751	1.85	3,267	2.89	4,018	2.61
2001 - 3000	5,56,346	23,46,358	29,02,704	1.22	229	0.56	954	0.84	1,183	0.77
3001 - 4000	3,68,490	16,32,599	20,01,089	0.84	105	0.26	465	0.41	570	0.37
4001 - 5000	1,76,120	10,62,003	12,38,123	0.52	39	0.10	236	0.21	275	0.18
5001 - 10000	2,94,920	29,22,306	32,17,226	1.36	46	0.11	416	0.37	462	0.30
10001 and above	4,35,794	20,08,73,887	20,13,09,681	84.84	20	0.05	466	0.41	486	0.32
Total	**97,07,842**	**22,75,99,394**	**23,73,07,236***	**100.00**	**40,606**	**100.00**	**1,13,134**	**100.00**	**1,53,740**	**100.00**

* Excluding 2,30,308 shares not allotted but held in abeyance, 4,40,270 shares cancelled pursuant to a Court Order and 48,04,040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Co. Ltd. cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature at Bombay.

11. **Shareholding pattern as on 31st March, 2011**

Name of the Company		The Tata Power Company Limited	
Scrip Code, Name of the scrip, class of security		500400	
Quarter ended		31st March, 2011	
Partly paid-up shares:-	**No. of partly paid-up shares**	**As a % of total no. of partly paid-up shares**	**As a % of total no. of shares of the company**
Held by Promoter/Promoters Group	0	0.00	0.00
Held by public	0	0.00	0.00
Total	0	0.00	0.00
Outstanding convertible securities:-	**No. of outstanding securities**	**As a % of total no. of outstanding convertible securities**	**As a % of total no. of shares of the company, assuming full conversion of the convertible securities**
Held by Promoter/Promoters Group	0	0.00	0.00
Held by public	3000	100	3.91
Total	**3000**	**100**	**3.91**
Warrants:-	**No. of warrants**	**As a % of total no. of warrants**	**As a % of total no. of shares of the company, assuming full conversion of warrants**
Held by Promoter/Promoters Group	0	0.00	0.00
Held by public	0	0.00	0.00
Total	0	0.00	0.00
Total paid-up capital of the Company assuming full conversion of warrants and convertible securities		246951325	

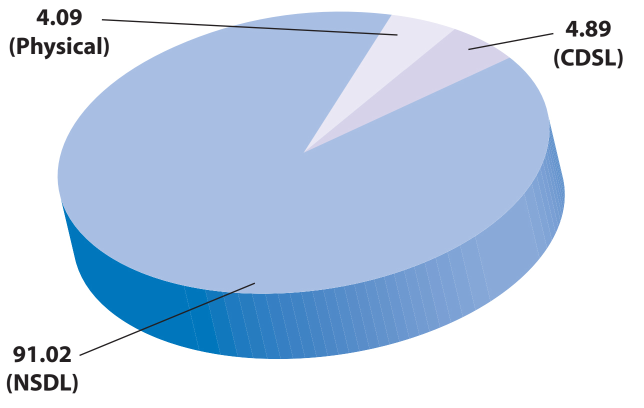
Category code	Category of Shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/Hindu Undivided Family	0	0	0	0.00	0.00	0	0
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	42	75416990	75416238	32.93	31.78	26860000	35.62
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (Trust)	3	65624	65624	0.03	0.03	0	0
	Sub-Total (A) (1)	**45**	**75482614**	**75481862**	**32.96**	**31.81**	**26860000**	**35.58**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0	0
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0
(c)	Institutions	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**45**	**75482614**	**75481862**	**32.96**	**31.81**	**26860000**	**35.58**
(B)	**Public Shareholding**						N.A.	N.A.
(1)	**Institutions**						N.A.	N.A.
(a)	Mutual Funds/UTI	202	10351018	10258746	4.52	4.36		
(b)	Financial Institutions/Banks	177	563215	512921	0.25	0.24		
(c)	Central Government/State Government(s)	6	96205	70949	0.04	0.04		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	85	57046075	57021509	24.91	24.04		
(f)	Foreign Institutional Investors	333	47066776	47059878	20.56	19.83		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Any Other (specify)	0	0	0	0.00	0.00		
(h-i)	Foreign Nationals - DR	2	3476	3476	0.00	0.00		
	Sub-Total (B) (1)	**805**	**115126765**	**114927479**	**50.28**	**48.51**		
(2)	**Non-Institutions**						N.A.	N.A.
(a)	Bodies Corporate	1712	1442697	1237162	0.63	0.61		
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital upto ₹1 lakh	151006	34193259	25111096	14.93	14.41		
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	113	2218190	2000220	0.97	0.93		
(c)	Any Other (specify)							
i.	Trust	47	255084	253718	0.11	0.11		
ii.	Overseas Corporate Bodies	3	640	0	0.00	0.00		
iii.	Foreign Bodies	5	262676	262676	0.12	0.11		
	Sub-Total (B) (2)	**152886**	**38372546**	**28864872**	**16.76**	**16.17**		
Total Public Shareholding (B) = (B)(1)+(B)(2)		**153691**	**153499311**	**143792351**	**67.04**	**64.68**	**0**	**0**
	TOTAL (A)+(B)	**153736**	**228981925**	**219274213**	**100.00**	**96.49**	**26860000**	**11.73**

Category code	Category of Shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
(1)	Held by Promoter							
(2)	Held by Public	4	8325311	8325181	N.A.	3.51	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	**153740**	**237307236**	**227599394**		**100.00**	**26860000**	**11.32**

12. **Dematerialisation of Shares as on 31st March, 2011 and Liquidity :**

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Dematerialisation of Shares as on 31st March, 2011



Particulars of Shares	Shares of ₹ 10/- each		Members	
	Number	**% to Total**	**Number**	**% to Total**
Dematerialised form				
NSDL	21,59,87,748	91.02	91,260	59.36
CDSL	1,16,11,646	4.89	21,874	14.23
Sub-total	**22,75,99,394**	**95.91**	**1,13,134**	**73.59**
Physical form	97,07,842	4.09	40,606	26.41
Total	**23,73,07,236**	**100.00**	**1,53,740**	**100.00**

International Securities Identification Number (ISIN)

Under the Depository system, the ISIN allotted to the Company's shares in dematerialised form is **INE245A01013**.

The Annual Custodial Fees for FY11 were paid to NSDL and CDSL.

The Company's shares are regularly traded on BSE and NSE as is seen from the volume of shares indicated in the table containing market information.

13. **Number of GDS/GDRs outstanding** : 1,857 (Issued in 1994 to Citibank NA)
as on 31st March, 2011 81,58,171 (Issued in 2009 to The Bank of New York Mellon)

14. **Plant Location :**

(a) Thermal Power Stations:

i) Trombay Generating Station
Mahul Road, Chembur
Mumbai, Maharashtra

ii) Jojobera Power Plant
Jojobera
Jamshedpur, Jharkhand

iii) Belgaum Power Plant
Plot Nos.1234 to 1240 & 1263 to 1297
KIADB Kanbargi Industrial Area
Auto Nagar, Belgaum, Karnataka

iv) Haldia Power Plant
HFC COMPLEX
Patikhali
Haldia, East Medinipur, West Bengal

(b) Hydro Generating Stations :

i) Generating Station
Bhira P O Bhira
Taluka Mangaon
District Raigad
Maharashtra

ii) Generating Station
Bhivpuri
P O Bhivpuri Camp
Taluka Karjat, District Raigad
Maharashtra

iii) Generating Station
Khopoli
P O Khopoli Power House
District Raigad
Maharashtra

(c) Wind Farms :

i) Village Shahjahanpur &
Pimpalgaon
Taluka Parner
District Ahmednagar
Maharashtra

ii) Village Khandke
Taluka & District Ahmednagar
Maharashtra

iii) Village Valve
Taluka Sakri
District Dhulia
Maharashtra

iv) Jamjodhpur, Sadodar
Motapanch Devda, Samana
Jamnagar District, Gujarat

v) Hosur, Kanavi, Mulgund,
Shiroland Harti,
Gadag District, Karnataka

vi) Village – Sadawaghapur
Taluka Patan
District Satara, Maharashtra

vii) Villages: Anikaduvu,
Mongilphuluvu, Illupunagaram
Taluka Madathukulam
District Tripur, Tamil Nadu

viii) Village Kannarwadi,
Hiwarwadi, Taluka Khatav
Village Agaswadi, Taluka Khatav
District Satara

ix) Village Sawarghar and
Niwade
Taluka Patan
District Satara

x) Visapur Wind Farm
Village Kokrale, Visapur
Taluka Khatav
District Satara

(d) Solar Plant:
Mulshi (Khurd),
Post: Male, Taluka Mulshi,
District Pune, Maharashtra

(e)	Transmission Division	:	Shil Road, Netivli Kalyan, Dist. Thane Maharashtra
(f)	Distribution Division	:	Senapati Bapat Marg Lower Parel, Mumbai
(g)	Strategic Electronics Division	:	42/43 Electronic City Electronic City Post Office Hosur Road, Bengaluru

15. **Address for correspondence** : The Tata Power Company Limited
Bombay House, 24, Homi Mody Street
Mumbai 400 001
Tel: 6665 8282, Fax : 6665 8801

16. **Compliance with Non-Mandatory Requirements**

i) The Board

Being the Group Chairman, the Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's Office.

ii) Remuneration Committee

The Board has set up a Remuneration Committee. Please see details in para on Remuneration Committee.

iii) Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six months, is sent to all the Members. The results are also put up on the Company's website www.tatapower.com.

iv) Audit qualifications

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

v) Training of Board Members

The Company's Board of Directors comprises of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in the economy, legislation and technologies.

vi) Mechanism for evaluation of Non-Executive Board Members

Performance evaluation of Non-Executive Board Members is done by the Remuneration Committee and its recommendations are placed before the Board for consideration.

vii) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy. Please refer to the para under the head 'Disclosures'.

17. **Other Shareholder Information**

Corporate Identity Number (CIN)

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is **L28920MH1919PLC000567**.

TOLL FREE Investor Helpline

The Company maintains a TOLL FREE Investor Helpline to give Members the convenience of one more contact point with TSRDL, Registrar and Transfer Agent of the Company, for redressal of grievances/responses to queries. This was intimated to all Members. The Toll Free number is **1800-209-8484**.

Shareholders' Relations Team

The Shareholders' Relations Team is located at the Registered Office of the Company.

Contact Person : Mr H M Mistry Tel: 6665 7515, Fax: 6665 8867

In compliance with Clause 47(f) of the Listing Agreement, a separate e-mail ID investorcomplaints@tatapower.com has been set up as a dedicated ID solely for the purpose of dealing with Members' complaints.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A and 205C of the Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Upto and including the Financial Year 1994-95	Transferred to General Revenue Account of the Central Government	Yes	The Registrar of Companies, Central Government Office Building, A-wing, 2nd Floor, CBD Belapur, Navi Mumbai – 400 614, Maharashtra. Application to be made in Form II prescribed by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
For the Financial Years 1995-96 to 2002-03	Transferred to the IEPF of the Central Government	No	Not applicable
For the Financial Years 2003-04 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Ltd., Registrar and Share Transfer Agent.

The due dates for transfer to IEPF of the dividend remaining unclaimed / unpaid since 2003-04 are provided hereunder :

Date of dividend declaration	Last date for claiming payment from TSRDL
29.06.2004	28.06.2011
04.08.2005	03.08.2012
01.08.2006	31.07.2013
08.08.2007	07.08.2014
10.09.2008	09.09.2015
06.08.2009	05.08.2016
08.09.2010	07.09.2017

Members are requested to get in touch with TSRDL for encashing the unclaimed dividend, if any, standing to the credit of their account.

After transfer of the said amounts to the IEPF, no claims in this respect shall lie against the IEPF or the Company nor shall any payment be made in respect of such claims.

Shares held in electronic form

Members holding shares in electronic form may please note that :-

i) Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.

ii) Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.

iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

iv) The Company provides NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

Bank Details

Members holding shares in physical form are requested to notify/send the following to TSRDL to facilitate better servicing:-

i) any change in their address/mandate/bank details, and

ii) particulars of the bank in which they wish their dividend to be credited, in case they have not been furnished earlier.

Members are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in physical form and in electronic form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

National Electronic Clearing Service (NECS) Facility

Under NECS facility, Members get an option to receive dividend directly to their bank account rather than receiving the same through Dividend Warrants. Members holding shares in physical form, who wish to avail NECS facility, are requested to send their NECS mandate in the prescribed form to TSRDL, in the event they have not done so earlier. Members holding shares in dematerialised form are requested to give the NECS mandate to their respective DPs directly.

Please note that Members who do not provide details of bank accounts with banks having Core Banking Facility, as required by RBI, will receive their dividend by physical warrants.

The NECS Mandate Form can be obtained from TSRDL or downloaded from the Company's website www.tatapower.com under the section 'Investor Relations'.

Demat Initiative

The Company, along with Geojit BNP Paribas Financial Services Limited, has introduced an initiative for Members holding shares in physical form to dematerialise their holdings. The scheme for free Demat Account opening as well as the waiver of the Annual Maintenance charges and the DRF charges for Members of the Company holding shares in physical form, has been extended till March 2013.

In view of the advantages of holding shares in electronic form, Members holding their Equity Shares in physical form are urged to avail of this opportunity and demat their holdings.

Green Initiative

Based on the 'Green Initiative' taken by the Government of India, the Company has sent out a communication to its Members that henceforth, all communication, including Annual Reports, will be e-mailed to them at their e-mail address registered with their Depository Participants/the Share Registry – TSRDL, unless they opt for physical copies.

A separate letter was sent to those Members who had not registered their e-mail address, urging them to do so and avail of the facility of getting electronic communication.

This initiative will go a long way in saving trees and also result in substantial cost savings.

Depository Services

Members may write to the respective Depository or to TSRDL for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 4th Floor	Phiroze Jeejeebhoy Towers
Kamala Mills Compound	17th Floor, Dalal Street
Senapati Bapat Marg, Lower Parel	Mumbai 400 023
Mumbai 400 013	Tel : 022-2272 3333
Tel : 022-2499 4200	Fax : 022-2272 3199
Fax : 022-2497 6351	e-mail : investor@cdslindia.com
e-mail : info@nsdl.co.in	website : www.cdslindia.com
website : www.nsdl.co.in	

Nomination Facility

Pursuant to the provisions of Section 109A of Act, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. 2B to TSRDL. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. 2B can be obtained from TSRDL or downloaded from the Company's website www.tatapower.com under the section 'Investor Relations'.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, I affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March, 2011.

For The Tata Power Company Limited

Anil Sardana

Mumbai, 19th May, 2011

Managing Director

CERTIFICATE

To the Members of The Tata Power Company Limited

We have examined the compliance of conditions of Corporate Governance by The Tata Power Company Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration Number: 117366W)

N. VENKATRAM
Partner
(Membership Number: 71387)

Mumbai, 19th May, 2011

Consolidated Financial Statements

Auditors' Report

TO THE MEMBERS OF

THE TATA POWER COMPANY LIMITED

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TATA POWER COMPANY LIMITED

1. We have audited the attached Consolidated Balance Sheet of THE TATA POWER COMPANY LIMITED ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. In so far as it relates to the results of operations and the financial position of The Tata Power Company Limited included in these Consolidated Financial Statements, without qualifying our opinion :

   (i) we draw attention to Note 11 (i) of the Notes forming part of the Consolidated Financial Statements. As stated in the note, subject to the outcome of the Appeal filed before the Supreme Court, no adjustment has been made by the Company in respect of the standby charges accounted for as revenue in earlier periods estimated at ₹ 519.00 crores and its consequential effects [note 11 (i) and (j)] for the period upto 31st March, 2011. The impact of the above on the results for the year cannot presently be determined pending the ultimate outcome of the matter. The Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged. In view of this no provision/adjustment has been considered necessary.

   (ii) we draw attention to Note 11 (m), which describes the key source of estimation uncertainty as at 31st March, 2011 relating to the carrying amounts of assets under construction.

4. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of ₹ 9,780.63 crores as at 31st March, 2011, total revenues of ₹ 6,236.39 crores and net cash inflows amounting to ₹ 122.43 crores and of associates whose financial statements reflect the Group's share of loss of ₹ 8.99 crores for the year then ended and Group's share of profit of ₹ 47.16 crores upto 31st March, 2011. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

5. As stated in Note 1 (c) (i) (b) and 1 (c) (ii) of Schedule I, in the case of certain other subsidiaries and joint ventures of the Company, having total assets of ₹ 554.63 crores as at 31st March, 2011, total revenue of ₹ 451.72 crores for the year ended 31st March, 2011, the net cash inflows of ₹ 140.16 crores for the year ended on that date and in case of associate companies having a carrying value of ₹ 270.24 crores as at 31st March, 2011, the figures used for the consolidation are based on the management estimates and are not audited by their auditors.

6. In so far as it relates to the results of operations and financial position of certain joint ventures being PT Kaltim Prima Coal and PT Arutmin Indonesia included in these Consolidated Financial Statements, without qualifying our opinion we draw attention to Note 11(a) of the Notes forming part of the consolidated financial statements, regarding recoverability of ₹ 1,156.42 crores being the Group's share of Value Added Tax balances and contingent claims from third parties, the outcome of which cannot be presently determined.

7. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

8. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, subject to the matters stated in paragraph 5 , give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

N. VENKATRAM
Partner
(Membership Number: 71387)

Mumbai, 19th May, 2011

Consolidated Balance Sheet as at 31st March, 2011

	Schedule No.	Page	₹ Crores	₹ Crores	31-03-2010 ₹ Crores
FUNDS EMPLOYED:					
1. SHAREHOLDERS' FUNDS					
Share Capital	"A"	129		237.29	*237.29*
Reserves and Surplus	"B"	130		12,866.30	*11,163.14*
2. MINORITY INTEREST				1,414.26	*1,209.71*
3. SPECIAL APPROPRIATION TOWARDS PROJECT COST				533.61	*533.61*
4. CAPITAL GRANT				8.30	*7.51*
5. CAPITAL CONTRIBUTIONS FROM CONSUMERS				382.34	*366.35*
6. SECURED LOANS	"C"	131		19,550.69	*14,700.13*
7. UNSECURED LOANS	"D"	131		5,211.71	*3,746.81*
8. ADVANCE AGAINST DEPRECIATION				98.73	*98.73*
9. DEFERRED TAX LIABILITY (NET)			518.63		*444.42*
Less: Tax to be utilised in future tariff determination			301.25		*234.89*
			217.38		*209.53*
Add: Share in Joint Ventures			264.67		*224.17*
				482.05	*433.70*
10. TOTAL FUNDS EMPLOYED				**40,785.28**	***32,496.98***
APPLICATION OF FUNDS:					
11. FIXED ASSETS	"E"	132			
a) Gross Block			20,138.81		*18,228.01*
Less: Depreciation to date			8,329.51		*7,454.93*
				11,809.30	*10,773.08*
b) Capital Work-in-Progress (including advances against capital expenditure)			19,190.05		*11,381.38*
Add: Share in Joint Ventures			385.01		*311.29*
				19,575.06	*11,692.67*
				31,384.36	*22,465.75*
12. GOODWILL ON CONSOLIDATION - NET OF IMPAIRMENT				4,228.08	*4,274.41*
13. DEFERRED STRIPPING COSTS - SHARE IN JOINT VENTURES				740.88	*389.52*
14. INVESTMENTS	"F"	133		2,841.00	*3,082.31*
15. DEFERRED TAX ASSET (NET)				6.80	*2.91*
16. CURRENT ASSETS, LOANS AND ADVANCES	"G"	134			
a) Inventories			1,133.29		*953.91*
b) Unbilled Revenue			281.00		*292.85*
c) Sundry Debtors			4,787.89		*3,903.46*
d) Cash and Bank Balances			2,206.59		*2,310.75*
e) Other Current Assets			25.15		*43.80*
f) Loans and Advances			2,658.90		*2,185.35*
			11,092.82		*9,690.12*
Less:					
17. CURRENT LIABILITIES AND PROVISIONS	"H"	135			
a) Current Liabilities			7,727.62		*5,950.49*
b) Provisions			1,781.04		*1,457.58*
			9,508.66		*7,408.07*
18. NET CURRENT ASSETS				1,584.16	*2,282.05*
19. MISCELLANEOUS EXPENDITURE (to the extent not written off)				Nil	*0.03*
20. TOTAL APPLICATION OF FUNDS				**40,785.28**	***32,496.98***
21. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS	"I"	140			

In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants
N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,
R. N. TATA
Chairman
ANIL SARDANA
Managing Director
S. RAMAKRISHNAN
Executive Director

Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Schedule No.	Schedule Page	₹ Crores	₹ Crores	*Previous Year ₹ Crores*
INCOME:					
1. REVENUE	"1"	136		19,450.76	*18,985.84*
2. OTHER INCOME	"1"	136		410.50	*588.88*
3. TOTAL INCOME				**19,861.26**	***19,574.72***
EXPENDITURE :					
4. COST OF POWER PURCHASED				4,914.32	*4,582.94*
5. ROYALTY TOWARDS COAL MINING - SHARE IN JOINT VENTURES				765.83	*695.37*
6. COST OF COAL PURCHASED				48.38	*16.00*
7. COST OF FUEL			3,472.04		*4,025.04*
Add: SHARE IN JOINT VENTURES			851.10		*653.04*
				4,323.14	*4,678.08*
8. COAL PROCESSING CHARGES - SHARE IN JOINT VENTURES				1,667.52	*1,719.40*
9. GENERATION, TRANSMISSION, DISTRIBUTION AND OTHER EXPENSES	"2"	137		3,498.01	*3,321.32*
10. TRANSFER OF REVENUE EXPENSES TO DEFERRED STRIPPING COSTS - SHARE IN JOINT VENTURES				(362.84)	*119.53*
11. DEPRECIATION/AMORTISATION			769.09		*697.87*
Add: SHARE IN JOINT VENTURES			211.15		*179.81*
				980.24	*877.68*
12. IMPAIRMENT OF GOODWILL				0.82	*15.28*
13. INTEREST AND FINANCE CHARGES	"3"	139		868.37	*781.82*
14. ADJUSTMENT OF EXPENSES RECOVERABLE THROUGH TARIFF			Nil		*108.83*
Less: DRAWN FROM CONTINGENCIES RESERVE			Nil		*108.83*
				Nil	*Nil*
15. TOTAL EXPENDITURE				**16,703.79**	***16,807.42***
PROFIT BEFORE TAXES, SHARE OF ASSOCIATES, MINORITY INTEREST AND STATUTORY APPROPRIATIONS				**3,157.47**	***2,767.30***
16. PROVISION FOR TAXATION					
a) Current Tax			387.48		*337.00*
In respect of earlier years			(18.21)		*1.15*
			369.27		*338.15*
MAT credit recognised (in respect of earlier years ₹ 23.17 crores)			(54.00)		*Nil*
				315.27	*338.15*
b) Deferred Tax			99.23		*160.49*
In respect of earlier years			0.48		*1.79*
			99.71		*162.28*
Net Tax to be recovered in future tariff determination			(66.36)		*(207.04)*
				33.35	*(44.76)*
c) Fringe Benefit Tax (Net)			Nil		*Nil*
In respect of earlier years			Nil		*(4.04)*
				Nil	*(4.04)*
17. PROVISION FOR TAXATION - SHARE IN JOINT VENTURES					
a) Current Tax			582.80		*375.37*
In respect of earlier years			Nil		*(17.22)*
				582.80	*358.15*
b) Deferred Tax			43.55		*(9.73)*
In respect of earlier years			Nil		*(10.69)*
				43.55	*(20.42)*
18. PROVISION FOR WEALTH TAX (Net)				0.59	*1.58*
PROFIT AFTER TAXES AND BEFORE SHARE OF ASSOCIATES, MINORITY INTEREST AND STATUTORY APPROPRIATIONS				**2,181.91**	***2,138.64***
19. SHARE OF PROFIT OF ASSOCIATES FOR THE YEAR (Net)				74.19	*61.66*
20. MINORITY INTEREST				(196.50)	*(233.46)*
PROFIT AFTER TAXES, SHARE OF ASSOCIATES, MINORITY INTEREST AND BEFORE STATUTORY APPROPRIATIONS				**2,059.60**	***1,966.84***
21. STATUTORY APPROPRIATIONS	"4"	139		(28.52)	*(8.89)*
PROFIT AFTER TAXES, SHARE OF ASSOCIATES, MINORITY INTEREST AND STATUTORY APPROPRIATIONS				**2,088.12**	***1,975.73***
APPROPRIATIONS:					
22. PROPOSED DIVIDEND				296.92	*285.05*
23. DIVIDEND				Nil	*0.31*
24. ADDITIONAL INCOME-TAX ON DIVIDEND (including JV's share ₹ 0.77 crore, *Previous Year – ₹ 1.35 crores*)				42.53	*49.05*
25. TRANSFER TO GENERAL RESERVE				430.85	*410.61*
26. TRANSFER TO SPECIAL RESERVE FUND (under Sec 45-IA of RBI Act, 1934)				32.62	*3.02*
27. TRANSFER TO SELF INSURANCE RESERVE				Nil	*2.00*
28. TRANSFER TO CAPITAL REDEMPTION RESERVE				1.01	*Nil*
29. TRANSFER TO DEBENTURE REDEMPTION RESERVE				24.92	*59.77*
BALANCE CARRIED TO BALANCE SHEET				**1,259.27**	***1,165.92***
30. EARNINGS PER SHARE (in ₹)					
(on profit after tax, Share of Associates, Minority interest and before Statutory Appropriations on shares outstanding) (Face Value ₹ 10)					
BASIC EARNINGS PER SHARE				87.92	*85.01*
DILUTED EARNINGS PER SHARE				84.84	*82.21*
31. NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS	"I"	140			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,
R. N. TATA
Chairman
ANIL SARDANA
Managing Director
S. RAMAKRISHNAN
Executive Director

Consolidated Cash Flow Statement for the year ended 31st March, 2011

			Year ended 31-03-2011 ₹ Crores		Year ended 31-03-2010 ₹ Crores
A. Cash Flow from Operating Activities					
Net Profit before Taxes			3,157.47		2,767.30
Adjustments for:					
Depreciation / Amortisation		980.24		877.68	
Impairment of Goodwill		0.82		15.28	
Interest Expenditure		810.21		763.87	
Finance Charges		51.09		10.72	
Interest Income (net of interest income capitalised)		(113.98)		(87.59)	
Dividend Income (net of dividend income capitalised)		(8.05)		(10.17)	
Provision for doubtful debts / advances (Net)		(8.73)		(50.04)	
Provision for diminution in value of Investments (Net)		80.74		Nil	
Stripping expenditure charged off		Nil		119.53	
Provision for future foreseeable losses etc.		(3.43)		0.19	
Provision for Warranties		(0.92)		7.14	
Discount accrued on Bonds (Net)		(11.39)		(0.02)	
Provision in respect of Current Assets held for disposal		Nil		39.29	
Provision for restoration and rehabilitation		58.86		40.45	
Grants/Consumer Contributions transferred		(59.74)		(7.90)	
(Profit)/Loss on sale/retirement of Assets (Net)		(2.91)		8.88	
Profit on sale of Business		(53.02)		Nil	
Profit on Settlement of Option/Swaps		(15.09)		Nil	
Profit on sale of Investments (Net)		(206.69)		(33.65)	
Guarantee Commission received		(3.83)		Nil	
Adjustment of expenses recoverable under tariff		Nil		(108.83)	
Expenditure in respect of previous years		Nil		22.95	
Exchange Gain (Net)		(57.62)		(29.53)	
Bad Debts		3.29		46.26	
Miscellaneous Expenditure written off		Nil		0.76	
			1,439.85		1,625.27
Operating Profit before Working Capital Changes			4,597.32		4,392.57
Adjustments for:					
Trade and Other Receivables		(1,266.35)		(1,472.51)	
Inventories		(182.50)		37.61	
Trade Payables and provisions for employee benefits		942.97		1,396.49	
Operating activity of an Investment subsidiary consolidated:					
Purchase of Investments		(241.46)		(45.72)	
Purchase of Investments from Minority Shareholders		(1.09)		Nil	
Sale of Investments		366.97		78.19	
Inter-corporate Deposits given (Net)		(0.50)		Nil	
Inter-corporate Deposits refunded (including interest) (Net)		6.54		(4.01)	
			(375.42)		(9.95)
Cash Generated from Operations			4,221.90		4,382.62
Taxes Paid (including Fringe Benefit Tax) (Net)			(735.50)		(1,939.67)
Net Cash from Operating Activities	**A**		**3,486.40**		**2,442.95**
B. Cash Flow from Investing Activities					
Purchase of Fixed Assets and CWIP			(9,232.11)		(7,038.39)
Deferred Stripping Expenditure			(362.86)		Nil
Sale of Fixed Assets			38.62		9.88
Purchase of Investments			(16,603.02)		(12,028.37)
Sale of Investments			16,923.49		12,233.07
Sale of Business			81.00		Nil
Interest Received			128.31		78.88
Guarantee Commission received			3.83		Nil
Inter-corporate deposits (Net)			2.73		(54.80)
Derivative Premium Charges Paid			(39.61)		Nil
Profit on settlement of Options/Swaps			15.09		15.00
Dividend received			13.66		11.02
Net Cash used in Investing Activities	**B**		**(9,030.87)**		**(6,773.71)**
C. Cash Flow from Financing Activities					
Increase in Capital/Service Line Contributions			76.52		171.40
Proceeds from Share issue by Subsidiaries			92.30		99.84
Proceeds from Borrowings			9,193.81		6,189.10
Repayment of Borrowings			(2,738.98)		(2,427.69)
Proceeds from issue of Global Depository Receipt			Nil		1,619.78
Expenses incurred on issue of Global Depository Receipt			Nil		(3.18)
Proceeds from issue of Foreign Currency Convertible Bonds (FCCB)			Nil		1,404.45
Expenses incurred on issue of FCCB			Nil		(12.76)
Expenses incurred on issue of Debentures			(1.20)		Nil
Interest Paid			(780.26)		(1,063.53)
Finance Charges Paid			(11.48)		(11.87)
Dividend Paid			(359.99)		(314.91)
Additional Income-tax on Dividend Paid			(56.48)		(55.34)
Net Cash from Financing Activities	**C**		**5,414.24**		**5,595.29**
Net (Decrease)/Increase in Cash and Cash Equivalents	**(A+B+C)**		**(130.23)**		**1,264.53**
Cash and Cash Equivalents as at 1st April (Opening Balance)			**2,357.22**		**1,179.41**
Effect of Exchange Fluctuation on Cash and Cash Equivalents			**(14.21)**		**(86.77)**
Cash taken over from Subsidiaries			**Nil**		**0.05**
Cash and Cash Equivalents as at 31st March (Closing Balance)			**2,212.78**		**2,357.22**

Notes:

1. Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised ₹ 739.51 crores (*Previous Year- ₹ 514.92 crores*).
2. Cash and cash Equivalents include:

		As at 31-03-2011 ₹ Crores	As at 31-03-2010 ₹ Crores
(i)	Cash and Cheques on Hand	13.17	36.27
(ii)	Current Accounts with Scheduled Banks	401.74	307.14
(iii)	Term/Call Deposits with Scheduled Banks	843.82	1,439.41
(iv)	Term/Call Deposits with Non-Scheduled Banks outside India	319.46	118.24
(v)	Current Accounts with Non-Scheduled Banks outside India	44.14	131.60
(vi)	Share in Joint Ventures	584.26	278.09
		2,206.59	2,310.75
	Add: Unrealised Exchange Loss included in Cash and Cash Equivalents	6.19	46.47
		2,212.78	2,357.22

3. Cash Flow from Financing Activities excludes non-cash transaction of conversion of FCCB to Equity Shares.
4. Previous year's figures have been regrouped, wherever necessary, to conform to current year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 19th May, 2011.

B. J. SHROFF
Company Secretary
Mumbai, 19th May, 2011.

For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "A" : SHARE CAPITAL

		₹ Crores	₹ Crores	*As at 31-03-2010 ₹ Crores*
AUTHORISED CAPITAL -				
2,29,00,000	Cumulative, Redeemable Preference Shares of ₹ 100 each	229.00		*229.00*
30,00,00,000	Equity Shares of ₹ 10 each	300.00		*300.00*
			529.00	*529.00*
ISSUED CAPITAL -				
24,29,47,084	Equity Shares of ₹10 each *(31st March, 2010 - 24,29,47,084 shares)* [including 2,30,308 shares *(31st March, 2010 - 2,30,308 shares)* not allotted but held in abeyance, 4,40,270 shares cancelled pursuant to a Court Order and 48,04,040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay]		242.95	*242.95*
SUBSCRIBED CAPITAL -				
23,73,07,236	Equity Shares of ₹10 each *(31st March, 2010 - 23,73,07,236 shares)* (excluding 2,30,308 shares not allotted but held in abeyance, 4,40,270 shares cancelled pursuant to a Court Order and 48,04,040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Company Limited cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay)	237.31		*237.31*
	Less: Calls in arrears [including ₹ 0.01 crore *(31st March, 2010 - ₹ 0.01 crore)* in respect of the erstwhile The Andhra Valley Power Supply Company Limited and the erstwhile The Tata Hydro-Electric Power Supply Company Limited]	0 .04		*0.04*
		237.27		*237.27*
1,65,230	*Add*: Equity Shares forfeited - Amount paid	0.06		*0.06*
			237.33	*237.33*
40,058	*Less*: Equity Shares held by Chemical Terminal Trombay Ltd. which were acquired before it became a Subsidiary		0.04	*0.04*
			237.29	***237.29***

Of the above Equity Shares:

(i) 1,67,500 shares are allotted at par as fully paid pursuant to contracts without payment being received in cash.

(ii) 11,33,790 shares issued as Bonus Shares by capitalisation of General Reserve.

(iii) 49,63,500 shares issued on exercise of the options by the financial institutions for the conversion of part of their loans/ subscription to debentures.

(iv) 56,81,818 shares are allotted at premium as fully paid pursuant to contracts without payment being received in cash.

(v) 5,20,84,832 shares (excluding 47,560 shares held in abeyance) have been allotted to the shareholders of the erstwhile The Andhra Valley Power Supply Company Limited pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay.

(vi) 3,50,97,824 shares (excluding 45,168 shares held in abeyance) have been allotted to the shareholders of the erstwhile The Tata Hydro-Electric Power Supply Company Limited pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature, Bombay.

