TATA POWER

TATA

95th Annual Report 2013-14

Integrated play for **stakeholder value** creation

Lighting up Lives!

Integrated Play for Stakeholder Value Creation

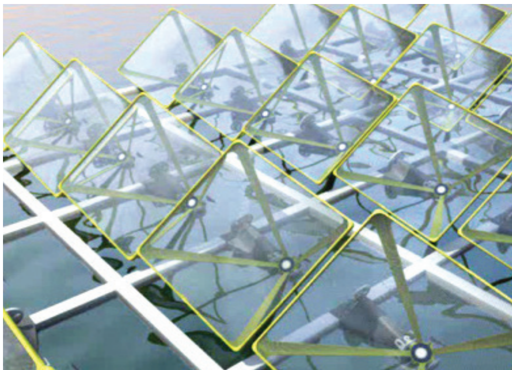
Tata Power is India's largest integrated power company with a growing international presence. The Company together with its subsidiaries and jointly controlled entities has an installed gross generation capacity of 8584 MW in India and a presence in all the segments of the power sector viz. Fuel Security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

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

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

Highlights of the Year

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



Growth Plans: India & International

INDIA

Projects under Implementation

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

Renewable Energy Projects

Wind Power: The Company is one of the leading wind power utilities in the country with an installed capacity of 460.6 MW. Tata Power Renewable Energy Limited (TPREL), a 100% subsidiary of Tata Power, acquired AES Saurashtra Wind farms Pvt. Ltd. (ASW), a 100% subsidiary of AES Corporation having 39.2 MW wind farm in Gujarat. The Company added 24 MW at its Visapur wind farms in Maharashtra.
49.5 MW Wind Pethshivpur Project, Kolhapur is expected to be commissioned during FY15.

Solar Power: The Company's existing solar capacity is 28+ MW.
Palaswadi 28.8 MW (DC) solar project: TPREL has executed the project and the plant is awaiting 110 kV line outage of Maharashtra State Electricity Transmission Company Limited (MSETCL) to establish power evacuation connectivity to grid.

Distribution

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

Projects under Development

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

100 MW Poolavadi Wind Project

28.8 MW Palaswadi Solar Project

50 MW Khandke Wind Project

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

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

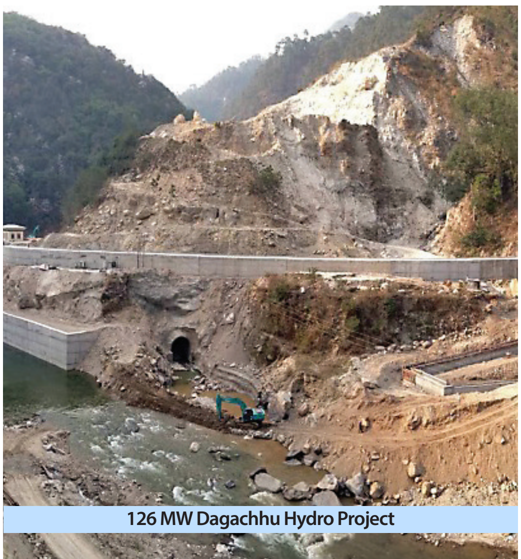
INTERNATIONAL

Dagachhu Hydroelectric Power Project, Bhutan: The 126 MW Dagachhu project is being implemented in Bhutan by Dagachhu Hydro Power Corporation Limited [a JV of the Company]. The excavation of Head Race tunnel has been completed and the lining of the tunnel is in progress. All Civil works at the Barrage and Power House have been completed. Electro-mechanical works are in advanced stages of completion. The erection of various electro mechanical components at the dam site and in the Power House is under progress. Project is expected to be commissioned in FY15.

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

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

Ground breaking ceremony, Georgia Hydro Project



126 MW Dagachhu Hydro Project

Leadership with CARE

CARE FOR OUR PEOPLE

Safety at the Core

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

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

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

CARE FOR OUR CUSTOMERS

Empowering Customers with Choice

Living by the vision of its founders, Tata Power increased its consumer base to 5 lakh in Mumbai in April 2014 and has a consumer base of 1.4 million in Delhi. The Company is a fast growing power utility in the city of Mumbai and has empowered consumers with the 'Right to Choose' their preferred power supplier.

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

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

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

CARE FOR OUR ENVIRONMENT

Promoting the Green Agenda

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

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

A TATA POWER initiative Greenolution Powering A Greener World

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

CARE FOR OUR COMMUNITY

Supporting Vocational and Infrastructural Activities

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

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

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

FINANCIAL HIGHLIGHTS

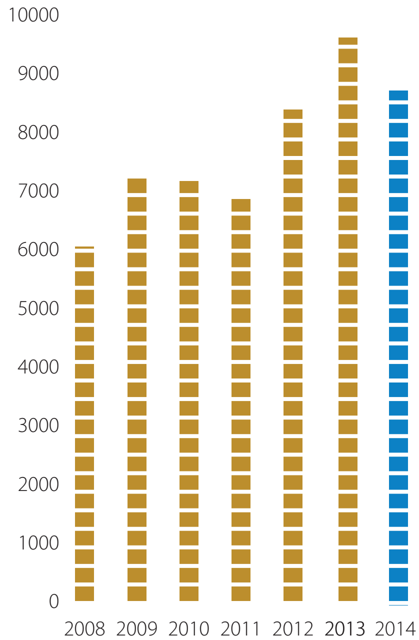
CONSOLIDATED

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

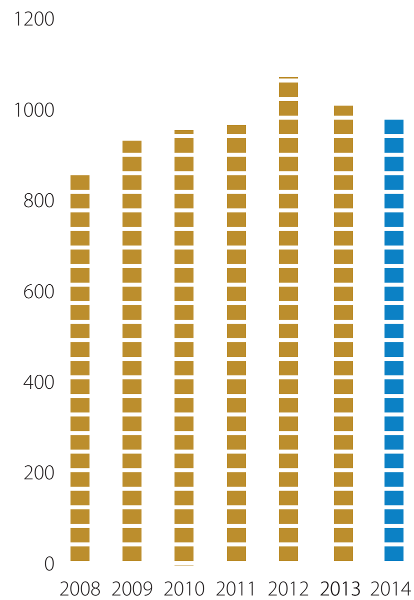
STANDALONE

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

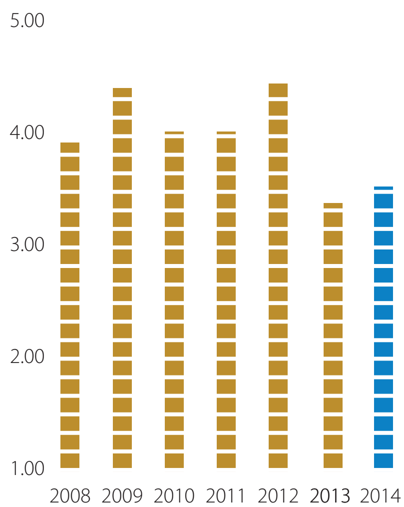
Strong Operational Performance driving Financials



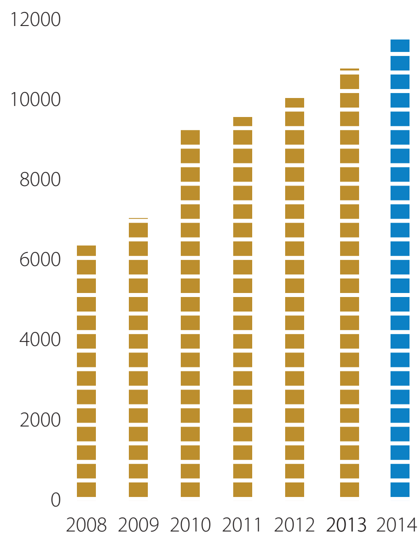
[Revenue from Operations]



[Profit After Tax]



[EPS]



[Net Worth]

KEY SUBSIDIARIES

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

Awards & Recognition

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE INFORMATION

(As on 29th May 2014)

BOARD OF DIRECTORS	Mr. Cyrus P. Mistry, Chairman Mr. R. Gopalakrishnan Dr. Homiar S. Vachha Mr. Nawshir H. Mirza Mr. Deepak M. Satwalekar Mr. Piyush G. Mankad, IAS (Retd.) Mr. Ashok K. Basu, IAS (Retd.) Mr. Thomas Mathew T., LIC Nominee Ms. Vishakha V. Mulye Mr. Anil Sardana, CEO & Managing Director Mr. S. Padmanabhan, Executive Director Mr. Ashok S. Sethi, Executive Director
COMPANY SECRETARY	Mr. Hanoz M. Mistry
SHARE REGISTRARS	TSR Darashaw Private Limited 6-10, Haji Moosa Patrawala Industrial Estate 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
STATUTORY AUDITORS	Deloitte Haskins & Sells LLP
SOLICITORS	Mulla & Mulla & Craigie Blunt & Caroe
BANKERS	Axis Bank Limited Bank of America Citibank N.A. Deutsche Bank AG HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited IndusInd Bank Limited Kotak Mahindra Bank Limited Standard Chartered Bank Limited State Bank of India The Hongkong and Shanghai Banking Corporation Limited
REGISTERED OFFICE	Bombay House 24, Homi Mody Street Mumbai 400 001 Tel. 022 6665 8282 Fax. 022 6665 8801 Email: tatapower@tatapower.com Website: www.tatapower.com
CORPORATE OFFICE	Corporate Centre 34, Sant Tukaram Road Carnac Bunder Mumbai 400 009 Tel. 022 6717 1000 Email: tatapower@ tatapower.com
CORPORATE IDENTITY NUMBER (CIN)	L28920MH1919PLC000567

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SAVE THE EARTH

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This Annual Report can be viewed under the 'Investor Relations' section on the Company's website
www.tatapower.com

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.

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Annual General Meeting

Date : Wednesday, 13th August 2014
Time : 3 p.m.
Venue : Birla Matushri Sabhagar,
Sir Vithaldas Thackersey Marg,
19, New Marine Lines, Mumbai 400 020.

NOTICE

The NINETY-FIFTH ANNUAL GENERAL MEETING of THE TATA POWER COMPANY LIMITED will be held on Wednesday, the 13th day of August 2014 at 3.00 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 Statement of Profit and Loss for the year ended 31st March 2014 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. Cyrus P. Mistry (DIN: 00010178), who retires by rotation and is eligible for re-appointment.
4. **Appointment of Statutory 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Ninety-Eighth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company at Mumbai and the Divisions, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of-pocket expenses."
5. **Appointment of Mr. Ashok S. Sethi as Director**

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

   "RESOLVED that Mr. Ashok S. Sethi (DIN: 01741911), who was appointed an Additional Director of the Company with effect from 7th May 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."
6. **Appointment of Mr. Ashok S. Sethi as Executive 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 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, the Company hereby approves of the appointment and terms of remuneration of Mr. Ashok S. Sethi as the Executive Director of the Company for the period from 7th May 2014 to 31st March 2017, 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. Sethi.

   RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
7. **Appointment of Dr. Homiar S. Vachha as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Dr. Homiar. S. Vachha (DIN: 00016610), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 22nd April 2017."
8. **Appointment of Mr. Nawshir H. Mirza as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Mr. Nawshir H. Mirza (DIN: 00044816), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 12th August 2019."

9. **Appointment of Mr. Deepak M. Satwalekar as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Mr. Deepak M. Satwalekar (DIN: 00009627), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 12th August 2019."

10. **Appointment of Mr. Piyush G. Mankad as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Mr. Piyush G. Mankad (DIN: 00005001), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 17th November 2016."

11. **Appointment of Mr. Ashok Kumar Basu as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Mr. Ashok Kumar Basu (DIN: 01411191), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 23rd March 2017."

12. **Appointment of Ms. Vishakha V. Mulye as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Ms. Vishakha V. Mulye (DIN: 00203578), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th August 2014 upto 12th August 2019."

13. **Revision in terms of remuneration of Mr. Anil Sardana, CEO & Managing Director**

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

"RESOLVED that in partial modification of Resolution No.8 passed at the Annual General Meeting of the Company held on 24th August 2011 for the appointment and terms of remuneration of Mr. Anil Sardana, CEO & Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Anil Sardana as the CEO & Managing Director of the Company, by way of change in the maximum amount of basic salary payable to Mr. Anil Sardana (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April 2014 for the remainder of the tenure of his contract, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

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."

14. **Private placement of Non-Convertible Debentures**

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 Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures on private placement basis, in one or more tranches, such that the total amount does not exceed ₹ 7,000 crore during a period of one year from the date of passing of this Resolution and that the said borrowing is within the overall borrowing limits of the Company.

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."

15. **Borrowing limits of the Company**

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

"RESOLVED that in supersession of Resolution No.12 passed at the Annual General Meeting of the Company held on 24th August 2011 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for borrowing from time to time any sum or sums of money, together with the money already borrowed by the Company (apart from temporary Loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) upto ₹ 27,000 crore (Rupees Twenty-seven thousand crore) if the aggregate for the time being of the paid-up capital of the Company and its free reserves is less than ₹ 27,000 crore.

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."

16. **Creation of charges**

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

"RESOLVED that in supersession of Resolution No.13 passed at the Annual General Meeting of the Company held on 24th August 2011 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages 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 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 moneys 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 ₹ 33,750 crore (Rupees Thirty-three thousand seven hundred and fifty crore).

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."

17. **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 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, the Board of Directors be and is hereby authorised to appoint as Branch Auditor(s) of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor(s) within the provisions of Section 143(8) of the Act and to fix their remuneration."

18. **Payment of Remuneration to the Cost Auditors**

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

"RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 5,75,000 plus service tax and actual out-of-pocket expenses payable to Sanjay Gupta and Associates, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the Financial Year 2014-15."

19. **Increase in limits of investments in other bodies corporate**

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

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 2,000 crore, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

RESOLVED FURTHER that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction."

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos.5 to 19 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos. 3, 5 and 7 to 12 above as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.
2. 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. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

   Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
4. 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.
5. The Register of Members and the Transfer Books of the Company will remain closed from 25th July 2014 to 13th August 2014, both days inclusive. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after 14th August 2014 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 (both collectively referred to as "Depositories") as of the close of business hours on 24th July 2014;

   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 24th July 2014.
6. 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, TSR Darashaw Private Limited (TSRD) for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
7. 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 DPs.
8. Pursuant to Section 205 of the Companies Act, 1956, 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 Companies Act, 1956 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 2006, 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 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 2007 onwards, are requested to make their claims to the Company accordingly, without any delay.

9. Members holding shares in physical form and who have not registered their email IDs, are requested to register the same with TSRD.
10. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.
12. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select "The Tata Power Company Limited" from the drop down menu and click on "SUBMIT."

(iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(v) If you are holding shares in electronic form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. • Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field. • In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.
Date of Birth or Date of Incorporation OR Bank Account Number	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in dd/mm/yyyy format or enter Folio No. OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.

(ix) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) Click on the EVSN for The Tata Power Company Limited.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File" Link if you wish to view the entire Notice.

(xiii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the voting done by you.

(xvi) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.

(xvii) Note for Institutional Shareholders:

- Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

(i) The e-voting period commences on Thursday, 7th August 2014 (9.00 a.m. IST) and ends on Saturday, 9th August 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 27th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.

(ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 27th June 2014.

(iii) Mr. P. N. Parikh of M/s. Parikh and Associates, Practicing Company Secretary (Membership No. FCS 327), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

(iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

(v) Members who do not have access to e-voting facility may return the duly completed Ballot Form in the prepaid Business Reply Envelope (enclosed with the Annual Report) so as to reach the Scrutinizer at the Registered Office of the Company not later than Saturday, 9th August 2014 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorcomplaints@tatapower.com by mentioning their Folio No./DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Saturday, 9th August 2014 (6.00 p.m. IST).

Ballot Forms received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through Ballot shall be treated as invalid.

(vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.tatapower.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the Ninety-Fifth AGM of the Company on 13th August 2014 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors,
H. M. Mistry
Company Secretary

Mumbai, 29th May 2014
CIN: L28920MH1919PLC000567
Registered Office:
Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
Tel.: 91 22 6665 8282 Fax.: 91 22 6665 8801
E-mail: tatapower@tatapower.com
Website: www.tatapower.com

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 19 of the accompanying Notice dated 29th May 2014:

Item No.4: This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells (DHS) (ICAI Firm Registration No. 112366W), Chartered Accountants (CAs), Mumbai were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 16th August 2013. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from 20th November 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No.9/2013 dated 30th April 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for financial year 2013-14 was conducted by DHS LLP.

DHS LLP have been the Auditors of the Company since 2006-07 and have completed a term of eight years. Prior to this, the Company's Accounts were jointly audited by Messrs. S. B. Billimoria & Co. and Messrs. A. F. Ferguson & Co., who were part of DHS. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee of Directors, the Board of Directors has, at its meeting held on 29th May 2014, proposed the appointment of DHS LLP as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Ninety-Eighth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No.4 of the accompanying notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No 4 of the accompanying Notice.

Item Nos.5 & 6: Mr. Ashok S. Sethi was appointed as an Additional Director of the Company with effect from 7th May 2014 by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Sethi holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Sethi's appointment as a Director. The Board also appointed Mr. Sethi as the Executive Director of the Company for the period from 7th May 2014 to 31st March 2017, subject to approval of the Members.

Mr. Sethi joined Tata Power on 1st August 1975 as a Graduate Engineer Trainee on completion of B.Tech. from IIT, Kharagpur. He has worked in Thermal and Hydro Generation, Transmission and Distribution, Commercial and Regulatory and Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities. He has worked diligently for the last about 38 years at Tata Power in different roles. Mr. Sethi's services were transferred to Maithon Power Limited, a subsidiary of the Company, as Executive Director, from 1st April 2013.

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

1. Period: From 7th May 2014 to 31st March 2017
2. Nature of duties:
   a) The Executive 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 Executive Director shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.
   c) The Executive Director undertakes to employ the best of the 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:** The Executive Director shall be entitled to basic salary upto a maximum of ₹ 6,00,000 per month, with annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and take into account the Company's performance; incentive remuneration 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:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

4. The personnel policies of the Company and the related Rules which are applicable to other employees of the Company will also be applicable to the Executive Director, unless specifically provided otherwise.

5. The Executive Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

6. The terms and conditions of the appointment of the Executive 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 V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

7. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.

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

   a) if the Executive 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 Executive Director of any of the stipulations contained in the Agreement; or

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

9. In the event the Executive 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.

10. Upon the termination by whatever means of his employment under the Agreement:

    a) the Executive Director shall immediately cease to hold offices held by him in any subsidiaries and associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act;

    b) the Executive 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 and associated companies.

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

12. The terms and conditions of the appointment of the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, intellectual property, non-competition, conflict of interest with the Company and maintenance of confidentiality.

13. Mr. Sethi's appointment in the Company will be construed as a transfer from Maithon Power Limited and for all intents and purposes, the date of joining will be the date on which Mr. Sethi first joined The Tata Power Company Limited. Mr. Sethi will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

The Directors are of the view that the appointment of Mr. Sethi as Executive Director will be beneficial to the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience and accordingly commend the Resolutions at Item Nos. 5 & 6 of the accompanying Notice for approval by the Members of the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Other than Mr. Sethi, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.5 & 6 of the accompanying Notice.

Mr. Sethi is not related to any other Director of the Company.

Item Nos.7 to 12: The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed Dr. Homiar S. Vachha, Mr. Nawshir H. Mirza, Mr. Deepak M. Satwalekar, Mr. Piyush G. Mankad, Mr. Ashok K. Basu and Ms. Vishakha V. Mulye, as Independent Directors at various times, in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from 1st April 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

The matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the Board, which recommended their appointment as Independent Directors, as under:-

Name of Independent Director	Appointed upto
Dr. Homiar S. Vachha	22.04.2017 *
Mr. Nawshir H. Mirza	12.08.2019
Mr. Deepak M. Satwalekar	12.08.2019
Mr. Piyush G. Mankad	17.11.2016 *
Mr. Ashok Kumar Basu	23.03.2017 *
Ms. Vishakha V. Mulye	12.08.2019

* The date on which he attains retirement age as per the retirement age policy for the Directors as adopted by the Company.

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of the Directors to be appointed is given below:

Dr. H. S. Vachha is a Non-Executive Director of the Company since 30th March 2001. Dr. Vachha has a post-graduate degree and a doctorate in Economics from the University of Bombay (Gold Medallist in Industrial Economics). He was the General Manager of ICICI Limited in a career spanning over 25 years. He was appointed as Nominee Director on the Board of the erstwhile The Andhra Valley Power Supply Company Limited in 1993. On ceasing to be such Nominee Director, he was re-appointed on the Board of that company and continued as Director till its amalgamation with the Company in the year 2000. He has been subsequently appointed on the Board of the Company in 2001. He is also on the board of other companies.

Mr. N. H. Mirza is a Non-Executive Director of the Company since 29th September 2006. Mr. Mirza is a Fellow of the Institute of Chartered Accountants of India and was a Partner of S. R. Batliboi & Co., Calcutta. He is an Advisor to Jardine Matheson Limited, Hong Kong. He is also on the board of other companies.

Mr. D. M. Satwalekar is a Non-Executive Director of the Company since 12th February 2008. Mr. Satwalekar obtained a Bachelor's Degree in Technology from IIT, Bombay and a Master's Degree in Business Administration from The American University, Washington D.C. Mr. Satwalekar was the Managing Director and CEO of HDFC Standard Life Insurance Company Limited from November 2000 till his superannuation in November 2008 and 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 governance. He is also on the board of other companies.

Mr. P. G. Mankad is a Non-Executive Director of the Company since 3rd July 2008. Mr. Mankad is a retired civil servant with a distinguished career of over 40 years in the Civil Service. He graduated with a Master's Degree from St. Stephen's College, Delhi University and has a Post Graduate Diploma in Development Studies from Cambridge University, United Kingdom. He has held a number of official positions including Counsellor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India. He was the Executive Director for India and four other countries and Board Member for the Asian Development Bank, Manila until July 2004. He is also on the board of other companies.

Mr. A. K. Basu is a Non-Executive Director of the Company since 26th March 2009. Mr. Basu was First Class First with Honours in Economics and Political Science in the B.A. (Honours) Examination, University of Calcutta in 1962. He joined the Indian Administrative Service in 1965. Mr. Basu is a former Secretary to the Government of India, Ministry of Steel, Secretary - Power and Chairman of Central Electricity Regulatory Commission. Mr. Basu was also Member (Industry and Infrastructure) of the West Bengal State Planning Commission and was also elected as Chairman, South Asia Forum of Infrastructure Regulators during 2005-2006. He is also on the board of other companies.

Ms. V. V. Mulye is a Non-Executive Director of the Company since 28th February 2013. Ms. Mulye holds a Bachelor's Degree in Commerce and is a Chartered Accountant. She joined the ICICI Group in 1993 and has vast experience in the areas of strategy, treasury and markets, proprietary equity investing and management of long-term equity investments, structured finance and corporate and project finance. In 2009, she assumed leadership of ICICI Venture Funds Management Company Limited as its Managing Director and CEO. In addition to her responsibility as MD and CEO of ICICI Venture, she serves on the Board of Directors of leading Indian companies in the media, IT and financial services sectors. She is a member of the Aspen Global Leadership Network and a fellow of the inaugural class of the India Leadership Initiative. She was selected as 'Young Global Leader' for the year 2007 by World Economic Forum.

In the opinion of the Board, the above Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of their respective appointments shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.7 to 12 of the accompanying Notice.

Item No.13: At the AGM held on 24th August 2011, the Members of the Company had approved of the appointment and terms of remuneration of Mr. Anil Sardana as Managing Director of the Company for a period of 5 years from 1st February 2011, including *inter alia* salary upto a maximum of ₹ 6,50,000 per month, with authority to the Board to fix his salary within the above mentioned scale.

It is proposed to revise the maximum basic salary payable to Mr. Sardana to ₹ 9,50,000 per month with effect from 1st April 2014 for the remainder of his term upto 31st January 2016 with proportionate increase in the benefits related to his salary, subject to the approval of the Members of the Company.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V to the Act, as amended and as in force from time to time. All other terms and conditions of appointment of Mr. Sardana as Managing Director of the Company, as approved at the AGM of the Company held on 24th August 2011, remain unchanged.

In compliance with the provisions of Sections 196 and 197 read with Schedule V to the Act, the revised terms of remuneration of Mr. Sardana are now being placed before the Members for their approval.

Other than Mr. Sardana, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.13 of the accompanying Notice.

The Board commends the Resolution at Item No.13 of the accompanying Notice for approval by the Members of the Company.

Item No.14: As per Sections 42 and 71 of the Act, read with the Rules framed thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs, issued on private placement basis, are a significant source of borrowings for the Company. The borrowings of the Company presently aggregate approximately ₹ 11,000 crore.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No.14, within the overall borrowing limits of the Company, as approved by the Members from time to time.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.14 of the accompanying Notice.

Item Nos.15 & 16: Under the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the Members obtained by an Ordinary Resolution, borrow moneys, 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.

Also, under Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the Members obtained by an Ordinary Resolution, create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180(1)(c) and Section 180(1)(a) of the Act, the above powers can be exercised by the Board only with the consent of the Members obtained by a Special Resolution. Further, as per clarification dated 25th March 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolutions earlier passed under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. upto 11th September 2014.

As such, it is necessary to obtain fresh approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, 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 share capital and free reserves of the Company.

It is also necessary to obtain fresh approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/trustees for the holders of debentures/bonds may contain the power to take over the management and concern of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Act, by way of a Special Resolution.

At the AGM of the Company held on 24th August 2011, 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 ₹ 20,000 crore.

At the same AGM, the Members had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations to secure borrowings upto ₹ 20,000 crore.

In view of its strategic intent to be the largest integrated power company in India, the Company has aggressive growth plans in the fields of generation, transmission, distribution and fuel securitization. The Company is also in the process of executing various thermal, hydro and renewable energy projects. These projects will entail high capital expenditure, which will need to be financed by both debt and equity. The Company is also required to make extensive investments in transmission projects for Mumbai operations and ramping up its retail customer base in Mumbai License Area. The Company is also required to refinance Foreign Currency Convertible Bonds of ₹ 2,000 crore, maturing in November 2014, and extend support to Coastal Gujarat Power Limited, a wholly owned subsidiary. 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 ₹ 27,000 crore.

The proposed borrowings of the Company may, if necessary, be secured by way of mortgages, charges and hypothecations on the Company's movable/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 for creation of mortgages, charges and hypothecation to secure such borrowings. Since security to be provided is usually 1.25 times the amount borrowed, it is proposed to seek Members' consent for creation of charges upto ₹ 33,750 crore.

The Board commends the Resolutions at Item Nos.15 and 16 of the accompanying Notice for approval by the Members of the Company by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.15 & 16 of the accompanying Notice.

Item No.17: As Members are aware, the Company is undertaking several projects/contracts outside India mainly for the erection, operation and maintenance of power generation and distribution facilities. To enable the Directors to appoint Branch Auditors for the purpose of auditing the accounts of the Company's Branch Offices outside India (whether now existing or as may be established), the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 143 of the Act, in terms of the Resolution at Item No.17 of the accompanying Notice.

The Board commends the Resolution at Item No.17 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the Resolution at Item No.17 of the accompanying Notice.

Item No.18: Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the appointment of M/s. Sanjay Gupta & Associates (SGA) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2014-15, at a remuneration of ₹ 5,75,000 plus service tax and actual out-of-pocket expenses.

SGA have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956.

The Board commends the Resolution at Item No. 18 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No.18 of the accompanying Notice.

Item No.19: The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of the Act. However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Based on its financials as on 31st March 2014, 60% of the paid-up share capital plus free reserves including securities premium is approximately ₹ 6,800 crore and 100% of free reserves including securities premium is approximately ₹ 11,000 crore. As such, any investments in securities in excess of ₹ 11,000 crore would require approval by way of a Special Resolution of the Members in general meeting.

As on 31st March 2014, the Company had investment in securities of other companies amounting to ₹ 12,105.15 crore.

The Company has growth plans in the fields of domestic and foreign generation in thermal, hydro, renewable; transmission for inter-connecting Company's own Generation and/or Distribution assets; electricity distribution, value-add business of solar modules and cells; EPC and O&M business; defence solutions and related system engineering; fuel securitization and intends to pursue greenfield, brownfield and operating assets. The Company, therefore, proposes limit for additional equity and equivalent investment in instruments of upto ₹ 2,000 crore for new projects/assets.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The Board commends the Resolution at Item No.19 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the Resolution at Item No.19 of the accompanying Notice.

By Order of the Board of Directors,
H. M. Mistry
Company Secretary

Mumbai, 29th May 2014
CIN: L28920MH1919PLC000567
Registered Office:
Bombay House,
24, Homi Mody Street,
Mumbai 400 001.
Tel.: 91 22 6665 8282 Fax.: 91 22 6665 8801
E-mail: tatapower@tatapower.com
Website: www.tatapower.com

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. C. P. Mistry	Dr. H. S. Vachha	Mr. N. H. Mirza	Mr. D. M. Satwalekar
Date of Birth	4th July 1968	23rd April 1942	4th April 1950	14th November 1948
Date of Appointment	23rd December 2011	30th March 2001	29th September 2006	12th February 2008
Expertise in specific functional areas	Mr. Mistry was earlier Managing Director of the Shapoorji Pallonji Group. Under his leadership, Shapoorji Pallonji's construction business grew into a billion dollar enterprise, evolving from pure-play construction to execution of complex projects in the marine, oil and gas and rail sectors, across a number of international geographies. He joined the Board of Tata Sons Limited in 2006 and was appointed Chairman of its Board in December 2012. In addition to being Chairman of Tata Sons, Mr. Mistry is also the Chairman of major Tata group companies.	Dr. Vachha was the General Manager of ICICI Limited in a career spanning over 25 years. He was appointed as Nominee Director on the Board of the erstwhile The Andhra Valley Power Supply Company Limited in 1993. On ceasing to be such Nominee Director, he was re-appointed on the Board of that Company and continued as Director till its amalgamation with the Company in 2000. He has been subsequently appointed on the Board of the Company in 2001.	Mr. Mirza was a Partner of S. R. Batliboi & Co., Calcutta. He is an Advisor to Jardine Matheson Limited, Hong Kong.	Mr. Satwalekar was the Managing Director and CEO of HDFC Standard Life Insurance Company Limited from November 2000 till his superannuation in November 2008 and 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 governance.
Qualifications	Graduate in Civil Engineering from Imperial College, UK, M.Sc. in Management from London Business School	Post graduate degree in Economics from the University of Bombay (Gold Medallist in Industrial Economics); Doctorate in Economics from the University of Bombay	Fellow of The Institute of Chartered Accountants of India	Bachelor's Degree in Technology from IIT, Bombay and a Master's Degree in Business Administration from The American University, Washington D.C.
Directorships held in other companies (excluding foreign companies)	• Tata Sons Ltd. • Tata Industries Ltd. • Tata Teleservices Ltd. • Tata Consultancy Services Ltd. • Tata Steel Ltd. • Tata Motors Ltd. • Tata Chemicals Ltd. • Tata Global Beverages Ltd. • The Indian Hotels Co. Ltd. • Cyrus Investments Pvt. Ltd. • Sterling Investment Corporation Pvt. Ltd. • Imperial College India Foundation	• Tata International Ltd. • Tata Ceramics Ltd. • Af-Taab Investment Co. Ltd. • Finolex Cables Ltd. • Bachi Shoes (India) Ltd.	• Thermax Ltd. • Foodworld Supermarkets Ltd. • Coastal Gujarat Power Ltd. • Tata Power Delhi Distribution Ltd. • Health & Glow Retailing Pvt. Ltd.	• Asian Paints Ltd. • Piramal Enterprises Ltd. • IL&FS Transport Networks Ltd. • Franklin Templeton Asset Management (India) Pvt. Ltd. • Germinait Solutions Pvt. Ltd. • India Mortgage Guarantee Corporation Pvt. Ltd. • Indian Institute for Human Settlements
Committee position held in other companies	**Audit Committee** *Member* • Tata Sons Ltd.	**Audit Committee** *Chairman* • Finolex Cables Ltd. • Tata Ceramics Ltd. • Tata International Ltd. • Bachi Shoes (India) Ltd. *Member* • Af-Taab Investment Co. Ltd.	**Audit Committee** *Chairman* • Coastal Gujarat Power Ltd. • Foodworld Supermarkets Ltd. • Health & Glow Retailing Pvt. Ltd. *Member* • Thermax Ltd.	**Audit Committee** *Member* • Indian Institute for Human Settlements **Investors Grievance Committee** *Chairman* • Piramal Healthcare Ltd.
No. of shares held: **(a) Own** **(b) For other persons on a beneficial basis**	 72,960 Nil	 Nil Nil	 Nil Nil	 Nil Nil

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. P. G. Mankad	Mr. A. K. Basu	Ms. V. V. Mulye	Mr. A. S. Sethi
Date of Birth	18th November 1941	24th March 1942	4th February 1969	3rd April 1954
Date of Appointment	3rd July 2008	26th March 2009	28th February 2013	7th May 2014
Expertise in specific functional areas	Mr. Mankad is a retired civil servant with a distinguished career of over 40 years in the Civil Services. He has held a number of official positions including Counsellor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India. He was the Executive Director for India and four other countries and Board Member for the Asian Development Bank, Manila until July 2004.	Mr. Basu is a former Secretary to the Government of India, Ministry of Steel, Secretary - Power and Chairman of CERC. Mr. Basu was also Member (Industry and Infrastructure) of the West Bengal State Planning Commission. He was also elected as Chairman, South Asia Forum of Infrastructure Regulators during 2005-2006.	Ms. Mulye joined the ICICI Group in 1993 and has vast experience in the areas of strategy, treasury and markets, proprietary equity investing and management of long-term equity investments, structured finance and corporate and project finance. In 2009, she assumed leadership of ICICI Venture Funds Management Company Limited as its Managing Director and CEO, In addition to her responsibility as MD and CEO of ICICI Venture, she serves on the Board of Directors of leading Indian companies in the media, IT and financial services sectors. She is a member of the Aspen Global Leadership Network and a fellow of the inaugural class of the India Leadership Initiative. She was selected as 'Young Global Leader' for the year 2007 by World Economic Forum.	Mr. Sethi joined Tata Power on 1st August 1975 as a Graduate Engineer Trainee. Mr. Sethi has worked in Thermal and Hydro Generation, Transmission and Distribution, Commercial and Regulatory and Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.
Qualifications	Educated at Delhi University and later at Cambridge, UK, where he obtained a Post Graduate Diploma in Development Studies, with distinction; IAS	B.A. (Honours with Economics); IAS	Graduate in Commerce, Fellow of The Institute of Chartered Accountants of India	B.Tech from IIT, Kharagpur
Directorships held in other companies (excluding foreign companies)	• Heidelberg Cement India Ltd. • Tata Elxsi Ltd. • Mahindra & Mahindra Financial Services Ltd. • ICRA Ltd. • Noida Toll Bridge Co. Ltd. • Tata International Ltd. • DSP BlackRock Investment Managers Pvt. Ltd. • Hindustan Media Ventures Ltd.	• Tata Metaliks Ltd. • The Tinplate Company of India Ltd. • Visa Resources India Ltd. • JSW Bengal Steel Ltd. • Visa Power Ltd. • Maithon Power Ltd. • Tata Power Delhi Distribution Ltd. • Tata Metaliks Kubota Pipes Ltd. • The Energy and Resources Institute	• ICICI Venture Funds Management Co. Ltd. • ICICI Securities Primary Dealership Ltd. • Star Health and Allied Insurance Co. Ltd. • AION India Investment Advisors Pvt. Ltd.	• Tata Power Trading Co. Ltd. • Industrial Energy Ltd. • Maithon Power Ltd. • Yashmun Engineers Ltd.
Committee position held in other companies	**Audit Committee** *Member* • Heidelberg Cement India Ltd. • Mahindra & Mahindra Financial Services Ltd. • ICRA Ltd. • Noida Toll Bridge Co. Ltd. • Tata International Ltd. • DSP BlackRock Investment Managers Pvt. Ltd. **Investors Grievance Committee** *Chairman* • Heidelberg Cement India Ltd. • Tata Elxsi Ltd. *Member* • Noida Toll Bridge Co. Ltd.	**Audit Committee** *Chairman* • Tata Power Delhi Distribution Ltd. • Maithon Power Ltd. *Member* • Tata Metaliks Ltd. • The Tinplate Company of India Ltd. • Visa Resources India Ltd. • JSW Bengal Steel Ltd. • Visa Power Ltd. **Shareholder Grievances Committee** *Chairman* • Tata Metaliks Ltd. • The Tinplate Company of India Ltd.	**Audit Committee** *Member* • ICICI Securities Primary Dealership Ltd. • Star Health and Allied Insurance 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 the Ninety-Fifth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March, 2014.

1. Financial Results

Figures in ₹ crore

	Standalone		Consolidated	
	FY14	***FY13***	**FY14**	***FY13***
(a) Net Sales/Income from Other Operations	8,627	*9,567*	35,649	*33,025*
(b) Operating Expenditure	6,073	*7,509*	27,942	*26,386*
(c) Operating Profit	**2,554**	***2,058***	**7,707**	***6,639***
(d) Less: Forex Loss	264	*28*	789	*188*
(e) Add: Other Income	656	*722*	227	*369*
(f) Less: Finance Cost	868	*684*	3,440	*2,642*
(g) Profit before Depreciation and Tax	2,078	*2,068*	3,705	*4,178*
(h) Less: Depreciation/Amortisation/Impairment	587	*364*	2,730	*2,901*
(i) Profit before Tax	**1,491**	***1,704***	**975**	***1,277***
(j) Tax Expenses	537	*679*	1,008	*1,178*
(k) Net Profit/(Loss) after Tax	**954**	***1,025***	**(33)**	***99***
(l) Less: Minority Interest	-	-	272	*208*
(m) Add: Share of Profit of Associates	-	-	45	*24*
(n) Net Profit after Tax, Minority Interest and Share of Profit of Associates	**954**	***1,025***	**(260)**	***(85)***

2. Dividend

The Directors of your Company recommend a dividend of 125% (₹ 1.25 per share) subject to the approval of the Members. The dividend has been increased (from 115% previous year) in view of developments indicating better future prospects, particularly the order on Compensatory Tariff by the Central Electricity Regulatory Commission (CERC).

3. Company's Performance

3.1 Standalone

On a Standalone basis, the Operating Revenue was lower at ₹ 8,627.04 crore, as against ₹ 9,567.28 crore in FY13, a decrease of 10%. However, your Company earned a higher Operating Profit compared to the previous year, but owing to forex losses and reversal of MAT credit accrued in earlier years, your Company reported a Profit after Tax (PAT) of ₹ 954.08 crore, as against ₹ 1,024.69 crore for the previous year. Last year, PAT was higher due to onetime adjustment owing to change in depreciation rate.

Power Business
Operating Revenue for Power Business was ₹ 8,168.70 crore in FY14 as against ₹ 9,157.96 crore in FY13. Lower fuel cost built in the revenue recovery resulted in lower Operating Revenue on a Standalone basis, partly offset by higher transmission charges paid in the Mumbai Regulated business based on the Intra-state transmission order. However, Operating Profit was higher due to favourable Appellate Tribunal Order in Mumbai License Area.

Services Business
Power Services Business had a turnover of ₹ 123.02 crore as against ₹ 116.63 crore in FY13, reflecting a growth of 5%.

Strategic Engineering Division
Tata Power Strategic Engineering Division (SED) booked a turnover of ₹ 335.32 crore in FY14 as against ₹ 292.69 crore in FY13, with the closing order backlog in excess of ₹ 2,400 crore as on 31st March, 2014.

Other Income
Other Income was lower at ₹ 655.76 crore, as against ₹ 721.67 crore in the previous year. This was mainly due to lower income from investment in Fixed Deposits and Mutual Funds. It was driven by higher availability of investible funds in the previous year on account of Hybrid issue of ₹ 1,500 crore during that year.

Earnings per share

During FY14, due to higher earnings after full year's appropriation on unsecured perpetual securities (₹ 832.20 crore against ₹ 818.07 crore in FY13), Earnings per share (basic) was at ₹ 3.50 as against ₹ 3.44 in the previous year.

3.2 Consolidated

On a Consolidated basis, the Operating Revenue was higher at ₹ 35,648.70 crore, as against ₹ 33,025.43 crore in FY13, an increase of 8%. The increase was mainly due to Coastal Gujarat Power Limited (CGPL) operating all of its units during the current year, Maithon Power Limited (MPL) tying up sale of additional 150 MW on a long term basis with West Bengal State Electricity Distribution Company Limited (WBSEDCL), higher sales by Tata Power Trading Company Limited (TPTCL) and by Tata Power Solar Systems Limited (TPSSL).

Your Company has also reported 16% increase in the Consolidated Operating Profit at ₹ 7,706.45 crore as compared to ₹ 6,638.50 in Previous Year, mainly driven by full operation of Mundra and Maithon plants and favourable order from Appellate Tribunal for Electricity (ATE) for Mumbai operations. This was despite lower coal prices affecting coal mines profitability.

The Consolidated Loss after Tax at ₹ 259.97 crore is higher as compared to the previous year, mainly on account of higher forex losses and finance cost.

4. Subsidiaries/Joint Ventures

With the vision of becoming the most admired and responsible Integrated Power Company with an international footprint, your Company has over the years, forged strategic partnerships through Joint Ventures (JVs) and Subsidiaries. As on 31st March, 2014, your Company had 25 Subsidiaries (16 are wholly-owned Subsidiaries), 31 JVs and 10 Associates.

During the year FY14, your Company has acquired/created the following companies as a part of its growth plans:

- AES Saurashtra Windfarms Private Limited, acquired during the year, contributing 39.2 MW of wind capacity
- Joint Ventures Adjaristsqali Netherlands BV and Adjaristsqali Georgia LLC, created as investment vehicles for the Georgia Hydro project

Following are the major highlights of FY14 related to your Company's Subsidiaries/JVs. Operational details of major subsidiaries are available in Management Discussion and Analysis section.

4.1 Coastal Gujarat Power Limited

Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary of your Company, has implemented and commissioned all five units of the 4,000 MW (5 x 800 MW) Ultra Mega Power Plant (UMPP) at Mundra in Gujarat.