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "B": RESERVES & SURPLUS

₹ Crores

	Opening Balance	Acquired during the year	Additions	Deductions	Closing Balance
STATUTORY RESERVES:					
[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]					
TARIFFS AND DIVIDENDS CONTROL RESERVE	22.43	-	-	-	22.43
	47.32	-	-	*24.89 [e]*	*22.43*
SPECIAL RESERVE	27.00	-	-	14.00 [f]	13.00
	21.00	-	*6.00 [a]*	-	*27.00*
CONTINGENCIES RESERVE	101.06	-	-	14.52 [f]	86.54
	199.89	-	*10.00 [a]*	*108.83 [e]*	*101.06*
DEVELOPMENT RESERVE	5.29	-	-	-	5.29
	5.29	-	-	-	*5.29*
DEFERRED TAXATION LIABILITY FUND	279.76	-	-	-	279.76
	279.76	-	-	-	*279.76*
INVESTMENT ALLOWANCE RESERVE	121.18	-	-	-	121.18
	121.18	-	-	-	*121.18*
DEBT REDEMPTION RESERVE	51.94	-	-	-	51.94
	51.94	-	-	-	*51.94*
DEBENTURE REDEMPTION RESERVE	56.63	-	-	-	56.63
	56.63	-	-	-	*56.63*
OTHER RESERVES:					
CAPITAL RESERVE	61.66	-	-	-	61.66
	61.66	-	-	-	*61.66*
CAPITAL REDEMPTION RESERVE	1.60	-	1.01 [a]	-	2.61
	1.60	-	-	-	*1.60*
CAPITAL RESERVE ON CONSOLIDATION	4.58	-	-	-	4.58
	4.58	-	-	-	*4.58*
SELF INSURANCE RESERVE	8.00	-	-	-	8.00
	6.00	-	*2.00 [a]*	-	*8.00*
SECURITIES PREMIUM	3,693.78	-	-	1.20 [b]	3,692.58
	2,160.45	-	*1,681.79 [c]*	*148.46 [g]*	*3,693.78*
DEBENTURE REDEMPTION RESERVE	222.03	-	24.92 [a]	-	246.95
	162.26	-	*59.77 [a]*	-	*222.03*
SPECIAL RESERVE FUND (under Sec 45-IA of RBI Act, 1934)	27.36	-	32.62 [a]	-	59.98
	23.15	*1.19 [h]*	*3.02 [a]*	-	*27.36*
EXCHANGE TRANSLATION RESERVE	(139.94)	-	-	15.79 [d]	(155.73)
	150.65	-	-	*290.59 [d]*	*(139.94)*
GENERAL RESERVE	2,978.22	-	430.85 [a]	-	3,409.07
	2,567.61	-	*410.61 [a]*	-	*2,978.22*
PROFIT AND LOSS ACCOUNT	1,912.47	-	236.16	-	2,148.63
Add: Share in Joint Ventures	1,728.09	-	1,023.11	-	2,751.20
	3,640.56	-	1,259.27	-	4,899.83
	2,476.54	*(1.90)*	*1,165.92*	-	*3,640.56*
Total Reserves and Surplus - 2010-2011	**11,163.14**	**-**	**1,748.67**	**45.51**	**12,866.30**
- 2009-2010	*8,397.51*	*(0.71)*	*3,339.11*	*572.77*	*11,163.14*

[a] Amount set aside during the year.
[b] Expenses pertaining to Debenture issue adjusted.
[c] Includes Securities Premium received and reversal of provision for Premium payable on FCCB during the previous year.
[d] Net of Deferred Tax.
[e] Withdrawn to meet the impact of the ATE Order/Tariff Orders.
[f] Reversal of certain Statutory Appropriations no longer required.
[g] Issue expenses pertaining to Foreign Currency Convertible Bonds (FCCB)/Global Depository Receipts issue adjusted and premium payable on redemption of FCCB accounted for.
[h] Consequent to Vantech Investments Ltd. - an associate, becoming a subsidiary during the previous year.

Previous year's figures are in italics.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE "C": SECURED LOANS

		₹ Crores	As at 31-03-2010 ₹ Crores
(a)	Secured, Redeemable, Non-Convertible Privately Placed Debentures	2,200.00	*1,643.67*
(b)	Term Loans from Banks and Financial Institutions	16,653.84	*12,525.65*
(c)	Loans from Banks - Cash Credit	282.35	*124.10*
(d)	Lease finance - Vehicle loans	0.37	*0.72*
(e)	Interest accrued and due on Secured Loans	5.61	*3.14*
		19,142.17	*14,297.28*
	Add: Share in Joint Ventures	408.52	*402.85*
		19,550.69	***14,700.13***

SCHEDULE "D": UNSECURED LOANS

		₹ Crores	₹ Crores	As at 31-03-2010 ₹ Crores
	SHORT TERM LOANS AND ADVANCES -			
	FROM BANKS:			
(a)	Temporary overdrawn balance in bank current accounts	11.87		*54.45*
(b)	Buyers' Credit	503.03		*Nil*
(c)	Short term borrowings	863.43		*443.12*
	FROM OTHERS:			
(d)	Borrowings from Companies	26.07		*63.57*
			1,404.40	*561.14*
	OTHER LOANS -			
	FROM BANKS AND FINANCIAL INSTITUTIONS:			
(e)	Long term borrowings		1,857.88	*1,319.45*
	FROM OTHERS:			
(f)	Euro Notes	266.10		*268.94*
(g)	Foreign Currency Convertible Bonds	1,340.40		*1,354.73*
(h)	Sales Tax Deferral	86.16		*86.79*
(i)	Borrowings from Companies	50.00		*Nil*
			1,742.66	*1,710.46*
			5,004.94	*3,591.05*
	Add: Share in Joint Ventures		206.77	*155.76*
			5,211.71	***3,746.81***

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "E": FIXED ASSETS

₹ Crores

	Assets Description	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
		As at 01-04-2010 (at cost)	Acquired during the year	Additions	Deductions/ Reclassification	Foreign Exchange Fluctuation	As at 31-03-2011 (at cost)	As at 01-04-2010	Acquired during the year	For the Year	Deductions/ Reclassification	Foreign Exchange Fluctuation	As at 31-03-2011	As at 31-03-2011	As at 31-03-2010
	INTANGIBLE ASSETS:														
1.	TECHNICAL KNOW-HOW	13.29	–	–	1.50	–	11.79	13.29	–	–	1.50	–	11.79	Nil	Nil
2.	LICENSE FEES	0.76	–	–	–	–	0.76	0.41	–	0.03	–	–	0.44	0.32	0.35
3.	COMPUTER SOFTWARE	4.70	–	0.48	–	–	5.18	1.18	–	1.19	–	–	2.37	2.81	3.52
	TANGIBLE ASSETS:														
4.	LAND (including land development)	181.11	–	21.15	–	0.05	202.31	–	–	–	–	–	–	202.31	181.11
5.	LEASEHOLD LAND	123.58	–	4.56	–	–	128.14	2.94	–	2.08	–	0.01	5.03	123.11	120.64
6.	HYDRAULIC WORKS	478.22	–	0.64	–	–	478.86	137.33	–	14.30	–	–	151.63	327.23	340.89
7.	BUILDINGS - PLANT	822.26	–	58.57	0.05	0.16	880.94	270.39	–	41.72	0.04	0.12	312.19	568.75	551.87
8.	BUILDINGS - OTHERS $	212.96	–	10.24	0.14	–	223.06	54.96	–	6.60	0.13	–	61.43	161.63	158.00
9.	COAL JETTY	105.96	–	0.14	–	–	106.10	7.07	–	5.04	–	–	12.11	93.99	98.89
10.	RAILWAY SIDINGS, ROADS, CROSSINGS, ETC.	67.06	–	8.07	–	–	75.13	9.96	–	3.04	–	–	13.00	62.13	57.10
11.	PLANT AND MACHINERY	9,212.57	–	1,277.30	50.03	0.59	10,440.43	3,803.41	–	508.61	28.10	0.54	4,284.46	6,155.97	5,409.16
12.	TRANSMISSION LINES, CABLE NETWORK, ETC.	3,862.82	–	320.01	2.48	–	4,180.35	1,271.83	–	176.72	0.44	–	1,448.11	2,732.24	2,590.99
13.	FURNITURE, FIXTURES AND OFFICE EQUIPMENT	119.49	–	25.99	2.80	0.04	142.72	59.48	–	11.46	2.25	0.04	68.73	73.99	60.01
14.	MOTOR VEHICLES, LAUNCHES, BARGES, ETC.	77.11	–	14.50	10.91	–	80.70	42.02	–	9.60	5.53	–	46.09	34.61	35.09
15.	LEASED MOTOR VEHICLES	1.48	–	–	0.19	–	1.29	1.04	–	0.23	0.17	–	1.10	0.19	0.44
16.	HELICOPTERS	59.33	–	0.05	22.65	–	36.73	25.20	–	3.27	20.39	–	8.08	28.65	34.13
	TOTAL	**15,342.70**	**–**	**1,741.70**	**90.75**	**0.84**	**16,994.49**	**5,700.51**	**–**	**783.89**	**58.55**	**0.71**	**6,426.56**	**10,567.93**	**9,642.19**
17.	SHARE IN JOINT VENTURES	2,885.31	–	335.98	47.05	(29.92)	3,144.32	1,754.42	–	211.55	41.57	(21.45)	1,902.95	1,241.37	1,130.89
	GRAND TOTAL - 2010-2011	**18,228.01**	**–**	**2,077.68**	**137.80**	**(29.08)**	**20,138.81**	**7,454.93**	**–**	**995.44 $$**	**100.12**	**(20.74)**	**8,329.51**	**11,809.30**	**10,773.08**
	2009-2010	*16,208.26*	*20.55 #*	*2,377.48*	*63.91*	*(314.37)*	*18,228.01*	*6,807.89*	*16.63 #*	*884.45 $$*	*46.58*	*(207.46)*	*7,454.93*	*10,773.08*	–

Notes: $ Buildings includes ₹ * being cost of ordinary shares in co-operative housing societies.

\# Consequent to acquisition of a Subsidiary Company - PT Itamaraya Tbk. during the previous year.

$$ Including ₹ 15.20 crores (*31st March, 2010 - ₹ 6.77 crores*) charged to Capital Work-in-Progress.

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "F": INVESTMENTS

(Long term unless otherwise stated)

			As at 31-03-2010
		₹ Crores	₹ Crores
1.	CONTINGENCIES RESERVE INVESTMENTS - Fully Paid up - (Unquoted)	80.70	*92.96*
2.	DEFERRED TAXATION LIABILITY FUND INVESTMENTS - Fully Paid up - (Unquoted)	280.15	*279.91*
3.	TRADE INVESTMENTS - Fully Paid up:		
	(a) Ordinary Shares - (Quoted)	595.62	*547.49*
	(b) Ordinary Shares - (Unquoted):		
	Associates	817.40	*749.24*
	Others	473.24	*454.26*
	(c) Debentures - (Unquoted)	118.75	*128.13*
4.	OTHER INVESTMENTS - Fully Paid up:		
	(a) Ordinary Shares - (Quoted)	23.97	*24.04*
	(b) Ordinary Shares - (Unquoted):		
	Associates	9.11	*9.11*
	Others	348.30	*289.00*
	(c) Preference Shares - (Quoted) Fully Paid up	8.00	*Nil*
	(d) Preference Shares - (Unquoted)	4.11	*4.11*
	(e) Debentures - (Quoted)	Nil	*1.14*
	(f) Other Securities - (Unquoted)	42.44	*154.68*
	(g) GOI Securities - (Unquoted)	0.03	*0.03*
	(h) Other Securities - (Unquoted) - Current	139.06	*369.08*
		2,940.88	*3,103.18*
	Provision for diminution in value of Investments [including in respect of Associates ₹ 13.30 crores *(31st March, 2010 - ₹ 13.30 crores)*]	(99.88)	*(20.87)*
		2,841.00	***3,082.31***
Notes -			
	(1) Aggregate of Quoted Investments -		
	Cost	627.59	*572.67*
	Market Value	786.57	*1,017.44*
	(2) Aggregate of Unquoted Investments -		
	Cost	2,313.29	*2,530.51*

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "G": CURRENT ASSETS, LOANS AND ADVANCES

	₹ Crores	₹ Crores	₹ Crores	*As at 31-03-2010 ₹ Crores*
CURRENT ASSETS -				
(a) Inventories -				
(i) Stores and Spare Parts		228.59		*203.02*
(ii) Stock of Shares		17.49		*20.93*
(iii) Properties under development		29.58		*25.31*
(iv) Developed Properties		2.17		*2.17*
(v) Loose Tools		1.31		*0.69*
(vi) Stores, Fuel and Equipment in transit		87.65		*93.28*
(vii) Stores fuel		375.15		*281.11*
(viii) Spares for Resale		3.66		*5.90*
(ix) Raw Materials		2.22		*14.71*
(x) Work-in-progress		3.85		*7.60*
		751.67		*654.72*
Add: Share in Joint Ventures		381.62		*299.19*
			1,133.29	*953.91*
(b) Unbilled Revenue			281.00	*292.85*
(c) Sundry Debtors -				
(i) Debts outstanding for more than six months		408.36		*462.25*
Other debts		1,017.93		*1,263.33*
		1,426.29		*1,725.58*
(ii) Banking		Nil		*85.23*
(iii) Fuel Adjustment Account		209.02		*185.84*
(iv) Tariff Adjustment Account		2,808.52		*1,575.97*
		4,443.83		*3,572.62*
Less: Provision for Doubtful Debts		140.11		*139.40*
		4,303.72		*3,433.22*
Add: Share in Joint Ventures		484.17		*470.24*
			4,787.89	*3,903.46*
(d) Cash and Bank Balances -				
(i) Cash and Cheques on Hand		13.17		*36.27*
(ii) Current Accounts with Scheduled Banks		401.74		*307.14*
(iii) Term/Call Deposits with Scheduled Banks		843.82		*1,439.41*
(iv) Term/Call Deposits with Non-Scheduled Banks outside India		319.46		*118.24*
(v) Current Accounts with Non-Scheduled Banks outside India		44.14		*131.60*
		1,622.33		*2,032.66*
Add: Share in Joint Ventures		584.26		*278.09*
			2,206.59	*2,310.75*
(e) Other Current Assets -				
(i) Assets held for disposal		Nil		*10.50*
(ii) Interest accrued on Investments		25.15		*33.30*
			25.15	*43.80*
			8,433.92	***7,504.77***
LOANS AND ADVANCES - Considered good - unless otherwise stated - (Unsecured)				
(a) Advances with public bodies		118.12		*121.16*
(b) VAT/Sales Tax receivable (Inputs) (Net)		40.28		*32.05*
(c) Deposits with other Companies	1.27			*12.27*
Less: Provision for doubtful deposits	1.27			*1.27*
		Nil		*11.00*
(d) Other Deposits	364.60			*320.26*
Less: Provision for doubtful deposits	8.25			*16.44*
		356.35		*303.82*
(e) Other Advances	427.01			*395.47*
Less: Provision for doubtful advances	3.98			*0.07*
		423.03		*395.40*
(f) MAT Credit Entitlement		54.00		*Nil*
(g) Payment of Taxes (net of provisions and including Fringe Benefit Tax)		102.27		63.27
		1,094.05		*926.70*
Add: Share in Joint Ventures		1,564.85		*1,258.65*
			2,658.90	***2,185.35***
			11,092.82	***9,690.12***

Schedule forming part of the Consolidated Balance Sheet

SCHEDULE "H": CURRENT LIABILITIES AND PROVISIONS

		₹ Crores	₹ Crores	As at 31-03-2010 ₹ Crores
CURRENT LIABILITIES -				
(a)	Consumers Benefit Account	21.94		21.94
(b)	Sundry Creditors	3,981.23		2,960.41
(c)	Tariff Adjustment Account	280.00		226.32
(d)	Acceptances	Nil		2.22
(e)	Advance and progress payments towards Consumer jobs, etc.	471.12		184.94
(f)	Premium on redemption of Debentures	134.70		134.70
(g)	Interest accrued but not due on Secured Loans	181.87		119.47
(h)	Interest accrued but not due on Unsecured Loans	15.47		11.80
(i)	Investor Education and Protection Fund shall be credited by the following amounts namely:-			
	(i) Unpaid Dividend	10.28		9.24
	(ii) Unpaid Matured Debentures	*		*
	(iii) Interest	0.10		0.10
	(iv) Unpaid Matured Deposits	0.06		0.09
(j)	Other Liabilities	156.50		125.26
(k)	Security Deposits from Consumers	405.73		313.19
(l)	Tender Deposits from Vendors	2.23		2.89
(m)	Sundry Deposits from Customers	31.23		37.50
(n)	Liability for Income-tax on Interim Dividend	10.88		1.79
		5,703.34		4,151.86
	Add: Share in Joint Ventures	2,024.28		1,798.63
			7,727.62	**5,950.49**
PROVISIONS -				
(a)	Provision for Tax (Net) (including Wealth tax and Fringe Benefit tax)	6.29		6.67
(b)	Provision for Proposed Dividend	296.92		285.05
(c)	Provision for Additional Income-tax on Dividend	38.44		52.59
(d)	Provision for Employee Benefits	265.04		261.04
(e)	Provision for Premium on redemption of Foreign Currency Convertible Bonds	126.94		128.29
(f)	Provision for future foreseeable losses on contracts, etc.	Nil		3.43
(g)	Provision for Warranties	12.07		13.45
		745.70		750.52
	Add: Share in Joint Ventures	1,035.34		707.06
			1,781.04	**1,457.58**
			9,508.66	**7,408.07**

Figures below ₹ 50,000 are denoted by '*'.

Schedule forming part of the Consolidated Profit and Loss Account

SCHEDULE "1": REVENUE AND OTHER INCOME

		₹ Crores	₹ Crores	₹ Crores	Previous Year ₹ Crores
1.	REVENUE-				
(a)	Revenue from Power Supply and Transmission Charges		10,948.49		*11,439.15*
	Add: Income to be recovered in future tariff determination		1,136.43		*926.11*
			12,084.92		*12,365.26*
(b)	Revenue from Contracts:				
	Sale of Electronic Products	217.05			*303.57*
	Less: Excise Duty	12.09			*10.95*
		204.96			*292.62*
	Transmission EPC Business	Nil			*1.29*
	Project Management Services	12.11			*8.57*
			217.07		*302.48*
(c)	Rental of Land, Buildings, Plant and Equipment, etc.		15.23		*11.86*
(d)	Income in Respect of Services rendered		127.34		*126.27*
(e)	Transfer from Capital Grants/Consumers Contribution		59.74		*7.90*
(f)	Income from Storage and Terminalling		11.71		*10.52*
(g)	Sale of Coal		75.28		*24.05*
(h)	Sale of Stock of Shares		11.28		*28.57*
(i)	Premium on Debentures accrued		Nil		*0.22*
(j)	Dividend from Investments		8.47		*6.06*
(k)	Interest on Inter-Corporate Deposits		0.39		*0.34*
(l)	Dividend from Shares treated as Stock-in-Trade		0.36		*0.57*
(m)	Profit on Sale of Long Term Investments		186.01		*3.78*
(n)	Compensation (Net)		8.44		*1.72*
(o)	Miscellaneous Revenue and Sundry Credits		70.62		*65.39*
(p)	Provision for Doubtful Debts and Advances written back (Net)		10.52		*53.83*
(q)	Profit on sale/retirement of Assets (Net)		6.18		*Nil*
			12,893.56		*13,008.82*
	Less: Revenue capitalised		9.12		*4.99*
			12,884.44		*13,003.83*
	Add: Share in Joint Ventures		6,566.32		*5,982.01*
				19,450.76	***18,985.84***
2.	OTHER INCOME -				
(a)	Interest on Government and Other Securities, Loans, Advances, Deposits, etc.		83.63		*47.98*
(b)	Interest on Contingencies Reserve Investments		5.48		*7.00*
(c)	Interest on Deferred Taxation Liability Fund Investments		21.49		*24.96*
(d)	Interest from Trade Investments@		0.79		*1.28*
(e)	Interest from Other Investments@		4.90		*9.62*
(f)	Dividend from Trade Investments@		Nil		*3.22*
(g)	Dividend from Other Investments@		13.87		*11.06*
(h)	(Loss)/Profit on Sale of Long Term Investments (Net)		(4.27)		*0.03*
(i)	Profit on Sale of Current Investments		24.95		*29.84*
(j)	Premium/(Discount) amortised/accrued on Bonds (Net)		11.39		*(0.20)*
(k)	Miscellaneous Income		23.20		*Nil*
(l)	Commission Earned		3.83		*3.67*
(m)	Leave and License Fees		0.81		*2.28*
(n)	Profit on Sale of Business		53.02		*Nil*
(o)	Gain on Exchange (Net)		171.88		*413.66*
			414.97		*554.40*
	Less: Other Income capitalised		8.91		*9.32*
			406.06		*545.08*
	Add: Share in Joint Ventures		4.44		*43.80*
				410.50	***588.88***
				19,861.26	***19,574.72***

@ Long term Investments

Schedule forming part of the Consolidated Profit and Loss Account

SCHEDULE "2": GENERATION, TRANSMISSION, DISTRIBUTION AND OTHER EXPENSES

	₹ Crores	₹ Crores	₹ Crores	*Previous Year ₹ Crores*
1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES -				
(a) Salaries, Wages and Bonus		562.57		*550.25*
(b) Company's contribution to Provident Fund		19.70		*15.03*
(c) Retiring Gratuities		35.65		*15.57*
(d) Welfare Expenses		84.61		*66.46*
(e) Contribution to Superannuation Fund		17.75		*13.63*
(f) Leave Encashment Scheme		(16.62)		*29.97*
(g) Pension Scheme		24.48		*16.50*
		728.14		*707.41*
Less: Employee cost capitalised		106.69		*103.47*
Less: Employee cost inventorised		6.01		*4.94*
		615.44		*599.00*
Add : Share in Joint Ventures		210.49		*202.05*
			825.93	*801.05*
2. RAW MATERIALS CONSUMED -				
Opening Balance	14.71			*17.80*
Add: Purchases	35.04			*76.77*
Less: Sale of Division	15.82			*Nil*
Less: Closing Balance	2.22			*14.71*
		31.71		*79.86*
Add : Share in Joint Ventures		341.68		*398.66*
			373.39	*478.52*
3. PURCHASE/CONSUMPTION OF GOODS, SPARES AND COMPONENTS -				
(a) Purchase of goods/Spares for resale		30.05		*43.54*
(b) Components consumed		77.25		*41.95*
(c) Cost of materials and erection charges		Nil		*0.20*
			107.30	*85.69*
4. OPERATION EXPENSES -				
(a) Stores, Oil, etc. consumed		35.32		*39.18*
(b) Rental of Land, Buildings, Plant and Equipment, etc.		32.34		*32.03*
(c) Repairs and Maintenance -				
(i) To Buildings and Civil Works	28.94			*35.62*
(ii) To Machinery and Hydraulic Works	260.35			*199.80*
(iii) To Furniture, Vehicles, etc.	29.16			*25.89*
		318.45		*261.31*
(d) Rates and Taxes		38.04		*53.53*
(e) Insurance		38.54		*37.69*
(f) Other Operation Expenses		226.78		*340.10*
(g) Agency Commission		0.36		*0.43*
(h) Directors' Fees		0.39		*0.39*
(i) Auditors' Remuneration		7.05		*7.16*
(j) Bad Debts		3.29		*46.26*
(k) Cost of Services Procured		94.67		*73.99*
(l) Miscellaneous Expenses		152.49		*181.84*
		947.72		*1,073.91*
Add : Share in Joint Ventures		696.59		*603.59*
			1,644.31	*1,677.50*
5. MARKETING AND SELLING EXPENDITURE - SHARE IN JOINT VENTURES			522.39	*483.43*
6. TRANSMISSION CHARGES			78.29	*49.88*
Carried Over....			3,551.61	*3,576.07*

Schedule forming part of the Consolidated Profit and Loss Account

SCHEDULE "2": GENERATION, TRANSMISSION, DISTRIBUTION AND OTHER EXPENSES (*Contd.*)

	₹ Crores	₹ Crores	*Previous Year ₹ Crores*
Brought Forward....		3,551.61	*3,576.07*
7. (a) (INCREASE)/DECREASE IN WORK-IN-PROGRESS/FINISHED GOODS/ SPARES FOR RESALE-			
Opening Balance	13.50		*24.33*
Less: Sale of Division	6.09		*Nil*
Less: Closing Balance	7.51		*13.50*
		(0.10)	*10.83*
(b) DECREASE/(INCREASE) IN STOCK OF SHARES-			
Opening Balance	20.93		*19.71*
Less: Closing Balance	17.49		*20.93*
		3.44	*(1.22)*
(c) DECREASE IN STOCK OF DEVELOPED PROPERTIES-			
Opening Balance	2.17		*2.17*
Less: Closing Balance	2.17		*2.17*
		Nil	*Nil*
(d) DECREASE IN STOCKS - SHARE IN JOINT VENTURES		(14.72)	*(37.08)*
8. AMOUNT WRITTEN OFF - MISCELLANEOUS EXPENDITURE		0.03	*0.76*
9. LOSS ON SALE/RETIREMENT OF ASSETS (NET)		Nil	*8.31*
10. PROVISION IN RESPECT OF CURRENT ASSETS HELD FOR DISPOSAL		Nil	*26.91*
11. PROVISION IN RESPECT OF DIMINUTION IN VALUE OF INVESTMENTS (NET)		80.74	*Nil*
12. PURCHASE OF STOCK - SHARES		0.48	*16.51*
13. TRANSFER OF REVENUE EXPENSES TO CAPITAL		(123.47)	*(279.77)*
		3,498.01	***3,321.32***

Schedules forming part of the Consolidated Profit and Loss Account

SCHEDULE "3": INTEREST AND FINANCE CHARGES

	₹ Crores	₹ Crores	Previous Year ₹ Crores
1. INTEREST-			
(a) Interest on Debenture Loans	174.35		*144.68*
(b) Interest on Fixed Period Loans - Euro Notes and FCCB	49.95		*33.35*
(c) Interest on Fixed Period Loans - Others	1,289.17		*1,021.21*
(d) Other Interest and Commitment Charges	7.68		*48.96*
		1,521.15	*1,248.20*
Less: Interest Capitalised		739.51	*514.92*
		781.64	*733.28*
Add: Share in Joint Ventures		28.57	*30.59*
		810.21	***763.87***
2. FINANCE CHARGES -			
(a) Commission and Brokerage	2.22		*2.35*
(b) Other Finance Charges	129.45		*200.80*
		131.67	*203.15*
Less: Finance Charges Capitalised		76.28	*185.53*
		55.39	*17.62*
Add: Share in Joint Ventures		2.77	*0.33*
		58.16	***17.95***
		868.37	***781.82***

SCHEDULE "4": STATUTORY APPROPRIATIONS

	₹ Crores	Previous Year ₹ Crores
(a) Contingencies Reserve (Net)	(14.52)	*10.00*
(b) Special Reserve (Net)	(14.00)	*6.00*
(c) Tariffs and Dividends Control Reserve	Nil	*(24.89)*
	(28.52)	***(8.89)***

Schedule "I" - Notes forming part of the Consolidated Accounts

1. Major Accounting Policies: -

   (a) Basis of Accounting:

   The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting. The accounts of the Parent Company, subsidiaries and joint ventures have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 and generally accepted accounting principles.

   (b) Use of estimates:

   The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balance of assets, liabilities, revenues, expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Examples of such estimates include provision for employee benefit plans, provision for diminution in value of long term investments, provision for doubtful debts/advances, provision for income taxes etc.

   (c) Principles of consolidation:

   The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS–21) - "Consolidated Financial Statements", Accounting Standard 23 (AS–23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS–27) - " Financial Reporting of Interests in Joint Ventures".

   (i) (a) The financial statements of the subsidiary, joint venture and associate companies used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e. year ended 31st March, 2011 and are audited except as stated in (c)(i)(b), (c)(ii) and (c)(iii)(b)(i) below.

   The Consolidated financial statements have been prepared on the following basis:

   (i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances, transactions and unrealised profits or losses have been fully eliminated.

   (ii) Interest in jointly controlled entities is reported using proportionate consolidation.

   (iii) The consolidated financial statements include the share of profit/(loss) of associate companies, which are accounted under the 'Equity method' as per which the share of profit/(loss) of the associate company has been added/deducted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

   (iv) The excess of cost to the Parent Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the date on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for Impairment. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Parent Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

   (v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Parent Company in the subsidiary companies and further movements in their share in the equity, subsequent to the date of investments.

(b) The subsidiary companies (which along with the Tata Power Company Limited, the Parent, constituted the Group) considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation	% voting power held as at 31st March, 2011	*% voting power held as at 31st March, 2010*
Chemical Terminal Trombay Ltd. (CTTL)	India	100	*100*
Af-Taab Investment Co. Ltd. (AICL)	India	100	*100*
Tata Power Trading Co. Ltd. (TPTCL)	India	100	*100*
Powerlinks Transmission Ltd. (PTL)	India	51	*51*
Maithon Power Ltd. (MPL)	India	74	*74*
NELCO Ltd. (NELCO)	India	50.04	*50.04*
Tatanet Services Ltd. (TNSL)	India	50.04	*50.04*
(Consolidated with NELCO Ltd.)			
Industrial Energy Ltd. (IEL)	India	74	*74*
North Delhi Power Ltd. (NDPL)	India	51	*51*
Coastal Gujarat Power Ltd. (CGPL)	India	100	*100*
Bhira Investments Ltd. (BIL)	Mauritius	100	*100*
Bhivpuri Investments Ltd. (BHIL)	Cyprus	100	*100*
Khopoli Investments Ltd. (KIL)	Mauritius	100	*100*
Industrial Power Utility Ltd. (IPUL)	India	100	*100*
Industrial Power Infrastructure Ltd. (IPIL)	India	100	*100*
Trust Energy Resources Pte. Ltd. (TERL)	Singapore	100	*100*
Energy Eastern Pte. Ltd. (EEL)	Singapore	100	*100*
Veltina Holdings Ltd. (VHL)	Cyprus	100	*100*
Vantech Investments Ltd. (VIL)	India	100	*80*
PT Itamaraya Tbk. (ITMA)	Indonesia	94.95	*94.95*
Tata Power Green Energy Private Ltd. (TPGEPL) w.e.f. 5th January, 2011	India	100	*-*

Consolidation of the following Subsidiaries have been done on the basis of Unaudited Financial Statements, certified by the management of the respective Subsidiaries for the year ended 31st March, 2011.

- Consolidated accounts of NELCO Ltd.
- PT Itamaraya Tbk.
- Energy Eastern Pte. Ltd.

(ii) Interest in Joint Ventures:

The Group's interest in jointly controlled entities are:

Name	Country of Incorporation	Percentage of Ownership Interest as at 31st March, 2011	*Percentage of Ownership Interest as at 31st March, 2010*
PT Arutmin Indonesia (PAI)	Indonesia	30	*30*
Indocoal Resources (Cayman) Ltd. (IRCL)	Cayman Island	30	*30*
PT Indocoal Kaltim Resources (PIR)	Indonesia	30	*30*
PT Indocoal Kalsel Resources (PIKR)	Indonesia	30	*30*
PT Kaltim Prima Coal (PKPC)	Indonesia	30	*30*
Tubed Coal Mines Ltd. (TCML)	India	40	*40*
Mandakini Coal Company Ltd. (MCCL)	India	33.33	*33.33*
Dagachhu Hydro Power Corporation Ltd. (DHPCL)	Bhutan	26	*26*
Tata BP Solar India Ltd. (TBSIL)	India	49	*49*
Candice Investments Ltd. (CIL) w.e.f. 28th October, 2010	Indonesia	30	*-*
OTP Geothermal Pte. Ltd. (OTPGL) w.e.f. 19th April, 2010	Singapore	50	*-*
PT Kalimantan Prima Power (PKPP) w.e.f. 1st January, 2011	Indonesia	30	*-*

Consolidation of the following Joint Ventures have been done on the basis of Unaudited Financial Statements, certified by the management of respective Joint Ventures for the period/year ended 31st March, 2011.

- Dagachhu Hydro Power Corporation Ltd.
- Mandakini Coal Company Ltd.
- Candice Investments Ltd.
- Tubed Coal Mines Ltd.
- OTP Geothermal Pte. Ltd.
- PT Indocoal Kaltim Resources
- PT Indocoal Kalsel Resources
- PT Kalimantan Prima Power

(iii) (a) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of Ownership Interest as at 31st March, 2011	*Percentage of Ownership Interest as at 31st March, 2010*
Yashmun Engineers Ltd.	India	27.27	*27.27*
Tata Ceramics Ltd.	India	40.00	*40.00*
Panatone Finvest Ltd.	India	39.98	*39.98*
Tata Projects Ltd.	India	47.78	*47.78*
ASL Advanced Systems Pvt. Ltd. #	India	37.00	*37.00*
The Associated Building Co. Ltd. #	India	33.14	*33.14*
Rujuvalika Investments Ltd. #	India	27.59	*27.59*
Hemisphere Properties India Ltd. #	India	50.00	*50.00*
Brihat Trading Private Ltd. #	India	33.50	*33.50*
Nelito Systems Ltd.	India	49.46	*49.46*

These associates have not been considered for consolidation being not material to the Group.

(b) (i) The break-up of Investment in Associates is as under :-

₹ crores

		Nelito Systems Limited@	Panatone Finvest Limited	Yashmun Engineers Limited@	Tata Projects Limited @	Tata Ceramics Limited
	Refer Schedule "F"	3(b)	3(b)	3(b)	3(b)	4(b)
(i)	Number of Equity Shares (Nos.)	10,20,000	50,00,00,000	9,600	9,67,500	91,10,000
		10,20,000	*50,00,00,000*	*9,600*	*9,67,500*	*91,10,000*
(ii)	Percentage holding	49.46	39.98	27.27	47.78	40.00
		49.46	*39.98*	*27.27*	*47.78*	*40.00*
(iii)	Cost of Investment (Equity Shares)	4.34	500.00	0.01	66.78	9.11
		4.34	*500.00*	*0.01*	*66.78*	*9.11*
(iv)	Including Goodwill/(Capital Reserve)	–	0.18	(0.24)	23.30	22.29
		–	*0.18*	*(0.24)*	*23.30*	*22.29*
(v)	Share in accumulated profits net of dividends received upto 31st March, 2010	13.25	56.18	0.54	108.14	–
		9.93	*57.18*	*0.40*	*45.68*	–
(vi)	Share of profit/(losses) for the year	1.08	(8.98)	0.17	81.92	–
	Less: Dividend received during the year	0.27	–	0.03	7.26	–
	Add/(Less): Other adjustments	–	(0.04)	–	1.57	–
	Share of profit/(losses) net of dividends received during the year/other adjustments	0.81	(9.02)	0.14	76.23	–
		3.32	*(1.00)*	*0.14*	*62.46*	–
(vii)	Provision for diminution in value of investments (Equity Shares)	–	–	–	–	$(9.11)
		–	–	–	–	*$(9.11)*
(viii)	Carrying Cost	18.40	547.16	0.69	251.15	–
		17.59	*556.18*	*0.55*	*174.92*	–

$ Included in Schedule "F" under Provision for diminution in value of Investments.