Power Purchase Agreement (PPA)

Due to rise in coal prices and the current structure of the PPA, CGPL is not able to recover the full cost of fuel through its tariff. In view of this, CGPL had submitted a petition to the CERC seeking relief by way of establishment of an appropriate mechanism to offset the adverse impact caused by the steep hike in coal prices. CERC, in its order dated 15th April, 2013, had given the directive to constitute a committee to recommend a quantum of compensatory tariff. Subsequent to the committee report, CERC passed an order on 21st February, 2014 ruling that the company will be entitled to compensatory tariff to offset additional fuel costs till the hardship continues on account of increase in coal prices. CERC has stipulated a three year period to undertake review of Compensatory Tariff.

The salient features of CERC order are as follows:

- The Commission has fixed operating parameters for arriving at the Compensatory Tariff which shall be effective 1st April, 2013. The Commission has also ordered compensation of losses incurred from the commissioning of the units upto March 2013 amounting to ₹ 329 crore to be recovered over 36 equal instalments. In arriving at the Compensatory Tariff, incremental profit from coal mines and 1% of Equity will be deducted.
- The Commission has also allowed sale of power to third parties in excess of 80% of the normative availability – to be shared with procurers in the ratio of 60% to procurers and 40% to your Company. The sharing shall be for margin above the variable cost of fuel from the revenue accrued to the company.

The said order has been challenged before the ATE and the hearing has commenced.

Sustainability

In its endeavour to become the 'Neighbour of Choice', CGPL continues to undertake initiatives for the local community in the areas of livelihood and income generation, education and health. Various community development activities have been undertaken aligned with 5 thrust areas identified to address the need of the stakeholders – Augmenting Primary Education System (Vidya), Building and Strengthening Healthcare Facilities (Arogya and Swachch Jal), Enhancing Programmes on

Livelihood and Employability (Samriddhi and Daksh), Building Social Capital and Infrastructure (Sanrachna) and Nurturing Sustainability for Inclusive Growth (Akshay). A 'Triple Bottom Line Approach' of sustainable development is being followed to achieve a satisfied community that has trust and faith in the company and its operations. Cooperation from the village Gram Panchayat has led to the formation of the Village Development Advisory Committee (VDAC), which is the first contact point for the company for all developmental work to be carried out in different villages.

The company and its lenders have received complaints from a few NGOs, who have alleged that CGPL has not done enough to protect the livelihood of fishermen in the neighbourhood. Further, there is an allegation that there is an impact to the local community caused by coal, ash and outlet water. The company has engaged with all NGOs who work closely with the local community as well as fishermen who undertake fishing in and around Mundra UMPP area. In addition, various frameworks have been instituted in close consultation with lenders like IFC, ADB and others, for implementation of various programs as well as for constant oversight and monitoring of such initiatives. Besides, the company has undertaken proactive measures to improve the quality of life of local communities including fishermen. The company has furnished all such details to the lending institutions and the same has been acknowledged by them. Based on the inputs from both CGPL and local communities, financial institutions as well as Pollution Control and State authorities are satisfied with the work done by the company.

The company continues to enhance the reach and effectiveness of various initiatives for fishermen communities as well as other communities in its neighbourhood. The company abides by all stipulated norms including mitigation action for any environmental, community and ecological impact.

4.2 Investment in Coal Companies

Your Company continues to hold its equity stake in PT Kaltim Prima Coal (KPC) and PT Baramulti Suksessarana Tbk (BSSR), which continue to be a part of the supply chain for Tata Power Group's coal off-take requirements.

In FY14, your Company signed an agreement to sell its 30% stake in PT Arutmin Indonesia and associated companies in coal trading and infrastructure. The aggregate consideration for Tata Power's 30% stake is USD 510 million, subject to certain closing adjustments. The sale is subject to certain conditions and restructuring actions, which your Company targets to complete in FY15.

4.3 Maithon Power Limited

Maithon Power Limited (MPL), a Joint Venture between your Company (74%) and Damodar Valley Corporation (DVC, 26%), has set up a 1,050 MW (2 x 525 MW) power plant at Maithon in Jharkhand.

Out of the total capacity of 1,050 MW, 300 MW power had been tied up through long term PPAs, each with DVC, WBSEDCL and Tata Power Delhi Distribution Limited (TPDDL), and balance 150 MW has been tied up under long term PPA with Kerala State Electricity Board (KSEB) on 31st December, 2013. MPL has applied for Long Term Access of transmission of power to KSEB which is yet to be allotted.

4.4 Tata Power Delhi Distribution Limited

TPDDL, a subsidiary of your Company is a Joint Venture between Tata Power (51%) and the Government of National Capital Territory (NCT) of Delhi (49%). TPDDL has a registered consumer base of 1.4 million and serves a peak load of around 1,500 MW. The company's operations span across an area of 510 sq. km. in Northern and North Western part of Delhi.

Tariffs in the past have been insufficient to ensure recovery of the power purchase costs of the company, which has resulted in accumulation of Regulatory Assets to the tune of ₹ 5,146.39 crore as in FY14. In the spirit of moving towards Cost Reflective Tariff, the Regulator has granted TPDDL an increase in tariff of 55% in the past 3 years. The Regulator has also granted a 8% Deficit Recovery Charge towards amortization of Regulatory Gaps in addition to creation of Power Purchase Adjustment Mechanism to true up for quarterly variations in Power Purchase Costs. Delhi Electricity Regulatory Commission (DERC) has also proposed liquidation of Regulatory Assets over the period of next 8 years.

4.5 Tata Power Renewable Energy Limited

TPREL, a wholly owned subsidiary of your Company, is in the business of setting up power projects based on clean and renewable energy sources such as wind, solar, waste heat recovery and biomass.

During the year, TPREL has successfully commissioned 24 MW out of the 32 MW wind project at Visapur in Maharashtra, and acquired the 39.2 MW operating wind farm at Saurashtra in Gujarat from AES Corporation. This is in addition to the 21 MW wind plant at Dalot, Rajasthan, which was commissioned in FY13 and 25 MW Solar Power Plant at Mithapur, which is operational since January 2012.

The 28.8 MW solar project at Palaswadi in Maharashtra has also been completed, except that the interconnecting transmission line could not be connected to the state grid due to lack of permissions.

4.6 Tata Power Solar Systems Limited

TPSSL, formerly known as Tata BP Solar India Limited has aligned its business segments into three major verticals -

1. **Manufacturing** of solar photovoltaic (PV) cells: TPSSL is recognised as a Tier 1 module manufacturer and offers market competitive cost and efficiency products to its customers. Due to cheaper imports, the company faces challenges in fully utilizing its manufacturing capacity.
2. **Projects:** TPSSL completed more than 100 MW of large scale ground mounted solar projects including a 50 MW solar PV project for National Thermal Power Corporation (NTPC). In addition to this, the Company executed a 28.8 MW solar PV project for TPREL and several other small scale and rooftop grid connected solar systems.
3. **Products:** TPSSL's Products business grew by more than 20%. The company actively participated in various government programmes, e.g., solar home and street lighting system in Tamil Nadu, solar pumps in Rajasthan and solar power packs in Kerala. While the solar thermal water heater market grew by more than 10%, TPSSL's market share increased by more than 25%.

4.7 Industrial Energy Limited

Industrial Energy Limited (IEL), a Joint Venture of your Company (74%) with Tata Steel Limited (26%), commenced its operations in May 2009. It is operating a 120 MW coal based plant in Jojobera. It is also operating a 120 MW co-generation plant (Power House #6) in Jamshedpur, inside the Tata Steel plant.

IEL is currently executing a 202.5 MW (3 x 67.5 MW) waste heat recovery project, which will meet the power requirement for Tata Steel's plant in Kalinganagar, Odisha. The project is in advanced stages of execution.

4.8 Tata Power Trading Company Limited

TPTCL is the second largest power trading company in the country. TPTCL transacted 11,488 MUs during FY14 as compared to 9,431 MUs in the previous year and has shown a CAGR of 31% over the past 5 years.

4.9 International Projects

Your Company's JV in South Africa, Cennergi (Proprietary) Limited, achieved financial closure of the 134 MW Amakhala Emoyeni Wind Farm and the 95 MW Tsitsikamma Community Wind Farm being implemented by it.

In June 2013, your Company acquired 40% shares in Adjaristsqali Netherlands BV through its wholly owned subsidiary Tata Power International Pte. Ltd. Adjaristsqali Netherlands is implementing hydro projects in Georgia through its 100% subsidiary, Adjaristsqali Georgia LLC.

In April 2013, a Memorandum of Understanding was executed with the Ministry of Electric Power, Government of Myanmar, for development of an imported coal fired power project on Build, Own and Transfer basis.

Your Company has also executed a Memorandum of Understanding in November 2013 with the Ministry of Industry and Trade, Government of Vietnam, for developing the 1,200 MW Long Phu 2 coal fired power project in Soc Trang Province of Vietnam on Build, Own and Transfer basis.

5. Credit Rating

As on 31st March, 2014, your Company had the following credit ratings- a Corporate Credit Rating of B+ with a Positive outlook from Standard & Poor's Rating Services and a corporate family rating of B1 with a Negative outlook by Moody's Investor Services. The rating is not for any specific debt issuance of your Company.

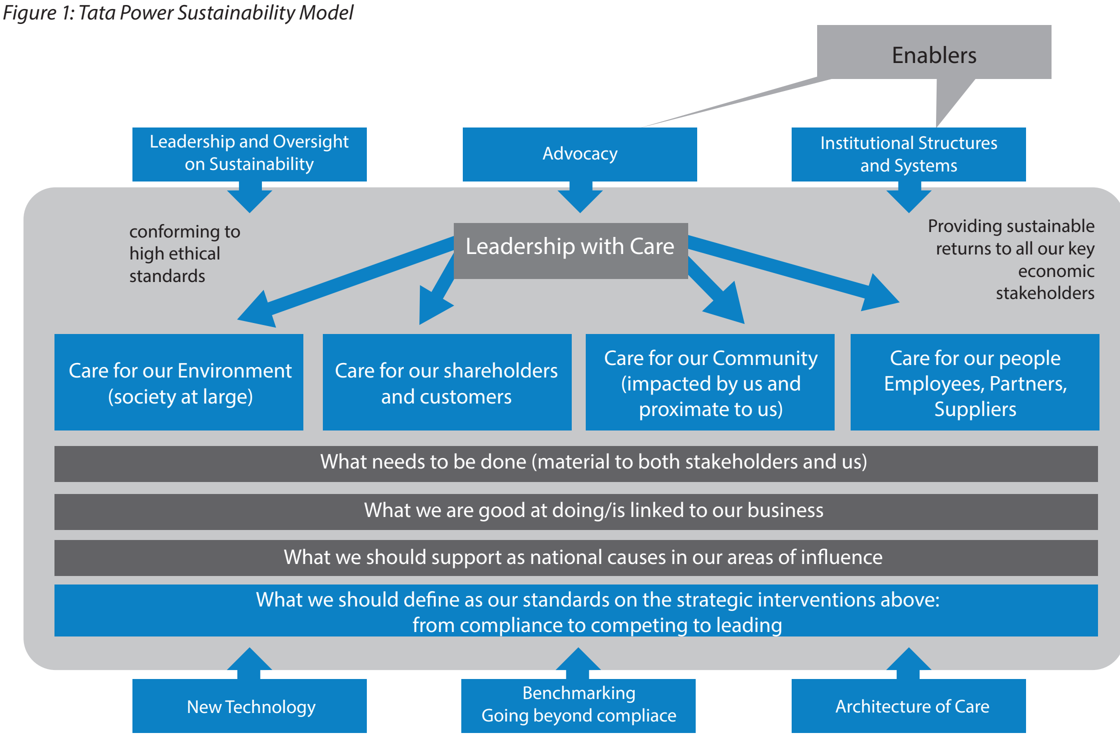
Your Company's INR denominated instruments are rated AA- by CRISIL, and AA by CARE and ICRA. The CRISIL and ICRA ratings have a Negative Outlook. The ratings have been assigned on the basis of consolidated credit profile of Tata Power and its subsidiaries.

6. Sustainability

Your Company is guided by its founder, Mr. Jamsetji Tata, who once said "In a free enterprise, the community is not just another stakeholder in the business but is, in fact, the very purpose of its existence". Your Company firmly believes in integrating its business with the social fabric of the society that it operates in and is a firm supporter of the triple bottom line concept.

The Sustainability thought process has been laid out as a conceptual model with the governing principle of "Leadership with Care". Tata Power embodies the Tata Group's philosophy of building strong sustainable businesses. 'Care' is one of the core values and has the following elements: Care for Environment, Care for Community, Care for Customers and Care for People i.e. employees, shareholders, suppliers, partners etc.

Figure 1: Tata Power Sustainability Model



6.1 Your Company's efforts towards Care for our People, Care for our Community and Care for Environment are elaborated below:

Safety – Care for our People

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

Tata Power has an Apex Safety Committee chaired by the CEO & Managing Director which reviews the safety performance and guides the implementation of detailed action plans through Central Safety Committees and Site Implementation teams at all sites. Safety Bipartite Committees structure has been constituted to enhance safety culture and standards in the organisation with the involvement of all employees and reinforce safety as a core value as well as percolate the ownership of safety at individual level with the help of structured reviews and discussion.

Safety practices of Tata Power JVs and subsidiaries are aligned with Tata Power Safety standards and procedures. In FY14, your Company imparted 277,278 man hours of safety training to employees/contract workmen. Your Company has trained 100% of contract employees in FY14 through contractors' safety induction programs.

Safety Statistics FY14:

Sl. No.	Safety Parameters (For Tata Power, CGPL, MPL, IEL)	FY14	*FY13*
1	Fatality (Number)	05	*01*
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.41	*0.34*
3	Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours)	13.58	*17.88*
4	First Aid Cases (Number)	555	*757*

Care for our Community

Your Company firmly believes in making a positive impact on the community in the vicinity of its operations.

Tata Power Skill Development Institute

The Indian Power sector is poised for significant capacity additions in the 12th and 13th Plan Period needing large scale adequately skilled workforce. There exist skill gaps across the entire value chain. With more and more services being obtained from Service Providers, ensuring that they deploy adequately skilled manpower has become crucial for the industry in general and your Company in particular.

Your Company has set up Tata Power Skill Development Institute (TPSDI) to ensure that workforce deployed by the contractors is adequately skilled. TPSDI would be involved in imparting modular power skills training, testing, certification and accreditation, in a phased manner. To begin with, it would focus on the contractors' workforce of Tata Power and would over time, cater to other companies in the power sector.

Care for our Environment

Environment management is a value that is embedded in your Company's DNA and helps in incubating a culture of acting responsibly towards the environment. Your Company addresses various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, biodiversity and green buildings. Your Company also follows various measures like Environmental Compliance, Corporate Sustainability Protocol Index (CSPI), Green Manufacturing Index (GMI) to keep track of the initiatives and their impact. The following key initiatives were taken up during FY14:

- Measurement, tracking and reduction of Specific Water Consumption
- Development of Green Belt at Mundra and Maithon
- Sewage Treatment Plants at Hydro stations
- Reuse of waste material at Trombay and Distribution divisions
- Promoting E-Bill subscription by consumers in Distribution business

These initiatives are expected to improve the performance of individual units on important environmental aspects.

Your Company has focussed its initiatives for sustained ash utilization at all its generating plants using coal. Trombay, Jojobera and Maithon achieved 100% fly ash utilization whereas CGPL achieved 25% in its first year of full operation, which is in line with regulatory requirements. Special attention has been given for developing new uses of ash and creating value added products from ash.

Your Company has started water foot-printing exercise at its operating locations. This will help in better understanding of watershed, impact of its water discharges and future proofing of water requirements for Company's operations.

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

6.2 Club Enerji

Club Enerji, previously known as Tata Power Energy Club, is an initiative that takes energy and resource conservation beyond your Company. This initiative helps in sensitizing the community on sustainability through various conservation ideas. Tata Power Club Enerji reaches out to school children through various interactive mediums and sensitizes them on the need to save power. It has reached out to over 400 schools in India and has sensitised over 7 million citizens, who in turn have helped save more than 11.2 MUs of electricity till date. This saving is equivalent to saving 11,200 tonnes of CO_2 and is enough to light up over 5,200 houses for a year.

The Club has also launched a Civic & Moral Values programme across schools to develop better citizens of tomorrow and also plans to roll out a Waste Management Module.

6.3 Affirmative Action

Under its Affirmative Action (AA) program, your Company has continued to develop deprived communities, particularly Scheduled Castes (SC) and Scheduled Tribes (ST). The Apex Committee led by the CEO & Managing Director, Executive Director and external experts like the Director of Tata Institute of Social Sciences (TISS) continued to give strategic directions on AA.

A comprehensive 'Needs Assessment' study on AA was conducted covering 100% SC/ST households (over 68,000 persons) across Tata Power divisions, CGPL, MPL and TPDDL.

Your Company has implemented several programs for the 4E's (Employment, Entrepreneurship, Employability and Education) benefiting over 10,500 persons in FY14. The major programs are Skill Development Programs for youth, Rural BPO (Business Process Outsourcing), Entrepreneurship Development (agarbatti manufacturing, fly ash brick manufacturing), upliftment of self-help groups, science laboratory, providing scholarships, extra coaching classes, computer and spoken English classes. Your Company has also started working in Jawahar Taluka in Thane District of Maharashtra, which has a tribal population of over 90% with a vast majority of them below the poverty line. Your Company is engaged with a tribal residential school, a Government ITI through employee volunteering and is also conducting BPO training for youth in association with Tata Consultancy Services (TCS).

6.4 Sustainability Reporting

Your Company is conscious of its role as a Responsible Corporate Citizen and has an uncompromising adherence to demonstrate performance on Sustainability. Your Company has adopted the Global Reporting Initiative (GRI) guidelines to report on its Sustainability performance. The current Sustainability Report FY14 is based on the GRI G3.1 guidelines covering all the 84 indicators. The scope of this report has also been enhanced by including subsidiaries like Chemical Terminal Trombay Limited (CTTL) and also divisions such as SED in the reporting purview. Your Company's Sustainability Report will be hosted on its website www.tatapower.com.

In the last year, your Company has evolved and deployed policies in areas such as human rights, advocacy, and responsible supply chain management. Your Company became a proud recipient of CII ITC Sustainability Award, 2013 for Significant Achievement on the Journey Towards Sustainable Development. This is a testimony of the Company's effort on Sustainability.

6.5 Business Responsibility Report (BRR)

The Business Responsibility Reporting is in line with the SEBI requirement based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' notified by Ministry of Corporate Affairs (MCA), Government of India, in July 2011. Your Company has reported on the framework of BRR, describing initiatives taken by your Company from an environmental, social and governance perspective. The BRR is hosted on the website www.tatapower.com.

6.6 United Nations Global Compact

Your Company adheres to reporting on United Nations Global Compact (UNGC), on ten principles in the areas of Human Rights, Labour standards, Environment and Anti-bribery. Your Company has been reporting to UNGC since 2006 on these principles. In September 2013, your Company had submitted the Communication on Progress (CoP) to UNGC. The Company is also submitting its Sustainability Report to UNGC.

7. Innovation

Your Company follows various sources to keep abreast of developments in the area of clean technologies. Interactions are on with faculty members from leading institutions such as the IIT (Bombay), Institute of Chemical Technology (ICT) and various other universities. Technologies in a variety of areas like solar (PV, with trackers, thin-film, concentrated PV and concentrated thermal), Hydro Kinetic Turbine generation, fuel cell (telecom tower application), gasification (biomass, coal), coal drying etc. are being evaluated. The highlights are:

1. **Solar Concentrated Thermal:** A consortium led by IIT, Bombay synchronised the 1 MW solar concentrated thermal power demonstration plant at the National Solar Centre in Gurgaon. Tata Power was handling the Operations & Maintenance of the demonstration plant
2. **Solar PV with single axis (E-W) tracking:** Your Company commissioned a 70 kW solar PV based power plant under "Revenue on Units Generated basis - Opex model" in Lonavala. The unique feature of this project includes installation of a single axis East-West tracker which tracks the movement of the sun and tilts the angle of the solar panels by 1 degree every 20 minutes. Due to this, the panels are always exposed to direct irradiance which boosts the plant load factor (PLF) by 15%. Commercial viability of this project has been demonstrated
3. **Micro Hydro Kinetic Turbine:** Your Company has also tested a 10 kW micro hydro kinetic turbine by installing it in the tail race of its hydro station at Bhira. This turbine can generate electricity in water streams having velocities ranging from 0.75 m/s to 4.2 m/s. The turbine requires water depths of 2.5 m from the bed. The power conditioning unit was developed in-house. The system has performed well and has given consistent results. This can in future be replicated in various streams wherein the above conditions are fulfilled
4. **Novel Coal Drying Process:** An application has been filed for an Indian and an international patent for the drying process. It uses a screw conveyer as a dryer. A preliminary design report has been prepared. The estimated cost of drying will be less than $10/ton of dried coal or less than Rs 0.10/kWh. The process was tested and proven at a lab scale with 50 kg batches and has the potential to bring down the cost of drying substantially compared to existing models
5. **Bottom ash based brick making:** Bottom ash based bricks were manufactured successfully. A patent on the same has been filed
6. **Ultra Thin White Topping technology:** CTTL, a wholly owned subsidiary of Tata Power, in association with BASF, has developed a concrete mix which can help replacing 40% of cement with Fly Ash. The polyheed admixture developed for Trombay Thermal Station Fly Ash has been used in a demonstration project. A demonstration road stretch of 3.5 m x 100 m has been laid. This road has lower absorption of solar energy (higher reflectivity) and is expected to have a longer service life

8. Foreign Exchange Earnings and Outgo

On a Standalone basis, the foreign exchange earnings of your Company during the year under review amounted to ₹ 335.65 crore (previous year ₹ 359.84 crore), mainly on account of interest, dividend, etc. The foreign exchange outflow during the year was ₹ 1,721.55 crore (previous year ₹ 2,418.14 crore), mainly on account of fuel purchase of ₹ 1,355.10 crore (previous year ₹ 2,202.49 crore), interest on foreign currency borrowings, NRI dividends of ₹ 83.27 crore (previous year ₹ 84.84 crore) and purchase of capital equipment, components and spares and other miscellaneous expenses of ₹ 283.18 crore (previous year ₹ 130.81 crore).

9. 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, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the 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 Companies Act, 1956, 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.

10. Subsidiaries

Vide General Circular No: 2/2011 dated 8th February, 2011, the Ministry of Corporate Affairs, Government of India, 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 Companies Act, 1956, in respect of its subsidiary companies, subject to fulfilment of the conditions mentioned therein. Accordingly, the said documents are not being attached with the Balance Sheet of your 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 your 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 Registered Office of your Company and that of the subsidiary company concerned, and would be posted on the website of the Company www.tatapower.com.

11. Directors

Consequent upon his completing 65 years of age, in line with Company's policy for retirement of Executive Directors, Mr. S. Ramakrishnan stepped down as Director and Executive Director of your Company with effect from close of business hours on 28th February, 2014. The Board has placed on record its appreciation for the valuable contribution made by Mr. Ramakrishnan to your Company.

Mr. Ashok S. Sethi was appointed as an Additional Director with effect from 7th May, 2014, in accordance with Article 132 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 (the Act). Mr. Sethi holds office only upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Sethi's appointment as a Director. The Board also appointed Mr. Sethi as Executive Director effective the same date. His appointment and remuneration require the approval of the Members at the ensuing AGM.

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Dr. Homiar S. Vachha, Mr. Nawshir H. Mirza, Mr. Deepak M. Satwalekar, Mr. Piyush G. Mankad, Mr. Ashok K. Basu and Ms. Vishakha V. Mulye as Independent Directors of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. Cyrus P. Mistry retires by rotation and is eligible for re-appointment.

12. Auditors

Messrs. Deloitte Haskins & Sells LLP (DHS LLP), who are the statutory auditors of your Company, hold office until the conclusion of the forthcoming Annual General Meeting. It is proposed to re-appoint DHS LLP as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Ninety-eighth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. DHS has, under Section 141 of the Act, furnished a certificate of its eligibility for re-appointment. The Members year on year will be requested, to ratify their appointment as 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.4 of the Notice.

During the year, the Company had received intimation from DHS LLP stating that Deloitte Haskins & Sells had been converted into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from November 20, 2013. In terms of Ministry of Corporate Affairs, Government of India, General Circular No.9/2013 dated April 30, 2013, if a firm of Chartered Accountants, being an auditor in a Company under the Act, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said Company. The Board of Directors of the Company have taken due note of this change. Accordingly, the audit of the Company for Financial Year 2013-14 was conducted by DHS LLP.

Members will also be requested to pass a resolution (vide Item No.17 of the Notice) authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad.

13. 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 Companies Act, 1956.

The consolidated financial statements of your 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.

14. Cost Auditor and Cost Audit Report

M/s Sanjay Gupta and Associates, Cost Accountant, was appointed Cost Auditors of your Company for FY14.

In accordance with the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31st March, 2013, by M/s Sanjay Gupta and Associates, Cost Accountants, which was due for filing with the Ministry of Corporate Affairs by 30th September, 2013, was filed on 23rd September, 2013.

15. 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.

16. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
2. 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;
3. 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;
4. They have prepared the annual accounts on a going concern basis.

17. 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,

Cyrus P. Mistry
Chairman

Mumbai, 29th May 2014

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	• Coal drying process • Multi fuel biomass gasifier for DDG • Solar, Hydro-kinetic turbines, Ash utilization • Heterogeneous Data Fusion with Image & Video Processing, Voice Recognition & Analysis • Tactical Geographic Information System (GIS) with support for 3D visualization & OGC standard support • Software Defined Radios • Optronics • 1588v2 enabled Secure Routers and Switches with TEC Interface Approval
2	Benefits derived as a result of the above R & D	• Indigenous secure and trustworthy radio communication solutions for Battlefield Management System, Tactical Communication System, combat vehicles etc. • Tata Power's USP in Border Surveillance Programs for MoD and MHA Security Projects
3	Future Plan of Action	• Set up a demo-plant for coal drying • Fabricate a demo-plant for the multi fuel gasifier • User trials & field deployment in various MoD, MHA and Non-defence programmes
4	Expenditure on R & D (in ₹ crore) (Strategic Engineering Division)*	
	a) Capital	32.04
	b) Recurring	-
	c) Total	32.04

* Strategic Engineering Division (SED) has got approval from Department of Scientific & Industrial Research (DSIR) for its Mumbai and Bengaluru R&D Facilities under Section 35(2AB) of Income-tax Act, 1961

Technology absorption, adaptation and innovation

1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	• 13.5 kW floating solar plant started generating power from 8th January, 2014. Further refinement of technology is in progress. An in-house floating variant using crystalline single axis tracked PV is under development • Solar tracking system demo (both single axis and dual axis solar tracking) was introduced on four strings in 3 MW plant at Mulshi. Further, a single axis tracker (69 kW grid connected solar system) has been commissioned • Patent obtained for FPGA System for USB Bridge Implementation • Patent filed for - Coal drying process - Use of bottom ash in bricks - Modular Electromechanical Actuator with Ball/Roler Screw - Anti-Locking Electromechanical Outrigger - Infinitely variable, height adjustable, hybrid powered telescopic mast - Intelligent mobile loader crane
2	Benefits derived as a result of the above efforts	• Increased yield of up to 15% due to the tracking system • Help achieve the goal of 100% ash utilisationand heat rate improvement • Help in achieving Government of India's goal of creating substantive self reliance in defence system development and production

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	Liquid Solar Array 2010 Technology put to use from January 2014

A. TECHNOLOGY ABSORPTION

1. Jojobera

a. Automatic Bagging Machine

A Rotating Automatic Fly Ash Bagging Machine has been installed at Jojobera Power Plant with a Capacity of 90 TPH. The installation of this machine has resulted in controlling fugitive emission, control on quality and quantity of bagging and safe operation apart from cost optimization and reduction of cycle time for bagging.

b. Intelligence Quotient (IQ) Actuators

The IQ range of actuator was installed with a view towards adopting new technology in the area of actuators. The IQ functionality and reliability is available for valves of virtually every size and description, including multi-turn (rotary), quarter-turn, isolating and modulating, with watertight and hazardous area approvals to all internationally recognized standards.

c. Protection of Boiler Tube by Zuper Coat

Zuper coat on erosion/corrosion prone boiler tube bends has been introduced in boiler, as this bond coats are dense, resistant to high temperature oxidation, thermal shocks, abrasion and erosion. It is a thin layer (100 to 400 µm) of metal coating sprayed on the desired area. Elements of the metals are chosen in such a way that it will not sacrifice heat transfer rate. This Zuper coat has been applied on top and bottom burner panel bends and manholes tube bends.

2. Haldia

Some of the new technologies adopted by Haldia division for optimization of the plant operations are as follows:

a. **Radio communication for Remote operation of Overhead EOT crane:** Operation of TG building overhead EOT crane by wireless remote hand held device using Radio Communication technology has been commissioned.

b. **Introduction of Managed Ethernet Network Switches in Rockwell DCS:** Non-managed switches in Rockwell DCS has been replaced by Managed Ethernet Switches to ensure reliability of DCS Network communication.

c. **Online Partial discharge test of Switchyard equipments and HT motors:** Online Partial Discharge test introduced in all 132 kV switchyard CT, PT, CVT and HT motors as a part of online Condition monitoring initiative. Also, off line Partial Discharge test carried out in two HT motors.

3. IEL

a. **CW Blow Down Water Recovery Plant:**

To keep the cooling towers in healthy condition, blow down is an essential regular operation. As TDS and turbidity of blow down water is very high, this water cannot be used for other purpose and disposed as waste water. To recover this waste water as fresh water, a reverse osmosis plant was installed at Power House-6 of Tata Power. After installation of this system, Power House-6 is now capable of recovering the entire cooling tower blow down waste water and reutilizing it as fresh raw water. It is a modern PLC based automated system, having processing capacity of 240 m^3/day.

b. **Soft Starter for Induction Motor in Unit-5:**

Most of the induction motor uses DOL starting method to start the motor. With the advent of Soft Starters the motor can be started in controlled way. One of the benefits with this starting method is that the voltage and the torque increase gradually so that the machinery starts to accelerate in a controlled fashion. The possibility to adjust the torque to the exact need, whether the application is loaded or not makes it suitable for applications where the discharge pressure is to be raised gradually. In principle the full starting torque is available, but with the difference that the starting procedure is much more forgiving to the driven machinery, with lower maintenance costs as a result.

c. Light pipes used in the sports room utilizing solar light, thus saving electrical energy.

4. Maithon

a. **Technology to improve Boiler Pressure Parts reliability** by development and implementation of Boiler Tube Leak Monitoring Software. This helps in mapping of different zones of boiler by providing early signal of deterioration which can be used to initiate preventive maintenance.

b. **Transportation Management:** Wireless Technology for creating redundant radio network connection has been adopted to link plant main gate (distance 3.5 km) with base station located at the Turbo-Generator building. This provides seamless and real-time management of coal transportation data in SAP.

c. **Access Control and Surveillance:** E-security system has been installed for better in plant vehicle management and centralised surveillance for safety and security of all resources. The e-security system is deployed using IP based cameras and Optical Fibre Cable (OFC) networks covering the entire plant premises.

5. Transmission

5.1. Mumbai Operations

a. New Technologies on Safety

i. SATELIT-3 a proactive intelligent lightning protection device has been commissioned on pilot basis at Ambernath Receiving Station. It can detect an impending lightning strike in advance and channelize the same safely to the ground. This device is maintenance free and self-powered by a battery kept charged by solar panels fitted on the device.

ii. Warning spheres have been installed on EHV overhead lines at road crossings for safety of road users and vehicles. In case of conductor parting and falling on road, these spheres will warn the road users.

iii. Aerosol fire protection systems have been commissioned for cable basements. There is no pipe work or nozzles. The aerosol remains in suspension for up to an hour, providing extended post fire security against re-ignition.

iv. For safe working on transmission line towers, helmets with bird guard protection and helmets with light have been introduced.

b. Reduction of Overhead Line faults

i. Polymer insulators have been commissioned on overhead lines to avoid insulator flashover due to contamination and wetting (due to fog, light rain, dew).

ii. As a Bird Fault preventive measure "Turbo Bird Repellers" have been installed on Transmission towers at identified locations.

c. Online Condition Monitoring devices like "Online monitoring of power transformers" for asset life management, early fault detection will be part of specifications for procurement of new transformers. Also "Online Tan Delta measurement" and "Online Partial Discharge testing" are being introduced for insulation condition diagnosis.

5.2. Powerlinks

Punctured Insulator Detector (PID) Kit: The PID kit helps in identifying defective insulators in an insulator string on a transmission line. This enables replacement of the defective insulators in a phased manner and prevents major breakdowns or serious accidents.

6. Distribution and Retail

6.1. Mumbai Operations

a. **LIRA (Line Insulation Resonance Analysis):** Used for real-time diagnosis and condition based monitoring of installed electric cables.

b. **Eco efficient Green Transformer (Ester filled):** These transformers are filled with ester oil instead of mineral oil. Ester oil is biodegradable and less toxic, limiting pollution risk during operation, installation and end of life.

c. **Ultrasonic Sound Detector:** Ultrasonic Sound Detector is tuned to detect high frequency sounds at a very early stage of deterioration of insulation level on HT equipment thus preventing damage to critical equipment.

d. **Thermo Vision Camera:** Thermo vision camera gives the exact hot spot in LT network as it covers the entire horizon of the equipment by capturing an image as well as directs user towards exact origin of the problem.

e. **SF_6 gas detector:** SF_6 gas detector is used to identify SF_6 leakage in RMU & Electrical Switchgears. It helps in attending the leakage by identifying exact point of leak. It helps in early detection of SF_6 leakage thus preventing forced shutdown to consumers.

f. **Power Quality Monitoring:** Power Quality Meters have been installed in all Distribution Substations to analyze various electrical power quality parameters such as variation in voltages, current, frequency and harmonics. This also detects voltage sags, swells and flickers in system.

g. **Meter Data Analytics System:** System based analysis of meter data collected in AMR system using Analytics solution to identify abnormalities/ defects in consumer meters and to enable quick corrective action.

h. **Personal Digital Assistant (PDA):** "Hand Held PDAs" have been deployed which help the Meter Installation teams to capture the meter location and other details, which are integrated with SAP and GIS. This has resulted in saving on survey and data entry efforts.

i. **Vehicle Tracking System (VTS):** Vehicle Tracking System implemented for the vehicles of Transmission and Distribution divisions for tracking and monitoring the vehicles on the GIS. This has enabled optimal utilization of the mobile crew in the field, reduction in restoration time and thereby maintenance of the reliability indices within the regulatory standards.

j. **GIS Integration with SAP – PM, FAR, & e-LRMS:**

- Integration of GIS with SAP PM (Plant Maintenance) and FAR (Fixed Asset Register) to help in effective Asset Management throughout its life cycle.
- Integration of GIS with e-LRMS (e- Land Record Management System) to help in linking the Land Assets with corresponding statutory documents and retrieving the required easily from the e-LRMS

k. **SAP- BCM:** SAP BCM was made live on 25th August, 2013. It has following key attributes

- Increased the overall call handling capacity of call centres
- Automated customer identification before answering the call
- Remote monitoring of call centres
- Remote Live Call Barging
- Automated Interactive Voice Response (IVR) for defined call types

l. **Mobile substation:** Commissioned the first 11/0.4 kV, 400 kVA, Mobile substation. This has reduced the commissioning time of the substation to 15 days from 90 days for a conventional substation.

m. **Pole Mounted Transformers:** High Voltage Distribution System is being deployed by commissioning of Single Phase Pole mounted transformers for extending supply to low end consumers This has helped overcoming space constraints for establishing a conventional substation.

6.2. Tata Power Delhi Distribution Limited

As part of TPDDL's continued efforts towards ensuring customer delight by enhancing reliability of network and further reducing the fault restoration time, TPDDL has implemented Outage Management System (OMS) for faster and more accurate location and restoration of faults in the LT Network, thereby significantly reducing downtime.

In the current year, TPDDL has undertaken the following technology interventions:

a. **Automated Demand Response (ADR) & Advanced Metering Infrastructure (AMI) Project:**

The company has very recently implemented India's first ever integrated Automated Demand Response (ADR) & Advanced Metering Infrastructure (AMI) project. This will result into reduction in peak demand at the time of critical grid stress conditions like peak demand, peak pricing and grid collapse etc. through shedding of the identified non critical load at the consumer premise.

b. **Electric vehicle charging:**

TPDDL has collaborated with M/s Mahindra Reva and setup 5 electric vehicle charging stations in TPDDL area to promote clean fuel vehicles.

c. **Dry type power transformer:**

TPDDL has introduced dry type power transformers in their schemes. They are maintenance free equipment. They provide extra safety for people and property as no fire hazard is involved. They are also easy to install and maintain.

d. **Auto switched step Capacitor Bank:**

The company has replaced conventional fixed capacitor banks with auto switched step capacitor bank. The auto switched step cap banks facilitate dynamic reactive power compensation.

e. **Business Communication Manager (BCM) implementation and replication at two data centres:**

SAP BCM is implemented at TPDDL to provide enhanced telephony features to the call center agents with the benefits of integration with the standard SAP ISU and CRM system. The project is implemented for removing the bottleneck related to inadequacy of protection in operational technology network due to emerging threats and obsolete technology. This strategy was successfully implemented at both the Data centers.

Derived Benefits:

- Drastic reduction in Information Security Risks at TPDDL
- Identifying and reducing vulnerabilities or potential threats coming from IT to OT network and vice versa
- Traffic flow is authenticated, monitored, logged and reported

f. **Implementation of Google-Map and TPDDL-GIS interfacing module:**

TPDDL successfully deployed an interface to translate TPDDL's GIS data on Google Map. With this integration, interoperability of GIS data with outside world maps and vice versa is possible to enable the designing and implementation of smart grid initiatives like Demand response, Smart Meter deployment planning, Communication Network Infrastructure planning etc.

Some of the other key IT initiatives undertaken include up gradation of the SAP infrastructure, implementation of All Time Collection Module and revamping of SAP Based Performance Management System.

g. **Implementation of Phase 2 Technology Roadmap - Smart Grid Feasibility Study**

The company has also developed the second phase of its Technology Journey as part of the Smart Grid Feasibility Study, having completed implementation of first phase road map which included technologies such as Automatic Meter Reading (AMR), Geographical Information System (GIS), SCADA, DMS, DA and finally the OMS. M/s Quanta Technologies, a US based consultancy firm, was appointed to develop the Technology and Smart Grid Roadmap for which a grant of USD 0.7 million (around ₹ 4.2 crore) was secured from United States Trade & Development Agency (USTDA).

7. Tata Power Solar Systems Limited

Manufacturing: Some of the new technological initiatives undertaken were:

a. A new stringer was added to the solar module manufacturing process that has resulted in higher cell yield and lower Cell to Module (CTM) losses.

b. With the introduction of new laminators in the module manufacturing process, the total module manufacturing capacity has increased to 200 MW per year.

c. EL tester was integrated into the module manufacturing line to detect micro cracks and dark/inactive areas resulting in modules with greater reliability and durability.

TPSSL also offers modules that are certified Potential Induced Degradation free by internationally accredited agencies such as TUV and UL.

Projects: Last year, TPSSL focused on the following technological initiatives:

a. TPSSL implemented dynamic power control solution that allows commercial consumers to integrate solar along with other sources of power.

b. TPSSL piloted the use of single axis tracker that collects maximum energy by tracking the sun during the day and maximizes output from the solar PV plant without significant addition to the cost.

Products: Some of the new initiatives undertaken in this category were:

a. TPSSL launched a new 1 KVA solar power pack system called Tata Dynamo. The power pack, a combination of solar PV panels, inverter and battery, helps consumer enjoy uninterrupted power supply for upto 8 hours at an affordable cost.

b. Sunjeevni, a retrofit unit that allows conventional inverter batteries to be charged through solar power was developed and introduced in the market. Conventional inverter batteries store power from the grid whereas Sunjeevni allows the free energy from the sun to be stored and used during the absence of grid power or to save on electricity bills when the grid is available.

c. TPSSL deployed AC solar pumps with variable frequency drive (VFD). VFD devise allows use of solar power for the running of widely available and/or existing AC electric pumps on fields.

d. TPSSL developed and launched an innovative leak proof polymer based tank for its Tata Solar Duro series of solar water heaters. It offers industries best in class hard water tolerance upto 1500 ppm and chloride tolerance upto 600 ppm.

For solar water heaters employing metallic tanks, TPSSL developed and introduced an epoxy coating on the inner surface for superior protection against corrosion so that such tanks can tolerate water hardness upto 600 ppm and chloride tolerance upto 300 ppm.

8. Wind

Your Company has adopted following technologies for optimizing the operations:

a. To detect the repeated fuse failure in turbine, excitation fuse monitoring device has been introduced between excitation fuse and rectifier cabinet.

b. To avoid repetitive failures of control circuit main contactors in control cabinet, separate feedback of neutral was introduced.

c. Formulation of Credit report tracking system in SAP DMS for effective communication between Wind Operations, Accounts Receivables and Regulatory departments for booking revenue from sale of wind power.

9. Strategic Engineering Division (SED)

The following new technologies are being pursued:

i. Tata Power SED continued its improvisation of its Launcher System on a 6x6 vehicular platform.

ii. The Thermal imaging monocular Night vision sights underwent successful trials thus attesting SED's R&D efforts in the field of Optronics.

iii. Developed a proof of concept for a prestigious MAKE Program which included Blue Force Tracking, Data fusion engine, Tactical GIS, Tactical Network Management System, on wearable and handheld devices with Radios. This was successfully demonstrated during the DefExpo 2014, held in February 2014 at New Delhi.

iv. An ultra fast scan receiver capable of 100GHz/sec was successfully developed and demonstrated during DefExpo 2014. This is major achievement for EW areas.

v. Developed an Evolved Packet Core and integrated the same with some radios and smart phones. This will help solve Mobility management in networked mobile units.

vi. 3D visualization tool from Siemens was inducted as a basic requirement to validate 3D designs in SED. A Launcher System and loader on 6x6 platform under design was visualized on this tool. This will reduce the design iterations and take us closer to first time right designs.