@ Share of profit accounted based on Unaudited Financial Statements certified by its management for the year ended 31st March, 2011.

Note: Previous year's figures are in italics.

(ii) The Associates not considered for consolidation being not material to the Group have been stated at cost as under:

₹ crores

		Hemisphere Properties India Ltd.	Brihat Trading Private Ltd.	ASL Advanced Systems Pvt. Ltd.	The Associated Building Co. Ltd.	Rujuvalika Investments Ltd.
	Refer Schedule "F"	4(b)	4(b)	4(b)	3(b)	4(b)
(i)	Number of Equity Shares (Nos.)	25,000	3,350	5,55,000	1,825	3,66,667
		25,000	*3,350*	*5,55,000*	*1,825*	*3,66,667*
(ii)	Percentage holding	50.00	33.50	37.00	33.14	27.59
		50.00	*33.50*	*37.00*	*33.14*	*27.59*
(iii)	Cost of Investment (Equity Shares)	0.03	0.01	0.56	0.17	0.60
		0.03	*0.01*	*0.56*	*0.17*	*0.60*
(iv)	Provision for diminution in value of Investment (Equity Shares)	-	-	-	-	-
		-	-	-	*0.07 $*	-
(v)	Carrying Cost	0.03	0.01	0.56	0.10	0.60
		0.03	*0.01*	*0.56*	*0.10*	*0.60*

$ Included in Schedule "F" under Provision for diminution in value of Investments.

Note: Previous year's figures are in italics.

(d) Fixed Assets:

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation.

(ii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised upto the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

(iii) In the case of NDPL, the assets transferred from erstwhile Delhi Vidyut Board (DVB) are stated at the transaction value as notified by the Government of National Capital Territory of Delhi (GNCTD) under the Transfer Scheme. Values assigned to different heads of individual Fixed Assets are as per an independent technical valuer's estimation.

(e) Impairment:

At each balance sheet date, the Group assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exits, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units.

(f) Depreciation/Amortisation:

(i) Fixed assets are depreciated over the estimated useful lives as determined by the management of the Group or over the lives determined based on rates of depreciation specified under various applicable statutes/government approvals, whichever is shorter, on a straight line method except assets relating to the business other than electricity business of the Parent Company, CGPL and CTTL, where depreciation is provided on written down value basis.

(ii) Depreciation on additions/deletions of assets is provided on pro-rata basis.

(iii) Assets costing less than ₹ 5,000/- are depreciated at the rate of 100%. In the case of TBSIL, assets costing less than ₹ 2,25,000/- are depreciated at the rate of 100%.

(iv) License fees/Premium paid for acquisition of Leasehold Land is amortised over the period of the License/ Lease.

(v) Technical know-how is written off on a straight line basis over a period of six years. In the case of TBSIL, technical know-how is fully charged off in the year of acquisition.

(vi) Depreciation rates used for various classes of assets are:

Hydraulic Works	–	1.95% to 3.40%
Buildings	–	3.02% to 33.40%
Railway Sidings, Roads, Crossings, etc.	–	3.02% to 5.00%
Plant and Machinery	–	1.80% to 50.00%
Transmission Lines, Cable Network, etc.	–	2.71% to 13.91%
Furniture, Fixtures and Office Equipment	–	6.33% to 60.00%
Mobile Phones	–	33.33% to 100%
Motor Vehicles, Launches, Barges, etc.	–	12.50% to 33.40%
Helicopters	–	9.00% to 33.40%
In case of PAI, PKPC and IRCL:		
Mine Property	–	3.33% to 12.50%
Infrastructure facilities	–	3.33% to 12.50%
Machinery and Equipment	–	3.33% to 33.33%
Furniture, Fixtures and Office Equipment	–	12.50% to 33.33%
Transportation Equipment	–	12.50% to 33.33%

(vii) In case of TPTCL and TCML, cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use not exceeding 5 years.

(viii) In case of NDPL, Depreciation on electricity generation business fixed assets

(a) Rithala combined cycle generation power plant –

Depreciation on different components of the combined cycle Gas based Generation plant is provided based on the useful life of the component as certified by an independent chartered engineer upto 95% of the original cost of each such depreciable component on the expiry of useful life as below:

Description of Assets	Rate of Depreciation
Plant and Machinery	4.75% to 15.83 %
Building	3.34 %

(b) Solar power generation plants –

Depreciation on different components of the Solar Power Plant is provided based on the useful life as determined by Central Electricity Regulatory Commission (CERC) in its order dated 15th September, 2010 on determination of generic levellised generation tariff under Regulation 8 of the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 and Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) (First Amendment) Regulations, 2010 upto 95% of the original cost of each such depreciable component on the expiry of useful life.

Description of Assets	Rate of Depreciation
Civil	3.34%
Computers	16.21%
Electrical Equipments	3.80%
Solar Panels	3.80%

(g) Leases:

(i) Finance Lease:

Assets taken on finance lease are accounted for as fixed assets in accordance with Accounting Standard (AS-19) "Leases". Accordingly, the assets are accounted at fair value. Lease payments are apportioned between finance charge and reduction in outstanding liability.

(ii) Operating Lease:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis.

(h) Investments:

(i) Long term investments considered for consolidation are carried at cost, less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(ii) In the case of AICL, purchase of securities of Tata Group Companies are considered as long term investments. Investments, other than above, are considered as stock-in-trade.

(i) Inventories:

Inventories of raw materials, semi-finished products, products/tools under development, stores, spare parts, consumable supplies, shares, fuel and loose tools are valued at lower of cost and net realisable value. Cost is ascertained on weighted average basis. Work-in-progress, property under development, developed properties and finished products are valued at lower of cost and net realisable value. Cost includes cost of land, material costs, labour, manufacturing and other overheads.

(j) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Credit in respect of Minimum Alternate Tax paid is recognised only if there is convincing evidence of realisation of the same.

Deferred tax, which is computed on the basis of enacted/substantively enacted rates, is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

(k) Research and Development Expenses:

(i) Expenditure of the research phase (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred and

(ii) Expenditure on development phase which met the recognition criteria are recognised as an intangible asset and the expenditure which do not meet recognition criteria are charged as an expense in the year in which they are incurred.

(l) Intangible Assets:

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

(m) Premium on redemption of Debentures and Foreign Currency Convertible Bonds (FCCB):

Premium payable on redemption of FCCB and Debentures as per the terms of their respective issues is provided fully in the year of issue by adjusting against the Securities Premium Account.

(n) Warranty Expenses:

Anticipated product warranty costs for the period of warranty are provided for in the year of sale.

(o) Foreign Exchange Transactions:

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) All monetary assets and monetary liabilities in foreign currencies other than net investments in non-integral foreign operation are translated at the relevant rates of exchange prevailing at the year end and exchange differences are recognised in the Profit and Loss Account.

(iii) Exchange differences relating to monetary items that are in substance forming part of the Parent Company's net investment in non-integral foreign operations are accumulated in Exchange Translation Reserve Account.

(iv) In respect of foreign exchange contracts, the premium or discount arising at the inception of such a contract is amortised as expense or income over the life of the contract.

(v) Pursuant to announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the Group in accordance with the principle of prudence as enunciated in Accounting Standard 1 (AS-1), 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative Contracts at the Balance Sheet date by marking them to market. Any net unrealised gains arising on such mark-to-market are not recognised as income.

(p) Employee Benefits:

(i) Defined Contribution Plan:

Contributions paid/payable during the year to Provident Fund, Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account.

(ii) Defined Benefit Plan/Long term compensated absences:

Liability towards gratuity, compensated absences, post retirement medical benefit schemes, etc., are determined by independent actuaries, at each reporting date, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Profit and Loss Account as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related services are rendered.

(iv) Long Term Incentive Scheme:

In the case of CGPL, the Company's liability towards long term incentive scheme expected to be paid on achievement of certain milestones is accrued on a pro-rata basis over the tenure of the Scheme.

(q) Revenue Recognition:

(i) Revenue from Power Supply and Transmission Charges are accounted for on the basis of billings to consumers, transmission utilities, inclusive of Fuel Adjustment Charges and includes unbilled revenues accrued upto the end of the accounting year.

(ii) The Parent Company and NDPL determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its regulated operations (i.e. Generation, Transmission and Distribution) based on the principles laid down under the relevant Tariff Regulations/ Tariff Orders notified by the respective State Regulatory Commissions. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review under the aforesaid Tariff Regulations are made after the completion of such review.

(iii) Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered.

(iv) Interest Income/Guarantee Commission is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

(v) Amounts received from consumers towards capital/service line contributions is accounted as a liability and is subsequently recognised as income over the life of the fixed assets.

(vi) Revenue from infrastructure management services/infrastructure services is recognised as income as and when services are rendered and when no significant uncertainty as to the collectability exists.

(vii) In the case of NDPL, the amount received from consumers on account of Service Line charges are treated as Income on installation of connection.

(viii) Revenue from sale of goods is recognised on the transfer of title in the goods which occurs either on dispatch or delivery of goods to customer as per terms of contract. Service income is recognised as per terms of contract.

(ix) In the case of PTL, Transmission Income is accounted for on the accrual basis for the period of operation of transmission lines based on 'Tariff Orders' issued by Central Electricity Regulatory Commission (CERC). In case where tariff orders are yet to be issued, transmission income is accounted as per the norms issued by CERC.

(x) In the case of PAI, PKPC and IRCL sales are recognised as revenue when the title passes to the customer and selling prices are known or can be reasonably estimated.

(xi) In the case of TPTCL:

(a) Revenue from sale of power is accounted for based on rates agreed with the Customers and is inclusive of trading margin.

(b) In the case of Banking Arrangements only the margin earned on the transactions is accounted as Revenue.

(c) Revenue in the nature of advisory services rendered towards finalisation of power purchase agreements, CDM services, load management etc. is recognised when the fees are determined under the terms of respective agreements.

(d) Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.

(r) Advance against Depreciation:

In the case of PTL, Advance against Depreciation forming part of tariff pertaining to subsequent years, to facilitate repayment of loans is reduced from transmission income and considered as deferred revenue to be included in transmission income in subsequent years.

(s) Accounting for Construction Contracts:

Income on contracts in respect of Transmission EPC, Strategic Electronics Business, Project Management Services and Fixed Price Contracts are accounted on "Percentage of completion" basis measured by the proportion that cost incurred upto the reporting date bear to the estimated total cost of the contract.

(t) Issue Expenses:

(i) Expenses incurred in connection with the issue of Euro Notes, Foreign Currency Convertible Bonds, Global Depository Receipts and Debentures are adjusted against Securities Premium Account.

(ii) Discount on issue of Euro Notes are amortised over the tenure of the Notes.

(u) Deferred Stripping Cost:

In the case of PKPC and PAI, stripping cost of top soil is divided into (i) initial stripping of the overburden to open the mining area before production commences and (ii) additional stripping that is performed during the production activity.

The initial stripping costs are part of deferred stripping costs, while the additional stripping costs are charged to cost of sales as long as the stripping ratio is close to or less than the average estimated stripping ratio.

However, when the actual ratio is significantly higher than the estimated average ratio, the excess stripping costs are to be deferred and recorded as deferred stripping costs. These deferred stripping costs are expensed under cost of sales in the period where the actual ratio is significantly lower than the estimated average ratio.

(v) Deferred Exploration and Development Cost:

In the case of PKPC and PAI, exploration and evaluation costs are expensed as incurred unless the exploration project has reached a stage where the expenditure is expected to be recovered through development or sale, in which case, a subsequent expenditure is capitalised as deferred exploration and development cost.

Deferred exploration and development costs incorporate expenditures relating to general surveys, exploration, financing, feasibility studies and development of the mine incurred prior to the commencement of operations. Deferred exploration and development costs are amortised on a straight line basis from the date of commercial production of the respective area of interest over the shorter of the life of the mine or the remaining term of the Coal Agreement. In case of PAI, based on estimated proven and probable reserves, the carrying value of the deferred exploration and development costs of each area of interest is reviewed regularly and to the extent that this value exceeds its recoverable value, the excess is provided for or written off in the period in which this is determined.

(w) Estimated Liability for Restoration and Rehabilitation:

In case of PKPC and PAI, estimated liability for restoration and rehabilitation costs are based principally on legal and regulatory requirements. Such estimated costs as a result of production activities are expensed under cost of sales. Estimates are reassessed regularly and the effects of changes are recognised prospectively.

(x) Payments under Voluntary Retirement Schemes (VRS):

Compensation paid under VRS is charged to the Profit and Loss Account in the year of exercise of option.

(y) Accounting for Grants:

In the case of NDPL,

(i) Grants relating to depreciable fixed assets are treated as deferred income to be recognised in the Profit and Loss Account over the useful life of the asset in the proportion in which depreciation on the related assets is charged.

(ii) Grants relating to the revenue are recognised in the Profit and Loss Account and are deducted in reporting the related expenses.

(z) Segment Reporting:

The accounting policies adopted for segment reporting are in line with the accounting policy of the Companies. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable income/expenses".

(aa) Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognised when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resource will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

2. In the case of AICL, pursuant to the approval of the Board of Directors/shareholders of the Company, the Company has in accordance with Section 77A of the Companies Act, 1956 bought back 101,000 equity shares @ ₹ 2,250 per share from its parent Company by utilising the Securities Premium Account. Further in terms of Section 77AA of the Companies Act, 1956, an amount equivalent to the nominal value of equity shares bought back has been transferred to Capital Redemption Reserve.

3. During the year the Parent Company has changed its accounting policy pertaining to amounts received from consumers towards capital/service line contributions. These contributions which were earlier recognised as liability are now recognised as income over the life of the fixed assets. Pursuant to this change a sum of ₹ 38.90 crores pertaining to earlier years has been recognised as income during the current year.

4. During the previous year, the Parent Company issued 3,000 1.75% Foreign Currency Convertible Bonds (FCCB) with face value of U.S. $ 100,000 each aggregating to U.S.$ 300 million (₹ 1,404.45 crores at issue, net proceeds received ₹ 1,391.67 crores). The bondholders have an option to convert these Bonds into Equity Shares, at an initial conversion price of ₹ 1,456.125 per share at a fixed rate of exchange on conversion of ₹ 46.81 = U.S. $ 1.00, at any time on and after 31st December, 2009, upto 11th November, 2014. The conversion price is subject to adjustment in certain circumstances. The FCCB may be redeemed, in whole but not in part, at the option of the Parent Company at any time on or after 20th November, 2011 subject to satisfaction of certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCB fall due for redemption on 21st November, 2014 at 109.47 percent of their principal amount together with accrued and unpaid interest.

   The unutilised portion of FCCB amounting to U.S. $ 129.44 million *(31st March, 2010 – U.S. $ 247.75 million)* has been invested in short term deposits with Bank.

5. During the previous year, the Parent Company issued equity shares in the form of Global Depository Receipts (GDRs) listed on the Luxembourg Stock Exchange for a gross amount of U.S. $ 335 million. Each GDR represents 1 equity share of the Parent Company, at a nominal value of ₹ 10 per equity share. The Parent Company had issued 1,48,38,110 GDRs which had been priced at U.S. $ 22.577 per GDR (₹ 48.27 being the reference exchange rate) as per relevant pricing guidelines for issue of GDRs. Consequently, in previous year, there was an increase in the Subscribed Share Capital by ₹ 14.84 crores and Securities Premium Account by ₹ 1,601.38 crores (net of issue expenses).

6. In an earlier year, the Parent Company had commissioned its 120 MW thermal power unit at Jojobera, Jharkhand. Revenue in respect of this unit is recognised on the basis of a draft Power Purchase Agreement prepared jointly by the Parent Company and its customer which is pending finalisation.

7. The Parent Company has been legally advised that the Parent Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A of the Companies Act, 1956 is not applicable to the Parent Company.

8. Coal Agreement:

   In the case of PAI and PKPC, the Companies entered into a Coal Contract Work ("Coal Agreement") for the exploration and exploitation of coal. Under the term of the Coal Agreement, the Company commenced its 30-year operating period on 1st October, 1989 and 1st January, 1992 respectively.

9. The Group has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crores *(31st March, 2010 – ₹ 735.48 crores)*. Based on the accounts as certified by the Management for the year ended 31st March, 2011, TTSL has accumulated losses which have significantly eroded its net worth. In the opinion of the Management, having regard to the long term nature of the business, there is no diminution other than temporary, in the value of the investment.

10. (a) Capital commitments not provided for are estimated at ₹ 4,980.93 crores *(31st March, 2010 – ₹ 9,588.88 crores)* [including ₹ 58.25 crores *(31st March, 2010 – ₹ 58.27 crores)* being the share in Joint Ventures].

    (b) In the case of associates, capital commitments not provided for are estimated at ₹ 2.78 crores *(31st March, 2010 - ₹ 8.38 crores)*.

11. Contingent Liabilities and Other Commitments:

    (a) Claims against the Group not acknowledged as debts ₹ 1,531.36 crores (*31st March, 2010 - ₹ 1,276.55 crores*) [including ₹ 1,171.56 crores *(31st March, 2010 – ₹ 993.41 crores)* being the share in Joint Ventures] consists mainly of the following:

        (i) Octroi claims disputed by the Parent Company aggregating to ₹ 5.03 crores *(31st March, 2010 – ₹ 5.03 crores)*, in respect of Octroi exemption claimed by the Parent Company.

        (ii) A Suit has been filed against the Parent Company claiming compensation of ₹ 20.51 crores *(31st March, 2010 - ₹ 20.51 crores)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 103.37 crores *(31st March, 2010 - ₹ 99.06 crores)*.

        (iii) Rates, Cess and Way Leave Fees, Entry tax and Duty claims disputed by the Parent Company aggregating to ₹ 87.47 crores *(31st March, 2010 - ₹ 62.14 crores)*. In respect of certain dues as per the terms of an agreement, the Parent Company has the right to claim reimbursement from a third party.

        (iv) In the case of NDPL, ₹ 23.57 crores (*31st March, 2010 – ₹ 23.83 crores)*, consisting mainly of legal cases filed by consumers, employees etc. and sales tax claims.

(v) In the case of CTTL, claims raised by Mumbai Port Trust towards Penal Way Leave Fees and other claims ₹ 5.15 crores (*31st March, 2010 – ₹ 4.32 crores*).

(vi) In the case of NELCO, ₹ 3.56 crores *(31st March, 2010 - ₹ 30.97 crores)* mainly on account of disputed central excise, sales tax, custom demand and other legal disputes.

(vii) In the case of TPTCL, ₹ Nil *(31st March, 2010 - ₹ 3.26 crores)* pertaining to contractual obligation and Power Banking Arrangement ₹ 35.56 crores *(31st March, 2010 - ₹ Nil).*

(viii) In the case of CGPL, Appeal filed against Stamp duty demand for registration charges of mortgage deed in connection with private land ₹ 0.50 crore *(31st March, 2010 - ₹ Nil)*

(ix) Other claims against the Parent Company not acknowledged as debts ₹ 45.43 crores (*31st March, 2010 – ₹ 29.40 crores*).

(x) In the case of associates, other claims not acknowledged as debts ₹ 29.65 crores (*31st March, 2010 – ₹ 4.62 crores*).

(xi) In the case of Panatone Finvest Ltd. (PFL), an associate of the Group, upon the demerger of surplus land by Tata Communications Ltd. and the issue of shares by the Resulting Company, PFL is contractually obligated to transfer 45% of the share capital of the Resulting Company to Government of India and other Shareholders who had tendered their shares to PFL. Based on its shareholding in Tata Communications Ltd. as on 31st March, 2011, PFL would be entitled to be allotted 31.10% of the share capital of the Resulting Company. Additionally, PFL has arrangements for procuring 11.77% of the share capital of the Resulting Company and it would need to acquire further shares representing 2.13% of the share capital of the Resulting Company.

(xii) In the case of PAI and PKPC (Coal Companies), demand for royalty payment is set-off against recoverable Value Added Tax (VAT) paid on inputs for coal production of ₹ 1,156.42 crores, being the Group's share *(31st March, 2010 – ₹ 943.55 crores)*. Under the Coal Contract of Work the Coal Companies would recover VAT from the Government within 60 days. As the Government had not refunded VAT within 60 days, the Coal Companies have set-off royalty against VAT recoverable, which has not been accepted by the Government. The managements of the Coal Companies, based on the various legal judgements, are of the view that the said amounts would be allowable as set-off.

(xiii) In the case of PKPC, Thiess Contractors Indonesia (Thiess) a mining contractor of PKPC on 28th March, 2008 sent a letter to PKPC, seeking compensation for additional costs incurred since July, 2007 and costs that would continue to be incurred until a revised pricing is made claiming that the current escalation rate formula with regards to mining service fee no longer reflects the actual increase in its operating costs, hence must be revised starting July, 2007. The Group's share of the amount claimed by Thiess (net of provision made by the PKPC as at 31st March, 2011) is ₹ 15.14 crores *(31st March, 2010 - ₹ 49.86 crores)*. However PKPC believes that the current mining service fee rate with Thiess is still above other comparable mining contractors' rate. On 17th January, 2011, the Company submitted a formal settlement offer to Thiess, which included a proposal to amend the current escalation rate formula. As of the completion date of these financial statements, Thiess has not yet responded to this offer.

(xiv) In the case of PAI and PKPC, in respect of other matters (viz.; land dispute, illegal mining etc.) amount is not ascertainable.

(b) Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):

₹ crores

		As at 31st March, 2010
(i) Matters on which there are decisions of the appellate authorities in the Group's favour, not accepted by the tax authorities	125.93@	*105.75@*
(ii) Interest and penalty demanded	26.90	*19.12*
(iii) In the case of associates, matters on which there are decisions of the appellate authorities in the favour of the companies, not accepted by the tax authorities	0.22	*0.33*

@ includes ₹ 2.51 crores *(31st March, 2010 – ₹ 2.51 crores)* being the share in Joint Ventures.

(c) In the case of Parent Company, the uncalled liability on partly paid up shares ₹ 31.03 crores *(31st March, 2010 – ₹ 55.60 crores)* and in the case of associates ₹ 0.96 crore *(31st March, 2010 – ₹ 1.43 crores)*.

(d) (i) Indirect exposures and Other Commitments of the Parent and subsidiary Companies :

Name of the company	Contingent Liabilities			Other Commitments	
	Guarantees given	Shares pledged	Sponsor support agreement	Letter of Comfort	Undertaking for non-disposal of shares
	(₹ crores)	(Nos.)	(₹ crores)	(₹ crores)	(₹ crores)
Tata Teleservices Ltd. (TTSL) [refer (d) (ii) below]	- -	21,98,18,101 *21,98,18,101*	- -	- -	- -
Panatone Finvest Ltd. (PFL)	- *250.00*	- -	- -	- -	- -
North Delhi Power Ltd. (NDPL)	- -	- -	- -	- -	1,157.28 *1,157.28*
Powerlinks Transmission Ltd. (PTL)	- -	[Refer (d) (v) below]	- *366.00*	- -	- -
Coastal Gujarat Power Limited (CGPL)	- -	[Refer (d) (v) below]	[Refer (d) (iii) below]	- -	- -
Industrial Energy Limited (IEL)	- -	[Refer (d) (v) below]	[Refer (d) (iv) below]	- -	- -
Tata Sons Limited (TSL)	[Refer (k) below]	- -	- -	- -	- -

Note: Previous year's figures are in italics.

(ii) The Parent Company has in terms of the shareholder's agreement, an obligation to subscribe for or arrange along with the participants of the Tata Group, for additional capital as per specified schedule, in case of TTSL.

(iii) In terms of the Sponsor Support agreement entered into between the Parent Company, Coastal Gujarat Power Limited (CGPL) and lender's of CGPL, the Parent Company has undertaken to provide support by way of base Equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The sponsor support also includes support by way of additional equity for any overrun in project costs and Debt Service Reserve Guarantee as provided under the financing agreements. The support will cease on the date of "financial completion" as defined under the relevant financing agreements. Further, CGPL has entered into an Agreement with the Parent Company for Additional Subordinated Loan to the extent of U.S. $ 50 million (equivalent to ₹ 200.00 crores). In accordance with this agreement the Parent Company has provided an Additional Subordinated Loan of ₹ 200.00 crores (*31st March, 2010 - ₹ 172.00 crores*) to CGPL. The accrued interest on Additional Subordinated Loan shall be payable subject to fulfillment of conditions in Subordination Agreement and Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

(iv) In terms of the Sponsor Support agreement entered into between the Parent Company, Industrial Energy Limited (IEL) and lender's of IEL, in the event of any overrun in the project cost of IEL to the extent of 10% of the project cost, the Parent Company has undertaken to provide in proportion to its shareholding in IEL, support by way of infusion of fresh equity/preference capital or unsecured loans.

(v) The Parent Company's shares in subsidiaries to the extent of 100% in PTL, 51% in CGPL, 51% in IEL, 100% in BHIL and 100% in BIL have been pledged with the lenders for borrowings availed by the respective subsidiaries.

(e) In respect of NELCO Limited, the Parent Company has undertaken to arrange for the necessary financial support to NELCO Limited in the form of interim short term funding, for meeting its business requirements.

(f) In the case of NDPL, as per the provisions of the Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002, the liabilities arising out of litigation, suits, claims etc. pending on the date of transfer (i.e. 1st July, 2002) and/or arising due to any events prior to that date shall be borne by the Company to the extent of ₹ 1.00 crore p.a. *(31st March, 2010 - ₹ 1.00 crore p.a.)*.

(g) In the case of NDPL, The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to Retiral Benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund 2002 ('the Trust'). The Trust is, however, of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death whichever is earlier. On 1st November, 2004, the Company entered into a Memorandum of Understanding with the Government of National Capital Territory of Delhi (GNCTD) and a special Trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRSRTBF, 2004 Trust) was created.

For resolution of the issue through the process of law, the Company had filed a Writ, before the Hon'ble Delhi High Court. The Hon'ble Court has pronounced its judgement on this issue on 2nd July, 2007 whereby it has provided two options to the Discoms for paying terminal benefits/residual pension to the Trust:

(i) Terminal benefits due to the VSS optees and to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement/death (whichever is earlier) of such VSS optees. In addition, the Discoms shall pay the Retiral Pension to VSS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.

(ii) The Trust to pay the terminal benefits and all dues of the VSS optees on reimbursement by Discoms of 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries.

The Company considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which is presently being followed. Pending computation of the liability by the Arbitral Tribunal of Actuaries due to delay in appointment of the same, no adjustment has been made in these financial statements. Recently in April 2011 the Hon'ble High Court has pronounced that Actuaries to be appointed within 15 days.

While the writ petition was pending, Company had already advanced ₹ 77.74 crores *(Previous Year ₹ 77.74 crores)* to the SVRS Trust for payment of retiral dues to separated employees. Against this, the Company had recovered ₹ 29.71 crores *(Previous Year ₹ 29.71 crores)* and adjusted an amount of ₹ 16.56 crores *(Previous Year ₹ 4.50 crores)* from pension, leave salary and other contribution totaling to ₹ 46.27 crores *(Previous Year ₹ 34.21 crores)*, against a claim of ₹ 56.74 crores *(Previous Year ₹ 47.18 crores)* from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31st March, 2011.

In addition to the payment of terminal benefits/residual pension to the Trust, the Hon'ble Delhi High Court in its above Order has held that the Discoms are liable to pay interest @ 8% per annum on the amount of terminal benefits for the period from the date of voluntary retirement to the date of disbursement. Consequently, the Company has paid ₹ 8.01 crores in FY 2008-09 as interest to VSS optees.

The Company is of the opinion that the total liability for payment of terminal benefits to the trust based on actuarial valuation including payment of interest to VSS optees, would be less than the amount of retiral pensions already paid to the VSS optees and charged to profit and loss account. Consequently, pending valuation of 'Additional Contribution' to be computed by an Arbitral Tribunal of Actuaries, the Company has shown interest of ₹ 8.01 crores *(Previous Year ₹ 8.01 crores)* paid to VSS optees, in addition to retiral dues of ₹ 31.47 crores *(Previous Year ₹ 43.53 crores)* as recoverable and are reflected in ₹ 39.49 crores *(Previous Year ₹ 51.89 crores)* as shown in Schedule 12 of the financial statements.

Apart from this, the Company has also been paying the retiral pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral pension amount in its Aggregate Revenue Requirement (ARR) and the same has therefore been charged to the profit and loss account.

(h) In the case of NDPL, the liability stated in the opening Balance Sheet of the Company as per the Transfer Scheme as on 1st July, 2002 in respect of consumers' security deposit was ₹ 10.00 crores *(Previous Year ₹ 10.00 crores)*. The Company had engaged an independent agency to validate the sample data in digitized form of consumer security deposit received by the erstwhile DVB from its consumers. As per the validation report submitted by this agency the amount of security deposit received from consumers aggregated to ₹ 66.71 crores. The Company has been advised that as per the Transfer Scheme, the liability in excess of ₹ 10.00 crores *(Previous Year ₹ 10.00 crores)* towards refund of the opening consumer deposits and interest thereon is not to the account of the Company. Since the GNCTD was of the view that the aforesaid liability is that of the Company, the matter was referred to Delhi Electricity Regulatory Commission (DERC). During the year 2007-08, DERC vide its letter dated 23rd April, 2007 has conveyed its decision to the GNCTD upholding the Company's view. As GNCTD has refused to accept the DERC decision as binding on it, the Company has filed a writ petition in the Hon'ble Delhi High Court and the matter has been listed for hearing on 19th October, 2011. No stay has been granted by the Hon'ble High Court in the matter for refund of consumer security deposits and payment of interest thereon. During the current financial year out of ₹ 66.71 crores, company has been able to identify security deposit of ₹ 33.14 crores consumer wise and has credited in consumers account by showing corresponding amount as recoverable in excess of ₹ 10.00 crores.

(i) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra - formerly Reliance Energy Ltd.) for the periods from 1st April, 1999 to 31st March, 2004, the ATE, set aside the MERC Order dated 31st May, 2004 and directed the Parent Company to refund to R-Infra as on 31st March, 2004 ₹ 354.00 crores (including interest of ₹ 15.14 crores) and pay interest at 10% per annum thereafter. As at 31st March, 2011 the accumulated interest was ₹ 162.36 crores (*31st March, 2010 - ₹ 151.16 crores)* (₹ 11.20 crores for the year ended 31st March, 2011). On appeal, the Hon'ble Supreme Court vide its interim order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Parent Company has furnished a bank guarantee of the sum of ₹ 227.00 crores and also deposited ₹ 227.00 crores with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court. The said deposit has been accounted as "Other Deposits".

Further, no adjustment has been made for the reversal in terms of the ATE Order dated 20th December, 2006 of Standby Charges credited in previous years estimated at ₹ 519.00 crores. The aggregate of Standby Charges credited in previous years net of tax is estimated at ₹ 415.56 crores, which will be adjusted, wholly by a withdrawal/set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to R-Infra. Since 1st April, 2004, the Parent Company has accounted Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Parent Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged and hence, adjustments, if any, including consequential adjustments to the Deferred Tax Liability Fund and the Deferred Tax Liability Account will be recorded by the Parent Company on the final outcome of the matter.

(j) MERC vide its Tariff Order dated 11th June, 2004, had directed the Parent Company to treat the investment in its Wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Parent Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the Capital Base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 11(i) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby charges dispute as mentioned in Note 11(i) above.

(k) In an earlier year, in terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Parent Company was given by Tata Sons an option to sell 2,72,82,177 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. Accordingly, the Parent Company realised ₹ 316.72 crores on sale of these shares resulting in a profit of ₹ 255.62 crores.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Parent Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the Parent Company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Parent Company is liable to reimburse TSL, on a pro-rata basis, upto a maximum sum of ₹ 409.51 crores.

The exercise of the option by SP being contingent on several variables the liability, if any, is considered by management to be remote and indeterminable.

(l) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Ltd. (Panatone), an associate of the Parent Company, with the Government of India, Panatone has contractually undertaken a "Surplus Land" obligation including agreeing to transfer 45% of the share capital of the Resulting Company, at Nil consideration, to the Government of India and other selling shareholders upon Demerger of the Surplus Land by Tata Communications Limited (TCL). The Parent Company has till date acquired 1,34,22,037 shares of TCL from Panatone. The Parent Company would be entitled to be allotted 4.71% of the share capital of the Resulting Company based on its holding of 1,34,22,037 shares of TCL. The Parent Company has undertaken to Panatone to bear the "Surplus Land" obligation pertaining to these shares.

(m) The Parent Company has a long term investment of ₹ 3,172.50 crores (including advance towards equity) and has extended loans amounting to ₹ 221.06 crores (including interest accrued) to Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of the Parent Company which is implementing the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP").

Management is of the view that at the end of the reporting period there are estimation uncertainties in assessing the recoverability of carrying amounts of asset under construction that could result in a material adjustment to the Parent Company's long term investment in CGPL.

CGPL has agreed to charging no escalation on 55 percent of the cost of coal in terms of the 25 year power purchase agreement relating to the Mundra UMPP. During the year, as a result of the changes in the fuel prices, management has assessed the recoverability of the carrying amount of the asset under construction at Mundra as of 31st March, 2011 of ₹ 13,288.35 crores and concluded that the cash flows expected to be generated (on completion of construction and commencement of commercial operations) over the useful life of the asset of 40 years would be sufficient to recover the carrying amount of such asset. In estimating the future cash flows, management has based on externally available information, made certain assumptions relating to the future fuel prices, future revenues, operating parameters and the asset's useful life which management believes reasonably reflects the future expectation of these items.

Having regard to the above, in the opinion of the management of the Parent Company, no provision is considered necessary on this account as at 31st March, 2011.

However, if these assumptions change consequent to change in future conditions, there could be an adverse effect on the recoverable amount of the underlying asset.

The assumptions will be monitored on periodic basis by the management and adjustments will be made if external conditions relating to the assumptions indicate that such adjustments are appropriate.