B) TECHNOLOGIES BEING REVIEWED / ADOPTED

i. Floating Solar PV: The 13.5 kW system is operational and the performance is being improved on. In order to reduce complexities and roll out the product faster, work is in progress on a land based variant of CPV & floating solar using a combination of high efficiency, polycrystalline and thin film module with E-W tracking & N-S fixed tilt.

ii. Fly ash based plaster sand: Additives are added into fly ash and mixture is processed to manufacture ceramic sand through an already patented process. This sand is well graded and meets the standard IS specifications for sand. This helps in utilization of fly ash from thermal power station in environmental friendly manner. This plaster sand is then mixed with cement and some more additives in the required proportion for a ready mix plaster. This ready mix can be used for making internal and external wall plaster by adding required proportion of water in it. Tata Power is in the process of putting up a demo plant for the manufacturing of the same.

iii. Zero Discharge at Maithon: The thermal power plant at Maithon produces 425 m^3/hr of cooling tower blow down. Technologies were evaluated to achieve zero liquid discharge including optimal use of water for ash handling and dust suppression, recovery of water by using high efficiency Reverse Osmosis (RO) process or by using a vibrating membrane based RO system. After a techno-economic evaluation, a RO system that would recover 95% of the water from the cooling tower blow-down and reuse it. It is planned that the 5% retentate (20 m^3/hr) be mixed with fresh water and used for dust suppression.

iv. Water Use Assessment. A water footprint assessment was carried out for all operating plants of Tata Power. A set of ideas were developed through CFT, to conserve the use of water.

v. Other technologies in the field of DDG, fuel cells, DC Micro grids, multi-fuel gasification systems, waste to energy are also being pursued and evaluated.

On behalf of the Board of Directors,
Cyrus P. Mistry
Chairman

Mumbai, 29th May 2014

MANAGEMENT DISCUSSION AND ANALYSIS

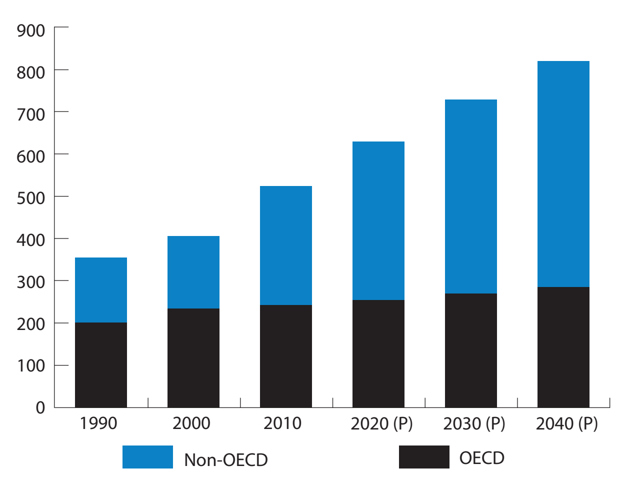
1. INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1 Global Energy Demand

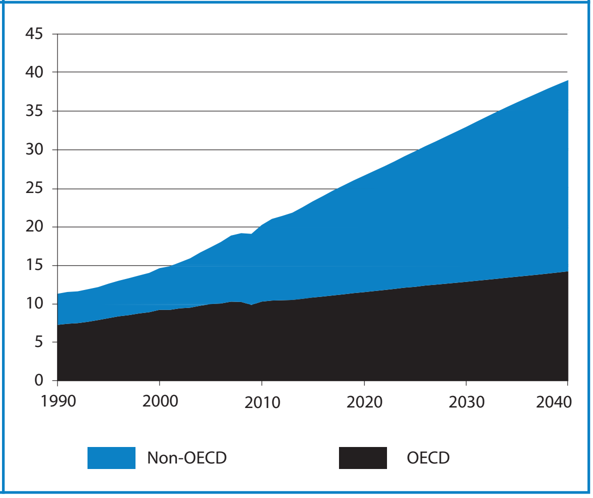
Global energy demand growth is now primarily being driven by the non-OECD markets. Energy demand in non-OECD markets that stood at 307 QBTU in 2013 has grown at over 4.5% per year since 2000 while OECD markets with a total demand of 240 QBTU in 2013 have witnessed a muted growth of less than 0.5% per year during the same period.

Meeting such a growth in demand, a significant part of which will be in the form of electricity, is a complex challenge, given the need to strike a balance between energy cost, energy security and sustainability.

World Total Energy Consumption (1990-2040, QBTU)



World Total Power Consumption (1990-2040, Trillion units)

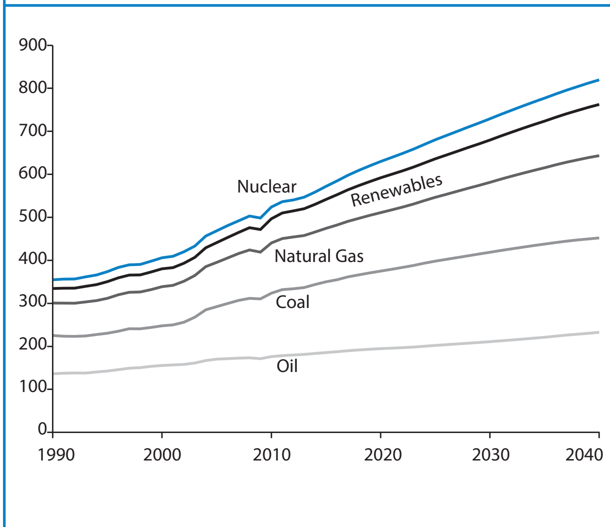


Source: International Energy Outlook 2013

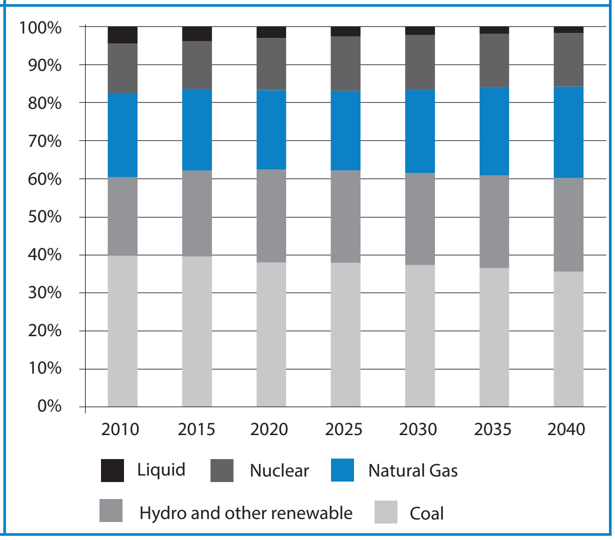
1.2 Global Energy Supply

While oil and coal are expected to remain the predominant sources of energy in the next 20-25 years, their rate of growth in the global energy mix is expected to reduce in the future. Cleaner sources of energy such as Renewables are expected to gain momentum.

Energy consumption by fuel type (1990-2040, QBTU)



Electricity consumption by fuel type (1990-2040, Trillion units)



Source: International Energy Outlook 2013

As far as electricity is concerned, coal is expected to remain the largest source of fuel (over 35%) over the next 20-25 years, driven by growth in India and China. Sources such as Nuclear and Renewables are expected to be the fastest growing sources of power. Natural gas is expected to get a boost as a generation source, driven by shale gas usage in the United States and subsequently in a few other geographies.

With the global energy demand continuing to increase, energy sources will continue to evolve and diversify through technological development. The increase in demand and spiralling prices will put pressure on organisations and countries to innovate.

There is a growing move by some of the developed economies to evolve 'Carbon Tax' on CO_2 generating sources. This scheme is being propositioned against the CDM concept. Other potential alternatives need to be evaluated to balance the interests of developing and developed nations.

1.3 Market Structure

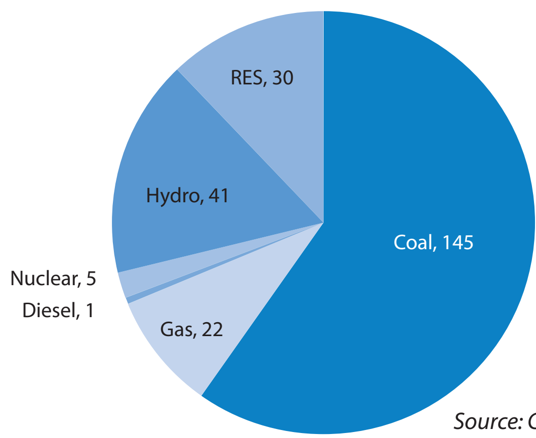
Electricity has traditionally been a local/regional commodity. However, with the emergence of international grids, this scenario might change in the future. Globally, a structure is evolving where the power generated will be sold to a common pool on the basis of 'least marginal cost of supply' and all retailers will buy from it to fulfil their supply needs.

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' (Case 1, Case 2), captive power generation and sale to captive users and retail competition (Mumbai, Open Access). Migration to a more efficient market structure is expected to occur gradually as the gap between demand and supply narrows in the future. Further, with evolution of the Regulatory environment, it is hoped that there will be larger opportunities for private players to participate in the growth of the sector as a whole.

1.4 India Scenario

Greater scale of electrification, increasing household incomes and a fast growing economy with a GDP growth rate of 5-8% has been pushing the demand for electricity in the upward direction. Per capita electricity consumption has increased at a CAGR of 5% over the last five years and has reached 917 kWh in 2012-13 from 717 kWh in 2007-08. Considering that this consumption is much lower than the global average consumption of 2,800 kWh, it is expected that India will continue to see a growth in demand as more electricity provides tremendous room to improve quality of life.

India Generation Mix (in GW) and Share by Generation Source of a total of 243 GW, as of 31st March, 2014



Source: CEA

1.4.1 Generation

The installed generating capacity in the country as on 31st March, 2014, was 243 GW (and an additional 39 GW of captive power). Grid capacity addition during the financial year for the country was 20 GW as compared to capacity addition of 23 GW during the previous financial year. Your Company's contribution to the total installed capacity is 8,584 MW as of 31st March, 2014.

1.4.2 Fuel Availability – Coal

Domestic coal production has been stagnant in the last seven years, while demand from coal based generation capacities has continuously risen over these years. Apart from the scaling up of production from Coal India Limited (CIL), there is a distinct need to catalyse the expansion of indigenous coal production capacity through various initiatives such as:

- Incentivizing extra production in captive blocks for general use
- Introduction of PPP in the Coal Sector
- Opening up of the coal mining industry for commercial mining, involving the private sector
- Encouragement of MDO Model in coal blocks

1.4.3 Transmission

The Transmission network (at voltages of 220 kV and above) in India has grown at a rate of around 6-7% p.a. during the past decade. The transmission lines capacity has increased from 1,98,407 Circuit kilometre (Ckm) at the end of 10th Plan (FY07) to about 3,02,548 Ckm by 31st March, 2014. The backbone transmission system in India is mainly through 220 kV AC network with approximately 1,49,000 Ckm coverage. The highest transmission voltage level is 765 kV with line length of approximately 11,500 Ckm.

Over the next few years, the demand for transmission capacity is expected to increase significantly, driven primarily by significant increases in generation capacity and also due to requirements of open access, inter-regional transfers and integration of infirm renewable power in the system. It is being observed that investments in intrastate transmissions are not matching up with that of interstate transmission, which, if not resolved, will lead to power not reaching the end consumer.

1.4.4 Distribution

Considering the various challenges such as high distribution losses, poor financial health of distribution companies and low billing recovery, the government has introduced a financial re-structuring plan for the SEBs/discoms. Eight States which account for 70-80% of the short-term liabilities are currently in the process of availing the benefit of this programme.

Continued focus on financial viability of the distribution sector is crucial for success of the power sector. Additionally, many of the States, where costs far exceed revenue that can be recovered based on fixed tariffs have adopted the concept of Regulatory Assets. These are recoverable from future tariff increases, which, if delayed, could cause tremendous cash management challenges for the discoms. Hence, there is a need to address the issue of Regulatory Assets through practical solutions. Your Company has taken the initiative of suggesting possible solutions and advocacy on the same is being pursued.

1.4.5 Power Trading

The Electricity Act, 2003 (EA 2003) recognized Power Trading as a new segment in the sector apart from generation, transmission and distribution. Around 105 BUs of electricity were traded in the short term power market during FY14 (as compared to 99 BUs in FY13), accounting for around 11% of the total generation.

Open access to consumers, share of merchant power in upcoming independent power plants, banking of power, and establishment of distribution franchisees and supply of power to SEZ are some of the factors that shall shape the growth of the power trading business in India.

With increased opportunities, the challenges in the power trading sector have also grown. The competition has grown fierce due to an increase in the number of CERC licensed traders from 13 in FY05 to 42 in FY14. Due to this, trading margins are also under immense pressure.

Also, procurement by discoms on the Case-1 route is not progressing as envisaged, due to poor financial condition of the distribution entities. Merchant prices are also dampening as load-shedding is preferred by the discoms in comparison to increasing the procurement prices.

Power trading is also adversely affected by continued corridor constraints for power flow from Eastern Region and Western Region to Southern Region, leading to a prevalence of high prices for the customers in the Southern states.

1.4.6. Power Services Business

Operation & Maintenance (O&M) outsourcing market in India is still in its nascent stage as compared to the developed countries. In the past, outsourcing O&M and Project Management Consultancy (PMC) activities in medium to large power plants was largely non-existent in India with players using in-house talent pool.

With the opening up of the Electricity Sector, several private players started establishing power plants in India to meet the demand - supply gap. With this development, the market for outsourcing of O&M of Power Plants also opened up in India. Today, it is estimated that approximately 15,000 MW capacities have been outsourced for O&M. In the next 2-3 years, approximately 12,000 MW of capacity is expected to require outsourced power services. However, timely execution of projects that are currently facing problems on numerous counts remains the key to successful growth of this segment of the industry.

1.4.7. Regulatory Environment

Regulatory reforms in the power sector are critical given the current challenges across the value chain. The following are some of the important regulatory changes in FY14:

CERC Tariff Regulation 2014

CERC has notified the Tariff Regulations for FY14-19 which will be enforced for a period of five years from 1st April, 2014 to 31st March, 2019 and applicable on all Central Generating Stations, Inter-State Generating Stations and the Inter-State Transmission Systems for whom the tariff is determined under Section 62 of EA, 2003. The key changes are with regards to tax and calculation of incentives for thermal power plants. As per the new regulations, the base rate of Return on Equity (RoE) would be grossed up with the effective tax rate of the respective financial year. The effective tax rate would be considered on the basis of actual tax paid for in respect of the financial year by the generating company. The incentive for thermal power plants would be calculated based on the Plant Load Factor (PLF) instead of Plant Availability Factor (PAF) and would be paid 50 paise/kWh for every unit generated above 85% PLF. Apart from these, the regulations have tightened the operating parameters of Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for thermal power plants.

CERC Deviation Settlement Mechanism Regulations 2014

On 17th February, 2014, CERC has put in place the new Regulations on Deviation Settlement Mechanism thereby abolishing the erstwhile Unscheduled Interchange (UI) Mechanism for settlement of deviation from declared schedule. The new regulations have introduced a volume limit for buyers and sellers depending on their approved schedule, tightened the band of frequency and increased the charges for deviation from schedule. This will help improve grid discipline and ensure better demand predictability by states and avoid usage of UI as a trading platform.

Standard Bidding Documents for Case-1 and Case-2

Ministry of Power (MoP) issued the revised Standard Bidding Documents (SBD) for both Case-1 and Case-2 power procurement process on 8th November, 2013 and 20th September, 2013 respectively. Case-2 document is based on Design, Build, Finance, Operate and Transfer (DBFOT) model and Case–1 document is on Design, Build, Finance, Own and Operate (DBFOO) model. MoP has also issued the Guidelines under Section 63 of EA, 2003 to enable state utilities to use the model SBD for inviting tariff based bids under Case-1 and Case-2.

Several concern areas have been observed in the documents such as the DBFOT model that restricts the role of the project developer, issues pertaining to treatment of fuel pricing, role of independent engineer, PPA termination, operating norms and domestic procurement of key packages. Your Company has communicated these concerns and suggestions on the SBD to the MoP through industry associations as well as on its own capacity.

Coal Regulatory Authority

On 4th March, 2014, Ministry of Coal (MoC) has notified the establishment of Coal Regulatory Authority (CRA) under the administrative control of the MoC. The primary function of the CRA is to advise the Central Government on the formulation of the principles and methodologies for determination of price of coal (raw, washed and any other byproduct), formulation of policies in coal sector, promotion of competition, efficiency and economy in the activities of the coal industries, promotion of investment in coal industry, development of mining technology, beneficiation methods to improve mining and conservation of coal resources. The CRA shall consist of a Chairperson and four members to be appointed by the Central Government.

2. OPPORTUNITIES AND OUTLOOK

2.1 Strategic Focus of Tata Power

Your Company plans to remain an integrated player across the power value chain which gives it a differentiation and a competitive edge in the marketplace. The key focus areas will be scaling up of generation capacity and value added businesses viz. services, trading etc. Considering the evolution in the global energy environment, your Company will maintain a portfolio of options for its generation mix. While the deployment of coal based power is expected to continue (given its importance for India and other developing economies), Hydro and Renewables based generation will be given importance in the portfolio to ensure a sustainable generation mix. Tata Power plans to have 20-25% of its generation from Non-Greenhouse Gas sources over the next 8-10 years.

While Indian market continues to remain the primary focus of business for your Company, it has started making investments into projects in select international geographies to strengthen and diversify its portfolio and for greater impetus for growth.

Your Company will also focus on the consumer end of the value chain through Distribution and Decentralized Distributed Generation (DDG). Your Company will continue to explore strategic investments in fuel to ensure competitiveness of its generation assets.

2.2 Domestic

The growth in the domestic market is currently constrained given the uncertainties around fuel supply, financial condition of discoms, challenges of land acquisition, water linkages and environmental clearances. However, it is expected to start looking up with the implementation of reforms which are inevitable as the power sector is a key driver supporting the growth of the nation at large.

The opportunities and outlook that exist for your Company in the home market in India are as follows:

2.2.1 Generation

i) Expansion at existing sites where your Company is operating.

ii) Due to the current financial stress in the power sector, there are assets which may be available for acquisition. Your Company is evaluating and will continue to evaluate opportunities to acquire projects in various stages of development across the country. These acquisitions, if they materialize, will leverage our existing businesses in the power value chain.

iii) Given the increasing difficulty of acquiring land for future capacity addition, your Company is actively evaluating and pursuing opportunities to acquire land in strategic markets in the country to help build a strong pipeline.

iv) Renewable capacity and DDG as elaborated below:

Renewable Energy Sources

i) Your Company is exploring multiple options: both Greenfield and Acquisitions, to be able to capture the market for both Solar and Wind based generation.

ii) Your Company is in the process of acquiring suitable land parcels in the states of Maharashtra, Rajasthan, Gujarat, Andhra Pradesh and Karnataka to develop solar and wind projects.

De-centralized Distributed Generation

The need for access to reliable electricity will drive opportunities in DDG. Innovative business models and a mix of technologies will be necessary to address this market. Technology maturity, grid infrastructure, clarity in commercial terms and regular source of fuel (biomass, wind, solar etc.) are the focus areas to make the best of this opportunity. Your Company is actively advocating, evaluating and pursuing projects for solar, wind and biomass-based power plants to make them commercially viable specifically for small (<1 MW) power plants for distributed generation.

2.2.2 Distribution

With increasing focus on the financial condition of discoms, there is greater emphasis in reducing Technical and Commercial losses in the system as well as ensuring close linkage between tariffs and power purchase cost. Implementation of Restructured Accelerated Power Development and Reforms Programme (R-APDRP) schemes and the proposed financial restructuring may encourage more state utilities to explore private sector participation in the distribution business (PPP route/Distribution Franchisee Model).

While the PPP route has been successfully demonstrated in the case of Delhi, the distribution franchisee model has been accepted by a few states as the route to bring in private investments, expertise and management skills in the distribution business.

Your Company will pursue opportunities in the Distribution Sector– partnering with states/Union Territories that have the institutional will and conviction to reform and drive operational improvement.

2.2.3 Transmission

Your Company is continuously pursuing the expansion of its transmission network in the Mumbai License Area. Your Company also keenly tracks any growth opportunities in the transmission sector and reviews each opportunity as it presents itself.

2.2.4 Fuel

Your Company is hopeful of resolution of the legal issues pertaining to coal block allocation to pave the way for greater private participation in the development of domestic coal sector in India. Your Company will continue to track reform and growth opportunities in the sector.

Due to stagnant international coal prices over past year, there is a likelihood of consolidation of international coal assets which your Company will continue to watch keenly.

2.3 International

In line with the international strategy, your Company continues to evaluate investment opportunities in Africa, Turkey, Middle East, South East Asia and the SAARC region.

In addition, your Company continues to evaluate various opportunities for providing management and technical advisory services in distribution business. Through its subsidiaries, your Company is currently engaged in providing such services to two distribution companies in Nigeria.

3. BUSINESS PERFORMANCE: OPERATIONS

As of 31st March, 2014, the Tata Power group of companies had an installed generation capacity of 8,584 MW based on various fuel sources: thermal (coal, gas and oil), hydroelectric power, renewable energy (wind and solar PV) and waste heat recovery.

Table 1: Details of installed capacity

Fuel Source	Location	State	Installed Capacity (MW)	Category Total (MW)
Thermal – Coal/ Oil/Gas	Trombay	Maharashtra	1,580	7,407
	Maithon	Jharkhand	1,050	
	Mundra	Gujarat	4,000	
	Jojobera	Jharkhand	428	
	IEL – Jojobera	Jharkhand	120	
	Rithala	New Delhi	108	
	Belgaum	Karnataka	81	
	Lodhivali	Maharashtra	40	
Thermal – Waste Heat Recovery	IEL – Jamshedpur	Jharkhand	120	240
	Haldia	West Bengal	120	
Hydro	Bhira	Maharashtra	300	447
	Khopoli	Maharashtra	72	
	Bhivpuri	Maharashtra	75	
Renewables	Wind farms	Maharashtra, Gujarat, Karnataka, Tamil Nadu, Rajasthan	461	490
	Solar Photovoltaic (PV)	Maharashtra, Gujarat and Delhi	29	
Total				**8,584**

Your Company (including its subsidiaries) has 14% of capacity (in MW terms) through non-Green House Gas (GHG) based generating sources (Hydro, Wind, Solar and Waste Heat Recovery). Because of the large capacity addition through CGPL, the non-GHG capacity percentage has reduced as compared to earlier years. Your Company re-emphasizes its commitment to maintaining a 20-25% share of its generation mix through non-GHG energy projects.

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

Table 2: Details of other businesses

Business	Location	Key details
Transmission	Mumbai	Over 1,125 Ckm of Transmission lines, connecting Generating Stations to 20 Receiving Stations
	Eastern/ North regions	Installed Transmission lines which transmit surplus power from Eastern/North Eastern region (Siliguri) to Uttar Pradesh (Mandaula) covering a distance of 1,166 km.
Distribution	Mumbai	Over 2,893 Ckm of Distribution lines.
	New Delhi	Approximately 10,980 Ckm of Distribution lines
Retail	Mumbai	Over 490,000 customers with sales of over 6,500 MUs in FY14
	New Delhi	Over 1.4 million customers with sales of over 8,000 MUs in FY14
Strategic Engineering	Mumbai	One of the leading suppliers of defence equipment and solutions amongst the Indian Private Sector.
Power Services	Mumbai	One of the leading service providers for Project Management, O&M and specialized services in the power sector.

OPERATIONAL PERFORMANCE OF KEY BUSINESSES

Your Company together with its subsidiaries generated 45,210 MUs of power from all its power plants during the year as compared to 34,683 MUs in the previous year with more than 24% increase in generation.

3.1 Generation

➢ Thermal

During the year, the thermal power plants collectively generated 42,809 MUs as against 32,371 MUs generated in the previous year.

Table 3: Thermal power generation during FY14 (only major stations shown)

Business	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY14	*FY13*	FY14	*FY13*	FY14	*FY13*
CGPL-Mundra	23,928	*12,440*	82.6	*83.9*	65.8	*73.9*
Trombay	7,083	*9,424*	89.7	*96.9*	51.2	*68.1*
MPL-Maithon	6,328	*4,587*	87.2	*83.1*	68.8	*59.1*
Jojobera	2,832	*3,067*	96.4	*95.4*	75.6	*81.9*
IEL	1,694	*1,705*	95.5	*95.8*	80.5	*81.1*
Haldia	942	*925*	98.4	*95.6*	96.1	*94.3*
TPDDL-Rithala	0.2	*137*	84.3	*84.3*	0.02	*17.1*

- **CGPL:** Availability of the plant was maintained above 80%. However, PLFs were lower due to higher surrender of power and grid frequency. The company continues to operate at lower than optimal efficiencies due to use of lower grade coal in order to reduce costs.
- **Trombay:** The lower PLF was mainly due to the need to back down its generation units, as relatively competitive power was procured from the market to ensure affordable power for the consumers in Mumbai. Further, the lower PLF was also due to an outage in Unit-8 caused by a fire in turbine and generator deck, after which, the unit was safely shut down. Restoration of Unit-8 is underway and is expected to be completed in FY15.
- **Maithon Power Limited (MPL):** The forced outage rate improved from 5.59% in FY13 to 4.09% in FY14. Performance Guarantee tests were conducted for Boiler-Turbine-Generator (BTG) of both Units and other packages such as coal handling and ash handling plants of both the units. The average coal receipt to the station was approximately 13,500 MT per day from Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) ensuring adequate coal stock throughout the year.
- **Jojobera:** Major overhauls of Unit 3 was completed in FY14. Overhauls for Unit 1, Unit 2 and Unit 4 are planned in FY15. Jojobera Unit 2 operated continuously for 384 days and achieved a new record of continuous running among 120 MW units. Previous best was 340 days as per CEA Report FY12.

➢ Hydro

Your Company has three operational hydroelectric power generating stations (viz. Bhira, Bhivpuri and Khopoli) totalling 447 MW; located in the Raigad district of Maharashtra.

During the year, the three hydroelectric power plants collectively generated 1,597 MUs as against 1,450 MUs generated in the previous year. The increase was on account of better monsoon in FY14 and available margin in the Krishna Water Dispute Tribunal Award (KWDTA) limits. The Hydro divisions achieved Regulatory Generation Availability of 99.07% against plan of 97.01%. The water rate was at its best ever at 0.8203 MCM/MU against plan of 0.8262 and previous best of 0.8210 MCM/MU.

Table 4: Details of hydroelectric power generation

Business	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY14	*FY13*	FY14	*FY13*	FY14	*FY13*
Bhira	380	*474*	99.38	*100*	28.95	*36.08*
Bhira Pump Storage Unit	589	*382*	98.60	*70.02*	44.82	*29.04*
Bhivpuri	305	*302*	99.98	*100*	46.35	*45.90*
Khopoli	323	*293*	98.43	*100*	51.20	*46.42*

- **Solar**

Your Company has solar power generation assets located at Mulshi and Mithapur with installed capacities of 3 MW and 25 MW respectively. Your Company, through TPDDL also has 1 MW rooftop capacity in Delhi.

i) Mulshi Solar PV Plant

The 3 MW Mulshi Solar PV site generated 4.22 MUs in the year as against 4.51 MUs in the previous year.

ii) Mithapur Solar PV Plant

Your Company has signed a PPA for this project with Gujarat Urja Vikas Nigam Limited and generated 43.69 MUs in FY14 with PLF of 19.95% as compared to 43.38 MUs in FY13.

- **Wind**

Your Company has wind generation assets at various locations across Maharashtra, Gujarat, Tamil Nadu, Rajasthan and Karnataka. The assets located in Maharashtra supply wind power to its Mumbai Distribution business. The wind assets located outside Maharashtra supply power to the discoms in their respective states. The total installed wind power capacity is 460.60 MW.

Table 5: Details of installed wind power capacity

Location	State	Installed Capacity (MW)
Poolavadi	Tamil Nadu	99.00
Gadag	Karnataka	50.40
Khandke	Maharashtra	50.40
Samana	Gujarat	50.40
Agaswadi	Maharashtra	49.50
Bhogat, Saurashtra	Gujarat	39.20
Visapur	Maharashtra	24.00
Dalot	Rajasthan	21.00
Nivade	Maharashtra	20.95
Sadawaghapur	Maharashtra	17.50
Supa	Maharashtra	17.00
Bramanvel	Maharashtra	11.25
Visapur	Maharashtra	10.00
Total		**460.60**

During the year, Company's wind farms generated 724.60 MUs as against 813.18 MUs for the same capacity in the previous year and an additional generation of 113.62 MUs from new capacity additions. Lower generation from existing units was primarily due to backing down by utilities and lower wind trend.

Table 6: Details of wind power generation in Mumbai Operations

Site	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY14	***FY13***	**FY14**	***FY13***	**FY14**	***FY13***
Poolavadi	202.9	*269.5*	99.1	*98.7*	23.4	*31.1*
Gadag	91.6	*97.4*	99.4	*99.4*	20.7	*22.1*
Khandke	114.1	*110.6*	98.5	*97.7*	25.8	*25.0*
Samana	75.6	*91.9*	98.7	*98.7*	17.1	*20.8*
Agaswadi	113.9	*114.5*	99.2	*99.1*	26.3	*26.4*
Bhogat, Saurashtra	77.9	-	99.0	-	22.7	-
Dalot	35.7	-	96.3	-	23.5	-
Nivade	32.0	*30.7*	99.3	*98.7*	17.5	*16.8*
Sadawaghapur	29.3	*32.3*	96.2	*98.5*	19.1	*21.1*
Supa	26.3	*26.7*	98.3	*98.1*	17.7	*17.9*
Bramanvel	18.0	*19.1*	95.2	*98.0*	18.3	*19.4*
Visapur	20.9	*20.5*	98.7	*98.4*	23.9	*23.4*

3.2 Transmission

➢ **Mumbai Licence Area**

Your Company has 1,125 Ckm of transmission network in Mumbai License Area, comprising 995 Ckm of 220 kV/110 kV overhead lines and 130 Ckm of 220 kV/110 kV underground cables, which connect Trombay and the hydro generating stations to 20 receiving stations spread across the Mumbai Operations area. The transmission lines are connected to the network of Tata Power Distribution business, BEST, Reliance Infrastructure and MSEDCL. The major highlights for the year are as below:

i) During the year, the Transmission grid availability was 99.60% as against the MERC norm of 98%. This improved availability is due to proactive actions taken based on preventive maintenance practices and good condition monitoring.

ii) New 220 kV Kalwa-Salsette line-6 has been commissioned. This line has relieved loading on existing 2 Nos. 220 kV Kalwa-Salsette lines and has enhanced transmission capacity for bringing power to Mumbai from outside.

iii) For improvement of reliability of Transmission Network in South Mumbai, three terminal line Trombay-Salsette -1/Backbay has been commissioned thereby providing 220 kV additional feed to Backbay Receiving Station and also establishing 220 kV link between South and North Mumbai.

iv) During the year, your Company added 120 MVA of Transformation Capacity, 64 bays and laid 34.21 Ckm of network.

v) 110 kV Receiving Station has been commissioned at IXORA - Panvel for meeting load growth in that area.

vi) 33 kV GIS switchgear commissioned at Saki, Sahar, Powai and Borivali Receiving Stations to provide additional outlets to discoms.

➢ **Powerlinks Transmission Limited (PTL)**

PTL is a JV between your Company (51%) and Power Grid Corporation of India Limited (49%).

The availability of the 1,200 km transmission line connecting the Bhutan based Tala Hydroelectric Project through the Eastern/North Eastern region to the Northern region, was maintained at 98.80% for Eastern Region in FY13 (previous year availability: 98.49%) and 99.97% for Northern Region (previous year availability: 99.95%), as against the minimum stipulated availability of 98%.

3.3 Distribution and Retail

➢ **Mumbai Licence Area**

In FY14, MERC released Multi Year Tariff (MYT) for Tata Power and Reliance Infrastructure. The changeover tariff (for Tata Power's customers connected through Reliance Infrastructure wires) approved in MYT was high due to increase in Cross subsidy surcharge and introduction of Regulatory Asset charges thereby leading to shifting of some of the Commercial and Industrial consumers back to Reliance Infrastructure. Despite the challenges, Tata Power has maintained a nearly flat growth rate with annual sales of 6,541 MUs in FY14 as compared to 6,590 MUs in FY13. However, owing to the gap betwen approved tariff and power purchase costs, the Regulatory Assets grew to ₹ 1,620.93 crore (provisional) in FY14 as compared to ₹ 1,190.28 crore (provisional) in FY13.

The highlights are as follows:

- Total consumer base increased to 494,261 with addition of 111,152 changeover and 9,139 direct consumers during FY14.
- On 8th January, 2014, your Company provided power supply to its first Greenfield slum of Ambujwadi at Malvani, Malad (West). Supply to around 1,500 consumers has been realized by the end of this financial year.
- Your Company enhanced its network by adding 5 Distributing Sub Stations, 85 Consumer Sub Stations, 266 Ckm of HT cable network and 334 Ckm of LT cable network.
- System availability was maintained with an Average System Availability Index (ASAI) of 99.994% as against the previous year ASAI of 99.993%. The number of technical complaints per 1,000 consumers has reduced from 8.5 to 5.21.
- In order to be close to consumers and provide easy access, your Company has set up more than 23 Customer Relations Centers (CRC) and 5 Bill Collection centres within a 2 km radius of consumer base.
- Several value added services have been launched, aimed at enhancing consumer experience. Services include wiremen training, Walk Through Energy Audit, Original Equipment Manufacturer (OEM) co-ordinated training for Industrial and Commercial consumers, Safety audits, E-bills, Consumer Charter on the company website and emergency mobile generator vans.
- A detailed Scenario Planning exercise was undertaken during the year to assess future possible scenarios in power purchase and regulatory environment for Mumbai power market including Generation, Transmission and Distribution. The exercise will ensure adequate readiness to address any opportunities and challenges emerging in the future.

- **Demand Side Management:** Your Company considers it important to manage continuously rising demand by creating an environment for efficient use of power. Your Company has developed programmes for different types of consumers.

  For Residential consumers, your Company has launched a unique consumer initiative called "My Mumbai Green Mumbai". This initiative gives an opportunity to Mumbai consumers to exchange their inefficient electrical appliances for new energy efficient appliances. The Company has partnered with leading consumer appliance manufacturers for energy efficient equipments.

  Your Company carries out energy audits for Industrial and Commercial consumers. The experts map their unique power consumption pattern and offer specific recommendations to improve the process and equipment efficiency.

  Rising peak loads is another challenge in a commercial city like Mumbai. Your Company has launched initiatives such as Demand Response and Thermal Energy Storage incentive, which motivate the consumers to shift load from peak to off peak.

➢ **Tata Power Delhi Distribution Limited (TPDDL)**

AT&C Loss Reduction

TPDDL has consistently over-achieved its Regulatory AT&C Loss Reduction Targets including in FY14. TPDDL is working closely with low end consumers through an Integrated CSR approach which is helping in reduction of the last mile losses. Special schemes such as "Pay and Win" introduced for Special Consumer Group (SCG) consumers with nil arrears. Revenue recovery drives were initiated with help of zonal teams on regular basis to enhance collection.

System Reliability

The company's ASAI continued to be around 99.5% in FY14.

In FY14, TPDDL commissioned five 33/11 kV Grid substation in Rohini, Naraina, Model Town, Wazirpur and Bawana with an intent to improve reliability and meet future load growth. In addition, auto-reclosure feature was enabled in grid circuit breaker of overhead feeders. Condition Based Maintenance – Ultrasonic and Thermo-scanning is being continuously undertaken to prevent outages. GPS Mapping of cable route and joints undertaken for faster restoration of cable faults.

Customer Service Delivery

The company's consumer base grew by 4% during FY14. The company also achieved additional load growth of 115 MW (64 MUs) on account of advocacy with developers, land owning agencies, commercial complexes, etc. running on DG sets which resulted in additional revenue of ₹ 58 crore to the billed amount.

Performance Standards

As in the past, the Company's compliance to Assurance time lines in FY14 continued to be in the range of 100% with certain key services such as providing new connections (in average 3 to 5 days against DERC allowed 30 days), fault restoration (in average less than 2 hours, even in rural areas against 3 to 8 hours allowed by DERC), replacement of defective meters (2 to 3 days against 15 days allowed by DERC), being provided in significantly less (faster) time than stipulated by DERC.

Comptroller and Auditor General (CAG) Audit

TPDDL is extending full cooperation to the CAG to ensure smooth and timely completion of the Audit. Several special meetings have been conducted to ensure timely resolution of the queries raised by the auditors.

Beyond Licensed Area / Revenue from Other Businesses

In FY14, the company has been awarded Technical and Management Consultancy project in Nigeria. In addition, the company has also won consultancy assignments in Uttar Pradesh and Haryana under R-APDRP and National Electricity Fund (NEF) schemes.

3.4 Power Trading

Tata Power Trading Company Limited, a wholly owned subsidiary of your Company, transacted 11,488 MUs in FY14 as compared to 9,431 MUs in the previous year and has shown a CAGR of 31% over the past 5 years.

It was ranked the second largest trader with a market share of 14.03% in FY14.

3.5 Coal Investments

The production at the two Indonesian thermal coal companies, viz. PT Kaltim Prima Coal and PT Arutmin Indonesia, during calendar year 2013 was 80.32 mn MT as against 74.44 mn MT in calendar year 2012. The coal price realization for the year was USD 63.87/tonne as compared to USD 81.01/tonne in the previous year due to continuing downtrend in global coal prices. The lower price of coal impacted the profitability of the coal companies substantially as compared to the earlier years.

Your Company had acquired 26% stake in PT Baramulti Suksessarana Tbk (BSSR), Indonesia in FY13 through its wholly owned subsidiary Khopoli Investments Limited. PT Antang Gunung Meratus (AGM), a wholly owned subsidiary of BSSR, and PT Baramulti Suksessarana Tbk together own approximately 1 billion tonnes of coal resources in South and East Kalimantan in Indonesia. Your Company has signed a long term coal supply agreement with AGM. In calendar year 2013, AGM produced a total of 4.09 mn MT with an average realisation of US$ 41.13/tonne.

3.6 Power Services Business

The Power Services business is a division within your Company with a vision to leverage the Company's capability and experience in operation and maintenance, project management, specialized testing services, technical audits, Residual Life Assessment (RLA) studies and related activities of Power Plants across various technologies- Thermal, Gas based, Hydel, Solar and Wind. It offers customized solutions to greenfield as well as existing power plants and distribution networks.

Within Tata Power Group, the division executed Project Management Service Agreement (PMSA) for MPL (1,050 MW), TPREL (~110 MW) and Kalinganagar (202.5 MW). O&M contracts were executed for IEL (240 MW), TPDDL (108 MW), and TPREL (46 MW). In addition, the division is servicing power plants outside of the Tata Power Group.

3.7 Tata Power SED

FY14 continued to be a difficult year for Defence Industry. However, steps have been taken towards greater indigenisation, which opens up a large addressable market for Tata Power SED in the Defence Programs.

Some of the noteworthy achievements of SED during FY14 are:

i Migrating to the more powerful Project Lifecycle Management viz. TeamCenter from Siemens in order to become a world class Systems Engineering company.

ii SED received AS9100C:2009-01 and ISO 9001:2008 certificate for Design and Quality Assurance of Hardware and Software for Aerospace and Defence.

iii ISO 18000 OHSAS certification obtained.

4. BUSINESS PERFORMANCE: PROJECTS

Your Company is engaged in executing generation projects (both in India and select international geographies) with a cumulative capacity of about 834 MW. In addition, your Company is engaged in starting up a Distribution Franchise with JSEB for supply in Jamshedpur circle.

Table 7: Details of generation projects under construction

Fuel Source	Location	Capacity (MW)	Category Total (MW)
Thermal – Waste Heat Recovery	Kalinganagar, Odisha	202.5	202.5
Hydro	Dagachhu, Bhutan	126.0	311.0
	Georgia	185.0	
Wind	Maharashtra	57.5	291.5
	South Africa	234.0	
Solar	Maharashtra	28.8	28.8
Total			**833.8**

4.1 DOMESTIC PROJECTS

4.1.1 Kalinganagar, Odisha CPP 1- 202.5 MW (3 x 67.5 MW)

The project is being executed through IEL, a JV of the Company (74%) with Tata Steel Limited (26%) for its steel plant in Kalinganagar, Odisha. EPC contract has been awarded; all clearances for the project are in place. Boiler drums of all units have been lifted. The project is in advanced stages of execution.

4.1.2 Renewable Energy Projects

32 MW Wind Visapur Project, Satara (24 MW commissioned, 8 MW under execution)

Your Company executed Visapur 32 MW wind project at Visapur in Satara District, Maharashtra for TPREL and has achieved commissioning of 12 Wind Turbine Generators (WTGs) totalling to 24 MW in March 2014. The remaining 8 MW is currently under execution.

49.5 MW Wind Pethshivpur Project, Kolhapur

The project is located in Kolhapur district of Maharashtra. Stage 2 Forest Clearance has been obtained. The civil works have commenced from January 2014. The project is expected to be commissioned during FY15.

28.8 MW Solar Palaswadi Project, Satara

Your company executed Palaswadi 28.8 MW (DC) solar project for TPREL. The plant is awaiting 110 kV line outage of Maharashtra State Electricity Transmission Company Limited (MSETCL) to establish power evacuation connectivity to grid.

4.1.3 Tata Power Jamshedpur Distribution Limited, Jharkhand

The Company signed a Distribution Franchisee Agreement with JSEB on 5th December, 2012 for a period of 15 years for power distribution in the Jamshedpur Circle in Jharkhand.

The area to be served is approximately 3,600 sq. km, having a consumer base of approximately 3 lakh. The operations shall be managed by a wholly owned subsidiary viz. Tata Power Jamshedpur Distribution Limited.

4.2 INTERNATIONAL PROJECTS

4.2.1 Dagachhu Hydroelectric Power Project, Bhutan

The 126 MW (2 x 63 MW) Dagachhu project is being implemented in Bhutan by Dagachhu Hydro Power Corporation Limited, a JV of your Company (26%), Druk Green Power Corporation Limited (59%) and National Pension and Provident Fund of Bhutan (15%). The excavation of Head Race tunnel has been completed and the lining of the tunnel is in progress. All civil work at the Barrage and Power House has been completed. Electro-mechanical work is in advanced stages of completion. Manufacturing and delivery of the electro mechanical equipment has been completed. Erection of various electro mechanical components at the dam site and in the Power House is under progress. Project is expected to be commissioned in FY15.

4.2.2 Cennergi Projects - Tsitsikamma and Amakhala

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

4.2.3 Georgia Hydro

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

These projects are being developed in a phased manner on Build, Own and Operate basis. With this JV, the Company now has a presence in Turkey/Georgia and would actively pursue other opportunities in these countries.

5. BUSINESS PERFORMANCE: GROWTH

5.1 DOMESTIC

5.1.1 Coastal Maharashtra Project – 1600 MW (2 x 800)

During the year, your Company has successfully completed acquisition of private land (970 acres) for Coastal Maharashtra project at Dehrand. Joint survey and boundary demarcation is completed with Government of Maharashtra (GoM). Final process of transfer of land to your Company is underway. All statutory approvals required to start the project are in place.

Clearance by GoM for transfer of Government land (72.12 acres) to Maharashtra Industrial Development Corporation (MIDC) for Tata Power is in final stages.

The PPA is being pursued with MSEDCL/GoM/MERC.

5.1.2 Mundra Expansion – 1600 MW (2 x 800)

A Public Hearing in response to the Environment Impact Assessment (EIA) submitted by CGPL for expansion of two additional units of 800 MW was completed successfully in the month of August 2013 and revised EIA was submitted to Gujarat Pollution Control Board (GPCB) and MoEF incorporating suggestions from the local community. The same is being pursued with MoEF for environmental clearance.

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

MPL has been pursuing its Phase II expansion plan. Land and water required for Phase II expansion has already been acquired. Coal linkage application for the Unit has been filed with the MoC. Subsequent to successful public hearing conducted in December 2012, EIA report along with necessary documents has been submitted to the MoEF. The environment compliance assessment site visit by Regional Office, MoEF has been conducted in March 2014. Environmental Clearance is awaited.

5.1.4 Dugar Hydroelectric JV Project

The consortium of your Company and SN Power Singapore Pte. Limited (SN Power), a subsidiary of Statkraft, Norway, was awarded the Dugar Hydroelectric Project through a competitive bidding process carried out by the Government of Himachal Pradesh. The project is being developed through a SPV, Dugar Hydro Power Limited (DHPL). DHPL is a JV between your Company (50% + 1 share) and SN Power (50% - 1 share).

The site investigations and development of the Detailed Project Report are under progress.

5.1.5 Tubed Captive Coal Block

Tubed captive coal block is being developed by Tubed Coal Mines Limited (TCML), which is a JV company set up by your Company (40%) and Hindalco Industries Ltd. (60%). The coal block is located at the Latehar district of Jharkhand. The annual yield of the project is expected to be about 6.0 MTPA. Tata Power's share of coal from Tubed would be utilized for the 3 x 660 MW Tiruldih Power Project.

Presently, the land acquisition for the project is in progress. So far, a part of the required private land has been acquired and No Objection Certificate for acquisition of land against Compensatory Afforestation has been obtained. A substantial portion of the land has been registered in the name of TCML.

Environmental clearance for the project is subject to Stage-I Forest Clearance. Forest Advisory Committee (FAC) of MoEF has reviewed Forest Diversion Proposal and is waiting for Ministry of Coal's advice for grant of Stage-I Forest Clearance. Approval for mining lease is in place.

The company has received communication from MoC regarding de-allocation of the coal block based on recommendation of Inter-Ministerial Group (IMG). The IMG has subsequently put the decision on hold on the directive of Hon'ble High Court of Jharkhand.

5.1.6 Tiruldih Power Project - 1,980 MW (3 x 660)

The process of land acquisition for the 1,980 MW (3 x 660 MW) project has made further progress. Substantial portion of the required private land has been acquired. Agreement with villagers for required land has been made. Water allocation for the project has also been obtained.

Environment Clearance for the project is being discussed at level of EAC (Expert Appraisal Committee) in MoEF.

5.1.7 Mandakini Captive Coal Block

Mandakini Captive Coal Block is being developed by Mandakini Coal Company Limited, which is a JV of your Company, Monnet Ispat and Jindal Photo Film having equal shareholding. The annual production of the project is expected to be 7.5 MTPA. The project is situated in Angul district of Odisha and the coal block would be supplying coal to designated power project.

Land acquisition process for the project has been completed. Environmental and Forest clearance for the project has already been obtained. Vendor for mine development and operation has been finalised.

Your Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. Your Company is of the view that considering the progress made in land acquisition and obtaining various clearances for development of the coal blocks, there is a case for withdrawal of the notices.

5.1.8 End use plant for Mandakini Coal Block

Naraj Marthapur was originally envisaged as an end-use-plant for Mandakini coal block. Accordingly, land was acquired and the possession of the same was taken. MoEF granted Environment Clearance subject to the water allocation for the coal based project from the Mahanadi River and clearance from National Board of wildlife. Water allocation was obtained for the project. Clearance from the National Board of Wildlife is still awaited.

Considering the delay in obtaining required clearances and in order to expedite end use for Mandakini captive coal, the Company is pursuing alternative land.

Meanwhile, alternate use of the site at Naraj Marthapur land including possibility of establishing a solar power plant is being explored.

5.1.9 Captive Power Projects with Tata Steel Limited by IEL

Kalinganagar CPP2 - 450 MW

The coal based project will be executed through IEL. Environment Clearance has been received for the project. The project is expected to meet the increasing power requirement of Tata Steel for expansion of its steel plant at Kalinganagar, Odisha. Environment Clearance, Consent to Establish, Aviation Clearance has been received for the project. The coal requirement for the project is expected to be met from the allocated coal blocks of Tata Steel.

The progress for this project is in close co-ordination with Tata Steel to align with commissioning of the steel plant capacities.

The company is also in the process in developing other Captive Power Projects in coordination with Tata Steel to meet its power requirements.

5.1.10 Renewable Projects

Your Company is developing over 192 MW of wind power projects in India. The Company has acquired 86 acres of land in the state of Gujarat, and around 200 acres of land in Rajasthan for future of solar based projects.

5.1.11 Other Projects

Trombay Unit #6 Modernization

Your Company is pursuing modernisation of its 500 MW Unit 6 in Trombay Power Plant through change of fuel (oil to coal) duly recognizing that domestic gas is not available and oil has become prohibitively expensive. Environmental clearance for the project has been obtained from MoEF (Environmental Clearance letter available on MoEF website). The management is conscious of the environment impact of power generation using coal and has thus proposed mitigation measures by which there would be no enhancement of limits of various emissions. Also, your Company shall responsibly handle 100% of the Ash generated in benign applications. Execution of this project will also result in lower cost of power for consumers.

400 kV Vikhroli Transmission Project

Your Company has conceptualized a 400 kV, double circuit, 1,870 MVA each transmission line of route length 85 km from 400 kV MSETCL Receiving station at Nagothane via proposed Dehrand thermal power station. Your Company has taken up construction of 400 kV transmission line of route length of approximately 20 km between MSETCL Kharghar Receiving station to the under-construction 400 kV Receiving station at Vikhroli. The proposed 400 kV Receiving station at Vikhroli will inject bulk power into the Mumbai Transmission grid system.

Your Company is in advanced stage of obtaining various permission/approvals such as Forest approvals, CRZ, Maritime board, AAI, MCGM etc.

5.2 INTERNATIONAL

With a view to de-risk operations and investments in India owing to various domestic constraints and to harness opportunities internationally, your Company made the decision to pursue growth outside India as well. Your Company is pursuing its journey to become relevant and significant in select geographies.

5.2.1 Vietnam

Your Company has executed a Memorandum of Understanding in November 2013 with the Ministry of Industry and Trade, Government of Vietnam, for developing the 1200 MW Long Phu 2 coal fired power project in Soc Trang Province of Vietnam on Build, Own and Transfer basis. The Company is currently engaged in preparation of a Detailed Project Report as per the regulations in Vietnam and is also carrying out a study of the power market in Vietnam.

5.2.2 Zambia

Based on the approval granted by the Board, your Company is in the process of acquiring the shares held by Tata Africa Holdings (SA) (Pty) Limited (Tata Africa) in Itezhi Tezhi Power Corporation Limited, which is implementing the 120 MW Itezhi Tezhi Hydro Project in Zambia. Tata Africa holds 50% of the shares of Itezhi Tezhi Power Corporation Limited, while the balance 50% is held by Zambia Electricity Supply Company Limited, the national power utility of Zambia. The construction of the project is progressing satisfactorily.

5.2.3 Myanmar

Your Company has executed a Memorandum of Understanding with the Ministry of Electric Power, Government of Myanmar, for development of an imported coal fired power project at Ngayok Kaung, Ayeyarwaddy, Myanmar on Build, Own and Transfer (BOT) basis. The Company has already initiated activities related to preparation of the Pre-Feasibility Report for the proposed project.

5.2.4 Sorik Marapi Geothermal Project, Indonesia

The consortium of your Company, Origin Energy Limited and PT Supraco Indonesia won the Sorik Marapi Geothermal concession in a competitive bid process on 2nd September, 2010.

The project is in the exploration phase. The resource assessment surface studies have been completed. Despite delays in the conclusion of discussion regarding revision of tariff, the company hopes to maintain progress as per plan. The progress in PPA negotiations with State Power Offtaker PLN, which commenced in Q2 FY13, was going slow on account of impasse on tariff, as the consortium requested for tariff adjustment on account of non-project delays. Good progress has been made in Q3 and Q4 FY14 in reference to Heads of Agreement (HoA) with PLN for tariff uplifment.

6. CORPORATE FUNCTIONS: ENABLERS TO BUSINESS

6.1 HUMAN RESOURCES (HR)

The Human Resource function of your organisation is actively pursuing the agenda of supporting the organisation in its strategic objectives. Key HR processes and practices have been strengthened and streamlined in order to support the global scale of the organisation. A systems focus has been brought about as part of the organisation-wide SAP reimplementation process via the HR modules. There has also been a focused approach towards integration of HR processes and practices across the Tata Power Group of Companies in order to ensure seamless talent mobility.

In order to continue its focus on sustaining meritocracy, the Performance Management system has been strengthened. In line with the Tata Group's objectives of promoting the cause of women in the corporate world, your Company has undertaken various initiatives in order to promote gender diversity at the workplace and enabling the women employees succeed in their careers.

Manpower

On a standalone basis, the manpower (officers and staff) at the end of FY14 stood at 3,653 as compared to 3,576 at the end of the last financial year. The manpower, including major subsidiaries (CGPL, MPL, TPJDL, SED, NELCO, Powerlinks, TP Solar) is 6,148 as compared to 5,954 in the previous year. Women employees account for approximately 9% of the manpower.

Employee Engagement

The overall employee engagement of your Company determined through a Aon Hewitt survey in 2013 was 67% as against the industry average of 66%. 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. Subsequently, these action plans have been implemented with rigor. Counselling sessions were arranged with relevant departments and managers to ensure sustained engagement and satisfaction levels in FY14.

Cadre Recruitment

The cadre recruitment process was revamped and an increased rigour was incorporated in the selection as well as the orientation programme, which is spread across a year. To ensure inflow of bright young talent and develop a future leadership pipeline, recruitment was carried out at various campuses across the country. In all 37 Graduate Engineer Trainees and 8 Management Trainees were hired in the year FY14. The trainees underwent a structured orientation program involving pre-identified project based assignments which also included a mandatory community relations stint.

Capability Development

In line with the current business scenario and the organisational growth objectives, capability development has become an important aspect to make Tata Power agile and future ready. An overall Capability development plan has been formulated covering the aspects of Leadership, Managerial and Technical development. Initiatives under these three areas were taken up to cater to the capability needs and gaps at various stages of the employee life cycle. A Tata Power orientation program under the banner "Odyssey: An orientation towards your journey with Tata Power" was launched. The program involves senior leaders addressing the participants and introducing them to various functions and businesses of the company.

Apart from various managerial and leadership programs which were conducted internally and several external programs attended by our officers, a specific program focussing on gender diversity and inclusiveness was also launched. This program, called "Women to lead" was conducted in Mumbai and eastern region of our women colleagues. The program is aimed at empowering women employees to take up leadership positions in the near future.

In order to provide a platform for young employees to contribute at the strategic level and address various challenges faced by Tata Power, Shikhar Awards 2014 was announced. It received fifty entries of innovative business plans from across the group out of which three teams were identified as having the best ideas.

Talent Management and Succession Planning

To identify the right talent and develop a robust pipeline, your Company has a structured talent management process whereby high potential officers are identified and suitable individual development plans prepared.

Talent Management initiatives focused on all levels of management have been launched and actively enabled.

For Senior Management officers, Management Planning Discussions (MPDs) were conducted in order to explore career progression and succession planning aspects. In addition, a specialized programme to provide fast track career growth opportunities and leadership exposure to high potential youngsters, ACE, was successfully conducted.

As part of the Succession planning exercise, critical positions were reviewed and potential successor norms developed, for building a future-ready talent pipeline.

Performance Management System

The Performance Management System measures performance against defined KRAs as well as key leadership attributes based on the "Tata Leadership Practices."

We reward employees based on their performance, potential and contribution to the success of the business. The reward framework takes into account the individual, divisional and organisational performance, thereby promoting holistic performance orientation.

Organisation Integration

In our endeavour to bring about Organisation Integration across Tata Power Group of Companies, certain key transformation projects have been initiated. These projects would promote standardisation/integration of systems and processes across the Group. Work Level standardisation, Policies and Compensation Structure harmonization are some of the key projects that have been launched in FY14.

Industrial Relations

Your Company maintained good Industrial relations environment across the organisation. The Long Term Settlement for Mumbai Operations is under discussion with the Union representatives. On closure, the revised provisions will be implemented with effect from 1st January, 2014.

Sexual Harassment

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace (POSH) in line with the requirements of the newly enacted Companies Act, 2013. An Internal Complaints Committee (ICC) is set up for all administrative units or offices of Tata Power to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place towards any woman associates. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY14:

- No. of Complaints received: 2
- No. of complaints disposed off: 2
- No. of cases pending for more than 90 days: NIL
- No. of workshops or awareness program against sexual harassment carried out: 7
- Nature of action taken by the employer or District Officer: Respondent was transferred in one Case and no action was found necessary in the second case.

6.2 COMMUNITY RELATIONS

- Your Company is presently reaching out to more than 0.5 million lives in 7 states of India viz. West Bengal, Jharkhand, Odisha, Gujarat, Maharashtra, Karnataka, and Tamil Nadu.

- Rural energy, safe drinking water, livelihood and employability program, community health outreach and school education have been the key flagship initiatives.
- Community based water management initiatives focused on water harvesting and drinking water undertaken in Gujarat, Jharkhand and Odisha respectively.
- Promotion of sustainable agricultural and fishing practices.
- Improved results on gainful engagement of rural youth through vocational skill building programs and career development centres in Maharashtra, Jharkhand and Odisha.
- Sensitization of urban slum dwellers towards child education in Maharashtra.
- Tata Power Arpan Awards- Institutionalization of employee volunteering through recognition to divisions for exemplary work in volunteering. Haldia Division bagged the maiden Tata Power Arpan Award 2013.
- Mobile Health Units rolled out across all locations enhancing positive health behaviour and primary health care.
- More than 4100 women Self Help Group members developed with cumulative savings of approximately ₹ 90 lakh. Enhancing opportunities for promoting traditional artisans and craft has benefitted rural women across all 7 states.
- Various volunteering initiatives observed including Sanjivani (Afforestation Project for Carbon Sequestration), Energy conservation (School based Awareness), Mahaseer conservation (Bio-diversity). Besides, Tata Volunteering Week was observed with focus on women and children aspects as part of commemorating the 175th Birth anniversary of Founder J N Tata across all locations. This year, more than 9722 volunteering hours were generated. Cumulative volunteering hours till date is approximately more than 31,500 hours.
- More than 75,000 children were covered under the Safe Drinking Water Initiative by Tata Power Community Development Trust (TPCDT) across 250 schools in 6 states of the country.
- Tata Power Group Companies joined hands for Uttarakhand Relief Mission and contributed ₹ 1.26 crore including ₹ 65 lakh contribution by employees.
- Your Company worked jointly with local administration and Tata Relief Committee in Ganjam district (Odisha) to provide relief during Phailin Cyclone and provided 5,000 solar lanterns in 275 panchayats.
- Alliances and Partnerships with approximately 43 Civil Societies, Academic institutions, industry partners and local governments to leverage knowledge and competencies.

6.3 FINANCING

Fund Raising

During the year, your Company launched a Rights Issue of ₹ 1,993.38 crore which was oversubscribed by 1.96 times and was successfully closed.

Besides the Rights Issue, your Company also raised various loans for financing its capital expenditure during the year. Despite a difficult environment, your Company managed to optimize financing cost through a balanced mix of loans, commercial papers and debentures.

Leverage

On a Standalone basis, the long term Debt/Equity is at 0.71 as on 31st March, 2014.

On a Consolidated basis, the long term Debt/Equity ratio as on 31st March, 2014, stood at 2.90 (including impairment provisioning) and 2.39 (excluding impairment provisioning).

Hedging

Your Company is exposed to risks from market fluctuations of foreign exchange. Your Company's policy is to actively manage its long term foreign exchange risks within the framework laid down by the Company's forex policy.

6.4 REGULATORY MATTERS

The businesses of your Company are governed primarily under the EA, 2003 and the regulations framed by the regulatory commissions under EA, 2003. The major regulatory matters are:

6.4.1 Multi Year Tariff (MYT) Orders of MERC

Mumbai has a unique situation for distribution where, in the Suburbs, parallel distribution licenses exist and one distribution licensee is allowed to use the wires of another distribution licensee in the same area. Any consumer who wishes to take power supply from anyone other than a Distribution Licensee to whom he/ she is connected can do so after paying the Cross Subsidy Surcharge, Wheeling Charge, Regulatory Asset Charge and Wheeling Losses as determined by the MERC to the Distribution Licensee to whom he/she is connected to.

The main reason for movement of consumers from one distribution licensee to another is the difference in tariffs in the two distribution licensees after paying the above charges. In the month of August 2013, the MERC determined the tariff for Reliance Infrastructure, which is the second Distribution Licensee besides your Company in the Mumbai Suburbs. The new Tariff order of Reliance Infrastructure resulted in Tariff difference (after including the above charges) in favour of Reliance Infrastructure, thereby resulting in moving back of consumers from your Company to Reliance Infrastructure.

The above tariff order has been challenged in the ATE.

6.4.2 Enmasse Changeover of consumers to Tata Power

MERC, in the month of October 2013, passed an order to transfer about 8 lakh consumers in the Residential category having a consumption of 0-300 units from Reliance Infrastructure to your Company from 1st November, 2013. This movement of consumers has been challenged in the ATE by Reliance Infrastructure. The transfer has not been effected so far as the case is being heard in ATE. This step would have addressed the allegation that Tata Power is not catering to low-consuming customers. Your Company has no problem in acquiring low-consuming customers.

6.4.3 Application for Distribution License in Mumbai area

MERC, through a public notice on 1st January, 2014, invited applications for Expression of Interest ('EoI') from parties who wished to distribute electricity after the period of the license of your Company expires. Based on MERC's procedure, the formal process of public hearing and evaluation is progressing.

6.4.4 ATE Order on Transit Loss in Middling Coal for Jojobera Unit 2 & Unit 3

MYT Order passed by JSERC for Jojobera Units 2 and 3 pertaining to disallowance of proposed relaxation in Transit Loss in Middling Coal (Washed Coal) for FY12-16 had been challenged and an Appeal (Appeal No. 147 of 2012) was submitted at the ATE. The ATE had on 14th November, 2013 passed the judgment to the Appeal and had directed JSERC to re-consider the issue of Transit Loss in Middling Coal and pass appropriate Orders.

6.4.5 Annual Performance Review Petition FY13 for Jojobera Unit 2 & Unit 3

MYT Petition for Unit 2 and 3 (120 MW each) at Jojobera in FY12 had been filed based on which the JSERC had passed the MYT Order. As per the MYT regulations of JSERC, there is a requirement to file an Annual Performance Review (APR) Petition for each year of the MYT Control Period. Accordingly, APR Petition for FY13 was filed with JSERC. All proceedings pertaining to APR Petition FY13 by JSERC including public hearing and technical validation are complete and the order has been issued.

6.4.6 Compensatory Tariff for CGPL

Against the petition filed by CGPL with CERC seeking relief for establishment of appropriate mechanism to offset the adverse impact in tariff caused by the steep hike in coal prices due to change in Indonesian coal price regulations, CERC issued the final order on 21st February, 2014. The order is balanced, keeping in view the beneficiaries and consumer interests. This will go a long way in resolving a major impasse affecting imported coal based power projects in the country that got impacted due to uncontrollable extraneous factors. The order provides partial relief to the Mundra UMPP, which has been contributing to the nation by way of about 2-3% of the gross generation. The order of the CERC has been contested by the procurers at the ATE. It is hoped that there is an early resolution of the issue.

6.4.7 CERC Tariff Order for FY 2011-14 for MPL

Revised Tariff Petition for approval of revised Capital Cost and Tariff for issuances of Final Tariff Order of MPL for FY11-14 was filed in February 2013. CERC had on 8th June, 2013 passed an order pertaining to the issue of jurisdiction of determination of Tariff for supply of power from MPL to TPDDL and WBSEDCL through Trading Licensee TPTCL and upheld its jurisdiction for the same. All proceedings by CERC pertaining to the above MPL Tariff Petition including hearings and technical validation are now complete. CERC order is expected shortly.

6.4.8 Long-term PPA with KSEB for un-allocated 150 MW of MPL

150 MW Capacity from MPL was proposed to be contracted with Kerala State Electricity Board (KSEB). The PPA has been signed between MPL and KSEB on 30th December, 2013 and necessary in-principle Regulatory approval has been obtained from KSERC. Further, KSEB has made an application to PGCIL for obtaining necessary Long-term Open Access (LTOA) which is awaited. The PPA shall be enforced from the date of commencement of power supply to KSEB upon obtaining the LTOA.

6.4.9 Appeal to ATE challenging DERC Orders on issues pertaining to MPL and the Delhi discoms

The DERC had, on 10th September, 2013 and 17th September, 2013, disposed of the Petitions for settlement of issues between MPL and Delhi discoms, viz., BRPL and TPDDL citing that it does not have jurisdiction to adjudicate the above issues and as such, the CERC has such jurisdiction. Appeals were filed at the ATE challenging the above orders. The appeals of MPL have been listed for hearing and the proceedings are under progress.

6.4.10 Truing-up Petition of Powerlinks for FY09-13

Truing-up Petition for FY09-13 along with Revised estimates for FY14 has been filed for Powerlinks Transmission Limited (PTL) before CERC under Tariff Regulations 2009. The petitions have addressed the operational and financial issues pertaining to PTL during the Tariff Period FY09-14 and the proceedings on the petitions are under progress at CERC.

6.4.11 Stay on Tubed Coal Block De-allocation

The Forest Advisory Committee of MoEF has reviewed the forest diversion proposal of Tubed coal block for grant of Stage-I Forest Clearance and the decision is awaited. In the meantime, the status of Tubed coal block was reviewed by the IMG and in the absence of Stage-I Forest Clearance, it has been recommended for de-allocation of the block. A writ petition has been filed with the High Court of Jharkhand praying for stay on the de-allocation process. High Court of Jharkhand has stayed the matter and directed MoC to not take any coercive action. In view of the stay, MoC has put on hold the de-allocation of the block.

Directions from the High Court of Jharkhand have also been prayed for, directing Government of India to not put on hold the process of grant of clearances.

6.5 LEGAL MATTERS

6.5.1 Standby Charges

On an appeal filed by your Company, the Hon'ble Supreme Court has stayed the operation of the ATE order, subject to the condition that your Company deposits an amount of ₹ 227 crore and submits a bank guarantee for an equal amount. Your Company has complied with both the conditions. Reliance Infrastructure has also subsequently filed an appeal before the Supreme Court challenging the ATE order. Both the appeals have been admitted.

6.5.2 Energy Charges and 'Take or Pay' Obligation

MERC directed Reliance Infrastructure to pay ₹ 323.87 crore to your 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 Reliance Infrastructure, 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 ₹ 34.98 crores (excluding 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 license and rebates given by Reliance Infrastructure. Your Company and Reliance Infrastructure 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 Reliance Infrastructure 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.

6.5.3 Disallowance in proposed Transit loss in Coal

Your Company has filed a an appeal in ATE (147 of 2012) against the MYT Order passed in May 2012 by JSERC for Jojobera Unit 2 and Unit 3 on the issue of Transit Loss in Middling Coal (Washed Coal). On 14th November, 2013, ATE passed its order in favour of your Company and directed JSERC to reconsider the issue of Transit Loss of Middling Coal.

6.6 BUSINESS EXCELLENCE

I. Tata Business Excellence Model

In line with the Tata Group guidelines for high scoring companies, your Company undergoes Tata Business Excellence Model (TBEM) assessment once in two years. The last assessment was concluded in FY13. During FY14, your Company focused on strengthening the key areas identified during the assessment in FY13. Further, an internal TBEM assessment and two deep dive assessments in key areas were conducted by Tata Quality Management Systems (TQMS) during the year. Your Company would undergo the next assessment in FY15.

II. Organisation Transformation (OT)

During the year, 'Leher' (a management cadre transformational program) provided an opportunity to 68 officers in the management cadre, across functions, levels and sites. The program focuses on creating a shift in the thoughts, feelings and actions of officers at critical levels in the organisation.

Another OT initiative, 'LASER' (Learn, Apply, Share, Enjoy, Reflect), aimed at achieving high standards of shop-floor excellence and strengthening relationships between front-line officers and workmen has also been implemented. The program had 370 employees working on 90 projects during the year.

A set of programs (Spandan, Worker Development Program and Tejaswini) targeted at improving personal productivity and effectiveness for frontline and contract workforce continued during the year. These programs have gained popularity and 550 Tata Power employees, 270 family members of employees and 1,050 Contract workforce were covered under these programs.

III. Sankalp

Sankalp, a programme to bring in operational excellence, delivery excellence and cost efficiency using the Total Operational Performance methodology has gained strength across your Company. The Sankalp programme has helped achieve improvement in some critical performance parameters of the operating plants of your organisation. During the year, 19 projects were completed and 86 officers participated in these projects.

IV. Structured Problem Solving (SPS)

The SPS programme launched in 2010-11 in your Company continues to add value. About 700 officers, across sites, have been trained on SPS. SPS attempts to analyse data available from various processes, using quality tools, to arrive at solutions for continuous improvements. 67 SPS projects were taken up during the year and 69 process indicators improved.

V. Business Process Reengineering (BPR)

As a part of BPR, an initiative called 'Project Saarthi' is been implemented, which is aimed at developing a key business enabler through re-implementation of the ERP tool in the organisation.

VI. Tata Innovista

Your Company participated in the annual Tata Group event to recognize the best innovations during the year. Three of the entries from your Company made it to the Global Finals.

6.7 INFORMATION AND COMMUNICATION TECHNOLOGY

The role of Information and Communication Technology (ICT) in the operations of your Company is increasing, with additional applications developed on Documentum and the SAP reimplementation process well on their way to completion. Your Company has introduced a corporate social networking site on the cloud and is extending the mobility footprint in the operations of Tata Power. It is also in the process of upgrading the infrastructure in preparedness for the future. ICT is now being used to supplement our security and the use of surveillance cameras and electronic access control is being implemented in the critical sites. In addition, your Company is establishing a Command and Control Centre to monitor these cameras.

7. FINANCIAL PERFORMANCE: STANDALONE

Your Company recorded a PAT of ₹ 954.08 crore during the financial year ended 31st March 2014 (FY13: ₹ 1,024.69 crore). Both the basic and the diluted earnings per share were at ₹ 3.50 for FY14 (FY13: ₹ 3.44).

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

7.1 Revenue

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Revenue from Power Supply and Transmission Charges	8,054.91	*9,081.33*	(1,026.42)	-11%
Revenue from Contracts (Net of Excise Duty)	442.14	*394.51*	47.63	12%
Other Operating Revenue	129.99	*91.44*	38.55	42%
Total	**8,627.04**	***9,567.28***	**(940.24)**	**-10%**

Revenue from Power Supply is lower mainly on account of lower fuel costs offset by favourable ATE Order in Mumbai Operations and higher transmission charges paid in Mumbai Regulated business based on the Intra state transmission order. Higher Revenue from Contracts is mainly contributed by the SED and Services divisions. Increase in Other Operating Revenue is primarily on account of the sale of RECs and income from CDM from wind farms in the current year.

7.2 Other Income

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Dividend Income	366.66	371.93	(5.27)	-1%
Interest Income	255.21	270.35	(15.14)	-6%
Others	33.89	79.39	(45.50)	-57%
Total	**655.76**	**721.67**	**(65.91)**	**-9%**

Lower dividend income from coal investments lead to a decrease in Dividend Income. Interest Income is lower due to lesser interest earnings on bank deposits. Others are lower mainly due to lower income from investment in mutual funds.

7.3 Cost of Power Purchased and Cost of Fuel

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Cost of Power Purchased	789.97	623.39	166.58	27%
Cost of Fuel	3,350.91	5,244.40	(1,893.49)	-36%

Cost of Power Purchased was higher mainly due to revision in standby charges during the year based on Maharashtra State Electricity Commission Order. The Cost of Fuel decrease is primarily due to the decrease in consumption of oil and gas due to economic shut down of Unit 6 in Trombay and coupled with forced outage of Unit 8 at Trombay.

7.4 Cost of Component Consumed

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Cost of components consumed	178.99	150.75	28.24	19%

Cost of component consumed was higher mainly due to execution of a major defence contract undertaken during the year in SED Business.

7.5 Transmission Charges

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Transmission Charges	467.96	233.43	234.53	100%

Transmission charges are higher mainly due to increase in transmission charges in Mumbai Regulated business based on the Intra state transmission order issued during the year.

7.6 Employee Benefits Expenses

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Employee benefits expense	544.95	547.60	(2.65)	-0.5%

Change in actuarial provision relating to gratuity lead to decrease in Employee Benefit expense during the current financial year.

7.7 Finance Cost

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Finance Costs	868.21	684.41	183.80	27%

Finance cost was higher mainly due to full year charge of interest on ₹ 1,500 crore of 10.75% Redeemable and Non Convertible debentures, higher short term borrowing to meet the cash flow deficit and higher hedging cost to cover the foreign exchange risk relating to buyers credit during the year.

7.8 Depreciation and Amortisation

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Depreciation and amortization	587.14	364.10	223.04	61%

Depreciation is higher mainly as previous year includes one-time impact of the change in the depreciation rate and methodology as per the notification issued by the MCA from the rates as per the repealed Electricity (Supply) Act, 1948 to the rates as defined by the CERC or at the rates as per the PPA, wherever higher.

7.9 Operations and Other Expenses

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Repairs and Maintenance	301.23	*286.77*	14.46	5%
Loss on Foreign Currency Transactions and Translation (Net)	263.54	*27.62*	235.92	854%
Others	438.74	*423.10*	15.64	4%
Total Operation and Other Expenses	**1003.51**	***737.49***	**266.02**	**36%**

Operation and Other Expenses have increased primarily on loss on foreign exchange due to depreciation of Rupee and higher amortisation towards Foreign Currency Convertible Bonds (FCCB) and Euro Notes.

7.10 Tax Expenses

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Current Tax	328.85	*337.43*	(8.58)	-3%
MAT Credit Reversal	105.00	*NIL*	105.00	100%
Deferred Tax	103.23	*341.26*	(238.03)	-70%
Total Tax Expense	**537.08**	***678.69***	**(141.61)**	**-21%**

Your Company had accounted MAT credit in earlier years based on the assumption that future economic benefit in form of adjustment to future income tax liability will accrue. However, during the current year, your Company, based on the projection for the next 3 years, re-assessed the MAT credit accounted and accordingly reversed the same. Deferred tax is lower mainly as previous year includes one-time impact of the change in the depreciation rates from the repealed Electricity Act 1948 to the CERC or PPA Rates, whichever applicable.

7.11 Fixed Assets

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Tangible Assets	8,532.81	*7,744.41*	788.40	10%
Intangible Assets	65.82	*30.11*	35.71	119%
Capital Work-in-Progress	684.49	*641.46*	43.03	7%
Intangible assets under development	90.60	*73.34*	17.26	24%
Net Fixed Assets	**9,373.72**	***8,489.32***	**884.40**	**10%**

Increase in Net Fixed Assets mainly represents the higher capitalisation in the Mumbai License Area Generation, Transmission and Distribution businesses and revaluation of land in SED business.

7.12 Non-Current Investments

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Investment in Subsidiary, JV and Associates	10,435.10	*8,960.94*	1,474.16	16%
Statutory Investments	357.11	*329.86*	27.25	8%
Others	1,568.88	*1,568.88*	-	0%
Total	**12,361.09**	***10,859.68***	**1,501.41**	**14%**

Increase in Non-Current Investments is mainly on account of additional equity contributed by your Company to CGPL [₹ 1031 crore], MPL [₹ 55 crore], TPREL [₹ 146 crore] and 100% overseas subsidiary Tata Power International Pte. Ltd. (TPIL) [₹ 108 crore] during the year. Fresh funds were invested through preferential share issue in TPIL [₹ 115 crore] during the year.

7.13 Current Investments

Figures in ₹ crore

Particulars	FY14	FY13	Change	% Change
Statutory Investments	NIL	*20.00*	(20.00)	-100%
Mutual Funds	1.36	*238.56*	(237.20)	-99%
Total	**1.36**	***258.56***	**(257.20)**	**-99%**

Decrease in Current Investments is mainly on account of sale of investment in mutual funds to meet the short term fund requirements.

7.14 Loans and Advances

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Long Term	2,898.79	*2,140.56*	758.23	35%
Short Term	873.08	*920.90*	(47.82)	-5%
Total	**3,771.87**	***3,061.46***	**710.41**	**23%**

Increase in Long term loans & advances is mainly due to loans given during the year to CGPL [₹ 904 crore] offset by reversal of MAT Credit amounting to ₹ 105 crore. Decrease in Short term loans & advances is mainly due to decrease in inter-corporate deposit by ₹ 337 crore offset by higher loans given to IEL [₹ 87 crore] and TPREL [₹ 68 crore] and increase in advance to vendor by SED [₹ 97 crore].

7.15 Trade Receivable

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Receivables	1,320.10	*1,300.06*	20.04	2%

Increase in Trade Receivables is mainly due to outstanding receivables from MSETCL offset by regular payment from BEST during the current year in Mumbai Operations.

7.16 Other Non-Current Assets

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Regulatory Assets	2,053.91	*2,555.78*	(501.87)	-20%
Others	316.03	*252.39*	63.64	25%
Total	**2,369.94**	***2,808.17***	**(438.23)**	**-16%**

Decrease in Non-Current Assets is mainly due to recovery of past regulatory assets in Mumbai Operations due to revision in tariff during the current year pursuant to the order of MERC.

7.17 Long Term Borrowings

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Secured Loans	4,832.48	*4,905.99*	(73.51)	-2%
Unsecured Loans	2,343.51	*3,546.58*	(1,203.07)	-34%
Total	**7,175.99**	***8,452.57***	**(1,276.58)**	**-15%**

Decrease in unsecured loans is mainly on account of re-classification of FCCB from long term to Current Liabilities.

7.18 Short Term Borrowings

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Secured Loans	357.13	*637.03*	(279.90)	-44%
Unsecured Loans	1,222.40	*535.12*	687.28	128%
Total	**1,579.53**	***1,172.15***	**407.38**	**35%**

There is an increase in short term borrowing during the current year to meet the funding requirement however this is partially offset by repayment of buyers credit facility availed for the purchase of fuel.

7.19 Trade Payables

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Payables	1,057.68	*923.55*	134.13	15%

Increase in Trade Payable is mainly on account of increase in wheeling charges payable to MSEDCL for Mumbai distribution business.

7.20 Other Current Liabilities

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Other Current Liabilities	4,305.99	*2,027.64*	2,278.35	112%

Increase in Other Current Liabilities is on account of increase in long term borrowings which are payable within 12 months. This represents mainly the USD 300 Million FCCB which are due for repayment in November 2014.

7.21 Net Worth (Shareholders' Funds)

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Net Worth (Shareholders' Fund)	11,886.07	*11,040.79*	845.28	8%

The net worth of the Company has increased by 8% during the year on account of profits of the year transferred to Reserves after appropriation and declaration of dividend.

8. FINANCIAL PERFORMANCE: CONSOLIDATED

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Total Income	35,875.96	*33,394.63*	2,481.33	7%
Depreciation/Amortisation/Impairment	2,729.62	*2,901.69*	(172.07)	-6%
Finance Costs	**3,439.90**	***2,641.69***	**798.21**	**30%**
Profit Before Taxes	**975.07**	***1,276.68***	**(301.61)**	**-24%**
(Loss)/Profit After Taxes, Share of Associates, Minority Interest and Before Statutory Appropriations	**(259.97)**	***(85.43)***	**(174.54)**	**204%**

The increase in Total Income was primarily on account of additional revenue generated through full year operation of all the units at CGPL and MPL, and higher volumes traded by TPTCL as well as higher sales volume by Tata Power Solar.

The higher depreciation/amortization/impairment is mainly due to higher charge on account of full year operational of all the units in CGPL and MPL. In Previous Year the Company had provided ₹ 850 crore impairment provision for CGPL.

Finance costs were higher primarily on account of additional borrowings and operation of all the units in CGPL and MPL.

Loss after share of Associates and Minority Interest is higher mainly on account of higher Forex losses.

Tax Expenses stood at ₹ 1,008.38 crore as against ₹ 1,177.96 crore in the previous year. The decrease is mainly due to lower profits of Indonesian Coal Companies and previous year includes one-time deferred tax impact in Tata Power Standalone on account of change in depreciation rate based on the notification issued by MCA.

8.1 Fixed Assets

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Tangible Assets	36,795.04	*35,395.28*	1,399.76	4%
Intangible Assets	266.52	*233.83*	32.69	14%
Capital Work-in-Progress	3,298.07	*2,284.27*	1,013.80	44%
Intangible assets under Development	90.60	*73.34*	17.26	24%
Net Fixed Assets	40,450.23	*37,986.72*	2,463.51	6%

Increase in the Net fixed assets is mainly due to additional capitalization in Mumbai Licensed area, commissioning of 24 MW Visapur and 28.80 MW Palaswadi wind farm in TPREL, acquisition of AES and increase in CWIP for Kalinganagar and Cennergi projects.

8.2 Goodwill on Consolidation

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Goodwill on Consolidation	6,332.04	*5,724.14*	607.90	11%

Goodwill on Consolidation has increased mainly due to realignment on account of appreciation of US Dollar as compared to Indian Rupee.

8.3 Non-Current Investments

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Investment in Associates	1,065.59	*1,013.25*	52.34	5%
Statutory Investments	357.11	*329.86*	27.25	8%
Others	1,534.34	*1,509.01*	25.33	2%
Provision for diminution in value of Investment	(278.32)	*(209.41)*	(68.91)	33%
Total	**2,678.72**	***2,642.71***	**36.01**	**1%**

Provision for diminution in the value of investment is higher mainly on account of provision for investment in Exergen and Geodynamics.

8.4 Current Investments

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Statutory Investments	NIL	*20.00*	(20.00)	-100%
Mutual Funds	340.54	*457.40*	(116.86)	-26%
Total	**340.54**	***477.40***	**(136.86)**	**-29%**

Decrease in Current Investments is mainly on account of sale of investment in mutual funds to meet the short term fund requirements.

8.5 Loans and Advances

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Long Term	1,529.35	*1,603.85*	(74.50)	-5%
Short Term	3,326.70	*3,299.91*	26.79	1%
Total	**4,856.05**	***4,903.76***	**(47.71)**	**-1%**

Decrease in Long term loans and advances is mainly due to reversal of MAT Credit.

Increase in short term loans and advances is mainly due to VAT liability realignments in coal companies on account of forex movement, higher advances to vendors in SED division of Tata Power offset by withdrawal of inter- corporate deposits with HDFC Ltd.

8.6 Trade Receivable

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Receivable	4,542.61	*3,305.01*	1,237.60	37%

Increase in Trade Receivables is mainly due to higher receivables in Arutmin coal companies [₹ 700 crore], KPC coal companies [₹ 123 crore], TPDDL [₹ 109 crore], MPL [₹ 57 crore] and Tata Power Solar [₹ 190 crore].

8.7 Other Current Assets

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Receivable from Regulatory Assets	1,024.86	*548.16*	476.70	87%
Unbilled Revenue	440.92	*416.37*	24.55	6%
Others	56.97	*86.87*	(29.90)	-34%
Total	**1,522.75**	***1,051.40***	**471.35**	**45%**

Increase in Other current assets is mainly due to reclassification of regulatory assets in Mumbai license area from Non Current to Current asset and in addition to this an increase in regulatory asset in TPDDL and MPL

8.8 Other Non-Current Assets

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Receivable from Regulatory Assets	6,717.10	*6,816.54*	(99.44)	-1%
Others	314.98	*332.45*	(17.47)	-5%
Total	**7,032.08**	***7,148.99***	**(116.91)**	**-2%**

Decrease in Other Non-Current Assets is mainly due to higher recovery of regulated assets in Mumbai License area pursuant to revision in tariff by MERC offset by higher regulatory assets in TPDDL.

8.9 Long Term Borrowings

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Secured Loans	23,874.32	*23,200.16*	674.16	3%
Unsecured Loans	6,595.62	*8,399.18*	(1,803.56)	-21%
Total	**30,469.94**	***31,599.34***	**(1,129.40)**	**-4%**

Increase in secured loans is mainly due to additional borrowings in TPDDL during the year to fund the increased Regulatory Assets and commissioning of 24 MW Visapur and 28.80 MW of Palaswadi wind farm in TPREL.

Decrease in unsecured loans is mainly on account of re-classification of FCCB from long term to Current Liabilities.

8.10 Short Term Borrowings

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Secured Loans	942.45	*982.30*	(39.85)	-4%
Unsecured Loans	3,764.33	*2,564.88*	1,199.45	47%
Total	**4,706.78**	***3,547.18***	**1,159.60**	**33%**

Increase in short term borrowings is mainly on account of increase in borrowings in IEL towards Kalinganagar project, in MPL towards funding working capital requirement and Tata Power standalone to meet the funding requirement.

8.11 Trade Payables

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Trade Payables	4,574.00	*3,540.85*	1,033.15	29%

Increase in trade payables is mainly in CGPL and TPSSL, and increase in wheeling charges payable to MSEDCL for distribution business in Mumbai Regulated business.