12. (a) In the previous year, in respect of the Parent Company's Generation Business as a Licensee, MERC in its Tariff Order dated 28th May, 2009, has drawn from Contingencies Reserve to partially meet the impact on tariff of the ATE Order dated 12th May, 2008, wherein ATE upheld the stand taken by the Parent Company regarding allowability of expenses/ accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for financial years 2004-05 and 2005-06. Accordingly, the Parent Company has drawn ₹ 108.83 crores from Contingencies Reserve. Further, the Parent Company had recognised revenue of ₹ 105.40 crores and transferred ₹ 24.89 crores from Tariffs and Dividends Control Reserve consequent to the above Order and the Orders pertaining to the Transmission and Distribution Businesses dated 28th May, 2009 and 15th June, 2009 respectively. Certain disallowances arising from these Orders aggregating to about ₹ 91.00 crores had not been recognised as expense since they have been challenged by the Parent Company at the ATE.

(b) In the previous year, ATE in its Order dated 15th July, 2009, had upheld the Parent Company's claim regarding allowability of certain expenses/accounting principles which were earlier disallowed/not recognised by MERC in its truing-up for the financial year 2006-07. On this basis, during the period ended 31st December, 2009, the Parent Company had treated such expenses as recoverable through tariff and had recognised revenue of ₹ 147.00 crores in respect of the financial years 2006-07 to 2008-09.

(c) During the year ended 31st March, 2011, MERC had completed truing-up for the financial year 2008-09 and has accordingly issued Tariff Orders. In these Tariff Orders, it has disallowed certain reasonable claims made by the Parent Company amounting to ₹ 74.00 crores. Further, while giving effect to the favourable ATE Order dated 15th July, 2009, pertaining to the financial years 2006-07 to 2007-08, MERC has disallowed certain items amounting to ₹ 47.00 crores. Consequently, the Parent Company has appealed to the ATE against these disallowances. Based on the earlier favourable ATE Order on similar matters, the Parent Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial statements.

(d) During the year ATE in its order dated 15th February, 2011, has upheld amongst others the Parent Company claim towards entitlement of carrying cost in respect of truing-up done by MERC for financial year 2004-05 and 2005-06. Accordingly the Parent Company has booked an amount of ₹ 86.00 crores as its entitlement of carrying cost during the current year.

13. In the matter of claims raised by the Parent Company on R-Infra, towards (i) the difference in the energy charges for the period March, 2001 to May, 2004 and (ii) for minimum off-take charges of energy for the period 1998 to 2000, MERC has issued an Order dated 12th December, 2007 in favour of the Parent Company. The total amount payable by R-Infra including interest is estimated to be ₹ 323.87 crores as on 31st December, 2007. ATE in its order dated 12th May, 2008 on appeal by R-Infra has directed R-Infra to pay for the difference in the energy charges amounting to ₹ 34.98 crores for period March 2001 to May 2004. In respect of the minimum off-take charges of energy for the period 1998 to 2000 claimed by the Parent Company from R-Infra, ATE has directed MERC that the issue be examined afresh and after the decision of the Supreme Court in the Appeals relating to the distribution licence and rebates given by R-Infra. The Parent Company and R-Infra had filed appeals in the Supreme Court. The Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Supreme Court, a sum of ₹ 25.00 crores and furnish Bank Guarantee of ₹ 9.98 crores. The Parent Company had withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the Appeal is decided against the Parent Company. On grounds of prudence, the Parent Company has not recognised any income arising from the above matters.

14. Employee Benefits:

(a) In an earlier year, the Parent Company had adopted Accounting Standard (AS-15) (Revised 2005) 'Employee Benefits'. This had resulted in a transitional liability (net) of ₹ 61.70 crores as at 1st April, 2007. In accordance with the transitional provisions of the Accounting Standard, the Parent Company had decided to charge the transitional liability as an expense over a period of 5 years and accordingly ₹ 22.40 crores (*31st March, 2010 – ₹ 12.34 crores*) has been recognised as an expense for the year under item 1 of Schedule "2" and balance amount of ₹ 2.28 crores (*31st March, 2010 – ₹ 24.68 crores*) is the unrecognised transitional liability as at 31st March, 2011.

(b) The Parent Company makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund is administered by the Trustees of Tata Power Consolidated Provident Fund and the Superannuation Fund is administered by the Trustees of Tata Power Superannuation Fund. Under the Schemes, the Parent Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

The Rules of the Parent Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared by the Central Government under para 60 of the Employees' Provident Fund Scheme, 1952, then the shortfall shall be made good by the Parent Company. Having regard to the assets of the Fund and the return on the investments, the Parent Company does not expect any shortfall in the foreseeable future.

On account of Defined Contribution Plans, a sum of ₹ 38.74 crores *(31st March, 2010 - ₹ 29.95 crores)* has been charged to the Consolidated Profit and Loss Account.

(c) The following are the defined benefit plans, operated by the Group:

1. Post Retirement Gratuity
2. Ex-Gratia Death Benefits
3. Retirement Benefits
4. Post Retirement Medical Benefits and
5. Pension.

(d) The actuarial valuation of the present value of the defined benefit obligation has been carried as at 31st March, 2011. The following tables set out the amounts recognised in the financial statements as at 31st March, 2011 for the above mentioned defined benefit plans:

(i) Net employee benefit expense (recognised in employee cost) for the year ended 31st March, 2011:

₹ crores

				2009-10	
		(Funded)#	(Unfunded)	*(Funded)#*	*(Unfunded)*
1.	Current Service Cost	1.33	8.45	*1.05*	*6.62*
2.	Interest	0.51	11.50	*0.37*	*10.05*
3.	Losses on Acquisition	–	–	*–*	*0.15*
4.	Actuarial (Gain)/Loss	0.95	12.16	*0.19*	*(9.95)*
5.	Past Service Cost	0.04	1.67	*0.19*	*7.11*
6.	1/5th of Transitional Liability	–	7.58	*–*	*4.38*
7.	Expected Return on Plan Assets	(0.51)	–	*(0.42)*	*–*
8.	Total Expense before share in Joint Ventures (1 to 7)	2.32	41.36	*1.38*	*18.36*
9.	*Add:* Share in Joint Ventures	16.53	3.70	*24.16*	*3.74*
10.	Total Expense (8+9)	18.85	45.06	*25.54*	*22.10*

Post Retirement Gratuity funded in case of NDPL, CTTL, PTL, TBSIL and PKPC.

(ii) Change in the Defined Benefit Obligation/Commitments during the year ended 31st March, 2011:

₹ crores

			2009-10	
	(Funded)#	(Unfunded)	*(Funded)#*	*(Unfunded)*
Present value of Defined Benefit Obligation as at 1st April,	5.86	139.41	*4.28*	*129.11*
Unrecognised transitional Liability as at 1st April,	–	8.79	*–*	*13.17*
Employee benefit expenses (1 to 5)-per (i) above	2.83	33.78	*1.80*	*13.98*
Actuarial (Gain)/Loss on Defined Benefit Obligation	(0.05)	–	*(0.03)*	*–*
Benefits Paid (net)	(0.62)	(9.43)	*(0.19)*	*(8.93)*
Liabilities assumed on Acquisition	–	0.13	*–*	*0.87*
Present value of Defined Benefit Obligation as at 31st March,	8.02	172.68	*5.86*	*148.20*
Less: Unrecognised Transitional Liability as at 31st March,	–	(1.21)	*–*	*(8.79)*
Provision for Defined Benefit Obligations as at 31st March, as per books before share in Joint Ventures	8.02	171.47	*5.86*	*139.41*
Add: Share in Joint Ventures	62.40	19.13	*46.79*	*16.57*
Provision for Defined Benefit Obligation as at 31st March, as per books	70.42	190.60	*52.65*	*155.98*

Post Retirement Gratuity funded in case of NDPL, CTTL, PTL, TBSIL and PKPC.

(iii) Plan Assets:

₹ crores

		2009-10
Fair value of Plan Assets as on 1st April,	5.53	*2.60*
Less: Adjustment	-	*(0.15)*
Expected return on Plan Assets	0.51	*0.42*
Contribution	2.11	*2.83*
Benefit Paid	(0.62)	*(0.22)*
Actuarial gain/(loss)	-	*0.05*
Closing balance as on 31st March, before share in Joint Ventures	7.53	*5.53*
Add: Share in Joint Ventures	62.97	*47.18*
Closing balance as on 31st March,	70.50	*52.71*

(iv) Actuarial assumptions used for valuation of the present value of the defined benefit obligations of various benefits are as under:

₹ crores

		2009-10
Discount Rate	8.00% to 9.50%	*7.80% to 10.75%*
Salary Growth Rate	6% to 12% p.a.	*6% to 15% p.a.*
Turnover Rate	Age 21 to 44 2% to 15% p.a. Age 45 years and above 0% to 2% p.a.	*Age 21 to 44 2% to 5% p.a.* *Age 45 years and above 0.5% to 2% p.a.*
Pension Increase Rate	3% p.a.	*3% p.a.*
Mortality Table	LIC (1994-96)	*LIC (1994-96)*
Expected return on scheme assets	7.25% to 9.25% p.a.	*7.5% to 10.5% p.a.*
Annual Increase in Health Cost	6%	*6% p.a.*

- Discount rate is based on the prevailing market yields of Government securities as at the Balance Sheet date for the estimated term of the obligation.
- The estimates of future salary increases, considered in actuarial valuation, take account of the inflation, seniority, promotion and other relevant factors.

(v) The contribution expected to be made during the financial year 2011-12 has not been ascertained.

15. The Parent Company and CTTL have paid during the year monthly payments aggregating to ₹ 1.01 crores *(2009-10 – ₹ 0.88 crore)* under the post retirement scheme to former Managing/Executive Directors.

16. In respect of the contracts pertaining to the Transmission EPC, Strategic Electronics Business and Project Management Services of the Group, disclosures required as per AS-7 (Revised) are as follows:

(a) Contract revenue recognised as revenue during the year ₹ 140.47 crores *(2009-10 – ₹ 123.60 crores)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2011 – ₹ 120.33 crores *(31st March, 2010 - ₹ 120.31 crores)*.

(ii) Advances and progress payments received as at 31st March, 2011 – ₹ 234.12 crores (*31st March, 2010 - ₹ 3.31 crores*).

(iii) Retention money included as at 31st March, 2011 in Sundry Debtors – ₹ 1.60 crores *(31st March, 2010 - ₹ 1.69 crores)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2011 – ₹ 181.49 (*31st March, 2010 - ₹ Nil*).

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2011 – ₹ 66.63 crores *(31st March, 2010 - ₹ Nil)*.

17. (a) In the case of NELCO and ITMA, Deferred Tax Assets on account of carried forward tax losses and unabsorbed tax depreciation have been recognised in the books to the extent the management is of the opinion that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(b) Deferred Tax Liability/(Asset) [Net] as at 31st March, 2011 comprises of:

		₹ crores
		2009-10
Deferred Tax Liability:		
Arising on account of timing differences in:		
Depreciation	920.21	*821.11*
Less: Balance in Deferred Tax Liability Fund	279.76	279.75
(A)	**640.45**	***541.36***
Deferred Tax Assets:		
Arising on account of timing differences in:		
Provision for doubtful debts and advances	15.01	*13.68*
Provision for tax, duty, cess, fee	17.50	*14.71*
Provision for employee benefits	60.35	*64.70*
Unabsorbed depreciation and carry forward losses	1.98	*2.61*
Exchange losses on loans to subsidiaries	29.16	–
Others	4.62	*4.15*
(B)	**128.62**	***99.85***
Net Deferred Tax Liability **(A) – (B)**	**511.83**	***441.51***
Share in Joint Ventures – Liability (Net)	264.67	*224.17*
Net Deferred Tax Liability including Joint Ventures	**776.50**	***665.68***

18. In the case of Parent Company, Miscellaneous Expenses include donations aggregating to ₹ Nil *(31st March, 2010 – ₹ 1.00 crore)* to Electoral Trust whose main object is to create a transparent, non-discriminatory and non-discretionary vehicle which would enable making of contributions to political parties in a well regulated, efficient and objective manner. The Trust currently provides only for distribution of funds for the Lok Sabha Parliamentary Election.

19. Disclosure as required by Accounting Standard 18 (AS-18) 'Related Party Disclosures' are as follows:

Names of the related parties and description of relationship:

(a) (i) Associates (where transactions have taken place during the year)	Panatone Finvest Ltd. Tata Ceramics Ltd. Tata Projects Ltd. Yashmun Engineers Ltd.
(ii) Joint Ventures (where transactions have taken place during the year)	Indocoal Resources (Cayman) Ltd. Tata BP Solar India Ltd.
(iii) Promoters holding together with its Subsidiary is more than 20%	Tata Sons Ltd.
(b) Key Management Personnel	Prasad R. Menon (upto 31st January, 2011) Anil Sardana (from 1st February, 2011) S. Ramakrishnan S. Padmanabhan Banmali Agrawala

(c) Details of transactions:

₹ crores

	Associates	Key Management Personnel	Promoters	Joint Ventures
Purchases of goods	-	-	-	219.31
	-	-	-	*74.44*
Purchase of fixed assets	72.30	-	-	17.42
	132.43	-	-	*5.55*
Rendering of services	0.10	-	-	-
	0.03	-	-	-
Receiving of services	5.46	-	0.54	-
	3.42	-	*0.46*	-
Brand equity contribution	-	-	18.07	-
	-	-	*18.40*	-
Remuneration paid	-	14.41	-	-
	-	*9.86*	-	-
Interest income	2.82	0.01	-	-
	0.57	-	-	-
Dividend received	7.49	-	4.67	-
	2.95	-	*4.67*	-
Dividend paid	-	-	84.90	-
	-	-	*76.79*	-
Provision for doubtful debts	0.01	-	-	-
	0.10	-	-	-
Loans given	4.50	-	-	-
	4.00	-	-	-
Refunds towards security deposits given	-	-	0.80	-
	-	-	-	-
Redemption of debentures	9.38	-	-	-
	-	-	-	-
Purchase of investments #	50.00	-	-	-
	79.99	-	-	-
Loans repaid	10.50	0.11	-	-
	-	*0.01*	-	-
Deposits repaid	-	-	-	-
	-	-	*1.00*	-
Balances outstanding				
Other receivables (net of provisions)	0.05	-	-	0.12
	0.04	-	-	-
Loans given (including interest thereon)	120.93	-	-	-
	136.79	*0.11*	-	-
Loans provided for as doubtful advances	1.27	-	-	-
	1.27	-	-	-
Guarantees, collaterals etc. outstanding#	-	-	409.51	-
	250.00	-	*409.51*	-
(Other payables)/Advances given	(7.35)	-	(17.76)	(3.21)
	(4.01)	-	*(19.48)*	*5.41*

Also refer Note 11(d), 11(e), 11(k) and 11(l).
Note: Previous year's figures are in italics.

(d) Details of material related party transactions [included under (c) above]

(a) Joint Ventures:

₹ crores

Particulars	Indocoal Resources (Cayman) Ltd.	Tata BP Solar India Ltd.
Purchase of goods	219.31	-
	74.44	-
Purchase of fixed assets	-	17.42
	-	-

(b) Associates:

₹ crores

Particulars	Tata Ceramics Ltd.	Panatone Finvest Ltd.	Tata Projects Ltd.	Yashmun Engineers Ltd.
Purchase of fixed assets	-	-	69.17	-
	-	-	*129.91*	-
Rendering of services	-	-	-	0.10
	(0.07)	-	-	*0.10*
Receiving of services	-	-	-	5.46
	-	-	-	*3.42*
Interest income	0.47	-	2.25	-
	0.30	*(1.98)*	*2.25*	-
Dividend received	-	-	7.26	-
	-	-	*2.90*	-
Provision for doubtful debts	-	-	-	0.01
	-	-	-	*0.10*
Loans given	4.50	-	-	-
	4.00	-	-	-
Loans repaid	10.50	-	-	-
	-	-	-	-
Redemption of Debentures	-	-	*9.38*	-
	-	-	-	-
Purchase of investments	-	50.00	-	-
	-	*79.99*	-	-

Note: Previous year's figures are in italics.