8.12 Other Current Liabilities

Figures in ₹ crore

Particulars	FY14	*FY13*	Change	% Change
Other Current Liabilities	11,545.58	*8,776.13*	2,769.45	32%

Increase in Other Current Liabilities is mainly due to reclassification of long term borrowing i.e. FCCB of USD 300 million, which is due for repayment in November 2014 and higher royalty payable in coal companies.

9. RISKS AND CONCERNS

Your Company is faced with risks of different varieties all of which need different approaches for mitigation –

- Risks common to several players in the sector and country of operation
- Risks very specific to the Company due to the way its businesses/ operations are structured
- Disaster Management and Business Continuity risks which are by nature rare but events with dramatic impact

The risks and concerns facing the Power sector in India are as follows:

i. Domestic coal supply remains a big concern as the current coal supply growth is inadequate to meet the growth in capacity addition in the power sector.

ii. India's domestic capacity is heavily skewed towards fossil fuels. However this impacts quite negatively from an environmental perspective.

iii. The imposition of export restrictions or levy of taxes by energy exporting countries could make the cost of imported energy into India further more expensive and unaffordable for the common man.

iv. The poor financial health of SEBs coupled with the rising cost of generation creates further stress due to inability of discoms to procure power at higher costs with the possible risk of generation assets getting stranded.

v. The Government's efforts to control the increasing Regulatory Assets and subsidy bills of the discoms are on through measures like the Debt Restructuring scheme. However, the process of correcting the current state of financial stress of the discoms is a long term process and will continue to impact growth in the sector.

vi. Shortage of domestic gas and expensive LNG imports affects the financial viability of gas-based power plants. CEA has notified that in view of the limited availability of gas, no new gas based power plants should be set up till FY16.

vii. Delays in land acquisition, environmental clearances and other approvals remain an area of concern.

viii. 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 developing coastal power plants.

ix. 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. The economic and monetary policies will need to play a key role in ensuring that these projects receive timely funds.

The key strategic risks and concerns specific to your Company are as follows:

i. Timely Resolution and implementation of CGPL PPA Compensatory Tariff.

ii. Risks in Mumbai business due to high pooled cost of generation in Mumbai and non-issue of Distribution license.

iii. Volatility in international coal prices and exchange rates.

iv. De-allocation of captive coal mines (Tubed, Mandakini).

For your Company's forays in the domestic and international markets, adequate assessment of the risks and returns associated with each investment is carried out and appropriate mitigation measures are put in place.

Your Company is also aligning the Disaster Management Plans as per NDMA guidelines and Business Continuity Plans to ISO 22301.

10. RISK MANAGEMENT PROCEDURES AND STRUCTURE

Risk Management as a formal exercise began in your 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 risk. Eight Risk Management Sub-Committees (RMSCs) closely monitor and review the risk plans. The 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. The new web-based Risk Management System was implemented last year and all risk plans have been uploaded in the system. Now the system has been extended to Tata Power Group. This has enabled continuous tracking of status of mitigation action and monitoring of Risk Mitigation Completion Index (RMCI). The Company is adopting ISO 31000 Risk Management with the support of British Standard Institute.

The Audit Committee of Directors reviews the major risks at quarterly Audit Committee meetings.

Internal controls and systems: Internal audit plan is executed by in-house audit team with help of co-sourced partner. In addition, review of subsidiary companies was carried out this year. The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Internal Audit policy and Manual has been framed based on which process audits have been conducted. All processes of the Company have been classified under vital, essential and desirable, based on the analysis of process impact on Company's Strategic Objectives. Post the audit, process is rated through the Risk Control Index and Process Robustness Index given by the Internal Auditors. Theme based audits are carried out for certain areas getting impacted by changing external environment. 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. During the year, Internal Audit process of your Company got highest recognition of 'General conformance to international audit standards' from Institute of Internal Auditors (IIA Global). Going ahead, integration of internal audit processes across Tata Power group companies is initiated by way of standardising internal audit process across and establishing centralised monitoring of audit processes.

The Company has developed Control Self Assessment questionnaire for all processes across the organisation. Process owners are required to submit their assessment findings on the designed questionnaire to assess built in internal controls in each process. This helps Company to identify focus audit areas, design audit plan and support CEO/CFO certification for internal controls.

Process Robustness Index: The processes are examined to assess their robustness primarily from the perspective of system (SAP, Customer Connect, etc.) driven controls, which ensure that deviations from the defined process do not occur due to manual errors. In case controls have not been embedded in the system, other compensating controls such as maker-checker are exercised to assess the robustness of the process. This index is computed on the basis of existence of robust controls and not on the basis of extent of implementation of these controls.

11. 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.

Annexure – Glossary

AA	Affirmative Action
AC	Alternating Current
ACE	Accelerated Career Enhancement
AGM	Annual General Meeting
AMR	Automatic Meter Reading
APAD	Accelerated Power Development Programme
APR	Annual Performance Review
APTEL/ATE	Appellate Tribunal For Electricity
ARR	Annual Revenue Requirement
AS	Accounting Standard
ASAI	Average System Availability Index
AT&C	Aggregate Technical & Commercial
ATE	Appellate Tribunal for Electricity
BCCL	Bharat Coking Coal Limited
BEST	Brihanmumbai Electric Supply and Transport Undertaking
BITS	Birla Institute of Technology and Science
BPO	Business Process Outsourcing
BPR	Business Process Reengineering
BRR	Business Responsibility Report
BSE	Bombay Stock Exchange
BSSR	Baramulti Suksessarana Tbk
BTG	Boiler Turbine Generator
BUs	Billion Units
BV	Besloten vennootschap (Dutch version of Private Limited)
CAGR	Compound annual growth rate
CAIDI	Customer Average Interruption Duration Index
Capex	Capital Expenditure
CCGT	Combined Cycle Gas Turbine
CCL	Central Coalfields Limited
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CFT	Cross Functional Team
CGPL	Costal Gujarat Power Limited
CII	Confederation of Indian Industry
CIL	Coal India Limited
CKm	Circuit Kilometres
CMMI	Capability Maturity Model Integration
CNT	Chotanagpur Tenancy
COD	Commercial Operations Date
CoP	Communication on Progress
CPP	Captive Power Plant
CRA	Coal Regulatory Authority
CRC	Customer Relation Centre
CRM	Customer Relationship Management
CRZ	Coastal Regulatory Zone
CSA	Corporate Services Agreement
CSPI	Corporate Sustainability Protocol Index
CSPV	Crystalline Silicon Photo
CSS	Consumer Substations
CTTL	Chemical Terminal Trombay Limited
CWIP	Capital Work In Progress
DBFOO	Design Build Finance Own Operate
DBFOT	Design Build Finance Operate Transfer
DDG	Decentralized Distributed Generation
DERC	Delhi Electricity Regulatory Commission
DFA	Distribution Franchise Agreement

DG	Diesel Generator
DHPL	Dugar Hydro Power Limited
Discoms	Distribution Companies
DSIR	Department of Scientific & Industrial Research
DSS	Distribution Substations
DVC	Damodar Valley Corporation
EA	Electricity Act
EAC	Expert Appraisal Committee
EIA	Environment Impact Assessment
EPC	Engineering Procurement and Construction
ER	Eastern Region
ERP	Enterprise Resource Planning
EW	Electronic Warfare
FCCB	Foreign Currency Convertible Bonds
FOREX	Foreign Exchange
GDP	Gross Domestic Product
GET	Graduate Engineer Trainee
GHG	Green House Gas
GIS	Gas Insulated Switchgear
GIS	Geographical Information System
GMI	Green Manufacturing Index
GoHP	Government of Himachal Pradesh
GoM	Government of Maharashtra
GPCB	Gujarat Pollution Control Board
GPS	Global Positioning System
GRI	Global Reporting Initiatives
GW	Gigawatt
HT	High Tension
ICT	Information and Communication Technology
IEL	Industrial Energy Limited
IIA	Institute of Internal Auditors
IIT	Indian Institute of Technology
IMG	Inter Ministerial Group
INR	Indian Rupee
ISO	International Organisation for Standardization
IQ	Intelligence Quotient
IVR	Interactive Voice Response
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulation Commission
JSPCB	Jharkhand State Pollution Control Board
JV	Joint Venture
Km	Kilometres
KPC	Kaltim Prima Coal
KSEB	Kerala State Electricity Board
KSERC	Kerala State Electricity Regulatory Commission
KVA	Kilo Volt Ampere
kW	Kilowatt
KWDTA	Krishna Water Dispute Tribunal Award
kWh	Kilowatt Hour
L&T	Larsen & Toubro
LIRA	Line Insulation Resonance Analysis
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LT	Low Tension
LTOA	Long Term Open Access
LTIFR	Lost Time Injuries Frequency Rate
MAT	Minimum Alternate Tax

Annexure – Glossary

MCA	Ministry of Corporate Affairs
MCCL	Mandakini Coal Company Limited
MCGM	Municipal Corporation of Greater Mumbai
MCM	Million Cubic Metre
MDO	Mine Development and Operation
MERC	Maharashtra Electricity Regulatory Commission
MIDC	Maharashtra Industrial Development Corporation
Mio	Million
MoA	Memorandum of Agreement
MoC	Ministry of Coal
MoEF	Ministry of Environment & Forests
MoP	Ministry of Power
MoU	Memorandum of Understanding
MPL	Maithon Power Limited
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSETCL	Maharashtra State Electricity Transmission Company Limited
MT	Million Tonne
MTPA	Million Metric Tonnes Per Annum
MUs	Million Units
MVA	Million Volt Amp
MW	Megawatt
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCT	National Capital Territory
NDMA	National Disaster Management Authority
NEF	National Electricity Fund
NGO	Non Government Organisation
NICMAR	National Institute of Construction Management and Research
Nos.	Numbers
NPTI	National Power Training Institute
NRI	Non Resident Indian
NTPC	National Thermal Power Corporation
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-Operation
OEM	Original Equipment Manufacturer
OFC	Optic Fibre Cable
OHSAS	Occupational Health and Safety Advisory Services
OMS	Outage Management System
OMSA	Operations & Maintenance Services Agreement
OT	Organisational Transformation
PA	Performance Assurance
PAF	Plant Availability Factor
PAT	Profit After Tax
PBT	Profit Before Tax
PDA	Personal Digital Assistant
PGCIL	Power Grid Corporation of India Limited
PH	Power House
PLC	Programmable Logic Controller
PLF	Plant Load Factor
PID	Punctured Insulator Detector
PMC	Project Management Consultancy
PMSA	Project Management Services Agreement
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PT	Perseroan Terbatas (Indonesian version of Limited Liability Company)
PTL	Powerlinks Transmission Limited
PV	Photovoltaic
QBTU	Quadrillion British Thermal Units
R Infra	Reliance Infrastructure Limited
R&D	Research & Development
RAK	Ras-Al Khaimah
R- APDRP	Accelerated Power Development Reforms Program
REC	Renewable Energy Certificate
RES	Renewable Energy Sources
RFP	Request for Proposal
RLA	Residual Life Assessment
RMC	Risk Management Committee
RMCI	Risk Mitigation Completion Index
RMSC	Risk Management Sub – Committees
RO	Reverse Osmosis
RPO	Renewable Purchase Obligation
SAARC	South Asian Association for Regional Cooperation
SBD	Standard Bidding Document
SC/ST	Scheduled Caste/ Scheduled Tribe
SCG	Special Consumer Group
SCADA	Supervisory Control And Data Acquisition
SEB	State Electricity Board
SEBI	Securities and Exchange Board of India
SED	Strategic Engineering Division
SEZ	Special Economic Zones
SPS	Structured Problem Solving
SPV	Special Purpose Vehicle
SR	Southern Region
T&D	Transmission & Distribution
TBEM	Tata Business Excellence Model
TBSS	Tata Business Support Services
TCML	Tubed Coal Mines Limited
TIFR	Total Injuries Frequency Rate
TISS	Tata Institute of Social Sciences
TPCDT	Tata Power Community Development Trust
TPDDL	Tata Power Delhi Distribution Limited
TPH	Tonnes Per Hour
TPIL	Tata Power International Limited
TPJDL	Tata Power Jamshedpur Distribution Limited
TPREL	Tata Power Renewable Energy Limited
TPSDI	Tata Power Skill Development Institute
TPSSL	Tata Power Solar Systems Limited
TPTCL	Tata Power Trading Company Limited
TQMS	Tata Quality Management Services
TSMG	Tata Strategic Management Group
TWh	Terawatt Hours
UAV	Unmanned Aerial Vehicle
UI	Unscheduled Interchange
UMPP	Ultra Mega Power Projects
UNGC	United Nations Global Compact
USD	US Dollars
USTDA	United States Trade & Development Agency
UT	Union Territory
VAT	Value Added Tax
VFD	Variable Frequency Drive
VTS	Vehicle Tracking System
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WR	Western Region

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

In the 175th year of birth of our visionary founder Mr. J. N. Tata, we pay homage to him, for it was he who laid the foundation for good governance and made it an integral part of our business culture. Corporate Governance is concerned with maintaining the right balance between economic and social goals and between individual and community goals. As a Tata Company, righteous Corporate Governance is the way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working.

For your Company, good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions, thus maximizing long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. As a Company with a strong sense of values and commitment, Tata Power believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of Tata Power's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

This philosophy has been sought to be strengthened through the Tata Code of Conduct, the Tata Business Excellence Model and the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". The Company is committed to focus its energies and resources in creating and positively leveraging shareholders' wealth, and at the same time, safeguard the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

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 (Clause 49), the disclosure requirements of which are given below:

Board of Directors

- **Composition**

As on 29th May 2014, the Company's Board of Directors comprises 12 members, out of whom 3 are Executive Directors (Mr. Ashok Sethi was appointed as Executive Director w.e.f. 7th May 2014) and 9 are Non-Executive Directors (NEDs). These Directors bring in a wide range of skills and experience to the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as prescribed in Clause 49), across all the companies in which he/she 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 (FY14) 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 31.3.2014	# No. of other Committee positions held as on 31.3.2014		No. of Board Meetings attended during the year	Attendance at the 94th Annual General Meeting held on 16.8.2013
			Chairman	Member		
Mr. Cyrus P. Mistry, Chairman	Non-Independent, Non-Executive	9	1	-	9	Yes
Mr. R. Gopalakrishnan		9	-	3	10	Yes

Dr. Homiar S. Vachha	Independent, Non-Executive	4	3	1	9	Yes
Mr. Nawshir H. Mirza		3	1	1	9	Yes
Mr. Deepak M. Satwalekar		3	1	-	9	Yes
Mr. Piyush G. Mankad		7	2	6	10	Yes
Mr. Ashok K. Basu		8	4	6	10	Yes
Mr. Thomas Mathew T., (Representative of LIC as Investor/Lender)		2	-	-	8	Yes
Ms. Vishakha V. Mulye		5	-	3	7	Yes
Mr. Anil Sardana, CEO & Managing Director	Executive	5	-	1	10	Yes
Mr. S. Ramakrishnan, Executive Director [1]		-	-	-	9	Yes
Mr. S. Padmanabhan, Executive Director		10	3	4	10	Yes

[1] Mr. S. Ramakrishnan superannuated from the services of the Company w.e.f. 28th February 2014.

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

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

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

Ten 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 were as follows:
30th April 2013, 30th May 2013, 12th July 2013, 6th August 2013, 30th September 2013, 14th November 2013, 3rd December 2013, 7th February 2014, 27th February 2014 and 26th March 2014.

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 NEDs 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 their respective Codes of Conduct. The CEO & Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.

Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

❖ **Audit Committee of Directors**

Table 2: Composition of the Audit Committee of Directors (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	Independent, Non-Executive	11	Dr. Vachha is a former executive of ICICI Limited and accordingly has the requisite Business/accounting/related financial management expertise.
2.	Mr. D. M. Satwalekar		11	Financially experienced and renowned practitioners.
3.	Mr. P. G. Mankad		11	

The Audit Committee met eleven times during the year under review on the following dates:
2nd May 2013, 29th May 2013, 5th August 2013, 4th September 2013, 11th November 2013, 13th November 2013, 27th November 2013, 10th December 2013, 6th February 2014, 20th February 2014 and 10th March 2014.

The terms of reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49. The Company also complies with the provisions of Section 177 of the Companies Act, 2013 (the Act) pertaining to Audit Committee and its functioning.

The Board has 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 CEO & Managing Director, Executive Directors and head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings. Mr. H. M. Mistry, the Company Secretary, acts as the Secretary of the Committee.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has an independent Control Assurance Department (CAD) assisted by dedicated internal audit team supported by co-source partner. The internal audit covers all the factories, sales offices, warehouses and businesses and functions controlled centrally. The risk based audit plan is prepared and approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee is presented with key control issues and actions taken on past issues. Unit heads are responsible for implementing these Operational Control Assurance procedures to confirm the effectiveness of the financial and non-financial controls in that unit and to correct any instances of weaknesses identified. These procedures provide the Management an assurance on the internal processes and systems. Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of the risks and delivery of mitigating action plans. Risks and their mitigation plans are reviewed by the Audit Committee on quarterly basis.

❖ **Stakeholders Relationship Committee**

In terms of Section 178(5) of the Act, the Company has rechristened the Shareholders'/Investors' Grievance Committee as Stakeholders Relationship Committee (SRC).

Table 3: Composition of the SRC 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	Independent, Non-Executive	2
Ms. V. V. Mulye (Appointed w.e.f. 30.09.2013)	Independent, Non-Executive	-
Mr. S. Ramakrishnan (Superannuated w.e.f. 28.02.2014)	Executive	2
Mr. S. Padmanabhan	Executive	2

The SRC met twice during the year under review on 18th April 2013 and 30th September 2013.

In accordance with Clause 49(IV)(G)(iv) of the Listing Agreements with the Stock Exchanges, the Board has authorised Mr. H. M. Mistry, Company Secretary and Compliance Officer, to severally approve share transfers/transmissions, in addition to the powers with the members of the SRC. Share Transfer formalities are regularly attended to and atleast once a fortnight.

The status of total number of complaints received during the year under review is as follows:

Sl. No.	Description	Total		
		Received	Replied	Pending
A.	**Letters received from Statutory Bodies**			
	Securities and Exchange Board of India (SEBI)	28	26	2
	Stock Exchanges	10	10	0
	Depositories (NSDL/CDSL)	2	2	0
	Ministry of Corporate Affairs	1	1	0
B.	**Dividends**			
	Non-receipt of dividend/interest warrants (pending reconciliation at the time of receipt of letters)	12	12	0
	Total	**53**	**51**	**2**

- For the 2 unresolved complaints received through the SEBI SCORES System (System), the ATRs have been uploaded on the System and the same are pending for review with SEBI.
- There were no pending Transfers/Demats as on 31st March 2014.

❖ **Nomination and Remuneration Committee**

In terms of Section 178(1) of the Act, the Company merged and reconstituted the Company's Remuneration Committee and Nominations Committee as one Committee viz. Nomination and Remuneration Committee (NRC).

Table 4: Composition of the NRC 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	Independent, Non-Executive,	3
2.	Mr. C. P. Mistry	Non-Independent, Non-Executive	3
3.	Mr. R. Gopalakrishnan	Non-Independent, Non-Executive	3
4.	Dr. H. S. Vachha	Independent, Non-Executive	1

The NRC met three times during the year under review on the following dates:

1st July 2013, 19th July 2013 and 19th November 2013.

Terms of Reference

The Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

While formulating this policy, the NRC shall ensure that –

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Remuneration Policy

➢ **Non-Executive Directors**

The 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 16th August 2013, 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 Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the NRC and the Board. The Commission payment for the year ended 31st March 2013 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, NRC and Committee for Rights Issue. 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 CEO & 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 NRC, 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 NRC 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 NRC at the end of the financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. 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 organizational performance on parameters aligned to Company's objectives.

Retirement Policy for Directors

The Company has adopted the Guidelines for retirement age wherein Managing and Executive Directors retire at the age of 65 years, Executive Directors who have been retained on Company's Board beyond the age of 65 years as NED for special reasons may continue as Directors at the discretion of the Board but in no case beyond the age of 70 years, Non-Independent NEDs who have completed the age of 70 years prior to 1st April 2011 may continue as Directors at the discretion of the Board but in no case beyond the age of 75 years and Independent NEDs would retire at the age of 75 years.

The Company has also adopted a Retirement Policy for Managing and Executive Directors, which has also been approved by the Members of the Company, offering special retirement benefits including pension, ex-gratia, medical and other benefits. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the NRC.

Remuneration to Directors

Table 5: 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 ^	Nil	52,00,000
Mr. C. P. Mistry	4,00,000	Nil #
Mr. R. Gopalakrishnan	3,80,000	31,50,000
Dr. H. S. Vachha	4,45,000	40,50,000
Mr. N. H. Mirza	4,05,000	60,00,000
Mr. D. M. Satwalekar	5,45,000	49,00,000
Mr. P. G. Mankad	4,20,000	23,50,000
Mr. A. K. Basu	2,00,000	15,00,000
Mr. Thomas Mathew T. @	1,60,000	3,50,000
Ms. V. V. Mulye $	Nil	Nil
Mr. A. J. Engineer ^	Nil	25,00,000

* Excludes service tax.

** Commission relates to the financial year ended 31st March 2013 which was paid during the financial year under review. Commission of ₹ 3 crore* has been provided as payable to the eligible NEDs in the accounts for the year ended 31st March 2014, the distribution of which is yet to be determined.

^ Mr. R. N. Tata and Mr. A. J. Engineer were paid commission for part of the financial year ended 31st March 2013.

Mr. C. P. Mistry, being Executive Chairman of Tata Sons Limited, has not accepted receipt of any Commission.

@ While the Sitting Fees for attending meetings were paid to Mr. Thomas Mathew T., Nominee Director of LIC, the Commission was paid to LIC.

$ Ms. V. V. Mulye has not accepted receipt of any Sitting Fees or Commission.

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors Fees and Commission received by them.

Table 6: Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961 to the CEO & Managing Director and Executive Directors:

Name	Salary (₹)	@ Commission paid in 2013-14 (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr. Anil Sardana, CEO & Managing Director	72,00,000	2,50,00,000	99,01,233	19,44,000	4,40,45,233
Mr. S. Padmanabhan, Executive Director	55,20,000	1,60,00,000	73,78,180	14,90,400	3,03,88,580
Mr. S. Ramakrishnan, Executive Director (Superannuated w.e.f. 28.02.2014)	57,75,000	1,60,00,000	77,17,766	2,74,27,813*	5,69,20,579

@ Commission relates to the financial year ended 31st March 2013 which was paid during the financial year under review. Commission of ₹ 5.70 crore has been provided as payable to the Managing Director and Executive Directors in the accounts for the year ended 31st March 2014, the distribution of which is yet to be determined.

* An amount of ₹ 2,58,68,563 has been included in Retirement Benefits of Mr. S. Ramakrishnan, who superannuated on 28th February 2014. The same will be paid to him in FY 2014-2015.

Table 7: Salient features of the agreements executed/to be executed by the Company with Mr. Sardana, CEO & Managing Director, and Mr. S. Padmanabhan and Mr. Ashok S. Sethi, Executive Directors, consequent upon obtaining Members' approval at the AGM:

Terms of Agreement	Mr. Anil Sardana CEO & Managing Director	Mr. S. Padmanabhan Executive Director	Mr. Ashok S. Sethi Executive Director
Period of appointment	1.2.2011 to 31.1.2016	6.2.2013 to 5.2.2018	7.5.2014 to 31.3.2017
Remuneration - Salary	Basic salary upto a maximum of ₹ 6,50,000 p.m.	Basic salary upto a maximum of ₹ 6,00,000 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.

Table 8: Details of number of shares and convertible instruments held by Directors as on 31st March 2014:

Name of Director	No. of Equity Shares held	No. of convertible instruments held
Mr. C. P. Mistry	64,000	Nil

❖ Executive Committee of the Board

The Executive Committee of the Board comprises of Mr. C. P. Mistry (Chairman), Mr. R. Gopalakrishnan, Mr. N. H. Mirza, Mr. D. M. Satwalekar, Mr. Anil Sardana (CEO & Managing Director) Mr. S. Padmanabhan and Mr. A. S. Sethi (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

❖ 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 Tata Code of Conduct for Prevention of Insider Trading and 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. S. Padmanabhan.

Mr. R. N. Subramanyam, Chief Financial Officer has been appointed as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also this Code across the Company.

❖ Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises of Mr. D. M. Satwalekar, (Chairman), Ms. V. V. Mulye, Mr. Anil Sardana and Mr. S. Padmanabhan.

The CSR Committee shall -

a) Formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act, or as may be prescribed by the Rules thereto;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) Monitor the CSR Policy of the Company from time to time.

General Body Meetings

The last three Annual General Meetings (AGMs) were held as under :

Financial Year ended	Day & Date	Time	Venue
31st March 2011	Wednesday, 24th August 2011	3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.
31st March 2012	Friday, 17th August 2012		
31st March 2013	Friday, 16th August 2013		

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	Particulars of Special Resolutions passed thereat
24th August 2011	Alteration of Articles of Association of the Company
17th August 2012	No Special Resolutions were passed at this AGM
16th August 2013	Commission to Non-Executive Directors

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 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 Agreement, the CEO & 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

Financial 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, New Delhi, Lucknow, Chandigarh, Kolkata, Hyderabad, Bengaluru, Kochi and Chennai	English
Loksatta – All editions	Ahmednagar, Mumbai, Pune, Nagpur, Aurangabad and New Delhi	Marathi
Jam-e-Jamshed Weekly	Mumbai	Gujarati
Vyapar + Phulchhab	Mumbai and Rajkot	Gujarati

Half-yearly Reports: Half-yearly reports covering financial results were sent to Members at their registered postal/email address.

Annual Reports: The Annual Reports were emailed/posted to Members and others entitled to receive them.

News Releases, Presentations etc.: Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website. Official media releases, sent to the Stock Exchanges, are given directly to the Press.

Website: Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website. 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.

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 BSE 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.

NSE Electronic Application Processing System (NEAPS) and BSE Online Portal: The Company also submits to NSE, all disclosures and communications through NSE's NEAPS portal. Similar filings are made to BSE on their Online Portal - BSE Corporate Compliance & Listing Centre.

Extensive Business Reporting Language (XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its Circular No.8/2012 dated 10th May 2012 [as amended on 29th June 2012], has already mandated all cost auditors and the concerned companies to file their Cost Audit Reports and Compliance Reports for the year 2011-12 onwards [including the overdue reports relating to any previous year(s)] only in the XBRL mode. The Company has filed its Cost Audit Report and Compliance Report on MCA through XBRL.

Web-based Query Redressal System: Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the 'Investor Relations' section.

SEBI Complaints Redress System (SCORES): A centralised web-based complaints redressal system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

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. A visit was arranged during FY14 for the Members, at Khopoli Generating Station.

General Shareholder Information

1. The AGM of the Company is scheduled to be held on Wednesday, 13th August 2014 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 13th August 2014.

2. **Financial Year** : 1st April 2013 to 31st March 2014
3. **Book Closure** : From 25th July 2014 to 13th August 2014 (both days inclusive).
4. **Dividend Payment Date** : On and from 14th August 2014.
5. **Listing on Stock Exchanges** : The Company's Equity Shares are listed on the following 2 Stock Exchanges in India:

BSE Limited (BSE) (Regional Stock Exchange) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.	National Stock Exchange of India Limited (NSE) '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). In case, the entire amount of FCCBs are converted, the Company would have to allot 9,64,40,890 Equity Shares of ₹ 1 each to the Bond holders.

The Company, pursuant to its Letter of Offer dated 19th March 2014, issued 33,22,30,130 Equity Shares of ₹ 1 each for cash at an issue price of ₹ 60 per Rights Equity Share (including a premium of ₹ 59 per Rights Equity Share) for an aggregate amount of ₹ 1,993.38 crore, on Rights basis, to the eligible equity shareholders of the Company in the ratio of 7 Rights Equity Shares for every 50 fully paid-up Equity Shares held by the eligible equity shareholders on the Record Date viz. 20th March 2014. The issue opened on 31st March 2014 and closed on 15th April 2014. On 25th April 2014, the Company allotted 33,15,52,894 Equity Shares to the applicants of the Rights Equity Shares. The Rights shares are available for trading on BSE and NSE w.e.f. 30th April 2014.

The following series of Debentures issued by the Company are listed on the Wholesale Debt Market segment of NSE:

Sl. No.	Series	Amount outstanding as on 31.3.2014 (₹ crore)
1.	7.1% Transferable Secured Redeemable Non-Convertible Debentures	420
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	275
5.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	202
6.	9.40% Redeemable Transferable Secured Non-Convertible Debentures	210
7.	10.75% Unsecured Debentures	1500
8.	11.40% Perpetual Bonds (also listed on BSE)	1500

The Company has paid the requisite Annual Listing Fees to the 2 Stock Exchanges for the financial year 2013-14.

6. **Stock Code (For Equity Shares)**

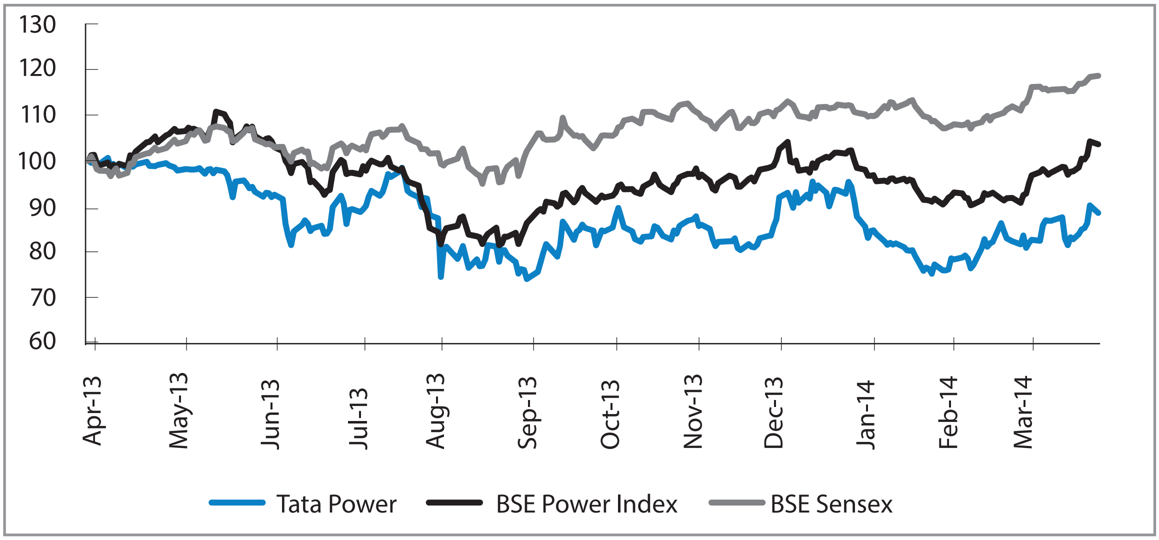
BSE Limited (physical form) (demat form)	 400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

7. **Market Information:**

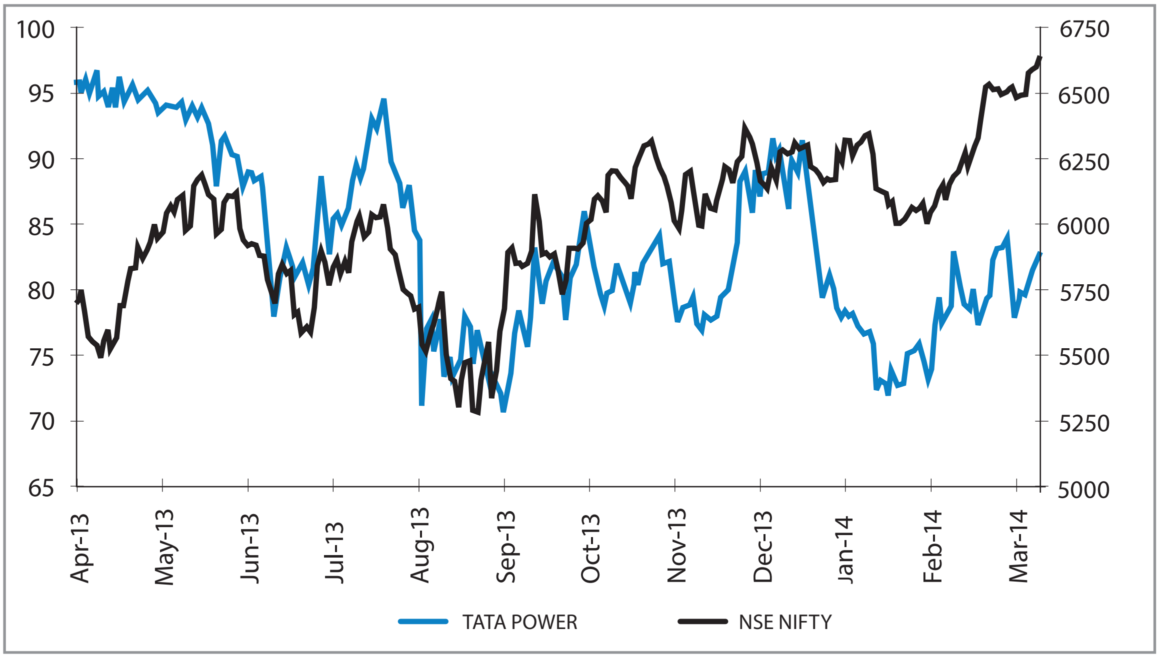
(a) Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below:

Stock Exchange	BSE			NSE		
Month	High (₹)	Low (₹)	No. of shares traded during the month	High (₹)	Low (₹)	No. of shares traded during the month
April 2013	96.40	94.05	52,99,481	96.60	93.95	4,60,72,715
May 2013	94.40	88.10	67,06,027	94.40	88.00	6,24,00,108
June 2013	89.05	78.05	56,61,883	89.05	78.15	5,74,31,530
July 2013	94.30	82.50	47,65,419	94.50	82.55	4,17,91,303
August 2013	87.80	71.35	1,19,87,901	88.00	71.40	8,40,85,688
September 2013	83.00	70.90	1,07,83,512	83.15	70.80	9,85,19,946
October 2013	85.85	78.00	85,43,459	85.85	77.85	5,91,81,884
November 2013	84.10	77.00	80,23,760	84.05	76.90	4,43,28,931
December 2013	91.40	79.95	1,28,52,412	91.60	79.95	9,83,04,162
January 2014	90.35	72.00	1,07,94,951	90.40	71.95	8,44,57,184
February 2014	82.65	72.70	85,93,589	82.85	72.65	6,95,76,199
March 2014	86.40	77.45	1,34,35,319	86.55	77.45	10,90,76,238

(b) Normalized performance of Tata Power Share price in comparison to BSE Sensex and Power Index:



(c) Performance of Tata Power Share price in comparison to Nifty :



8. Registrars and Transfer Agents: TSR Darashaw Private Limited (TSRD)
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 TSRD:

Branches of TSRD

1. 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. 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. 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. 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 TSRD

Shah Consultancy Services Pvt. Limited
3, Sumatinath Complex, Pritam Nagar, Akhada Road, 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 TSRD at the abovementioned address or at their branch offices, addresses of which are available on website: www.tsrdarashaw.com

Transfers are normally processed within 15 days from the date of receipt. If the documents are complete in all respects, Mr. H. M. Mistry, the Company Secretary and Compliance Officer and Mr. A. S. Bapat, Head-Corporate Legal, are severally empowered to approve transfers, in addition to the powers with the Members of the Stakeholders Relationship Committee.

The Company officials could be contacted at the following address :
The Tata Power Company Limited,
Bombay House, 24, Homi Mody Street, Mumbai 400 001.
Email: investorcomplaints@tatapower.com

10. **Distribution of Shares as on 31st March 2014:**

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 5000	3,69,93,939	10,94,83,999	14,64,77,938	6.17	28,744	91.05	1,92,533	93.73	2,21,277	93.37
5001 - 10000	1,40,66,010	5,00,61,527	6,41,27,537	2.70	2,069	6.55	6,993	3.40	9,062	3.82
10001 - 20000	69,72,530	4,73,03,692	5,42,76,222	2.29	502	1.59	3,370	1.64	3,872	1.63
20001 - 30000	31,98,312	2,35,36,822	2,67,35,134	1.13	132	0.42	957	0.47	1,089	0.46
30001 - 40000	21,94,320	1,62,81,626	1,84,75,946	0.78	62	0.20	464	0.23	526	0.22
40001 - 50000	10,37,360	1,01,94,485	1,12,31,845	0.47	23	0.07	227	0.11	250	0.11
50001 - 100000	17,07,160	3,05,09,031	3,22,16,191	1.36	26	0.08	441	0.21	467	0.20
100001 and above	30,84,920	201,64,46,627	201,95,31,547	85.10	13	0.04	425	0.21	438	0.19
Total	**6,92,54,551**	**230,38,17,809**	*** 237,30,72,360**	**100.00**	**31,571**	**100.00**	**2,05,410**	**100.00**	**2,36,981**	**100.00**

* Excluding 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 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 2014:**

Particulars	Equity Shares of ₹ 1/- each	
	No. of Shares	%
Promoters	77,05,37,290	32.47
Directors and their relatives	64,000	0.00
Insurance Companies	49,80,25,848	20.99
Financial Institutions/Banks	98,44,793	0.41
Mutual Funds/UTI	1,97,11,451	0.83
Clearing Members	98,56,440	0.42
Corporate Bodies	1,42,21,033	0.60
Trusts	36,70,057	0.15
Resident Individuals & HUF	33,00,67,053	13.91
Central/State Governments	6,46,488	0.03
Foreign Institutional Investors	61,64,04,821	25.97
Foreign Banks	1,82,988	0.01
OCBs	10,400	0.00
Foreign Bodies	4,342	0.00
Foreign Nationals DR	22,760	0.00
Foreign Bodies DR	7,11,09,850	3.00
Global Depository Receipts	44,40,100	0.19
Non-Resident Indians	2,42,52,646	1.02
Total	**237,30,72,360**	**100.00**

12. **Top 10 Shareholders of the Company as on 31st March 2014:**

Sl. No.	Name of Shareholder	Total holdings	% to capital
1.	Tata Sons Limited	70,75,11,570	29.81
2.	Life Insurance Corporation of India	29,93,67,181	12.61
3.	Matthews Pacific Tiger Fund	12,75,60,510	5.38
4.	National Westminster Bank Plc as Depositary of First State Global Emerging Markets Leaders Fund a Sub Fund of First State Investments ICVC	7,70,57,434	3.25
5.	JSH (Mauritius) Limited	6,95,30,560	2.93
6.	The New India Assurance Company Limited	6,35,26,620	2.68
7.	General Insurance Corporation of India	6,25,30,370	2.63
8.	National Westminster Bank Plc as Depositary of First State Asia Pacific Leaders Fund a Sub Fund of First State Investments ICVC	5,44,72,794	2.30
9.	Aberdeen Global Indian Equity (Mauritius) Limited	4,37,00,000	1.84
10.	Tata Steel Limited	3,43,18,180	1.45
	Total	**153,95,75,219**	**64.88**

13. **Dematerialisation of Shares as on 31st March 2014 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).

Particulars of Shares	Equity Shares of ₹ 1/- each		Shareholders	
	Number	% to Total	Number	% to Total
Dematerialised form				
NSDL	225,26,62,249	94.93	1,51,882	64.09
CDSL	5,11,55,560	2.15	53,528	22.59
Sub-total	**230,38,17,809**	**97.08**	**2,05,410**	**86.68**
Physical form	6,92,54,551	2.92	31,571	13.32
Total	**237,30,72,360**	**100.00**	**2,36,981**	**100.00**

14. **E-voting**

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. Investors can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. The Company will also have the E-voting facility for the items to be transacted at this AGM. The MCA has authorised NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreements with NSDL and CDSL for availing e-voting facilities.

15. **International Securities Identification Number (ISIN)**

Under the Depository system, the ISIN allotted to the Company's shares in dematerialised form is **INE245A01021**.The Annual Custodial Fees for the Financial Year 2013-14 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.

16. **Number of GDS outstanding: as on 31st March 2014** 1,543 (Issued in 1994 to Citibank NA)
3,05,130 (Issued in 2009 to the Bank of New York)

17. **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

(v) Mundra Ultra Mega Power Plant,
Tunda-Vandh Road, Village Tunda,
Taluka Mundra , Kutchh, Gujarat
(Owned by Coastal Gujarat Power Ltd.,
a wholly owned subsidiary)

(vi) Maithon Right Bank Thermal Power Plant,
Village Dambhui, PO Barbindia,
Thana Nirsa, District Dhanbad,
Jharkhand
(Owned by Maithon Power Ltd, a subsidiary)

(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, District Jamnagar, Gujarat

(v) Hosur, Kanavi, Mulgund, Shiroland Harti, District Gadag, Karnataka

(vi) Village Sadawagapur Taluka Patan, District Satara, Maharashtra

(vii) Village Anikaduvu, Mongilphuluvu, Illupunagaram, Taluka Madathukulam, District Tripur, Tamil Nadu

(viii) Village Kannarwadi, Hiwarwadi & Agaswadi, Taluka Khatav, District Satara, Maharashtra

(ix) Village Sawarghar and Niwade, Taluka Patan, District Satara, Maharashtra

(x) Visapur Wind Farm, Village Kokrale, Visapur, Girijashankarwadi & Rajachekurle, Taluka Khatav, District Satara, Maharashtra

(xi) Dalot Wind Farm, Village Raipur, Jungle, Khanpur, Talabkheda, Karaikhede, Taluka Arnod, District Pratapgarh, Rajasthan (Owned by Tata Power Renewable Energy Ltd., a wholly owned subsidiary)

(d) Solar Plants:

(i) Mulshi (Khurd), Post Male, Taluka Mulshi, District Pune, Maharashtra

(ii) c/o Tata Chemicals Township, Plot B, Survey No. 78, Mithapur, District Jamnagar, Gujarat (Owned by Tata Power Renewable Energy Ltd., a wholly owned subsidiary)

(e) Transmission Division : Shil Road, Netivli, Kalyan, District Thane, Maharashtra

(f) Distribution Division : Senapati Bapat Marg, Lower Parel, Mumbai

(g) Strategic Engineering Division : 42/43 Electronic City, Electronic City Post Office, Hosur Road, Bengaluru

18. **Address for correspondence** : The Tata Power Company Limited,
Bombay House, 24, Homi Mody Street,
Mumbai 400 001.
Tel.: 022 6665 8282 Fax : 022 6665 8801
Email: tatapower@tatapower.com Website: www.tatapower.com

19. **Compliance with Non-Mandatory Requirements**

i) The Board

The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's Office.

ii) Nomination and Remuneration Committee

The Board has set up a Nomination and Remuneration Committee. Please see details in para on Nomination and 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.

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) Proceeds from public issue/private placement

The proceeds raised in previous years through private placement of Debentures, GDRs and FCCBs have been utilised in terms of the objects of the issue as stated in the respective Offering Documents.

vi) Training of Board Members

The Company's Board of Directors comprises professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in the economy, legislation and technologies.

vii) Mechanism for evaluation of Non-Executive Board Members (NEDs)

The Board of Directors of the Company, at present, comprises nine NEDs. The Directors appointed are from diverse fields which are relevant to the Company's business and they have long-standing experience and are experts in their respective fields. They have gained considerable experience in managing large corporates and have been in public life for decades. The enormously rich and diverse background of the Directors is of considerable value to the Company.

The NEDs add substantial value through discussions and deliberations at the Board and Committee Meetings. Besides contributing at the Board and Committee meetings, the NEDs also have detailed deliberations with the Management Team and add value through such deliberations.

Performance evaluation of NEDs is done by the Nomination and Remuneration Committee and its recommendations are placed before the Board for consideration.

viii) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy. Please refer to the para under the head 'Disclosures' & 'Company's Policies'.

20. **Company's Policies**

➢ **Tata Code of Conduct**

The values and principles which have governed the manner in which the Tata Group of companies and their employees have conducted themselves are articulated as the Tata Code of Conduct (TCOC). The TCOC is intended to serve as a guide to each employee on the values, ethics and business principles expected of him or her in personal and professional conduct.

The TCOC takes into consideration the effect of the rapidly increasing footprint of Tata companies across nationalities and geographical boundaries on the TCOC, whilst retaining the ethos of the Tata brand and reputation. The TCOC is modified periodically, taking into account the emergent global presence and to ensure that it addresses and encompasses diverse cultural, business and related issues universally across Tata companies.

The employees take pride in upholding the high standards of corporate and personal behaviour on which the Tatas' reputation and respectability have been built over more than 140 years.

➢ **Insider Trading Policy**

Please refer to details under the heading 'Ethics and Compliance Committee' in this section.

➢ **Whistle Blower Policy**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the TCOC, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Clause 49, *inter alia* provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/Chairman of the Audit Committee of the Company.

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the CEC or the Chairman of the Audit Committee or the Investigators. Protected Disclosure will be appropriately dealt with by the CEC or the Chairman of the Audit Committee, as the case may be.

➢ **Sexual Harassment Policy**

The Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable. The Supreme Court has also directed companies to lay down guidelines and a forum for redressal of grievances related to sexual harassment. The Company has a policy on Prevention of Sexual Harassment of Employees which extends to all employees of the Company. The management has also constituted a Committee to consider and redress complaints of sexual harassment.

➢ **Human Rights Policy**

The Company respects and supports the dignity, well being and Human Rights of all stakeholders. The Company is committed to work with its employees/contractors/direct business partners to support Human Rights. To responsibly address the various Human Rights issues that the Company confronts, especially as its growth plans take it into emerging markets, it has found practical ways of applying the Human Rights principles established in the business community. In this regard, a Human Rights Policy and its commitment framework have been issued. The policy is in accordance to the principles of International Labour Organization and United Nations Global Compact.

21. **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 TSRD, Registrar and Transfer Agent of the Company, for redressal of grievances/responses to queries. 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. J. E. Mahernosh Tel.: 022 66657508 Fax: 022 67171004

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' queries/complaints.

➢ **Transfer of unclaimed dividend to Investor Education and Protection Fund**

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, 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	Office of the Registrar of Companies, Central Government Office Building, A-Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur, 400 614. 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 2005-2006	Transferred to the IEPF of the Central Government	No	Not applicable
For the Financial Years 2006-07 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Private Ltd., Registrar and Transfer Agent.

The Company has sent a reminder to those Members and Depositors who have not claimed their dividend or interest or principal amount. The following unclaimed amounts were transferred to IEPF:

Particulars	Amount (₹)
Amounts transferred during financial year 2013-14:	
- Unclaimed dividend with the Company	61,03,085
- Unclaimed matured deposits with the Company	0
- Interest accrued on the unpaid mature deposits	4,501
Total amount transferred during the year	**61,07,586**

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2006-07 are provided hereunder:

Date of dividend declaration	Unclaimed Dividend (As on 31.03.2014)	Last date for claiming payment from TSRD
08.08.2007	84,41,824	07.08.2014
10.09.2008	1,06,25,160	09.09.2015
06.08.2009	1,30,38,390	05.08.2016
08.09.2010	1,38,81,204	07.09.2017
24.08.2011	1,57,98,149	23.08.2018
17.08.2012	1,68,48,538	16.08.2019
16.08.2013	1,81,31,725	14.08.2020

Members may visit the Company's website www.tatapower.com (Investor Relations – Investor Helpdesk – Amounts pending transfer to IEPF) for tracking details of any unclaimed/unpaid amounts, pending transfer to IEPF. Members are requested to get in touch with TSRD for claiming 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.

➢ **Unclaimed Shares**

As required under Clause 5A of the Listing Agreement, the Company has sent a reminder to the Members whose shares were lying unclaimed/undelivered with the Company.

➢ **Shares held in electronic form**

Members holding shares in electronic form may please note that:

i) For the purpose of making cash payments to the Investors through Reserve Bank of India (RBI) approved electronic mode of payment (such as ECS, NECS,NEFT, RTGS etc.) relevant bank details available with the depositories will be used. Members are requested to update their bank details with their Depository Participant (DP).

ii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

➢ Shares held in physical form

Members holding shares in physical form are requested to notify/send the following to TSRD to facilitate better servicing :

i) any change in their address/mandate/bank details, and

ii) particulars of the bank and branch in which they wish their dividend to be credited, in case they have not been furnished earlier.

As per SEBI Circular No.CIR/MRD/DP/10/2013 dated 21st March 2013, companies are directed to use, either directly or through their RTA, any RBI approved electronic mode of payment such as ECS, NECS, NEFT, RTGS etc. for making cash payments to the Investors. For Investors holding shares in demat mode, relevant bank details from the depositories will be sought. Investors holding shares in physical form, are requested to register instructions regarding their bank details with the RTA. Only in cases where either the bank details such as Magnetic Ink Character Recognition (MICR), Indian Financial System Code (IFSC) etc., that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the bank, physical payment instruments for making cash payments to the Investors may be used.

➢ Demat initiative

WHY DEMAT	
• Easy portfolio monitoring • Elimination of bad deliveries • Elimination of all risks associated with physical certificates • No stamp duty is paid on transfer of shares • Immediate transfer/trading of securities • Faster settlement cycle • Faster disbursement of non-cash corporate benefits like rights, bonus etc.	• Periodic status reports and information available on internet • Ensures faster communication to investors • Ease related to change of address • Provides more acceptability and liquidity of securities • Postal delays and loss of shares in transit is prevented • Saves the shareholder from going through cumbersome legal processes to reclaim the lost/pilfered certificates
HELP CONVERT BALANCE PHYSICAL SHARES TO DEMAT	

The Company, along with Geojit BNP Paribas Financial Services Limited (Geojit), 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 2015. Their Toll Free Number is 1800 425 5501.

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.

➢ Depository Services

Members may write to the respective Depository or to TSRD for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013.
Tel : 022 2499 4200
Fax : 022 2497 6351
Email : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai 400 023.
Tel : 022 2272 3333
Fax : 022 2272 3199
Email : investor@cdslindia.com
Website : www.cdslindia.com

➢ Nomination Facility

Pursuant to the provisions of Section 72 of the Companies Act, 2013, 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. SH.13 to TSRD. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. SH.13 can be obtained from TSRD or downloaded from the Company's website under the section 'Investor Relations'.

➢ Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing 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).

➢ Compliance of Share Transfer Formalities

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

➢ Secretarial Audit

As a measure of good corporate governance practice, the Company appointed Parikh & Associates, Company Secretaries, to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, and all the Regulations and Guidelines of SEBI as applicable to the Company.

22. Investor Safeguards

In pursuit of the Company's objective to mitigate/avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

i) **Open Demat Account and Dematerialise your Shares**
Members should convert their physical holdings into electronic holdings. Holding shares in electronic form helps Members to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

ii) **Consolidate your Multiple Folios**
Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

iii) **Confidentiality of Security Details**
Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

iv) **Dealing with Registered Intermediaries**
Members should transact through a registered intermediary who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

v) **Obtain documents relating to purchase and sale of securities**
A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

vi) **Update your Address**

To receive all communications and corporate actions promptly, please update your address with the Company or DP, as the case may be.

vii) **Prevention of Frauds**

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.

viii) **Monitor holdings regularly**

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

ix) **PAN Requirement for Transfer of Shares in Physical Form**

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/ private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to TSRD for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy to TSRD.

x) **Mode of Postage**

Share Certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.

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 2014.

For The Tata Power Company Limited
Anil Sardana
CEO & Managing Director

Mumbai, 29th May 2014.

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 ('the Company'), for the year ended 31st March 2014, 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. A. Banga
Partner
(Membership Number: 37915)

Mumbai, 29th May 2014.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
THE TATA POWER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **THE TATA POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

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

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

Emphasis of Matter

(a) We draw attention to Note 32 (d) and (e) to the financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crores accounted for as revenue in earlier periods and its consequential effects (Note 32 (d) and (e)) for the period upto 31st March, 2014. The impact of the same on the results for the year ended 31st March, 2014 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision/adjustment has been considered necessary.

(b) We draw attention to Note 29 (a) to the financial statements which describes the key source of estimation uncertainties as at 31st March, 2014 relating to the Company's assessment of the recoverability of the carrying amount of assets of Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary that could result in material adjustment to the carrying amount of the long-term investment in the said subsidiary. For the reasons explained in the said Note, no provision for diminution in value of investment is considered necessary.

(c) We draw attention to Note 29 (d) to the financial statements regarding notices received by the jointly controlled entities in connection with delay in development of coal blocks and the consequent de-allocation of the same and the management's contention that in case of one of the jointly controlled entity, notices will be withdrawn considering the progress made by the said jointly controlled entity towards obtaining necessary clearances and in the case of the second jointly controlled entity the interim order of the High Court in which the decision for de-allocation of the Coal Block to the promoters have been kept on hold. For the reasons explained in the said Note, no provision for diminution in value of investments is considered necessary.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 227(3) of the Act, we report that:

   (a) 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.

   (b) 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.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. A. BANGA
Partner
Membership Number: 037915

MUMBAI, 29th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities/results, clauses (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable.

(i) In respect of its fixed assets:
  (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  (b) The Company has a program of verification of fixed assets to cover all the items in phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. 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 the fixed assets of the Company.

(ii) In respect of its inventories:
  (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. Materials lying with third parties, have substantially been physically verified or confirmed by the 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) According to the information and explanation given to us,
  (a) The Company has granted loans aggregating to ₹ 598.90 crore to its wholly owned subsidiary in an earlier year, a company covered in the register maintained under Section 301 of the Companies Act, 1956. At the year end, the outstanding balanced of such loan granted aggregated ₹ 598.90 crore.
  (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
  (c) The receipt of principal amounts and interest have been regular as per stipulations.
  (d) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year end.
  (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered 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 services rendered are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, 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) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
  (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time and having regard to our comment in paragraph (iv) above.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits 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 functions 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 Companies Cost Accounting Records (Electricity Industry) Rules, 2011 and Cost Accounting Records Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie,* the prescribed accounts and cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine 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 statutory 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 provident fund, investor education and protection fund, employees' state insurance, 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, 2014 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, customs duty, excise duty and cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of the statute	**Nature of the dues**	**Amount (₹ in crore)**	**Period to which the amount relates**	**Forum where dispute is pending**
Customs Laws	Customs Duty	2.80	1993-94 to 1999-00	Appellate Authority - upto Commissioner level
Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002	Enty Tax	1,119.69	2005-06, 2006-07, 2008-09, and 2009-10	Sales Tax Appellate Tribunal and Joint Commissioner
Maharashtra Value Added Tax Act, 2002	VAT	17.91	2008-09	Sales Tax Appellate Tribunal
Central Excise Laws	Excise Duty	8.61	1992-93 to 2012-13	Appellate Authority - upto Tribunal Level
Cess Laws	Cess	1.13	2009-10	Chairman, MPCB
Income Tax Act, 1961	Income Tax	46.09	2007-08 and 2008-09	Income Tax Appellate Tribunal

(x) The Company does not have accumulated losses as at 31st March, 2014 and the Company has not incurred cash losses during the financial year covered by our audit and 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) 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.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 1,521.56 crore have been used for long-term investments and fixed assets.

(xv) According to 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.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

R. A. BANGA
Partner
Membership Number: 037915

MUMBAI, 29th May, 2014

Balance Sheet as at 31st March, 2014

	Notes	Page	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	3	106	237.33	*237.33*
Reserves and Surplus	4	107	11,648.74	*10,803.46*
			11,886.07	*11,040.79*
UNSECURED PERPETUAL SECURITIES	5	108	1,500.00	*1,500.00*
STATUTORY CONSUMER RESERVES	6	108	613.23	*604.23*
SPECIAL APPROPRIATION TOWARDS PROJECT COST			533.61	*533.61*
SERVICE LINE CONTRIBUTIONS FROM CONSUMERS			94.45	*82.22*
NON-CURRENT LIABILITIES				
Long-term Borrowings	7	109	7,175.99	*8,452.57*
Deferred Tax Liabilities (Net)	8	111	881.14	*805.49*
Other Long-term Liabilities	9	111	86.10	*99.81*
Long-term Provisions	10	111	164.23	*413.19*
			8,307.46	*9,771.06*
CURRENT LIABILITIES				
Short-term Borrowings	11	112	1,579.53	*1,172.15*
Trade Payables			1,057.68	*923.55*
Other Current Liabilities	12	112	4,305.99	*2,027.64*
Short-term Provisions	10	111	661.01	*437.61*
			7,604.21	*4,560.95*
TOTAL			**30,539.03**	***28,092.86***
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	13(a)	113	8,532.81	*7,744.41*
Intangible Assets	13(b)	114	65.82	*30.11*
Capital Work-in-Progress			684.49	*641.46*
Intangible Assets under Development			90.60	*73.34*
			9,373.72	*8,489.32*
Non-current Investments	14	115	12,361.09	*10,859.68*
Long-term Loans and Advances	15	117	2,898.79	*2,140.56*
Other Non-current Assets	16	118	2,369.94	*2,808.17*
			27,003.54	*24,297.73*
CURRENT ASSETS				
Current Investments	17	118	1.36	*258.56*
Inventories	18	119	710.67	*761.09*
Trade Receivables	19	119	1,320.10	*1,300.06*
Cash and Bank Balances	20	119	67.86	*413.17*
Short-term Loans and Advances	15	117	873.08	*920.90*
Other Current Assets	21	120	562.42	*141.35*
			3,535.49	*3,795.13*
TOTAL			**30,539.03**	***28,092.86***

See accompanying notes forming part of the Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 29th May, 2014.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 29th May, 2014.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
CEO & Managing Director

Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Page	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
REVENUE				
Revenue from Operations (Gross)	22	120	8,645.25	*9,583.64*
Less: Excise Duty	22	120	18.21	*16.36*
Revenue from Operations (Net)	22	120	8,627.04	*9,567.28*
Other Income	23	121	655.76	*721.67*
TOTAL REVENUE			**9,282.80**	***10,288.95***
EXPENSES				
Cost of Power Purchased			793.33	*624.26*
Less: Cash Discount			3.36	*0.87*
			789.97	623.39
Cost of Fuel			3,350.91	*5,244.40*
Transmission Charges			467.96	*233.43*
Cost of Components Consumed			178.99	*150.75*
Employee Benefits Expense	24	121	544.95	*547.60*
Finance Costs	25	122	868.21	*684.41*
Depreciation and Amortisation	13, 2.2 & 2.3	113, 105	587.14	*364.10*
Other Expenses	26	122	1,003.51	*737.49*
TOTAL EXPENSES			**7,791.64**	***8,585.57***
PROFIT BEFORE TAX			**1,491.16**	***1,703.38***
TAX EXPENSE				
Current Tax Expense			354.50	*337.43*
MAT Credit reversed in respect of Prior Years			105.00	*Nil*
Excess Provision for Tax relating to Prior Years			(25.65)	*Nil*
Net Current Tax Expense			433.85	*337.43*
Deferred Tax Expense			103.23	*341.26*
Net Tax Expense			537.08	*678.69*
PROFIT FOR THE YEAR			**954.08**	***1,024.69***
EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)				
Basic (₹)	42	139	3.50	*3.44*
Diluted (₹)	42	139	3.50	*3.44*

See accompanying notes forming part of the Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 29th May, 2014.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 29th May, 2014.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
CEO & Managing Director

Cash Flow Statement for the year ended 31st March, 2014

	For the Year ended 31st March, 2014 ₹ crore		*For the Year ended 31st March, 2013 ₹ crore*	
A. Cash Flow from Operating Activities				
Profit before tax		1,491.16		*1,703.38*
Adjustments for:				
Depreciation and Amortisation	587.14		*364.10*	
Interest Income	(255.21)		*(270.35)*	
Dividend Income	(366.66)		*(371.93)*	
Gain on Sale of Investments	(20.37)		*(69.02)*	
Discount accrued on Bonds	(0.26)		*(0.13)*	
Guarantee Commission	(13.26)		*(10.24)*	
Transfer of Service Line Contributions	(8.14)		*(9.97)*	
Finance Costs	868.21		*684.41*	
Loss on Sale/Retirement of Assets (Net)	0.09		*1.34*	
Provision for Doubtful Debts and Advances (Net)	0.54		*20.85*	
Provision for Warranties	6.69		*7.74*	
Exchange loss/(gain) on Investing/Financing Activity (Net)	103.74		*(60.33)*	
Unrealised Exchange Loss (Net)	143.60		*89.30*	
		1,046.11		*375.77*
Operating Profit before Working Capital Changes		2,537.27		*2,079.15*
Adjustments for (Increase) / Decrease in Operating Assets				
Inventories	50.42		*93.38*	
Trade Receivables	(9.25)		*(309.57)*	
Short-term Loans and Advances	(130.00)		*(0.38)*	
Long-term Loans and Advances	(52.07)		*(160.11)*	
Other Current Assets	(347.07)		*66.45*	
Other Non-current Assets	504.69		*(1,026.52)*	
Adjustments for Increase / (Decrease) in Operating Liabilities:				
Trade Payables	134.13		*(138.00)*	
Other Current Liabilities	340.50		*167.10*	
Other Long Term Liabilities	0.75		*2.42*	
Short-term Provisions	1.29		*8.80*	
Long-term Provisions	(40.34)		*(36.32)*	
		453.05		*(1,332.75)*
Cash generated from Operations		2,990.32		*746.40*
Taxes paid (Net)		(290.82)		*(308.71)*
Net Cash Generated from Operating Activities ... A		**2,699.50**		***437.69***
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets, including Capital Advances		(1,100.95)		*(815.54)*
Proceeds from Sale of Fixed Assets		3.34		*1.32*
Purchase of Long-term Investments				
Subsidiaries		(1,303.55)		*(1,684.71)*
Joint Ventures		(19.02)		*(30.30)*
Other Investments		(26.99)		*(66.30)*
Proceeds from Sale of Non-current Investments				
Subsidiaries (Buyback)		Nil		*16.00*
Associates		Nil		*9.37*
Other investments		20.00		*90.00*
Purchase of Current Investments		(13,256.33)		*(18,350.66)*
Proceeds from Sale of Current Investments		13,513.90		*18,662.99*
Interest Received				
Subsidiaries		84.10		*32.93*
Associates		Nil		*0.31*
Others		87.23		*200.30*
Loans given to Subsidiaries		(3,339.08)		*(3,244.16)*
Loans repaid by Subsidiaries		2,340.25		*3,215.19*
Carried over		(2,997.10)		*(1,963.26)*

Cash Flow Statement for the year ended 31st March, 2014 *(Contd.)*

	For the Year ended 31st March, 2014 ₹ crore	*For the Year ended 31st March, 2013 ₹ crore*
Brought forward...	(2,997.10)	*(1,963.26)*
Dividend Received -		
Subsidiaries	289.01	*365.84*
Associates	4.89	*9.73*
Others	9.94	*8.39*
Guarantee Commission Received	13.53	*8.51*
Inter Corporate Deposits placed	(730.09)	*(1,899.00)*
Inter Corporate Deposits redeemed	1,067.84	*1,611.25*
Bank balance not considered as Cash and Cash Equivalents	(0.59)	*364.33*
Net Cash used in Investing Activities ... B	**(2,342.57)**	***(1,494.21)***
C. Cash Flow from Financing Activities		
Increase in Capital/Service Line Contributions	20.37	*28.17*
Proceeds from Long-term Borrowings	849.90	*2,191.86*
Repayment of Long-term Borrowings	(484.92)	*(558.96)*
Proceeds from Short-term Borrowings	2,981.98	*1,625.89*
Repayment of Short-term Borrowings	(2,663.76)	*(1,272.28)*
Distribution on Unsecured Perpetual Securities	(171.00)	*(171.47)*
Rights Share Issue Expenses Paid	(1.90)	*Nil*
Other Borrowing Cost Paid	(104.70)	*(72.28)*
Interest Paid (including borrowing cost capitalised)	(856.49)	*(638.56)*
Dividend Paid	(272.31)	*(295.95)*
Dividend tax Paid	Nil	*(39.75)*
Net cash (used in) / generated from financing activities ... C	**(702.83)**	***796.67***
Net decrease in cash and cash equivalents ... (A+B+C)	**(345.90)**	***(259.85)***
Cash and Cash Equivalents as at 1st April (Opening Balance)	**401.20**	***661.05***
Cash and Cash Equivalents as at 31st March (Closing Balance)	**55.30**	***401.20***

Notes:

1. Cash and Cash Equivalents include:

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(i) Cash and Cheques on Hand (include cheques on hand ₹ 6.26 crore, *Previous Year - ₹ 8.67 crore)*	6.27	*8.68*
(ii) Current Accounts with Banks	49.03	*46.82*
(iii) Deposits with Banks	Nil	*345.70*
	55.30	***401.20***

2. Purchase of investments in subsidiaries and joint venture includes advance paid towards equity.
3. Purchase of Long-term Investments in subsidiaries and loans repaid by subsidiaries includes ₹ 722.00 crore *(31st March 2013 ₹ 767.41 crore)* of Loan to Coastal Gujarat Power Limited which has been converted into Equity Share Capital.
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 LLP
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 29th May, 2014.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 29th May, 2014.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
CEO & Managing Director

Notes forming part of the Financial Statements

1. Background:

The Company, pioneered the generation of electricity in India nine decades ago. Prior to 1st April, 2000 the Tata Electric Companies comprised of the following three Companies -

- The Tata Hydro-Electric Power Supply Company Limited, established in 1910 (Tata Hydro).
- The Andhra Valley Power Supply Company Limited, established in 1916 (Andhra Valley).
- The Tata Power Company Limited, established in 1919 (Tata Power).

With effect from 1st April, 2000, Andhra Valley and Tata Hydro merged into Tata Power to result in one large unified entity. The Company has an installed generation capacity of 3075 MW in India and a presence in all the segments of the power sector viz. Fuel and Logistics, Generation (thermal, hydro, solar and wind), Transmission and Distribution.

2.1. Significant Accounting Policies:

(a) Basis for Preparation of Accounts:

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention, except for Fixed Assets at Strategic Engineering Division, that are carried at revalued amount. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year, except for change in the accounting policy for revaluation of Tangible Assets, as more fully described in Note 2.2.

(b) Use of Estimates:

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

(c) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(d) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(e) Tangible/Intangible Fixed Assets:

(i) Fixed assets, except Tangible Assets at its Strategic Engineering Division are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use. The Company has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Notes forming part of the Financial Statements

The Company revalued all its Tangible assets that existed on 1st April, 2013 at its Strategic Engineering Division. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation/impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed/utilised.

(ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

(iii) Capital Work-in-Progress:

Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs.

(iv) Intangible Assets under Development:

Expenditure on Research and Development [Refer Note 2.1 (l)] eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(f) Impairment of Assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(g) Depreciation/Amortisation:

Depreciation in respect of its electricity business is provided at the rates as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (CERC) w.e.f. 1st April, 2009 and at the rates as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, wherever higher than those notified by CERC.

In respect of assets relating to other businesses 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.

Intangible assets are amortised over the useful economic life of the assets or 5 years, whichever is lower.

Leasehold Land is amortised on straight line basis over the period of the lease, ranging from 20 years to 95 years.

(h) Leases:

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

(i) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments determined on an individual basis. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Notes forming part of the Financial Statements

(j) Inventories:

Inventories of stores, spare parts, fuel and loose tools are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses. Work-in-progress and property under development are valued at lower of cost and net realisable value. Cost includes cost of land, material, labour and other appropriate overheads.

(k) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and Deferred Tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(l) Research and Development Expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible/intangible fixed assets.

(m) Warranty Expenses:

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

(n) Foreign Currency Transactions and Translations:

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Notes forming part of the Financial Statements

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences on restatement of long-term receivables from non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para below until disposal/recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal/recovery is recognised.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal is recognised.

The exchange differences arising on settlement/restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts:

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Note 2.1 (o) for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

(o) Derivative Contracts:

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Forward contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. All other derivative contracts are mark-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

(p) Employee Benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme, Pension, Post Retirement Medical Benefits, Retirement Gift, Compensated Absences, Hospitalisation in Service and Long-term Service Awards.

Defined contribution plans:

The Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of Gratuity, Ex-Gratia Death Benefits, Retirement Gifts, Post Retirement Medical Benefits and Pension, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Notes forming part of the Financial Statements

Short-term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Hospitalisation in Service and Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(q) Revenue Recognition:

(i) Revenue from Power Supply and Transmission Charges are accounted for on the basis of billings to consumers/state transmission utility 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 and Jojobera regulated 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 Jharkhand State Electricity Regulatory Commission (JSERC) on the basis of Tariff Orders 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 and JSERC 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/confirmed by consumers.

(iv) Interest income and 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 are accounted as a liability and are 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 no significant uncertainty to the collectability exists.

(vii) Income on contracts in respect of Strategic Engineering 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.

(viii) Revenue from Sale of Carbon Credit and Renewable Energy Certificate is recognised at the time of sale.

(r) Issue Expenses and Premium on Redemption of Bonds and Debentures:

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

(ii) Discount on issue of Bonds, Debentures and Euro Notes are amortised over the tenure.

(iii) Premium on Redemption of Bonds/Debentures, net of tax impact, are adjusted against the Securities Premium Account in the year of issue.

(s) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Notes forming part of the Financial Statements

(t) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under "unallocable revenue/expenses/assets/liabilities".

(u) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations 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 and are disclosed in the Notes. A Contingent asset is neither recognised nor disclosed in the financial statements.

(v) Earnings Per Share:

Basic earnings per share is computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

2.2. The Company has changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly, the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 have increased by ₹ 234.98 crore and ₹ 7.59 crore respectively and ₹ 227.39 crore has been credited to the Revaluation Reserve.

Consequent to the revaluation, the additional charge for depreciation for the year ended 31st March, 2014 amounting to ₹ 2.60 crore is withdrawn from Revaluation Reserve.

2.3. The Company had, during the previous year ended 31st March, 2013, revised the rates and methodology of charging depreciation in respect of its electricity business as per the notification issued by the CERC w.e.f. 1st April, 2009 and on certain assets as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. Further, the depreciation charge for the year ended 31st March, 2014 is lower by ₹ 48.02 crore *(31st March, 2013 - ₹ 48.02 crore)*. Accordingly, depreciation of ₹ 219.80 crore for the years 2009-10 to 2011-12 has been written back during the year ended 31st March, 2013. As a result, the current tax for the year ended 31st March, 2013, was higher by ₹ 53.58 crore and the deferred tax charge for the year ended 31st March, 2013 was higher by ₹ 204.28 crore.

2.4 In an earlier year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs (MCA), the Company had selected the option given in paragraph 46A of the Accounting Standard-11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items for the year ended 31st March, 2014 is ₹ 169.60 crore *(31st March, 2013 -₹ 83.84 crore)*. The unamortised portion carried forward as at 31st March, 2014 is ₹ 297.64 crore *(31st March, 2013 -₹ 253.86 crore)*.

Notes forming part of the Financial Statements

3. Shareholders' Funds - Share Capital

	As at 31st March, 2014 Number	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 Number*	*As at 31st March, 2013 ₹ crore*
Authorised				
Equity Shares of ₹ 1/- each	300,00,00,000	300.00	*300,00,00,000*	*300.00*
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	*2,29,00,000*	*229.00*
		529.00		*529.00*
Issued				
Equity Shares (including 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order, 4,80,40,400 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)	242,94,70,840	242.95	*242,94,70,840*	*242.95*
Subscribed and Paid-up				
Equity shares fully Paid-up (excluding 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 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)	237,30,72,360	237.31	*237,30,72,360*	*237.31*
Less : Calls in arrears [including ₹ 0.01 crore (*31st March, 2013 - ₹ 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*
Add : Equity Shares forfeited - Amount paid	16,52,300	0.06	*16,52,300*	*0.06*
Total Issued, Subscribed and fully Paid-up Share Capital		**237.33**		***237.33***

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2014 Number	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 Number*	*As at 31st March, 2013 ₹ crore*
At the beginning and at the end of the year	237,47,24,660	237.33	*237,47,24,660*	*237.33*

(b) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a Par Value of ₹ 1/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.25 per share of Face Value of ₹ 1/- each (*31st March 2013 - ₹ 1.15 per share).*

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity Shares of ₹ 1/- each fully paid	As at 31st March, 2014 Number	As at 31st March, 2014 % Holding	*As at 31st March, 2013 Number*	*As at 31st March, 2013 % Holding*
Tata Sons Limited	70,75,11,570	29.81	*70,75,11,570*	*29.81*
Life Insurance Corporation of India	29,93,67,181	12.62	*30,60,52,963*	*12.90*
Matthews Pacific Tiger Fund	12,75,60,510	5.38		

(d) In an earlier year, the Company issued 3,000 1.75% Foreign Currency Convertible Bonds (FCCB) with Face Value of USD 100,000 each aggregating to USD 300 million. The bondholders have an option to convert these Bonds into Equity Shares, at an initial conversion price of ₹ 145.6125 per share at a fixed rate of exchange on conversion of ₹ 46.81 = USD 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% of their principal amount together with accrued and unpaid interest.

(e) The Company, vide its Letter of Offer dated 19th March, 2014, offered upto 33,22,30,130 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 60/- per Equity Share (including Share Premium of ₹ 59/- per Equity Share) for an amount aggregating to ₹ 1,993.38 crore to the existing Equity Shareholders of the Company on rights basis in the ratio of 7 Equity Shares for every 50 Equity Shares held by the Equity Shareholders on the record date i.e. 20th March, 2014. The issue opened on 31st March, 2014 and closed on 15th April, 2014. On 25th April, 2014 the Company has allotted 33,15,52,894 Equity Shares, balance Equity Shares being kept in abeyance.

The Equity Shares issued vide the said Rights Issue have not been considered for computing Earnings Per Share.

Notes forming part of the Financial Statements

4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Capital Reserve	61.66	*61.66*
Revaluation Reserve (Refer Note 2.2)		
Opening Balance	Nil	*Nil*
Add: Created during the year	227.39	*Nil*
Less: Amount transferred to Depreciation Account (Refer Note 13)	2.60	*Nil*
Closing Balance	224.79	*Nil*
Capital Redemption Reserve	1.60	*1.60*
Securities Premium Account		
Opening Balance	3,643.41	*3,662.04*
Less: Issue Expenses pertaining to Right Issue	1.90	*Nil*
Less: Issue Expenses pertaining to Debentures	Nil	*18.63*
Closing Balance	3,641.51	*3,643.41*
Debenture Redemption Reserve		
Opening Balance	715.01	*557.74*
Add: Amount transferred from Surplus in Statement of Profit and Loss	132.85	*157.27*
Closing Balance	847.86	*715.01*
Foreign Currency Translation Reserves (Net)		
Opening Balance	(139.37)	*(67.36)*
(Add)/Less: Effect of foreign exchange rate variations during the year [including deferred tax ₹ 27.58 crore and current tax ₹ 30.66 crore *(31st March, 2013 - ₹45.21 crore)*]	113.34	*(72.01)*
Closing Balance	(26.03)	*(139.37)*
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(147.49)	*(136.41)*
Add: Effect of foreign exchange rate variations during the year	(139.33)	*(85.49)*
Less: Amortised during the year	150.81	*74.41*
Closing Balance	(136.01)	*(147.49)*
General Reserve		
Opening Balance	3,592.64	*3,490.17*
Add: Amount transferred from Surplus in Statement of Profit and Loss	95.41	*102.47*
Closing Balance	3,688.05	*3,592.64*
Surplus in Statement of Profit and Loss		
Opening Balance	3,076.00	*2,819.38*
Add: Profit for the year	954.08	*1,024.69*
Reversal of additional Income tax on Dividend in respect of earlier year	28.54	*Nil*
Less: Distribution on Unsecured Perpetual Securities [Net of tax ₹ 58.12 crore *(31st March, 2013 - ₹Nil)*]	112.88	*171.20*
Income-tax reversal on distribution on Unsecured Perpetual Securities in respect of earlier year	Nil	*28.42*
Proposed Dividend [₹ 1.25 per share *(31st March, 2013 - ₹ 1.15 per share)*]	338.45	*273.17*
Additional Income-tax on Dividend	24.72	*28.54*
Transfer to Contingencies Reserve Fund	9.00	*7.00*
Transfer to Debenture Redemption Reserve	132.85	*157.27*
Transfer to General Reserve	95.41	*102.47*
	269.31	*256.62*
Closing Balance	3,345.31	*3,076.00*
Total	**11,648.74**	***10,803.46***

Notes forming part of the Financial Statements

5. Unsecured Perpetual Securities

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Unsecured Perpetual Securities	1,500.00	*1,500.00*
Total	**1,500.00**	***1,500.00***

In an earliar year the Company raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years. The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments and are not classified as “Debt” and the distribution on such Securities is not considered under “Finance Costs”.

6. Statutory Consumer Reserves

[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Tariffs and Dividends Control Reserve	22.43	*22.43*
Contingencies Reserve Fund		
Opening Balance	67.00	*60.00*
Add: Amount transferred from Surplus in Statement of Profit and Loss	9.00	*7.00*
Closing Balance	76.00	*67.00*
Development Reserve	5.29	*5.29*
Deferred Taxation Liability Fund	279.76	*279.76*
Investment Allowance Reserve	121.18	*121.18*
Debt Redemption Reserve	51.94	*51.94*
Debenture Redemption Reserve	56.63	*56.63*
Total	**613.23**	***604.23***

Notes forming part of the Financial Statements

7. Long-term Borrowings

	As at 31st March, 2014 Non-current ₹ crore	As at 31st March, 2014 Current ₹ crore	*As at 31st March, 2013 Non-current ₹ crore*	*As at 31st March, 2013 Current ₹ crore*
Secured				
Redeemable Non-Convertible Debentures				
(a) 9.15% Series 2025	186.00	16.00	*202.00*	*16.00*
(b) 9.15% Series 2025	250.00	25.00	*275.00*	*25.00*
(c) 9.40% Series 2023	210.00	Nil	*210.00*	*Nil*
(d) 10.10% Series 2019	500.00	Nil	*500.00*	*Nil*
(e) 10.40% Series 2019	500.00	Nil	*500.00*	*Nil*
(f) 7.10% Series 2015	180.00	240.00	*420.00*	*180.00*
	1,826.00	281.00	*2,107.00*	*221.00*
Term Loans				
From Banks				
(g) HDFC Bank	649.00	30.00	*480.00*	*30.00*
(h) IDBI Bank	552.50	35.00	*587.50*	*35.00*
(i) Kotak Mahindra Bank	215.00	25.50	*41.50*	*31.00*
	1,416.50	90.50	*1,109.00*	*96.00*
From Others				
(j) Asian Development Bank	69.69	12.67	*82.36*	*12.67*
(k) Indian Renewable Energy Development Agency Limited	371.78	35.13	*406.91*	*35.13*
(l) Infrastructure Development Finance Company Limited	1,148.20	90.10	*1,196.40*	*60.10*
(m) Export Import Bank of India	0.31	4.45	*4.32*	*6.07*
	1,589.98	142.35	*1,689.99*	*113.97*
Finance Lease Obligations				
(n) Lease finance - from others	Nil	Nil	*Nil*	*0.04*
(A)	4,832.48	513.85	*4,905.99*	*431.01*
Unsecured				
Redeemable Non-Convertible Debentures				
(o) 10.75% Series 2073	1,500.00	Nil	*1,500.00*	*Nil*
Bonds				
(p) 8.50% Euro Notes (2017)	356.68	Nil	*323.93*	*Nil*
(q) 1.75% Foreign Currency Convertible Bonds (2014) [Refer Note 3 (d)]	Nil	1,796.70	*1,631.70*	*Nil*
	356.68	1,796.70	*1,955.63*	*Nil*
Term Loans				
From Banks				
(r) ICICI Bank	8.70	5.80	*14.50*	*5.80*
(s) JP Morgan Chase Bank	200.00	Nil	*Nil*	*Nil*
(t) BNP Paribas	210.00	Nil	*Nil*	*Nil*
	418.70	5.80	14.50	5.80
Deferred Payment Liabilities				
(u) Sales Tax Deferral	68.13	8.32	*76.45*	*7.13*
(B)	2,343.51	1,810.82	*3,546.58*	*12.93*
Total (A + B)	**7,175.99**	**2,324.67**	***8,452.57***	***443.94***

Notes forming part of the Financial Statements

7. Long-term Borrowings *(Contd.)*

Security

(i) The Debentures mentioned in (a) have been secured by a charge on movable properties and assets of the Company at Agaswadi and Visapur in Satara District of Maharashtra and Poolavadi in Tirupur District of Tamil Nadu.

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

(iii) The Debentures mentioned in (c) have been secured by a charge on the land situated at Village Takve Khurd (Maharashtra).

(iv) The Debentures mentioned in (d) and (e) have been secured by a *pari passu* charge on land in Village Takve Khurd (Maharashtra) and movable and immovable properties in and outside Maharashtra, except assets of windmill projects, present and future.

(v) The Debentures mentioned in (f) have been secured by a charge on land in Village Takve Khurd (Maharashtra), movable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra, except assets of windmill projects, present and future.

(vi) The loans from HDFC Bank and IDBI Bank, mentioned in (g) and (h) respectively have been secured by a *pari passu* charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including movable machinery, machinery spares, tools and accessories.

(vii) The loan from Kotak Mahindra Bank mentioned in (i) has been secured by a *pari passu* charge on all movable Fixed Assets (excluding land and building), present and future (except assets of wind projects, both present and future, situated at Khandke, Brahmanvel and Supa in Maharashtra) including movable machinery, machinery spares, tools and accessories.

(viii) The loans from Asian Development Bank and Indian Renewable Energy Development Agency Limited mentioned in (j) and (k) respectively have been secured by a first charge on the tangible movable properties, plant & machinery and immovable properties situated at Khandke, Brahmanvel and Sadawaghapur in Maharashtra.

(ix) The loan from Infrastructure Development Finance Company Limited mentioned in (l) have been secured by a charge on the movable assets except assets of all windmill projects present and future more particularly situated in Supa, Khandke, Brahmanvel, Sadawaghapur, Gadag and Samana in Maharashtra, Karnataka and Gujarat.

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

(xi) The loan mentioned in (n) has been secured by hypothecation of specific assets (vehicles) taken on finance lease.

Redemption

(i) The Debentures mentioned in (a) are redeemable at par in fourteen annual installments of ₹ 16 crore each and one installment of ₹ 26 crore commencing from 18th September, 2011.

(ii) The Debentures mentioned in (b) are redeemable at par in ten annual installments of ₹ 25 crore each and five annual installments of ₹ 20 crore each commencing from 23rd July, 2011.

(iii) The Debentures mentioned in (c) are redeemable at par at the end of 10 years from the respective date of allotment viz. 28th December, 2022.

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

(v) The Debentures mentioned in (f) are redeemable at premium in three installments amounting to ₹ 180 crore, ₹ 240 crore and ₹ 180 crore each at the end of 9th, 10th and 11th year respectively from 18th October, 2004.

(vi) The first loan from HDFC Bank mentioned in (g) is redeemable at par in 36 quarterly installments of ₹ 7.50 crore each commencing from 1st June, 2010 and 4 quarterly installments of ₹ 82.50 crore each commencing from 30th June, 2020 and,
The second loan from HDFC Bank mentioned in (g) is redeemable at par in 40 quarterly installments of ₹ 5.63 crore each commencing from 16th November, 2015 and 4 quarterly installments of ₹ 18.75 crore each commencing from 16th November, 2025.

(vii) The loan from IDBI Bank of ₹ 300 crore mentioned in (h) is redeemable at par in 46 quarterly installments of ₹ 3.75 crore each commencing from 1st October, 2010 and one installment of ₹ 127.50 crore on 1st April, 2022 and,
The second loan from IDBI Bank of ₹ 400 crore mentioned in (h) is redeemable at par in 36 quarterly installments of ₹ 5 crore each commencing from 1st April, 2011 and one installment of ₹ 220 crore on 1st April, 2020.

(viii) The first loan from Kotak Mahindra Bank mentioned in (i) is redeemable at par in 8 quarterly installments of ₹ 7.75 crore each commencing from 31st October, 2012, 4 quarterly installments of ₹ 5 crore each commencing from 31st October, 2014 and 4 quarterly installments of ₹ 1.50 crore each commencing from 31st October, 2015. and,
The second loan from Kotak Mahindra Bank mentioned in (i) is redeemable at par in 40 quarterly installments of ₹ 5.63 crore each commencing from 14th November, 2015 and 4 quarterly installments of ₹ 18.75 crore each commencing from 14th November, 2025.

(ix) The loan from Asian Development Bank mentioned in (j) is redeemable at par in 26 semi-annual installments commencing from 15th December, 2007.