20. (i) Derivative Instruments :

The Group has entered into swaps/forward/currency option contracts (being a derivative instrument), which are not intended for trading or speculative purposes but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

The following are the outstanding swaps/forward/currency option contracts, entered into, as on 31st March, 2011 :

	Foreign Currency (in Millions)	₹ crores	*2009-10* Foreign Currency (in Millions)	*2009-10* ₹ crores
Forward Contracts	USD 101.13	456.53	*USD 16.18*	*73.06*
	EURO 15.29	96.67	*EURO 26.60*	*161.08*
	JPY 1,728.64	93.35	*JPY 4,999.19*	*242.16*
Forward Contracts - Share of Joint Ventures	USD 34.19	147.61	*USD 30.14*	*127.94*
	EURO 0.70	4.54	*EURO 0.89*	*5.79*
	–	–	*JPY 11.03*	*0.57*
Currency Option Contracts	USD 278.00	1,242.10	*USD 32.10*	*144.96*
	JPY 10,025.75	541.39	*JPY 14,006.25*	*684.07*
Interest Rate Swaps	USD 1,300.00	6,255.03	*USD 1,300.00*	*5,870.52*
Unrecognised Gain in respect of above Forward Contracts and Currency Option Contracts	–	90.07	*–*	*24.32*

(ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

	Foreign Currency (in Millions)	₹ crores	*2009-10* Foreign Currency (in Millions)	*2009-10* ₹ crores
(a) Amounts receivable in foreign currency on account of the following:				
Export of goods	USD 3.64	16.28	*USD 5.18*	*23.38*
Export of goods-Share of Joint Ventures	USD 4.80	21.26	*USD 10.49*	*46.85*
	EURO 0.46	2.92	*EURO 0.01*	*0.07*
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 28.67	128.08	*USD 15.86*	*71.64*
	EURO *	0.02	*EURO 0.15*	*0.91*
	-	-	*GBP 0.03*	*0.18*
Import of goods and services-Share of Joint Ventures	USD 5.62	25.38	*USD 8.18*	*37.28*
	EURO 0.32	2.05	*EURO 0.50*	*3.06*
	-	-	*GBP **	*0.01*
	-	-	*CHF **	*0.01*
	JPY 2.37	0.13	*-*	*-*
	AUD 0.01	0.04	*-*	*-*
(ii) Capital Imports	EURO 1.71	10.82	*EURO 0.29*	*1.73*
	JPY 27.96	1.51	*JPY 1,251.21*	*60.61*
	USD 55.82	250.14	*-*	*-*
	GBP 0.18	1.30	*-*	*-*
Capital Imports-Share of Joint Ventures	USD *	0.03	*USD 0.07*	*0.33*
	EURO 0.02	0.15	*EURO 0.97*	*5.92*
	JPY 2.21	0.12	*JPY 7.05*	*0.34*
	-	-	*SGD 0.03*	*0.18*
(iii) Interest payable	USD 2.98	13.31	*USD 2.33*	*10.53*
(iv) Loans payable	USD 1,387.02	6,197.21	*USD 1,054.70*	*4,762.76*
(v) Premium payable on borrowings	USD 28.41	126.94	*USD 28.41*	*128.29*
(c) Bank balances	USD 132.06	589.87	*USD 267.24*	*1,206.52*
	SGD 0.77	2.71	*SGD 0.92*	*2.98*
	TAKA 0.25	0.02	*TAKA 31.41*	*4.81*

21. Disclosures as required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2011, are as follows:

₹ crores

Particulars	Opening Balance/ Acquired during the year	Provision during the year	Payments / Adjustments made during the year	Reversal/ Regrouping made during the year	Closing Balance
Provision for Warranties	13.45	6.82	(1.60)	(6.60)	12.07
	6.99	*11.26*	*(1.20)*	*(3.60)*	*13.45*
Share of Joint Ventures-Provision for Warranties and Contingencies	13.06	0.55	(1.00)	-	12.61
	12.38	*1.89*	*(1.21)*	-	*13.06*
Provision for Premium on Redemption of FCCB	128.29	-	-	(1.35)@	126.94
	11.49	*133.00*	*(0.07)*	*(16.13)@*	*128.29*
Provision for Premium on Redemption of Debentures	-	-	-	-	-
	134.70	-	-	*(134.70)*	-
Provision for future foreseeable losses on contracts etc.	3.43	-	-	(3.43)	-
	3.24	*0.19*	-	-	*3.43*
Share of Joint Ventures - Provision for restoration and rehabilitation	288.89	79.92	(25.37)#	-	343.44
	284.92	*43.17*	*(39.20)#*	-	*288.89*

@ On account of conversion of FCCB to shares and exchange gain (Net)

includes exchange fluctuation.

Note : Previous year's figures are in italics.

22. Earnings per share:

			2009-10
(a)	Profit after taxes, share of associates, minority interest and statutory appropriations (₹ crores)	2,088.12	*1,975.73*
(b)	The weighted average number of Equity Shares for Basic EPS (Nos.)	23,74,97,486	*23,23,98,692*
(c)	The nominal value per Equity Share (in ₹)	10.00	*10.00*
(d)	Basic Earnings per share (in ₹)	87.92	*85.01*
(e)	Profit after taxes, share of associates, minority interest and statutory appropriations for Basic EPS (₹ crores)	2,088.12	*1,975.73*
	Add/(Less) : Debit/(Credit) to Profit and Loss Account on account of FCCB (net of tax) (₹ crores)	8.75	*(37.36)*
(f)	Profit after taxes, share of associates, minority interest and statutory appropriations for Diluted EPS (₹ crores)	2,096.87	*1,938.37*
(g)	The weighted average number of Equity Shares for Basic EPS (Nos.)	23,74,97,486	*23,23,98,692*
	Add: Effect of potential Equity Shares on conversion of FCCB (Nos.)	96,44,090	*33,82,037*
(h)	The weighted average number of Equity Shares for Diluted EPS (Nos.)	24,71,41,576	*23,57,80,729*
(i)	Diluted Earnings Per Share (in ₹)	84.84	*82.21*

23. Segment Information:

(a) Primary Segment Information:

₹ crores

	Power	Coal	Others	Eliminations	Total
REVENUE					
External Revenue	12,305.62	6,400.47	935.03	190.36	19,450.76
	12,550.05	*5,620.95*	*906.95*	*92.11*	*18,985.84*
Total Revenue	**12,305.62**	**6,400.47**	**935.03**	**190.36**	**19,450.76**
	12,550.05	***5,620.95***	***906.95***	***92.11***	***18,985.84***
RESULT					
Total Segment Results	1,942.94	1,673.13	198.66	–	3,814.73
	2,076.36	*999.20*	*65.92*	–	*3,141.48*
Interest Expense					(810.21)
					(763.87)
Unallocable Income net of unallocable expense					152.95
					389.69
Income Taxes					(975.56)
					(628.66)
Profit after Tax before share of associates					**2,181.91**
					2,138.64
Share of Profit of associates					74.19
					61.66
Profit after Tax after share of Profit of associates and before minority interest					**2,256.10**
					2,200.30
OTHER INFORMATION					
Segment Assets	35,340.14	8,858.63	1,634.60	–	45,833.37
	25,364.44	*7,450.53*	*1,402.62*	–	*34,217.59*
Unallocated Assets					4,460.57
					5,687.46
Total Assets					**50,293.94**
					39,905.05
Segment Liabilities	5,783.33	2,379.98	469.37	–	8,632.68
	4,478.19	*2,066.08*	*300.13*	–	*6,844.40*
Unallocated Liabilities					26,609.80
					19,916.90
Total Liabilities					**35,242.48**
					26,761.30
Capital Expenditure	9,312.20	313.02	324.70	–	9,949.92
	7,319.25	*385.63*	*63.94*	–	*7,768.82*
Non-cash Expenses other than Depreciation/ Amortisation@	1.13	79.92	3.88	–	84.93
	81.49	*43.15*	*30.99*	–	*155.63*
Depreciation/Amortisation (to the extent allocable to segment)	753.52	187.36	39.36	–	980.24
	683.52	*167.32*	*26.84*	–	*877.68*

@ ₹ Nil *(31st March, 2010 – ₹ 15.28 crores)* on account of impairment.

Types of products and services in each business segment:

Power – Generation, Transmission, Distribution and Trading of Electricity.

Coal – Mining and Trading Coal.

Others – Defence Electronics, Solar Equipment, Project Contracts / Infrastructure Management Services, Coal Bed Methane, Investment, Shipping and Property Development.

Note: Previous years figures are in italics

(b) Secondary Segment Information – Geographical Segment:

₹ crores

Particulars	Domestic	Overseas	Total
Revenue from External Customers	13,236.16	6,214.60	19,450.76
	13,456.75	*5,529.09*	*18,985.84*
Segment Assets..	36,330.47	9,502.90	45,833.37
	26,441.41	*7,776.18*	*34,217.59*
Capital Expenditure..	9,324.08	625.84	9,949.92
	7,373.23	*395.59*	*7,768.82*

Note: Previous years figures are in italics

24. Previous year's figures have been regrouped, wherever necessary, to conform to this year's classification. Figures are rounded off to nearest lakh. Figures below ₹ 50,000 are denoted by '*'.

Signatures to Notes and Schedules "A" to "H" and "1" to "4"

For and on behalf of the Board,

R. N. TATA
Chairman

ANIL SARDANA
Managing Director

B. J. SHROFF
Company Secretary

S. RAMAKRISHNAN
Executive Director

Mumbai, 19th May, 2011.

Gist of the Financial Performance for the year 2010-11 of the Subsidiary Companies

(₹ crores)

Sl. No.	Name of the Subsidiary	Capital	Reserves and Surplus	Total Assets @	Total Liabilities #	Investments $	Turnover ##	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend $$
1	NELCO Limited	22.82	23.05	178.83	140.41	7.44	198.14	32.15	8.29	23.86	4.56
2	Chemical Terminal Trombay Limited	2.11	38.23	19.18	6.69	27.86	15.46	4.31	0.87	3.44	1.69
3	Af-Taab Investment Company Limited	12.38	132.43	19.71	9.41	129.24	207.56	201.97	38.90	163.07	96.59
4	Tata Power Trading Company Limited	16.00	45.29	177.34	118.55	2.50	1,935.79	12.45	3.31	9.14	3.20
5	Tatanet Services Limited	0.06	1.33	30.94	29.55	-	32.23	0.81	0.29	0.52	-
6	Maithon Power Limited	1,162.92	(8.06)	3,961.45	2,806.59	-	-	(0.91)	-	(0.91)	-
7	Powerlinks Transmission Limited	468.00	36.83	1,396.24	907.97	16.56	306.74	131.99	26.31	105.68	98.28
8	Coastal Gujarat Power Limited	3,172.50	(27.37)	13,228.40	10,094.68	8.00	1.44	(3.06)	0.06	(3.12)	-
9	Industrial Energy Limited	333.00	34.34	1,056.71	718.06	28.70	128.58	31.08	6.20	24.88	-
10	Bhivpuri Investments Limited	4.08	1,343.42	920.38	1,504.06	1,931.18	290.84	230.43	28.94	201.49	21.42
11	Bhira Investments Limited	4.10	(525.63)	8.43	3,465.07	2,935.11	75.92	(41.65)	5.47	(47.12)	-
12	Khopoli Investments Limited	0.03	(33.11)	1,648.57	1,681.66	-	32.32	(7.34)	(0.01)	(7.33)	-
13	Veltina Holdings Limited	0.01	(0.06)	0.01	0.06	-	-	(0.03)	-	(0.03)	-
14	Industrial Power Infrastructure Limited	0.11	(0.09)	0.17	0.16	-	-	(0.01)	-	(0.01)	-
15	Industrial Power Utility Limited	0.11	(0.09)	0.03	-	-	0.09	-	-	-	-
16	North Delhi Power Limited	552.00	1,006.50	5,454.71	3,915.47	19.26	4,106.75	320.02	61.84	258.18	-
17	Trust Energy Resources Pte. Ltd.	558.83	(118.73)	591.94	289.29	137.45	276.90	(85.66)	0.04	(85.70)	-
18	Energy Eastern Pte. Ltd.	3.40	(2.05)	3.13	1.78	-	12.01	1.11	0.02	1.09	-
19	Vantech Investments Limited	1.99	(0.67)	0.20	0.09	1.21	0.06	0.04	-	0.04	-
20	PT Itamaraya Tbk	21.21	(18.45)	6.84	4.08	-	-	(2.31)	(0.59)	(1.72)	-
21	Tata Power Green Energy Private Limited (from 5th January, 2011)	0.01	-	0.01	-	-	-	-	-	-	-

@ Total Assets = Fixed Assets + Current Assets+Deferred Tax Assets+Miscellaneous Expenditure.

Total Liabilities=Debts + Current Liabilities+Deferred Tax Liabilities+Advance against depreciation+Capital grants+Consumer cont.to cap. works+Consumer security deposit.

$ Investments except in case of Investments in Subsidiaries.

Turnover includes Other Income.

$$ Proposed dividend includes Interim Dividend and Special Interim Dividend.

Exchange rate as on 31.03.2011 - ₹ 44.67/$

Gist prepared as per Individual Subsidiary Companies Final Accounts.For Consolidated results,please refer to Consolidated Financial Statements and Notes appearing thereon.

AWARDS

- Tata Power has been ranked No. 38 in India's Best Companies to work study done by Great Place to work institute.
- Tata Power was conferred two award titles by Platts among top 250 Global Energy Companies. It was given overall ranking of number 42 in Asia and was recognized as 4th Fastest Growing Company in Asia.
- Tata Power was bestowed the prestigious “Vasundhara Award” in the industry category towards protection of environment in the State of Maharashtra by Maharashtra Pollution Control Board.
- Tata Power Energy Club, Tata Power’s nationwide energy conservation movement led by school children, has been bestowed the ‘Most Innovative Campaign’ award at USA’s The Energy Daily’s 2010 Leadership Awards.
- Tata Power Energy Club was awarded “GOLD” in Environmental Communication category by Association of Business Communicators of India.
- Tata Power was conferred the prestigious BML Munjal Award for Excellence in Learning & Development for the year 2011 in Private sector category.
- Trombay Thermal Power Station has bagged the prestigious Greentech Safety Award 2011 in the gold category (in thermal power sector) for outstanding achievement in Safety Management.
- Jojobera Thermal Power Station was awarded the Shrestha Suraksha Purashkar (Silver trophy and certificate) by National Safety Council under the NSCI Safety Awards scheme.
- Tata Power Strategic Electronics Division team was awarded the Frost & Sullivan’s Competitive Leadership Award for successfully bidding for the Indian Air Force project involving the upgradation of 30 airfields.
- Tata Power Energy Club ranked 2nd among 22 participants in ‘Earth Care’ category for Siemens Ecovative Award 2010.
- The Company received ‘Best Performer’ in the Power Industry at the Financial Express – Emergent Ventures India Green Business Leadership Awards
- The Company received Certificate of Merit - Global CSR Awards 2010.

TATA POWER

The Tata Power Company Limited

Regd. Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the NINETY-SECOND ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai - 400 020, at 3.00 p.m. on Wednesday, 24th August, 2011.

....

Full name of the Member Signature

(in block capitals)

Folio No. :.../DP ID No.*..& Client ID No.*..

* Applicable for Members holding shares in electronic form.

....

Full name of the Proxy Signature

(in block capitals)

NOTE : Member/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

TATA POWER

The Tata Power Company Limited

Regd. Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Proxy

I/We ....

of ....in the district of...being

a Member/Members of the above named Company, hereby appoint...of

....in the district of...or failing him

....of...in the district of

.... as my/our Proxy to attend and vote for me/us and on my/our behalf at the NINETY-SECOND ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, 24th August, 2011 and at any adjournment thereof.

Signed this .... day of ....2011.

Folio No. :.../DP ID No.*.....................................& Client ID No.*..............................

* Applicable for Members holding shares in electronic form.

No. of Shares

Signature

Affix
15 Paise
Revenue
Stamp

This form is to be used ________ @ in favour of / @ against ________ the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

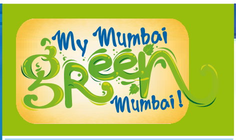
@ Strike out whichever is not desired.

Notes: (i) The proxy must be returned so as to reach the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai 400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

(ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.

TATA

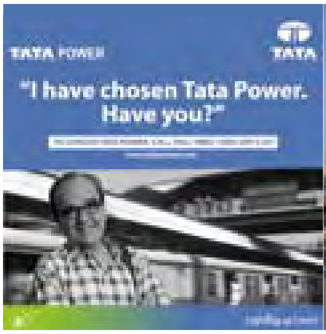
Creating Customer Delight



My Mumbai, Green Mumbai Campaign

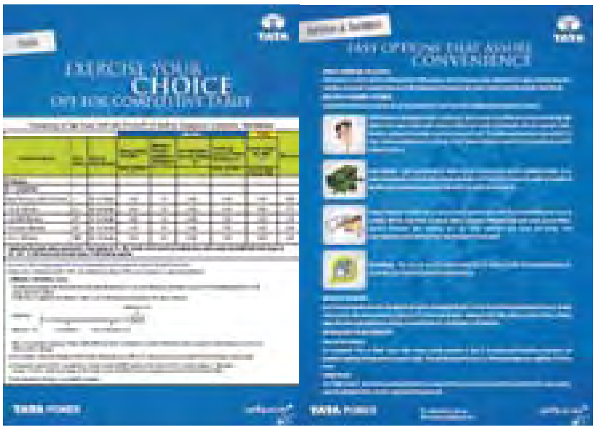
Safe Monsoons Campaign

World Environment Day Campaign



Customer Care Initiatives :

- Master customer care centre and 8 bill collection centres were opened.
- A new modern call centre was made operational for calls related to electricity bills.
- Many new customer friendly features like multi-lingual facility and bill calculator on consumer portal and demand side management schemes have been introduced.
- Mobile collection van was launched for facilitating cash payments by customers.
- Credit and debit card online payment facility launched.

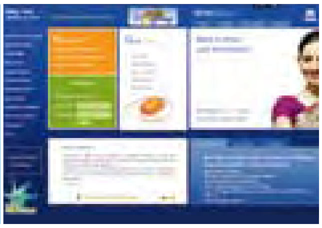


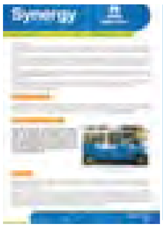
Tata Power Ad Campaign

Customer Welcome Kit

Customer Care Centres

Customer Meets





Customer Newsletter

Customer Portal - English, Hindi & Marathi

Fleet on Street : Mobile collection vans

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TATA

TATA POWER

Bombay House 24 Homi Mody Street Mumbai 400 001

Call on TOLL FREE investor Helpline for any shareholder information at **1800-209-8484**