(x) The loan from Indian Renewable Energy Development Agency Limited of ₹ 95 crore mentioned in (k) is redeemable at par in 26 semi-annual installments commencing from 15th December, 2007 and,
The second loan from Indian Renewable Energy Development Agency Limited of ₹ 450 crore mentioned in (k) is redeemable at par in 24 semi-annual installments of ₹ 14.63 crore each commencing from 30th June, 2012 and two semi-annual installments of ₹ 49.50 crore each commencing from 30th June, 2024.

(xi) The first loan from Infrastructure Development Finance Company Limited of ₹ 450 crore mentioned in (l) is redeemable at par in 35 quarterly installments of ₹ 5.65 crore each commencing from 1st October, 2009 and one installment of ₹ 252.25 crore commencing from 15th July, 2018 and
The second loan from Infrastructure Development Finance Company Limited of ₹ 150 crore mentioned in (l) is redeemable at par in 36 quarterly installments of ₹ 1.88 crore each commencing from 15th May, 2010 and 4 quarterly installments of ₹ 20.63 crore each commencing from 15th May, 2019 and
The third loan from Infrastructure Development Finance Company Limited of ₹ 800 crore mentioned in (l) is redeemable at par in 40 quarterly installments of ₹ 15 crore each commencing from 15th October, 2013 and 4 quarterly installments of ₹ 50 crore each commencing from 15th October, 2023.

(xii) The loan from Export Import Bank of India mentioned in (m) is redeemable at par in 18 semi-annual installments of USD 372,200 each commencing from 29th September, 2006 and last instalment of USD 50,400.

(xiii) The 10.75% Redeemable and Non-convertible Debentures mentioned in (o) are redeemable at par at the end of 60 years from the respective date of allotment viz. 21st August, 2072. The Company has the call option to redeem the same at the end of 10 years from 21st August, 2022 and at the end of every year thereafter.

(xiv) 8.50% Euro Notes mentioned in (p) is repayable fully on 19th August, 2017.

(xv) The loan from ICICI Bank mentioned in (r) is redeemable at par in 10 semi-annual installments commencing from 1st April, 2012.

(xvi) The loan from J P Morgan Chase Bank mentioned in (s) is repayable fully on 28th November, 2016.

(xvii) The loan from BNP Paribas mentioned in (t) is repayable fully on 29th December, 2016.

(xviii) Sales Tax Deferral mentioned in (u) is repayable in 150 installments commencing from April, 2013 and repayable in full by 2022.

Notes forming part of the Financial Statements

8. Deferred Tax Liabilities (Net)

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
Deferred Tax Liability on account of:		
Relating to Fixed Assets	1,234.01	1,142.78
Balance in Deferred Tax Liability Fund	(279.76)	(279.76)
	954.25	863.02
Exchange Losses on Loans to Subsidiaries	Nil	27.58
Deferred Tax Liability	954.25	890.60
Deferred Tax Asset on account of:		
Provision for Employee Benefits	36.41	49.11
Provision for Tax, Duty, Cess, Fee etc.	17.99	10.68
Provision for Doubtful Debts and Advances	18.71	18.50
Others	Nil	6.82
Deferred Tax Asset	73.11	85.11
Net Deferred Tax Liability	**881.14**	**805.49**

9. Other Long-term Liabilities

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
Trade Payables	27.25	26.50
Others		
Payables on Purchase of Fixed Assets	Nil	14.46
Consumers' Benefit Account	21.94	21.94
Security Deposits from Customers	36.91	36.91
Total	**86.10**	**99.81**

10. Provisions

	As at 31st March 2014		As at 31st March 2013	
	Long-term ₹ crore	Short-term ₹ crore	Long-term ₹ crore	Short-term ₹ crore
Provision for Employee Benefits				
Compensated Absences	62.20	5.65	64.42	6.82
Gratuity	Nil	39.27	36.37	36.90
Pension Obligation	15.04	3.52	15.07	1.98
Long Service Awards	12.22	1.26	13.47	1.10
Other Employee Benefits	28.48	3.68	28.95	3.18
Provision - Others				
Provision for Warranties	5.79	18.64	6.19	13.83
Provision for Premium on Redemption of Foreign Currency Convertible Bonds	Nil	170.15	154.52	Nil
Provision for Premium on Redemption of Debentures	40.50	53.70	94.20	40.50
Provision for Income-tax (Net)	Nil	Nil	Nil	29.79
Provision for Wealth Tax	Nil	1.97	Nil	1.80
Provision for Proposed Dividend	Nil	338.45	Nil	273.17
Provision for Additional Income-tax on Dividend	Nil	24.72	Nil	28.54
Total	**164.23**	**661.01**	**413.19**	**437.61**

Notes forming part of the Financial Statements

11. Short-term Borrowings

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Secured		
From Banks		
(a) Cash Credit Account	65.78	*Nil*
(b) Buyer's Line of Credit	291.35	*637.03*
	357.13	*637.03*
Unsecured		
From Banks		
(c) Buyer's Line of Credit	99.33	*530.05*
(d) Loans from Banks	468.00	*Nil*
From Others		
(e) Inter-corporate Deposit	5.07	*5.07*
(f) Commercial Paper (maximum amount outstanding during the year is ₹ 750.00 crore)	650.00	*Nil*
	1,222.40	*535.12*
Total	**1,579.53**	***1,172.15***

Security

Cash Credit from banks is secured against first *pari passu* charge on all current assets including goods, book debts, receivables and other moveable current assets of the Company. The Cash Credit is repayable on demand.

Buyer's Line of Credit is secured against first *pari passu* charge on all current assets including goods, book debts, receivables and other moveable current assets of the Company.

12. Other Current Liabilities

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(a) Current Maturities of Long-term Debt (Refer Note 7)	2,324.67	*443.94*
(b) Interest accrued but not due on Borrowings	264.40	*270.51*
(c) Investor Education and Protection Fund shall be credited by the following amounts namely: **		
Unclaimed Dividend	13.26	*12.40*
Unclaimed Matured Deposits	0.03	*0.03*
Unclaimed Interest	Nil	*Nil*
Unclaimed Matured Debentures	0.09	*0.09*
(d) Book Overdraft	94.49	*34.42*
(e) Other Payables		
Statutory Liabilities	240.79	*119.82*
Regulatory Liabilities	402.86	*314.36*
Payables towards Purchase of Fixed Assets	298.78	*238.63*
Advance and Progress payments received from Customers/Public Utilities	449.18	*373.64*
Security Deposits from Consumers	150.87	*180.85*
Security Deposits from Customers	5.24	*4.30*
Tender Deposits from Vendors	3.18	*2.70*
Other Liabilities	58.15	*31.95*
Total	**4,305.99**	***2,027.64***

** Includes amounts outstanding aggregating ₹ 0.83 crore *(31st March, 2013 - ₹ 0.81 crore)* for more than seven years pending legal cases.

13. Fixed Assets

₹ crore

	GROSS BLOCK					DEPRECIATION						NET BLOCK
	As at 1st April, 2013	Additions !	Revaluation ##	Deductions	As at 31st March, 2014	As at 1st April, 2013	Depreciation Reserve on account of Revaluation as at 1st April, 2013 ##	For the year	Adjustments @@	Deductions	As at 31st March, 2014	As at 31st March, 2014
(a) TANGIBLE ASSETS												
Land												
(a) Freehold Land	121.75	24.12	192.49	Nil	338.36	Nil	Nil	Nil	Nil	Nil	Nil	338.36
	114.93	*6.82*	*Nil*	*Nil*	*121.75*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*121.75*
(b) Leasehold Land	287.30	40.07	Nil	Nil	327.37	9.75	Nil	4.16	Nil	Nil	13.91	313.46
	248.00	*39.30*	*Nil*	*Nil*	*287.30*	*6.15*	*Nil*	*3.60*	*Nil*	*Nil*	*9.75*	*277.55*
(i) Owned Assets												
1. Hydraulic Works	531.52	1.92	Nil	Nil	533.44	205.84	Nil	17.33	Nil	Nil	223.17	310.27
	497.17	*34.35*	*Nil*	*Nil*	*531.52*	*165.97*	*Nil*	*18.62*	*21.25*	*Nil*	*205.84*	*325.68*
2. Buildings - Plant	850.91	91.62	10.58	0.07	953.04	300.34	2.91	30.82	Nil	0.01	334.06	618.98
	745.45	*105.47*	*Nil*	*0.01*	*850.91*	*270.32*	*Nil*	*33.35*	*(3.33)*	*	*300.34*	*550.57*
3. Buildings - Others	141.98	15.73	19.96	0.07	177.60 @	49.11	0.07	7.31	Nil	0.07	56.42	121.18
	129.70	*12.32*	*Nil*	*0.04*	*141.98 @*	*43.38*	*Nil*	*5.44*	*0.32*	*0.03*	*49.11*	*92.87*
4. Coal Jetty	106.10	Nil	Nil	Nil	106.10	22.39	Nil	5.60	Nil	Nil	27.99	78.11
	106.10	*Nil*	*Nil*	*Nil*	*106.10*	*17.15*	*Nil*	*5.60*	*(0.36)*	*Nil*	*22.39*	*83.71*
5. Railway Sidings, Roads, Crossings, etc.	50.24	1.67	Nil	Nil	51.91	17.40	Nil	1.67	Nil	Nil	19.07	32.84
	49.75	*0.49*	*Nil*	*Nil*	*50.24*	*13.07*	*Nil*	*1.95*	*2.38*	*Nil*	*17.40*	*32.84*
6. Plant and Machinery	9,421.05	647.68 #	10.97	11.47	10,068.23	4,352.32	3.96	424.19#	Nil	9.87	4,770.60	5,297.63
	8,985.19	*445.32 #*	*Nil*	*9.46*	*9,421.05*	*4,129.24*	*Nil*	*431.58#*	*(200.20)*	*8.30*	*4,352.32*	*5,068.73*
7. Transmission Lines, Cable Network, etc.	1,707.93	308.94	0.06	0.16	2,016.77	608.33	0.05	74.82	Nil	0.01	683.19	1,333.58
	1,421.54	*286.39*	*Nil*	*Nil*	*1,707.93*	*565.01*	*Nil*	*67.67*	*(24.35)*	*Nil*	*608.33*	*1,099.60*
8. Furniture and Fixtures	55.90	7.25	0.90	0.63	63.42	22.72	0.58	4.13	Nil	0.50	26.93	36.49
	47.40	*8.59*	*Nil*	*0.09*	*55.90*	*24.80*	*Nil*	*3.26*	*(5.27)*	*0.07*	*22.72*	*33.18*
9. Office Equipment	22.98	2.29	Nil	0.24	25.03	8.29	Nil	1.38	Nil	0.13	9.54	15.49
	18.97	*4.32*	*Nil*	*0.31*	*22.98*	*8.56*	*Nil*	*1.65*	*(1.71)*	*0.21*	*8.29*	*14.69*
10. Motor Vehicles, Launches, Barges, etc.	48.84	1.48	0.02	1.97	48.37	28.04	0.02	4.54	Nil	1.22	31.38	16.99
	49.01	*7.96*	*Nil*	*8.13*	*48.84*	*40.86*	*Nil*	*2.97*	*(8.53)*	*7.26*	*28.04*	*20.80*
11. Helicopters	36.86	0.14	Nil	Nil	37.00	14.53	Nil	3.14	Nil	Nil	17.67	19.33
	36.73	*0.13*	*Nil*	*Nil*	*36.86*	*11.34*	*Nil*	*3.19*	*Nil*	*Nil*	*14.53*	*22.33*
(ii) Assets taken on lease												
Motor Vehicles under Finance Lease	1.23	Nil	Nil	0.05	1.18	1.12	Nil	Nil	Nil	0.04	1.08	0.10
	1.29	*Nil*	*Nil*	*0.06*	*1.23*	*1.17*	*Nil*	*Nil*	*Nil*	*0.05*	*1.12*	*0.11*
TOTAL TANGIBLE ASSETS	**13,384.59**	**1,142.91**	**234.98**	**14.66**	**14,747.82**	**5,640.18**	**7.59**	**579.09**	**Nil**	**11.85**	**6,215.01**	**8,532.81**
2012 - 2013	*12,451.23*	*951.46*	*Nil*	*18.10*	*13,384.59*	*5,297.02*	*Nil*	*578.88*	*(219.80)*	*15.92*	*5,640.18*	*7,744.41*

Notes:
- @ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.
- # Addition to Plant and Machinery includes ₹ 74.05 crore *(31st March, 2013 - ₹ 38.66 crore)* and depreciation of ₹ 18.79 crore (*31st March, 2013 - ₹ 9.44* crore) on account of Foreign Currency Exchange Differences respectively.
- ## Pertains to Revaluation of Assets during the year. Refer Note 2.2.
- @@ Pertains to depreciation written back in respect of earlier years. Refer Note 2.3.
- ! Additions include ₹ 41.01 crore (*31st March, 2013 - ₹ 45.49* crore) being finance cost capitalised during the year.

  Fixed Assets having Gross Block of ₹ 1,751.97 crore (*31st March, 2013 - ₹ 1,711.26* crore) [Net Block ₹ 555.36 crore (*31st March, 2013 - ₹ 565.09* crore)] are on leased land for which agreement is pending finalisation.
- * Denotes figures below ₹ 50,000/-.

  Previous year's figures are in italics.

Notes forming part of the Financial Statements

13. Fixed Assets *(contd.)*

₹ crore

	GROSS BLOCK				AMORTISATION				NET BLOCK
	As at 1st April, 2013	**Additions**	**Deductions**	**As at 31st March, 2014**	**As at 1st April, 2013**	**For the year**	**Deductions**	**As at 31st March, 2014**	**As at 31st March, 2014**
(b) INTANGIBLE ASSETS									
1. Technical Know-How and Prototypes !	13.43	23.63	Nil	37.06	4.24	4.20	Nil	8.44	28.62
	10.68	*3.94*	*1.19*	*13.43*	*2.16*	*2.17*	*0.09*	*4.24*	*9.19*
2. Licences $	0.26	Nil	Nil	0.26	0.26	Nil	Nil	0.26	Nil
	0.26	*Nil*	*Nil*	*0.26*	*0.26*	*Nil*	*Nil*	*0.26*	*Nil*
3. Computer Software $	24.08	22.73	Nil	46.81	3.16	6.45	Nil	9.61	37.20
	10.38	*13.70*	*Nil*	*24.08*	*0.31*	*2.85*	*Nil*	*3.16*	*20.92*
TOTAL INTANGIBLE ASSETS	**37.77**	**46.36**	**Nil**	**84.13**	**7.66**	**10.65**	**Nil**	**18.31**	**65.82**
2012-2013	*21.32*	*17.64*	*1.19*	*37.77*	*2.73*	*5.02*	*0.09*	*7.66*	*30.11*

Notes: ! Internally generated intangible assets.

$ Other than internally generated intangible assets.

Previous year's figures are in italics.

Depreciation/Amortisation for the year:

	For the year ended 31st March, 2014 ₹ crore	***For the year ended 31st March, 2013 ₹ crore***
Depreciation on Tangible Assets	579.09	*578.88*
Less: Amount transfer from Revaluation Reserve (Refer Note 2.2)	2.60	*Nil*
Less: Adjustment - Write back of Previous Years	Nil	*219.80*
Add: Amortisation on Intangible Assets	10.65	*5.02*
Total	***587.14***	***364.10***

Notes forming part of the Financial Statements

14. Non-current Investments

	As at 31st March, 2014 Quantity	*As at 31st March, 2013 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
A. Trade Investments (valued at cost less diminution other than temporary, if any)					
a. Equity Shares fully Paid-up (unless otherwise stated)					
(i) Investment in Subsidiaries (Quoted)					
NELCO Ltd.	1,10,99,630	*1,10,99,630*	10	11.07	*11.07*
Investment in Subsidiaries (Unquoted)					
Chemical Terminal Trombay Ltd.	1,86,200	*1,86,200*	100	37.81	*37.81*
Powerlinks Transmission Ltd. #	23,86,80,000	*23,86,80,000*	10	238.68	*238.68*
Tata Power Trading Co. Ltd.	1,60,00,000	*1,60,00,000*	10	37.00	*37.00*
Maithon Power Ltd.	111,65,99,120	*106,18,39,120*	10	1,116.83	*1,062.07*
Industrial Energy Ltd. #	24,64,20,000	*24,64,20,000*	10	246.42	*246.42*
Coastal Gujarat Power Ltd. #	591,71,30,000	*488,66,10,000*	10	5,917.13	*4,886.61*
Bhira Investments Ltd.	10,00,000	*10,00,000*	USD 1	4.10	*4.10*
Bhivpuri Investments Ltd.	7,46,250	*7,46,250*	Euro 1	4.08	*4.08*
Khopoli Investments Ltd.	4,70,07,350	*4,70,07,350*	USD 1	255.20	*255.20*
Trust Energy Resources Pte. Ltd.	12,47,63,344	*12,47,63,344*	USD 1	575.02	*575.02*
Tata Power Delhi Distribution Ltd.	28,15,20,000	*28,15,20,000*	10	200.93	*200.93*
Tata Power Jamshedpur Distribution Ltd.	50,000	*50,000*	10	0.05	*0.05*
Industrial Power Utility Ltd.	1,10,000	*1,10,000*	10	0.11	*0.11*
Tata Power Renewable Energy Ltd. #	19,50,26,832	*4,87,08,000*	10	195.03	*48.71*
Dugar Hydro Power Ltd.	3,50,00,002	*2,83,00,002*	10	35.00	*28.30*
Tata Power Solar Systems Ltd.	67,77,567	*67,77,567*	100	148.31	*148.31*
Tata Power International Pte. Ltd.	1,79,50,000	*Nil*	USD 1	107.68	*Nil*
				9,119.38	*7,773.40*
(ii) Investment in Associates (Unquoted)					
Yashmun Engineers Ltd.	19,200	*19,200*	100	0.01	*0.01*
The Associated Building Co. Ltd.	1,400	*1,400*	900	0.13	*0.13*
Tata Projects Ltd.	9,67,500	*9,67,500*	100	85.01	*85.01*
				85.15	*85.15*
(iii) Investment in Joint Ventures (Unquoted)					
Tubed Coal Mines Ltd.	1,19,80,000	*1,19,80,000*	10	11.98	*11.98*
Mandakini Coal Company Ltd. #	3,93,00,000	*3,93,00,000*	10	39.30	*39.30*
Dagachhu Hydro Power Corporation Ltd. !	10,74,320	*10,74,320*	Nu 1,000	107.43	*94.01*
				158.71	*145.29*
(iv) Investment in Others (Unquoted)					
Tata Services Ltd.	1,112	*1,112*	1,000	0.11	*0.11*
Indian Energy Exchange Ltd.	12,50,000	*12,50,000*	10	1.25	*1.25*
				1.36	*1.36*
				9,375.67	*8,016.27*
b. Preference Shares fully Paid-up (Unquoted)					
(i) Investment in Subsidiaries					
Tata Power Delhi Distribution Ltd.	2,55,00,000	*2,55,00,000*	100	255.00	*255.00*
Tata Power International Pte. Ltd.	1,90,80,000	*Nil*	USD 1	114.76	*Nil*
Tata Power Solar Systems Ltd.	22,05,000	*22,05,000*	100	22.05	*22.05*
				391.81	*277.05*
B. Other Investments					
a. Statutory Investments					
(i) Contingencies Reserve Fund Investments Government Securities (Unquoted)					
8.28% GOI (2027)	11,30,000	*11,30,000*	100	11.30	*11.30*
8.24% GOI (2027)	9,65,000	*9,65,000*	100	9.65	*9.65*
8.33% GOI (2026)	7,50,000	*Nil*	100	7.50	*Nil*
8.19% GOI (2020)	7,03,000	*7,03,000*	100	7.03	*7.03*
6.35% GOI (2020)	16,01,300	*16,01,300*	100	16.01	*16.01*
7.83% GOI (2018)	10,00,000	*Nil*	100	10.00	*Nil*
7.99% GOI (2017)	8,48,700	*8,48,700*	100	8.49	*8.49*
7.49% GOI (2017)	7,36,000	*7,36,000*	100	7.36	*7.36*
7.59% GOI (2016)	19,000	*19,000*	100	0.19	*0.19*
				77.53	*60.03*
Carried forward...				9,845.01	*8,353.35*

Notes forming part of the Financial Statements

14. Non-current Investments *(Contd.)*

	As at 31st March, 2014 Quantity	*As at 31st March, 2013 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Brought forward ...				9,845.01	*8,353.35*
(ii) Deferred Taxation Liability Fund Investments					
Government Securities (Unquoted)					
8.28% GOI (2027)	61,45,000	*61,45,000*	100	61.45	*61.45*
8.20% GOI (2025)	20,00,000	*20,00,000*	100	20.00	*20.00*
7.35% GOI (2024)	31,00,000	*31,00,000*	100	31.00	*31.00*
8.15% GOI (2022)	29,75,000	*20,00,000*	100	29.75	*20.00*
8.19% GOI (2020)	19,40,000	*19,40,000*	100	19.40	*19.40*
6.35% GOI (2020)	2,48,700	*2,48,700*	100	2.49	*2.49*
6.05% GOI (2019)	42,00,000	*42,00,000*	100	42.00	*42.00*
6.25% GOI (2018)	15,00,000	*15,00,000*	100	15.00	*15.00*
7.99% GOI (2017)	33,49,300	*33,49,300*	100	33.49	*33.49*
7.49% GOI (2017)	25,00,000	*25,00,000*	100	25.00	*25.00*
				279.58	*269.83*
				357.11	*329.86*
b. Non-trade Investments					
(i) Equity Shares fully Paid-up (unless otherwise stated)					
1. Investment in Subsidiaries (Unquoted)					
Af-Taab Investment Co. Ltd.	10,73,000	*10,73,000*	100	68.68	*68.68*
2. Investment in Associates (Unquoted)					
Tata Ceramics Ltd	91,10,000	*91,10,000*	2	9.11 **	*9.11* **
Rujuvalika Investments Ltd	1,83,334	*1,83,334*	10	0.30	*0.30*
Panatone Finvest Ltd.	59,08,82,000	*59,08,82,000*	10	600.00	*600.00*
				609.41	*609.41*
***Less:* Provision for diminution in value of Investments other than temporary**				9.11	*9.11*
				600.30	*600.30*
3. Investment in Others (Quoted)					
HDFC Bank Ltd.	7,500	*7,500*	2	*	*
IDBI Bank Ltd.	1,42,720	*1,42,720*	10	1.14	*1.14*
Voltas Ltd.	2,33,420	*2,33,420*	1	0.25	*0.25*
Tata Consultancy Services Ltd.	452	*452*	1	*	*
Tata Teleservices (Maharashtra) Ltd.	13,72,63,174	*13,72,63,174*	10	119.67	*119.67*
Tata Communications Ltd.	1,34,22,037	*1,34,22,037*	10	343.81	*343.81*
				464.87	*464.87*
4. Investment in Others (Unquoted)					
Tata Industries Ltd.	58,28,126	*58,28,126*	100	102.69	*102.69*
Tata Sons Ltd.	6,673	*6,673*	1,000	241.95	*241.95*
Haldia Petrochemicals Ltd.	2,24,99,999	*2,24,99,999*	10	22.50	*22.50*
Tata Teleservices Ltd. #	32,83,97,823	*32,83,97,823*	10	735.48	*735.48*
				1,102.62	*1,102.62*
				2,236.47	*2,236.47*
(ii) Government Securities (Unquoted)					
8.07% GOI (2017)	3,000	*3,000*	100	0.03	*0.03*
				2,236.50	*2,236.50*
Total				**12,361.09**	***10,859.68***

Notes forming part of the Financial Statements

14. Non-current Investments (*Contd.*)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Notes:		
1. Aggregate of Quoted Investments		
Cost	**475.94**	***475.94***
Market value	561.40	*468.49*
2. Aggregate of Unquoted Investments		
Cost	11,894.26	*10,392.85*
Less: Provision for diminution in value of Investments other than temporary	9.11 **	*9.11* **
Aggregate amount of Unquoted Investments - (Net)	**11,885.15**	***10,383.74***

** Provision for diminution in value of Investments other than temporary.

! As at 31st March, 2013, 8,42,400 fully Paid-up shares and 2,31,920 partly Paid-up Nu 421.27

Refer Note 32(c)

* Denotes figures below ₹ 50,000/-.

15. Loans and Advances

	As at 31st March, 2014		*As at 31st March, 2013*	
	Long-term ₹ crore	Short-term ₹ crore	*Long-term ₹ crore*	*Short-term ₹ crore*
(a) Capital Advances				
Unsecured, considered good	106.49	Nil	*94.37*	*Nil*
Doubtful	0.66	Nil	*0.64*	*Nil*
	107.15	Nil	*95.01*	*Nil*
Less: Provision for Doubtful Advances	0.66	Nil	*0.64*	*Nil*
	106.49	Nil	*94.37*	*Nil*
(b) Security Deposits				
Unsecured, considered good	466.63	1.48	*432.78*	*1.11*
Doubtful	22.34	Nil	*15.07*	*Nil*
	488.97	1.48	*447.85*	*1.11*
Less: Provision for Doubtful Deposits	22.34	Nil	*15.07*	*Nil*
	466.63	1.48	*432.78*	*1.11*
(c) Loans and Advances to Related Parties				
Unsecured, considered good				
Advance towards Equity	101.19	Nil	*252.78*	*Nil*
Other Loans	2,144.32	377.61	*1,189.56*	*278.46*
Doubtful	1.27	Nil	*1.27*	*Nil*
	2,246.78	377.61	*1,443.61*	*278.46*
Less: Provision for Doubtful Advances	1.27	Nil	*1.27*	*Nil*
	2,245.51	377.61	*1,442.34*	*278.46*
(d) Advance Income-tax (Net)	20.96	Nil	*Nil*	*Nil*
(e) MAT Credit entitlement				
Unsecured, considered good	Nil	Nil	*105.00*	*Nil*
(f) Balance with Government Authorities				
Unsecured, considered good				
Advances	Nil	11.56	*Nil*	*6.36*
VAT/Sales Tax Receivable	16.77	95.94	*35.47*	*64.01*
	16.77	107.50	*35.47*	*70.37*
(g) Inter-corporate Deposits with HDFC Ltd.				
Unsecured, considered good	Nil	Nil	*Nil*	*337.75*
(h) Other Loans and Advances				
Unsecured, considered good				
Loans to Employees	9.77	Nil	*10.87*	*Nil*
Prepaid Expenses	26.11	33.72	*Nil*	*12.34*
Unamortised Option Premium	Nil	68.55	*13.83*	*21.67*
Advances to Vendors	Nil	280.57	*Nil*	*181.25*
Other Advances	6.55	3.65	*5.90*	*17.95*
Doubtful	6.10	1.47	*2.11*	*1.39*
	48.53	387.96	*32.71*	*234.60*
Less: Provision for Doubtful Advances	6.10	1.47	*2.11*	*1.39*
	42.43	386.49	*30.60*	*233.21*
Total	**2,898.79**	**873.08**	***2,140.56***	***920.90***

Notes forming part of the Financial Statements

16. Other Non-current Assets

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Long-term Trade Receivables		
Unsecured, considered good		
Trade Receivables - Regulatory Assets	2,053.91	*2,555.78*
Trade Receivables from Contracts	14.31	*17.13*
Trade Receivables from Others	185.76	*185.76*
Accruals		
Interest Accrued on Loans and Advances to Related Parties	115.96	*49.50*
Total	**2,369.94**	***2,808.17***

17. Current Investments

	As at 31st March, 2014 Quantity	*As at 31st March, 2013 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
A. Current portion of Long-term Investments					
Trade Investments (valued at cost less diminution other than temporary, if any)					
Other Investments					
Statutory investments					
(i) Contingency Reserve Fund Investments					
Government Securities (Unquoted)					
9.00% GOI (2013)	Nil	*10,00,000*	100	Nil	*10.00*
(ii) Deferred Taxation Liability Fund Investments					
Government Securities (Unquoted)					
9.00% GOI (2013)	Nil	*10,00,000*	100	Nil	*10.00*
Total - Current Portion of Long-term Investments				Nil	*20.00*
B. Other Current Investments (valued at lower of cost and fair value)					
Mutual Funds (Unquoted)					
Taurus Mutual Fund - Bonanza Exclusive - Growth	6,66,667	*6,66,667*	10	0.50	*0.50*
Templeton India - Growth	2,50,000	*2,50,000*	10	0.25	*0.25*
J M Equity Fund - Growth	5,00,000	*5,00,000*	10	0.50	*0.50*
UTI Balanced Fund - Dividend Plan - Reinvestment	1,42,289	*1,42,289*	10	0.11	*0.11*
Kotak Floater Short Term - Growth	Nil	*4,43,289*	1,000	Nil	*85.00*
Baroda Pioneer Liquid Fund - Growth	Nil	*1,68,028*	1,000	Nil	*22.55*
DSP Blackrock Liquidity Fund - Growth	Nil	*5,07,247*	1,000	Nil	*85.00*
Religare Liquid Fund - Growth	Nil	*62,069*	1,000	Nil	*10.00*
Kotak Liquid Scheme - Growth	Nil	*85,185*	1,000	Nil	*20.25*
Tata Liquid Fund - Growth	Nil	*20,341*	1,000	Nil	*4.40*
ICICI Prudential Liquid - Regular Plan - Growth	Nil	*5,77,104*	100	Nil	*10.00*
				1.36	*238.56*
Total				**1.36**	***258.56***
Aggregate amount of Unquoted Investments				1.36	*258.56*

Reconciliation for Disclosure as per Accounting Standard 13

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Long-term Investments		
Non-current Investments (Refer Note 14)	12,361.09	*10,859.68*
Current Portion of Long-term Investments (Refer Note 17)	Nil	*20.00*
	12,361.09	*10,879.68*
Current Investments		
Other Current Investments (Refer Note 17)	1.36	*238.56*
Total	**12,362.45**	***11,118.24***

Notes forming part of the Financial Statements

18. Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Stores and Spares		
Fuel - Stores	341.27	*394.96*
Fuel-in-Transit	68.57	*67.86*
Stores-in-Transit	3.52	*19.26*
Stores and Spare Parts	255.81	*243.18*
Loose Tools	0.98	*0.31*
	670.15	*725.57*
Others		
Property under Development	40.52	*35.52*
Total	**710.67**	***761.09***

19. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment *		
Considered good	25.18	*67.81*
Considered doubtful	20.96	*33.63*
	46.14	*101.44*
Less: Provision for Doubtful Trade Receivables	20.96	*33.63*
	25.18	67.81
Other Trade Receivables *		
Considered good	1,294.92	*1,232.25*
Considered doubtful	2.46	*0.61*
	1,297.38	*1,232.86*
Less: Provision for Doubtful Trade Receivables	2.46	*0.61*
	1,294.92	*1,232.25*
Total	**1,320.10**	***1,300.06***

* Company holds security deposits of ₹ 150.87 crore (*Previous Year - ₹ 180.85 crore*) in respect of Electricity Receivables.

20. Cash and Bank Balances

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(A) Cash and Cash Equivalents:		
(i) Cash on Hand	0.01	*0.01*
(ii) Cheques on Hand	6.26	*8.67*
(iii) Balances with Banks:		
(a) In Current Accounts	49.03	*46.82*
(b) In Deposit Accounts (remaining maturity of three months or less)	Nil	*345.70*
Cash and Cash Equivalents as per AS-3 Cash Flow Statements	55.30	*401.20*
(B) Other Balances with Banks:		
(i) In Deposit Accounts (remaining maturity of more than twelve months)	1.94	*1.94*
(ii) In Earmarked Accounts- Unclaimed Dividend Account	10.62	*10.03*
	12.56	*11.97*
Total	**67.86**	***413.17***

Notes forming part of the Financial Statements

21. Other Current Assets

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(a) Unbilled Revenue	73.52	*89.69*
(b) Regulatory Assets	363.00	*Nil*
(c) Accruals		
Interest accrued on Deposits	0.28	*8.25*
Interest accrued on Investments	5.95	*6.08*
Interest Accrued on Loans and Advances to Related Parties	59.69	*34.19*
Dividend Receivable	59.89	*Nil*
(d) Others		
Receivable on sale of Fixed Assets	Nil	*0.62*
Mark-to-Market (MTM) Forward Contracts	0.09	*2.52*
Total	**562.42**	***141.35***

22. Revenue from Operations

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
(a) Revenue from Operations		
(i) Revenue from Power Supply and Transmission Charges	7,286.54	*7,990.80*
Less: Cash Discount	45.13	*42.91*
Add: Income to be recovered in future tariff determination (Net)	513.50	*1,028.72*
Add: Income to be recovered in future tariff determination (Net) in respect of earlier years	300.00	*104.72*
	8,054.91	*9,081.33*
(ii) Revenue from Contracts		
Electronic Products	343.07	*298.66*
Project/Operation Management Services	117.28	*112.21*
	460.35	*410.87*
(b) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	10.47	*9.07*
Income in respect of Services Rendered	42.82	*34.77*
Compensation Earned	0.05	*0.01*
Transfer of Service Line Contributions	8.14	*9.97*
Sale of Renewable Energy Certificates	15.41	*9.13*
Miscellaneous Revenue	29.63	*19.92*
Sale of Fly Ash	2.24	*2.50*
Sale of Carbon Credits	13.86	*Nil*
Delayed Payment Charges	7.37	*6.07*
	129.99	*91.44*
	8,645.25	*9,583.64*
Less: Excise Duty	18.21	*16.36*
Total	**8,627.04**	***9,567.28***

Notes forming part of the Financial Statements

23. Other Income

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
(a) Interest Income		
Interest on Banks Deposits	6.73	*49.82*
Interest from Inter-corporate Deposits	12.64	*49.51*
Interest on Fuel Adjustment Charges Recoverable from Consumers	3.86	*20.53*
Interest on Overdue Trade Receivables	27.72	*40.91*
Interest on Income-tax Refund	0.40	*4.52*
Interest on Non-current Investment - Contingency Reserve Fund	5.62	*5.19*
Interest on Non-current Investment - Deferred Tax Liability Fund	21.15	*19.60*
Interest on Loans to Subsidiaries	176.08	*77.15*
Interest on Non-current Trade Investments - Associates	Nil	*0.31*
Other Interest	1.01	*2.81*
	255.21	*270.35*
(b) Dividend Income		
From Non-current Investments		
Subsidiaries	351.83	*353.81*
Associates	4.89	*9.73*
Others	9.84	*8.34*
	366.56	*371.88*
From Current Investments		
Others	0.10	*0.05*
	366.66	*371.93*
(c) Profit on Sale of Investments / Buy-back of Investments		
Current investments	20.37	*57.12*
Non-current Investment - Buy-back of shares	Nil	*11.90*
	20.37	*69.02*
(d) Other Non-operating Income		
Discount amortised / accrued on Bonds (Net)	0.26	*0.13*
Guarantee Commission from Subsidiaries	13.26	*10.24*
	13.52	*10.37*
Total	**655.76**	***721.67***

24. Employee Benefits Expense

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Salaries and Wages	474.25	*437.54*
Contribution to Provident Fund	20.60	*18.68*
Contribution to Superannuation Fund	9.96	*9.86*
Retiring Gratuities	12.72	*32.54*
Leave Encashment Scheme	9.11	*29.04*
Pension Scheme	6.16	*5.14*
Staff Welfare Expenses	88.23	*84.15*
	621.03	*616.95*
Less:		
Employee Cost Capitalised	58.08	*45.15*
Employee Cost Recovered	6.16	*9.91*
Employee Cost Inventorised	11.84	*14.29*
	76.08	*69.35*
Total	**544.95**	***547.60***

Notes forming part of the Financial Statements

25. Finance Costs

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
(a) Interest Expense on:		
Borrowings		
Interest on Debentures	359.60	*290.87*
Interest on - Euro Notes and FCCB	68.46	*60.75*
Interest on Fixed Period Loans - Others	380.90	*343.33*
Others		
Interest on Consumer Security Deposits	15.57	*16.39*
Other Interest and Commitment Charges	11.87	*0.41*
	836.40	*711.75*
Less: Interest Capitalised	41.01	*45.49*
	795.39	*666.26*
(b) Other Borrowing Cost		
Derivative Premium	62.13	*8.16*
Other Finance Costs	10.69	*9.99*
	72.82	*18.15*
Total	**868.21**	***684.41***

26. Other Expenses

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Consumption of Stores, oil, etc. (excluding ₹ 55.91 crore on repairs and maintenance - *Previuos Year - ₹ 84.14 crore*)	12.22	*16.32*
Rental of Land, Buildings, Plant and Equipment, etc.	19.74	*17.74*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	61.38	*53.05*
(ii) To Machinery and Hydraulic Works	232.08	*223.03*
(iii) To Furniture, Vehicles, etc.	7.77	*10.69*
	301.23	*286.77*
Rates and Taxes	42.10	*47.13*
Insurance	15.64	*15.79*
Other Operation Expenses	98.32	*63.67*
Ash Disposal Expenses	17.44	*15.85*
Warranty Charges	6.68	*7.74*
Travelling and Conveyance Expenses	29.05	*29.66*
Consultants' Fees	24.75	*30.03*
Auditors' Remuneration	4.84	*4.47*
Cost of Services Procured	96.91	*83.71*
Bad Debts	0.04	*0.19*
Provision for Doubtful Debts and Advances (Net)	0.54	*20.85*
Loss on Sale/Retirement of Assets (Net)	0.09	*1.34*
Donations	3.07	*1.84*
Legal Charges	12.78	*8.30*
Loss on Foreign Currency Transactions and Translation (Net)	263.54	*27.62*
Miscellaneous Expenses	54.53	*58.47*
Total	**1,003.51**	***737.49***

Notes forming part of the Financial Statements

26. Other Expenses *(Contd.)*

Payment to the Auditors comprises (inclusive of service tax):	**For the year ended 31st March, 2014 ₹ crore**	***For the year ended 31st March, 2013 ₹ crore***
As Auditors - Statutory Audit	3.22	*2.97*
For Taxation Matters	0.46	*0.45*
For Company Law Matters	*	*
For Other Services	0.58	*0.56*
Reimbursement of Expenses	0.05	*Nil*
For Service Tax	0.53	*0.49*
Total	**4.84**	***4.47***

The remuneration disclosed above excludes fees of ₹ 0.04 crore *(31st March, 2013 - ₹ 0.45 crore)* [exclusive of service tax of ₹ * *(Previous Year - ₹ 0.06 crore)*] for attest and other professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.

Note: '*' Denotes figures below ₹ 50,000/-.

Notes forming part of the Financial Statements

27. In an earlier year, the Company had commissioned its 120 MW Unit 4 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.

28. 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.

29. (a) The Company has a long-term investment of ₹ 5,928.28 crore (*31st March, 2013 - ₹ 5,103.61 crore*) (including advance towards equity) and has extended loans amounting to ₹ 1,413.46 crore (including interest accrued) (*31st March, 2013 - ₹ 436.57 crore*) to Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of the Company which has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP").

CGPL has obligated to charge escalation on 45 percent of the cost of coal in terms of the 25 year power purchase agreement relating to the Mundra UMPP. During the year, CGPL's Management has re-assessed the recoverability of the carrying amount of the assets at Mundra as of 31st March, 2014 and concluded that no further provision for impairment is necessary (*31st March, 2013 - ₹ 2,650 crore*).

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 assets' useful life which Management believes reasonably reflects the future expectation of these items. In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

The Company's investments in Indonesian Coal Companies including Infrastructure Companies through its subsidiaries, were made to secure long-term coal supply. The Management believes that cash inflows (in the nature of profit distribution and profit from sale) from these investments from an economic perspective provide protection from the risk of price volatility on coal to be used in power generation in CGPL, to the extent not covered by price escalations. In order to provide protection to CGPL and to support its cash flows, the Management has committed to a future restructuring under which the Company will transfer at least 75 percent of its equity interests in the Indonesian Coal Companies including Infrastructure Companies to CGPL, subject to receipt of regulatory and other necessary approvals which are being pursued and will also evaluate other alternative options. A valuation of the equity interests in the Indonesian Coal Companies including Infrastructure Companies has been carried out on the basis of certain assumptions, including legal interpretation that there is reasonable certainty that the mining leases would be extended without significant cost.

The Company, through its wholly owned subsidiaries, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies. As per the terms of the agreement, it is proposed to sell its stake in these companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The completion of the sale transaction is conditional upon the satisfaction or waiver of certain conditions, obtaining requisite consents and certain restructuring actions. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date.

The proposed sale of shares in PT Arutmin Indonesia referred above is consistent with the above intent.

Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies including Infrastructure Companies and the proposed future restructuring, no provision for diminution in value of long-term investment in CGPL is considered necessary as at 31st March, 2014.

(b) The Company has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crore (*31st March, 2013 - ₹ 735.48 crore*). Based on the accounts for the year ended 31st March, 2013, TTSL has accumulated losses which has completely 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.

Notes forming part of the Financial Statements

(c) The Company has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore (*31st March, 2013 - ₹ 22.50 crore*). Based on the accounts for the year ended 31st March, 2013, HPL 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.

(d) (i) The Company has invested ₹ 39.30 crore *(31st March, 2013 - ₹ 39.30 crore)* in and issued guarantees of ₹ 86.93 crore (*31st March, 2013 - ₹ 86.93 crore*) on behalf of Mandakini Coal Company Limited ("Joint Venture") which had been allotted coal blocks by Government of India through Ministry of Coal.

The Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Company is of the view that considering the progress made in land acquisition and obtaining various clearances for development of the coal blocks, there is a case for withdrawal of the notices.

Considering the above, in the opinion of the Management, as at 31st March, 2014, there is no diminution, other than temporary, in the value of investment in the Joint Venture Entity.

(ii) The Company has invested ₹ 17.58 crore (*31st March, 2013 - ₹ 11.98 crore*) (including advance towards equity) in and issued guarantees of ₹ 11.36 crore (*31st March, 2013 - ₹ 11.36 crore*) on behalf of Tubed Coal Mines Limited ("Joint Venture") which had been allotted coal blocks by Government of India through Ministry of Coal.

The Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Company has filed a writ petition in the High Court so as to restrain the Ministry of Coal from taking any adverse decision in relation to the notice received and also to restrain Ministry of Coal from taking any decision on de-allocation of the coal block. In view of the interim order of the High Court the decision for de-allocation of the Coal Block to the promoters have been kept on hold.

Considering the above, in the opinion of the Management, as at 31st March, 2014, there is no diminution, other than temporary, in the value of investment in the Joint Venture Entity.

(iii) The Hon'ble Supreme Court of India is also evaluating the issue of Coal mine allocations and their judgement is awaited. The above two referred mines are a part of those referred to the Hon'ble Supreme Court.

30. 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:

		31st March, 2014 ₹ crore	***31st March, 2013 ₹ crore***
(a)	Principal amount remaining unpaid as on 31st March	6.71	*2.81*
(b)	Interest due thereon as on 31st March @	Nil	*Nil*
(c)	The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day @	Nil	*Nil*
(d)	The amount of Interest due and payable for the year @	Nil	*Nil*
(e)	The amount of Interest accrued and remaining unpaid as at 31st March @	Nil	*Nil*
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid @	Nil	*Nil*

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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

Notes forming part of the Financial Statements

31. Commitments:

(a) Capital Commitments (net of capital advance):

Capital commitments not provided for are estimated at ₹ 681.06 crore (*31st March, 2013 - ₹ 545.82 crore*).

(b) Uncalled liability on Shares and Other Investment partly paid:

Uncalled liability on partly paid up shares ₹ Nil (*31st March, 2013 - ₹ 13.42 crore*).

(c) Commitment towards purchase of Equity Shares of Trust Energy Resouces Pte. Limited from Khopoli Investment Limited of ₹ 26.29 crore (*31st March, 2013 - ₹ Nil*) subject to approval of Reserve Bank of India.

(d) Other Commitments:

(i) In terms of the Sponsor Support agreement entered into between the Company, Coastal Gujarat Power Limited (CGPL) and lenders 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 financial support for any overrun in project costs, operational loss and Debt Service Reserve Guarantee as provided under the financing agreements. The support will cease on the date of "project financial completion date" as defined under the relevant financing agreements. Further, CGPL has entered into Agreements with the Company, (i) for Additional Subordinated Loan to the extent of USD 50 million (equivalent to ₹ 200.00 crore at a fixed rate of exchange of ₹ 40 = USD 1.00) and (ii) for Additional Subordinated Loans to the extent of ₹ 2,900.00 crore. In accordance with these agreements the Company has provided total Additional Subordinated Loans of ₹ 2,793.00 crore (of which ₹1,489.41 crore has been converted into equity) [*31st March, 2013 - Additional Subordinated Loans of ₹ 1,167.41 crore (of which ₹ 767.41 crore has been converted into equity*)] to CGPL. Balance of both the loans would be repaid in accordance with the conditions of the Subordination and Hypothecation Agreements either out of additional equity to be infused by the Company or out of the balance Indian rupee term loans receivable by CGPL in future period, after the fulfillment of conditions in the Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement. The Company had waived interest on these loans from 1st April, 2012 to 31st March, 2013.

The accrued interest as at 31st March, 2014 aggregating to ₹ 109.87 crore (*31st March, 2013 - ₹ 36.57 crore*) on Additional Subordinated Loans shall be payable subject to fulfillment of conditions in Subordination Agreement and Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

(ii) 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.

(iii) The Company has undertaken to arrange for the necessary financial support to its Subsidiary Companies Khopoli Investments Limited, Bhivpuri Investments Limited, Industrial Power Utility Limited, Tata Power Jamshedpur Distribution Limited and Tata Power International Pte. Limited.

(iv) In respect of Maithon Power Limited (MPL), the Company jointly with Damodar Valley Corporation (DVC) has undertaken to the lenders of MPL, to provide support by way of base equity contribution and additional equity or subordinated loans to meet the increase in Project Cost. Further, the Company has given an undertaking to MPL to fulfill payment obligations of Tata Power Trading Company Limited (TPTCL) and Tata Power Delhi Distribution Limited (TPDDL) in case of their default.

(v) In terms of pre-implementation agreement entered into with Government of Himachal Pradesh and the consortium consisting of the Company and SN Power Holding Singapore Pte. Ltd. (Company being the Lead Member of the consortium) for the investigation and implementation of Dugar Hydro Electric Project, the Company has undertaken as Lead Member to undertake/perform various obligations pertaining to Dugar Project.

Notes forming part of the Financial Statements

(vi) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Limited (PFL), an associate of the Company, with the Government of India, PFL 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 Communication Limited (TCL). The Company has till date acquired 1,34,22,037 shares of TCL from PFL. 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 PFL to bear the "Surplus Land" obligation pertaining to these shares.

(vii) The Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings amounting to ₹ 635.13 crore (*31st March, 2013 - ₹ 721.22 crore*).

(viii) The Company has given letter of comfort to the Cennergi Pty. Limited amounting to ₹ 11.67 crore (*31st March, 2013 - ₹ 27.57 crore*).

32. Contingent Liabilities (to the extent not provided for):

(a) Claims against the Company not acknowledged as debts aggregating to ₹ 1,230.81 crore (*31st March, 2013 - ₹ 370.06 crore*) consist mainly of the following:

(i) Interest and penalty demand disputed by the Company aggregating ₹ 795.55 crore *(31st March, 2013 - ₹ Nil)* relating to Entry tax claims for the financial years 2005-06, 2006-07, 2008-09 and 2009-10. The Company is of the view, supported by legal opinion, that the demand can be successfully challenged.

(ii) Custom duty claims of ₹ 135.52 crore *(31st March, 2013 - ₹ 135.52 crore)* disputed by the Company relating to applicability and classification of coal [Payment made under protest against these claims of ₹ 135.52 crore *(31st March, 2013 - ₹ 135.52 crore)*].

(iii) Way Leave fees (including interest) of ₹ 54.00 crore *(31st March, 2013 - ₹ 46.65 crore)* claims disputed by the Company relating to rates charged.

(iv) Rates, Cess, Excise and Custom Duty claims disputed by the Company aggregating ₹ 40.95 crore *(31st March, 2013 - ₹ 17.08 crore)*.

(v) A Suit has been filed against the Company claiming compensation of ₹ 20.51 crore *(31st March, 2013 - ₹ 20.51 crore)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 116.29 crore *(31st March, 2013 - ₹ 111.99 crore)*.

(vi) Octroi claims disputed by the Company aggregating to ₹ 5.03 crore *(31st March, 2013 - ₹ 5.03 crore)*, in respect of octroi exemption claimed by the Company.

(vii) Other claims against the Company not acknowledged as debts ₹ 62.96 crore *(31st March, 2013 - ₹ 33.28 crore)*.

(viii) Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(b) Other Contingent Liabilities:

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) ₹ 188.29 crore (including interest demanded ₹ 1.43 crore) [*31st March, 2013 - ₹ 58.82 crore (including interest demanded ₹ 1.25 crore)*].

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

Notes forming part of the Financial Statements

(c) Indirect exposures of the Company:

Name of the Company	Guarantees given (₹ crore)	Shares pledged (Refer Note 1 below) Nos.
Tata Teleservices Limited (TTSL)	- *-*	18,27,08,138 *18,27,08,138*
Powerlinks Transmission Limited (PTL)	- *-*	23,86,80,000 *23,86,80,000*
Coastal Gujarat Power Limited (CGPL)	3,341.43 (including JPY 31,219 million) *3,473.55* *(including JPY 31,219 million)*	301,77,36,300 *249,21,71,100*
Industrial Energy Limited (IEL)	- *-*	12,56,74,200 *12,56,74,200*
Khopoli Investments Limited (KIL)	3,327.25 (equivalent to USD 555.56 million) *3,212.06* *(equivalent to USD 590.56 million)*	- *-*
Bhira Investments Limited (BIL)	5,390.10 (equivalent to USD 900 million) *4,895.10* *(equivalent to USD 900 million)*	- *-*
Trust Energy Resources Pte. Limited (TERL)	316.82 (equivalent to USD 52.90 million) *287.72* *(equivalent to USD 52.90 million)*	- *-*
Tubed Coal Mines Limited (TCML)	11.36 *11.36*	- *-*
Mandakini Coal Company Limited (MCCL)	86.93 *86.93*	2,00,43,000 *2,00,43,000*
Energy Eastern Pte. Limited (EEL)	428.21 (equivalent to USD 71.50 million) *301.86* *(equivalent to USD 55.50 million)*	- *-*
Tata Power Renewable Energy Limited (TPREL)	418.64 *405.45*	9,94,63,684 *2,48,41,080*
Maithon Power Limited (MPL)	144.00 *135.00*	- *-*
Tata Power International Pte. Limited (TPIPL)	184.10 (equivalent to USD 30.74 million) *-*	- *-*
Cennergi Pty. Limited (CPL)	392.75 (equivalent to ZAR 693.91 million) *-*	- *-*
Tata Sons Limited (TSL)	[Refer (f) below] *[Refer (f) below]*	- *-*

Notes:

1. The Company has pledged the above shares of subsidiaries, jointly controlled entities and TTSL, with the lenders for borrowings availed by the respective subsidiaries, jointly controlled entities and TTSL.
2. Previous year's figures are in italics.

Notes forming part of the Financial Statements

(d) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2014 the accumulated interest was ₹ 195.96 crore (*31st March, 2013 - ₹ 184.76 crore*) (₹ 11.20 crore for the year ended 31st March, 2014). 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 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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 crore, 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.

(e) 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 32(d) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 32(d) above.

(f) In terms of agreements entered into in 2008-09 between The Tata Power Company Limited and NTT Docomo Inc. the Company sold to NTT Docomo Inc. of Japan (Strategic Partner – SP), 2,72,82,177 equity shares of Tata Teleservices Ltd **("TTSL")** at ₹ 116.09 per share which resulted in a profit of ₹ 255.62 crore in the same year.

Tata Sons Limited is party to a Shareholders Agreement with NTT Docomo Inc. of Japan (Strategic Partner – SP) dated 25th March, 2009 and amended on 21st May, 2010.

The Company has an "inter se" agreement with Tata Sons Limited and other Tata Group companies. Tata Sons Limited has informed the Company as follows:

1. Under the terms of the Shareholders Agreement if certain performance parameters and other conditions are not met by TTSL by 31st March, 2014 the SP has an option to divest its entire shareholdings in TTSL at a price being the higher of fair value or ₹ 58.05 per share (i.e. 50 percent of the subscription price) **("Sale Price")**, subject to compliance with applicable law and regulations **("Sale Option")**.
2. Tata Sons Limited had offered other shareholders of TTSL, including the Company, the option in 2008-09 to sell to the SP. If Tata Sons Limited becomes obliged to acquire the Sale Shares under the Sale Option the Company can be nominated by it to acquire pro-rated proportions of the Sale Shares based on the number of shares sold by the Company to the SP. On a pro rated bases the number of shares would be 13,45,95,551 shares out of the Sale Shares. The Company has further agreed to reimburse Tata Sons Limited for any other indemnification claim made on Tata Sons Limited by SP on a similar proportionate basis.
3. In the wake of recent regulatory developments in India, Tata Sons Limited has considered its position relating to the possible exercise of the Sale Option under the Shareholders Agreement.
4. The Shareholders Agreement obliges Tata Sons Limited to find a buyer for the shares at the Sale Price.
5. If there is no buyer at the Sale Price, then Tata Sons Limited is obliged to acquire or procure the acquisition of such shares. These obligations are subject to compliance with applicable law and regulations.
6. No notice of exercise of the Sale Option has been received although the SP has communicated its board decision to exercise the Sale Option.
7. Pending receipt of a notice exercising the Sale Option and in view of applicable law and regulations, the exposure of the Company (if any) cannot be ascertained.

The aforementioned agreements are governed by Indian Law.

33. (a) In an earlier year, the Company had provisionally determined Statutory Appropriations and adjustments to be made on Annual Performance Review as per Multi Year Tariff (MYT) Regulations, 2011 for Mumbai Licensed Area for financial year 2011-12. In view of deferment of implementation of MYT Tariffs to 1st April, 2012, as directed by MERC, revenue amounting to ₹ 155.00 crore was reversed in the previous year.

The Company had filed a petition at the Appellate Tribunal for Electricity (ATE). ATE in its Order dated 28th November, 2013 has ruled in favour of the Company for implementation of MYT tariffs effective 1st April, 2011. Accordingly, during the year ended 31st March, 2014, the Company has recognised revenues amounting to ₹ 185.00 crore for the financial year 2011-12.

(b) During the previous year, the Appellate Tribunal for Electricity (ATE) in its Order dated 31st August, 2012, had allowed the Company's claim regarding certain expenses/accounting principles which were disallowed/not recognised by MERC in earlier years in its true-up order. Accordingly, during the previous year, the Company had treated such expenses as recoverable and had recognised revenue of ₹ 142.00 crore.

Notes forming part of the Financial Statements

(c) During the previous year, pursuant to the favourable ATE Order dated 31st August, 2012, true-up order dated 15th February, 2012 and other favourable orders received by other regulated entities in the power sector within Maharashtra, the Company had recognised revenue of ₹ 172.00 crore in respect of earlier years towards carrying cost entitlement on the regulatory assets (net) carried in the books as at 31st March, 2013.

(d) In an earlier year, Jharkhand State Electricity Regulatory Commission (JSERC) had determined the Annual Revenue Requirement (ARR) for Units 2 and 3 at Jojobera for financial year 2011-12 by treating the entire capacity as regulated under JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2010. The Company, on the basis of legal opinions obtained, had appealed against the disallowances/deviations at the ATE.

The ATE in its Order dated 20th September, 2012, had disallowed the Company's claim. Accordingly, during the previous year, the Company had reversed revenue of ₹ 43.61 crore.

(e) During the year ended 31st March, 2014, Maharashtra Electricity Regulatory Commission (MERC) has completed truing-up for the financial year 2011-12 and issued Tariff Orders. In these Tariff Orders, MERC has allowed true-up of the claims made by the Company in respect of earlier years incorporating the impact of favourable ATE Order. Accordingly, an amount of ₹ 115.00 crore has been recognised in the financial statements for the year ended 31st March, 2014.

34. 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 crore as on 31st December, 2007. ATE in its Order dated 12th May, 2008 on appeal by R-Infra, has directed R-Infra to pay the difference in the energy charges amounting to ₹ 34.98 crore 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 Hon'ble 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 Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Hon'ble Supreme Court, a sum of ₹ 25.00 crore and furnish bank guarantee of ₹ 9.98 crore. 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.

35. Employee Benefits:

(a) 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 ₹ 30.56 crore (*31st March, 2013 - ₹ 28.54 crore*) has been charged to the Statement of Profit and Loss.

(b) The Company operates the following unfunded/funded defined benefit plans:

Unfunded:

(i) Ex-Gratia Death Benefits

(ii) Retirement Gifts

(iii) Post Retirement Medical Benefits and

(iv) Pension

Funded:

(i) Gratuity

(c) The actuarial valuation of the present value of the defined benefit obligations has been carried out as at 31st March, 2014. The following tables set out the amounts recognised in the financial statements as at 31st March, 2014 for the above mentioned defined benefit plans:

Notes forming part of the Financial Statements

(i) Net employee benefits expense (recognised in employee cost) for the year ended 31st March, 2014:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
Current Service Cost	12.62	*11.40*
Interest	16.28	*15.13*
Expected Return on Plan Assets	(8.87)	*(5.18)*
Actuarial (Gain)/Loss	(7.36)	*18.21*
Settlement Cost	(0.80)	*Nil*
Past Service Cost	1.59	*Nil*
Total Expense	13.46	*39.56*

(ii) Change in the Defined Benefit Obligation during the year ended 31st March, 2014:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
Present value of Defined Benefit Obligation as at 1st April as per books	212.23	*185.97*
Current Service Cost	12.62	*11.40*
Interest	16.28	*15.13*
Settlement Cost	(0.80)	*Nil*
Actuarial (Gain)/Loss (Net)	(6.73)	*17.81*
Past Service Cost	1.59	*Nil*
Benefits Paid (Net)	(16.44)	*(18.08)*
Present value of Defined Benefit Obligation as at 31st March	218.75	*212.23*
Less: Fair Value of Assets at the end of the year	136.88	*94.38*
Provision for Defined Benefit Obligation as at 31st March as per books	81.87	*117.85*

	2013-14 ₹ crore	2012-13 ₹ crore	2011-12 ₹ crore	2010-11 ₹ crore	2009-10 ₹ crore
Defined Benefit Obligation	218.75	*212.23*	*185.97*	*164.25*	*132.49*
Experience Adjustment on Plan Liabilities	10.29	*10.79*	*7.01*	*19.83*	*1.60*

The Company has paid ₹ 33.00 crore to Tata Power Gratuity Fund (*31st March, 2013 - ₹ 49.60 crore*). Of the payment of ₹ 33.00 crore, ₹ 8.00 crore towards the current year liability (*31st March, 2013 - ₹ 24.60 crore*) and ₹ 25.00 crore towards the Opening Liability (*31st March, 2013 - ₹ 25.00 crore*). The balance of the Opening Liability to be funded over a period of 2 years.

(iii) Change in Fair Value of Assets during the year:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
Plan Assets at the beginning of the year	94.38	*40.00*
Expected Return on Plan Assets	8.87	*5.18*
Actual Company contributions	33.00	*49.60*
Actuarial Gain/(Loss)	0.63	*(0.40)*
Fair value of plan assets at the end of the year	136.88	*94.38*

Composition of the plan assets is as follows:
Insurer Managed Funds*
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

	31st March, 2014	*31st March, 2013*
Discount Rate	9.20%	*8.00%*
Salary Growth Rate	Management 7.50 % p.a. Non-Management 6% p.a.	*Management 7.50 % p.a.* *Non-Management 6% p.a.*
Turnover Rate - Age 21 to 44 years	Management 8% p.a. Non-Management 0.50 % p.a.	*Management 8% p.a.* *Non-Management 0.50 % p.a.*
Turnover Rate - Age 45 years and above	Management 2.50% p.a. Non-Management 0.50% p.a.	*Management 2.50% p.a.* *Non-Management 0.50% p.a.*
Pension Increase Rate	3% p.a.	*3% p.a.*
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	*Indian Assured Lives Mortality (2006-08) Ult*
Annual Increase in Health Cost	6% p.a.	*6% p.a.*

Notes forming part of the Financial Statements

- 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.

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

	31st March, 2014 ₹ crore 1% increase	31st March, 2014 ₹ crore 1% decrease	*31st March, 2013 ₹ crore 1% increase*	*31st March, 2013 ₹ crore 1% decrease*
Effect on the aggregate of the service cost and interest cost	0.12	(0.10)	*0.05*	*(0.04)*
Effect on defined benefit obligation	0.89	(0.79)	*1.04*	*(0.91)*

(vi) The contribution expected to be made by the Company during the financial year 2014-15 has not been ascertained.

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

(a) Contract revenue recognised as revenue during the year ₹ 343.07 crore (*31st March, 2013 - ₹ 298.66 crore*).

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2014 ₹ 343.15 crore (*31st March, 2013 - ₹ 279.73 crore*)

(ii) Advances and progress payments received as at 31st March, 2014 ₹ 709.25 crore (*31st March, 2013 -₹ 567.93 crore*)

(iii) Retention money included as at 31st March, 2014 in Sundry Debtors ₹ 9.81 crore (*31st March, 2013 - ₹ 12.53 crore*).

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2014 ₹ 402.03 crore (*31st March, 2013 - ₹ 327.46 crore*)

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2014 ₹ 35.93 crore (*31st March, 2013 - ₹ 39.26 crore*).

37. (a) Total number of electricity units sold and purchased during the year as certified by Management - 14,516 MUs (*31st March, 2013 - 16,002 MUs*) and 2,321 MUs (*31st March, 2013 - 1,378 MUs*).

(b) C.I.F. value of imports:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
(i) Capital goods	189.05	*28.64*
(ii) Components and spare parts	80.13	*85.44*
(iii) Fuel	1,355.10	*2,202.49*

(c) Expenditure in foreign currency:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
(i) Professional and consultation fees (Revenue)	4.68	*8.55*
(ii) Professional and consultation fees (Capital)	1.97	*2.67*
(iii) Interest and issue expenses	80.43	*81.69*
(iv) Other matters	7.35	*5.51*

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

	31st March, 2014 ₹ crore	31st March, 2014 % consumed	*31st March, 2013 ₹ crore*	*31st March, 2013 % consumed*
(i) Imported	1,741.63	48.41	*2,980.06*	*54.23*
(ii) Indigenous	1,856.40	51.59	*2,515.55*	*45.77*
	3,598.03	100.00	*5,495.61*	*100.00*

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

Dividend for the year ended	31st March, 2013	*31st March, 2012*
No. of non-resident shareholders	4,758	*4,796*
No. of Equity Shares of Face Value ₹ 1/- each held	2,46,84,924	*2,51,60,759*
Amount of Dividend (₹ crore)	2.84	*3.15*

Notes forming part of the Financial Statements

(f) Earnings in foreign exchange:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
(i) Interest	31.33	*34.99*
(ii) Export of services	38.24	*18.06*
(iii) Guarantee Commission from Subsidiaries	13.26	*10.24*
(iv) Dividend	238.96	*296.55*
(v) Others	13.86	*Nil*

(g) Expenditure incurred on Research and Development by the Company:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
(i) Revenue Expenditure	Nil	*0.02*
(ii) Capital Expenditure	32.04	*26.07*

38. Related Party Disclosures:

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

1) Af-Taab Investment Co. Ltd. (AICL)
2) Chemical Terminal Trombay Ltd. (CTTL)
3) Tata Power Trading Co. Ltd. (TPTCL)
4) Powerlinks Transmission Ltd. (PTL)
5) NELCO Ltd. (NELCO)
6) Maithon Power Ltd. (MPL)
7) Industrial Energy Ltd. (IEL)
8) Tata Power Delhi Distribution Ltd. (TPDDL)
9) Coastal Gujarat Power Ltd. (CGPL)
10) Bhira Investments Ltd. (BIL)
11) Bhivpuri Investments Ltd. (BHIL)
12) Khopoli Investments Ltd. (KIL)
13) Trust Energy Resources Pte. Ltd. (TERL)
14) Energy Eastern Pte. Ltd. ** (EEL)
15) Industrial Power Utility Ltd. (IPUL)
16) Tatanet Services Ltd.** (TNSL)
17) Tata Power Renewable Energy Ltd. (TPREL)
18) PT Sumber Energi Andalan Tbk. ** (SEA)
19) Tata Power Green Energy Ltd. ** (TPGEL)
20) NDPL Infra Ltd. ** (NDPLIL)
21) Dugar Hydro Power Ltd. (DHPL)
22) Tata Power Solar Systems Ltd. (TPSSL)
23) Tata Power Jamshedpur Distribution Limited (TPJDL)
24) Tata Power International Pte. Ltd. (TPIPL) (from 5th April, 2013)
25) AES Saurashtra Windfarms Ltd ** (AESSWL) (from 24th February, 2014)

** Through Subsidiary Companies.

(b) Other related parties (where transactions have taken place during the year) :

(i) Associates

1) Tata Projects Ltd. (TPL)
2) Yashmun Engineers Ltd. (YEL)

(ii) Joint Ventures - Jointly Controlled Entities

1) Tubed Coal Mines Ltd. (TCML)
2) Dagachhu Hydro Power Corporation Ltd. (DHPCL)
3) OTP Geothermal Pte. Ltd. ** (OTPGL)
4) PT Antang Gunung Meratus ** (PTAGM)
5) Adjaristsqali Georgia LLC ** (AGL)
6) Cennergi Pty. Ltd. ** (CPL)
7) Mandakini Coal Company Ltd. (MCCL)

** Fellow Jointly Controlled Entities

(iii) Promoters holding together with its Subsidiary more than 20% — Tata Sons Ltd.

(c) Key Management Personnel

Anil Sardana - CEO & Managing Director
S. Ramakrishnan - Executive Director (upto 28th February, 2014)
S. Padmanabhan - Executive Director
Ramesh Subramanyam - Chief Financial Officer (from 31st March, 2014)

Notes forming part of the Financial Statements

38. Related Party Disclosures *(Contd.):*

(d) Details of Transactions:

₹ crore

Particulars	Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
Purchase of goods/power	200.73	-	-	-	-
	310.49	-	-	-	-
Sale of goods/power	211.47	-	-	-	-
	227.70	-	-	-	-
Purchase of fixed assets	0.07	17.89	-	-	-
	3.68	*24.78*	-	-	-
Sale of fixed assets	0.08	-	-	-	-
	-	-	-	-	-
Rendering of services	104.25	0.10	4.13	-	-
	120.20	*0.10*	*4.65*	-	*0.11*
Receiving of services	4.84	12.21	-	-	0.85
	4.54	*12.57*	-	-	*0.50*
Brand equity contribution	-	-	-	-	21.61
	-	-	-	-	*23.66*
Guarantee, collaterals etc. given	1,152.55	-	392.75	-	-
	1,797.81	-	*66.67*	-	-
Guarantee, collaterals etc. cancelled	1060.05	-	-	-	-
	-	-	-	-	-
Letter of comfort given	-	-	488.37	-	-
	-	-	*27.57*	-	-
Letter of comfort cancelled	-	-	503.04	-	-
	-	-	-	-	-
Amount received on buy-back of equity shares	-	-	-	-	-
	16.00	-	-	-	-
Remuneration paid	-	-	-	11.12	-
	-	-	-	*10.50*	-
Interest income	176.08	-	-	-	-
	77.15	*0.31*	-	-	-
Dividend received	351.83	4.89	-	-	5.34
	353.81	*9.73*	-	-	*5.34*
Dividend paid	0.05	-	-	-	81.36
	0.05	-	-	-	*88.44*
Guarantee commission earned	13.26	-	-	-	-
	10.24	-	-	-	-
Loans given	3,337.88	-	1.20	-	-
	3,244.16	-	-	-	-
Equity contribution (including advance towards equity contribution and loan converted into equity) @	1,188.79	-	19.02	-	-
	1,392.82	-	*35.31*	-	-
Redemption of preference shares/debentures	-	-	-	-	-
	-	*9.37*	-	-	-
Purchase of preference shares	114.76	-	-	-	-
	255.00	-	-	-	-
Loans repaid (including loan converted into equity)	2,340.25	-	-	-	-
	3,107.51	-	-	-	-
Coal stock loan repaid	-	-	-	-	-
	69.44	-	-	-	-
Deposits taken	-	-	-	-	-
	4.90	-	-	-	-
Deposits repaid	-	-	-	-	-
	68.90	-	-	-	-
Balances outstanding					
Security deposits given	-	-	-	-	0.50
	-	-	-	-	*0.50*
Other receivables (net of provisions)	66.14	0.89	2.59	-	-
	68.71	*0.33*	*3.95*	-	-
Loans given (including interest thereon)	2,696.38	1.27	1.20	-	-
	1,551.71	*1.27*	-	-	-
Loans provided for as doubtful advances	-	1.27	-	-	-
	-	*1.27*	-	-	-
Preference shares outstanding	391.81	-	-	-	-
	277.05	-	-	-	-
Advance towards equity	95.59	-	5.60	-	-
	252.78	-	-	-	-
Dividend receivable	59.89	-	-	-	-
	-	-	-	-	-
Guarantees, collaterals etc. outstanding	13,550.55	-	491.04	-	Refer Note 32 (f)
	12,710.74	-	*98.29*	-	*Refer Note 32 (f)*
Letter of comfort outstanding	-	-	11.67	-	-
	-	-	*27.57*	-	-
Other payables	3.05	6.35	-	-	22.02
	34.05	*5.36*	-	-	*24.31*

@ Including shares pursuant to loan being converted to equity.

Note: Previous year's figures are in italics.

Notes forming part of the Financial Statements

38. Related Party Disclosures *(Contd.)*:

(e) Details of material related party transactions:

(i) Subsidiaries :

₹ crore

Particulars	AICL	IEL	PTL	TPTCL	MPL	EEL	BHIL	BIL	CTTL	KIL	TPIPL	TERL	CGPL	TPREL	TPDDL
Purchase of goods/power	-	-	-	51.35	-	-	-	-	-	-	-	149.38	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	*284.11*	-	-	-
Sale of goods/power	-	-	-	209.03	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	*225.10*	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	*3.68*	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.08	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	-	35.15	-	-	36.78	-	-	-	-	-	-	-	-	-	-
	-	*34.86*	-	-	*48.49*	-	-	-	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-	-	-	-	-	-	-	2.13	-	-
	-	-	-	-	-	-	-	-	*0.53*	-	-	-	*2.58*	-	*0.70*
Guarantee and collaterals given	-	-	-	-	-	197.64	-	-	-	598.90	184.10	-	-	-	-
	-	-	-	-	*135.00*	*209.63*	-	-	-	-	-	-	*1,308.11*	-	-
Guarantee and collaterals cancelled	-	-	-	-	-	-	-	-	-	808.52	-	149.73	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on buyback of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	24.37	-	-	-	-	-	-	-	30.88	-	-	81.45	-	-
	-	-	-	-	*14.31*	-	-	*13.51*	-	*20.99*	-	-	-	*10.60*	-
Dividend received	-	49.28	53.70	-	-	-	-	209.12	-	-	-	-	-	-	-
	-	-	*50.12*	-	-	-	*296.55*	-	-	-	-	-	-	-	-
Guarantee commission earned	-	-	-	-	-	-	-	8.21	-	2.42	-	1.47	-	-	-
	-	-	-	-	-	-	-	*7.37*	-	*1.24*	-	*1.38*	-	-	-
Loans given	-	-	-	620.00	-	-	-	-	-	-	-	-	1,895.59	-	340.00
	-	-	-	*625.00*	-	-	-	-	-	*570.60*	-	-	*955.10*	-	*725.00*
Coal stock given on loan repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*69.44*	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*4.90*	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*68.90*	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	*0.05*	-	-	-	-	-	-
Equity contribution (including advance towards equity contribution and loan converted into equity)	-	-	-	-	-	-	-	-	-	-	-	-	824.67	194.98	-
	-	-	-	-	-	-	-	-	-	*255.17*	-	-	*991.53*	-	-
Purchase of preference shares	-	-	-	-	-	-	-	-	-	-	114.76	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*255.00*
Loans repaid (including loan converted into equity)	-	-	-	640.00	-	-	-	-	-	-	-	-	992.00	-	340.00
	-	-	-	*575.00*	-	-	-	*1,023.60*	-	-	-	-	*767.41*	-	*725.00*

Notes forming part of the Financial Statements

38. Related Party Disclosures *(Contd.):*

(e) Details of material related party transactions:

₹ crore

Particulars	AICL	IEL	PTL	TPTCL	MPL	EEL	BHIL	BIL	CTTL	KIL	TPIPL	TERL	CGPL	TPREL	TPDDL
Balances outstanding															
Loans given (including interest thereon)	-	-	-	-	-	-	-	-	-	621.69	-	-	1,413.46	-	-
	-	*171.75*	-	-	-	-	-	-	-	*564.80*	-	-	*436.57*	-	-
Preference shares outstanding	-	-	-	-	-	-	-	-	-	-	114.76	-	-	-	255.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	*255.00*
Advance towards equity	-	-	-	-	-	-	-	-	-	-	-	-	11.15	84.44	-
	-	-	-	-	-	-	-	-	-	-	-	-	*217.00*	*35.78*	-
Other receivables (net of provisions)	-	11.74	-	18.40	20.75	-	-	-	-	-	-	-	-	-	-
	-	*15.93*	-	*21.44*	*16.88*	-	-	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	-	-	-	59.89	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees, collaterals etc. outstanding	-	-	-	-	-	-	-	5,390.10	-	3,327.25	-	-	3,341.43	-	-
	-	-	-	-	-	-	-	*4,895.10*	-	*3,212.06*	-	-	*3,473.55*	-	-
Other payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	*28.95*	-	-	-

Note: Previous year's figures are in italics.

(ii) Associates and Jointly Controlled Entities:

₹ crore

	Associates			Jointly Controlled Entities				
Particulars	TPL	YEL	NSL	CPL	MCCL	OTP	TCML	DHPCL
Purchase of fixed assets	17.89	-	-	-	-	-	-	-
	24.78	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-
	-	*0.10*	-	*0.83*	-	*3.82*	-	-
Receiving of services	-	12.21	-	-	-	-	-	-
	-	*12.57*	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
	0.31	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	-	-
	9.68	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-
	0.08	-	-	-	-	-	-	-
Guarantee, collaterals etc. given	-	-	-	392.75	-	-	-	-
	-	-	-	-	*66.67*	-	-	-
Letter of comfort given	-	-	-	488.37	-	-	-	-
	-	-	-	*27.57*	-	-	-	-
Letter of comfort cancelled	-	-	-	503.04	-	-	-	-
	-	-	-	-	-	-	-	-
Equity contribution	-	-	-	-	-	-	-	-
	-	-	-	-	*5.00*	-	*7.20*	*23.11*
Redemption/Conversion of preference shares/debentures	-	-	-	-	-	-	-	-
	9.37	-	-	-	-	-	-	-
Balances outstanding								
Loans provided for as doubtful advances	-	-	1.27	-	-	-	-	-
	-	-	*1.27*	-	-	-	-	-
Letter of comfort	-	-	-	11.67	-	-	-	-
	-	-	-	*27.57*	-	-	-	-
Other payable	4.08	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Note: Previous year's figures are in italics.

Notes forming part of the Financial Statements

39. Disclosures as required under clause 32 of listing agreement:

Loans and advances (excluding advance towards equity) in the nature of loans given to Subsidiaries, Joint Ventures and Associates:

Name of the Company	Relationship	Amount Outstanding as at the year-end ** ₹ crore	Maximum Amount Outstanding during the year** ₹ crore	Investments in Company's Shares (Nos.)
Tata Power Renewable Energy Ltd. ***	Subsidiary	185.39	256.40	Nil
		121.26	*130.01*	*Nil*
Coastal Gujarat Power Ltd. ### ***	Subsidiary	1,303.59	1,303.59	Nil
		400.00	*1,167.41*	*Nil*
Bhira Investments Ltd.	Subsidiary	Nil	Nil	Nil
		Nil	*1,139.86*	*Nil*
Khopoli Investments Ltd. ***	Subsidiary	598.90	683.61	Nil
		543.80	*572.17*	*Nil*
Industrial Energy Ltd. ***	Subsidiary	258.75	258.75	Nil
		171.75	*171.75*	*Nil*
Maithon Power Ltd.	Subsidiary	123.50	223.50	Nil
		123.50	*123.50*	*Nil*
Chemical Terminal Trombay Ltd. ***	Subsidiary	1.00	1.00	4,00,580
		1.00	*1.00*	*4,00,580*
Tata Power Trading Company Ltd.	Subsidiary	30.00	215.00	Nil
		50.00	*165.00*	*Nil*
Tata Power Delhi Distribution Ltd.	Subsidiary	Nil	Nil	Nil
		Nil	*225.00*	*Nil*
Powerlinks Transmission Ltd.	Subsidiary	Nil	41.00	Nil
		41.00	*41.00*	*Nil*
Tata Power Jamshedpur Distribution Ltd. ***	Subsidiary	6.90	6.90	Nil
		3.00	*3.00*	*Nil*
NELCO Ltd. ***	Subsidiary	12.70	12.70	Nil
		12.70	*20.45*	*Nil*
Mandakini Coal Company Ltd.	Joint Venture	1.20	1.20	Nil
		Nil	*Nil*	*Nil*
Nelito Systems Ltd. $ ***	Associate	1.27	1.27	Nil
		1.27	*1.27*	*Nil*

** Excluding interest accrued.

*** No repayment schedule.

Right to convert to equity and the Company has waived the interest on loan from 1.4.2012 to 31.3.2013.

$ Provided for.

Note: Previous year's figures are in italics.

40. Derivative Instruments and Unhedged foreign currency exposures:

(i) Derivative Instruments :

The following derivative positions are open as at 31st March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Note 2.1 (n) and 2.1 (o).

Forward exchange contracts (being 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.

Notes forming part of the Financial Statements

40. Derivative Instruments and Unhedged foreign currency exposures *(Contd.)*:

Outstanding forward exchange contracts and currency option contracts entered into by the Company as on 31st March, 2014:

		31st March, 2014		***31st March, 2013***	
	Buy/Sell	**Foreign Currency (in Millions)**	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***
Forward Contracts (Buyer's Credit)	Buy	USD 65.23	390.68	*USD 203.74*	*1,108.14*
Forward Contracts (Firm Commitment)	Buy	GBP 0.24	2.39	*Nil*	*Nil*
	Buy	Euro 1.68	13.82	*Nil*	*Nil*
Currency Option	Buy	USD 252.00	1,509.23	*USD 62.00*	*337.22*

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

	31st March, 2014		***31st March, 2013***	
	Foreign Currency (in Millions)	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***
(a) Amounts receivable in foreign currency on account of the following:				
(i) Export of goods	USD 1.46	8.73	*USD 2.48*	*13.48*
(ii) Loan receivable from subsidiaries	USD 100.00	598.90	*USD 100.00*	*543.80*
(iii) Interest receivable	USD 3.82	22.88	*USD 3.92*	*21.34*
(iv) Other advances receivable from subsidiaries	USD 0.96	5.74	*USD 1.84*	*9.98*
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 13.72	82.20	*USD 29.78*	*161.99*
	Euro 0.29	2.38	*Euro 0.18*	*1.28*
	GBP 0.56	5.55	*GBP 0.28*	*2.31*
(ii) Capital imports	Euro 0.44	3.60	*Euro 0.27*	*1.88*
	JPY 152.30	8.91	*JPY 141.60*	*8.21*
	USD 0.42	2.51	*USD 0.08*	*0.43*
	GBP *	0.02	*GBP **	*0.03*
	Nil	Nil	*CHF **	*0.01*
(iii) Interest payable	USD 2.71	16.22	*USD 3.72*	*20.23*
(iv) Loans payable	USD 108.35	648.91	*USD 310.31*	*1,687.76*
(v) Premium payable on borrowings	USD 28.41	170.15	*USD 28.41*	*154.52*
(c) Bank balances	Nil	Nil	*SGD 0.98*	*4.32*
	USD 0.84	5.02	*USD 0.83*	*4.53*
	TAKA 0.22	0.02	*TAKA 0.23*	*0.01*

41. Segment Reporting:

(a) Primary Segment Information:

The Company has identified business segments as its primary segment. Business segments are as below:

₹ crore

	Power	Others	Eliminations	Total
REVENUE				
External Revenue	8,168.70	458.34	-	**8,627.04**
	9,157.96	*409.32*	-	***9,567.28***
RESULT				
Total Segment Results	1,933.28	67.52	-	2,000.80
	1,684.68	*45.07*	-	*1,729.75*
Finance Costs	-	-	-	(868.21)
	-	-	-	*(684.41)*
Unallocable Income net of Unallocable Expense	-	-	-	358.57
	-	-	-	*658.04*
Income Taxes	-	-	-	(537.08)
	-	-	-	*(678.69)*
Profit after Tax	-	-	-	**954.08**
	-	-	-	***1,024.69***

Notes forming part of the Financial Statements

41. Segment Reporting *(Contd.)*:

₹ crore

	Power	Others	Eliminations	Total
OTHER INFORMATION				
Segment Assets	13,990.65	1,187.60	-	15,178.25
	13,590.30	*704.36*	-	*14,294.66*
Unallocable Assets	-	-	-	15,360.78
	-	-	-	*13,798.20*
Total Assets				**30,539.03**
				28,092.86
Segment Liabilities	2,560.91	620.17	-	3,181.08
	2,125.75	*558.31*	-	*2,684.06*
Unallocable Liabilities	-	-	-	12,825.04
	-	-	-	*11,730.17*
Total Liabilities				**16,006.12**
				14,414.23
Capital Expenditure	999.98	100.97	-	1,100.95
	774.56	*40.98*	-	*815.54*
Non-cash Expenses other than Depreciation/Amortisation	3.55	4.41	-	7.96
	14.49	*13.48*	-	*27.97*
Depreciation/Amortisation	569.18	17.96	-	587.14
	351.08	*13.02*	-	*364.10*

Types of products and services in each business segment:
Power - Generation, Transmission and Distribution.
Others - Defence Electronics, Engineering, Project Contracts/Infrastructure Management Services, Coal Bed Methane and Property Development.
Note: Previous year's figures are in italics.

(b) Secondary Segment Information:

The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

42. Earnings Per Share:

	31st March, 2014	***31st March, 2013***
Basic		
Net profit for the year (₹ crore)	954.08	*1,024.69*
(Less)/Add : Contingencies Reserve (provided)/writeback for the year (₹ crore)	(9.00)	*(7.00)*
	945.08	*1,017.69*
Less : Distribution on Unsecured Perpetual Securities (₹ crore)	112.88	*199.62*
Net profit for the year attributable to the equity shareholders (₹ crore)	832.20	*818.07*
The weighted average number of Equity Shares for Basic Earnings Per Share (Nos.)	237,53,75,440	*237,53,75,440*
Par value Per Share (in ₹)	1.00	*1.00*
Basic Earnings Per Share (in ₹)	3.50	*3.44*
Diluted		
Net profit for the year attributable to the equity shareholders (₹ crore)	832.20	*818.07*
Add: Interest Expense and Exchange Fluctuation on FCCB (Net) (₹ crore)	132.35	*77.73*
Profit attributable to Equity Shareholders on dilution (₹ crore)	964.55	*895.80*
The weighted average number of Equity Shares for Basic Earnings Per Share (Nos.)	237,53,75,440	*237,53,75,440*
Add: Effect of potential Equity Shares on Conversion of FCCB (Nos.)	9,64,40,896	*9,64,40,896*
The weighted average number of Equity Shares for Diluted Earnings Per Share (Nos.)	247,18,16,336	*247,18,16,336*
Par value Per Share (in ₹)	1.00	*1.00*
Diluted Earnings Per Share (in ₹) - Anti Dilutive	3.90	*3.62*
Diluted Earnings Per Share restricted to Basic Earning Per Share (in ₹)	3.50	*3.44*

Note:

The Company, vide its Letter of Offer dated 19th March, 2014, offered upto 33,22,30,130 Equity Shares of face value of ₹ 1/- each at a price of ₹ 60/- per equity share (including share premium of ₹ 59/- per equity share) for an amount aggregating to ₹ 1,993.38 crore to the existing shareholders of the Company on rights basis in the ratio of 7 equity shares for every 50 equity shares held by the equity shareholders on the record date i.e. 20th March, 2014. The issue opened on 31st March, 2014 and closed on 15th April, 2014. On 25th April, 2014 the Company has allotted 33,15,52,894 equity shares, balance 6,77,236 equity shares being kept in abeyance.

The equity shares issued vide the said Rights Issue have not been considered for computing Earnings Per Share.

Notes forming part of the Financial Statements

43. Disclosures as required by Accounting Standard 29 (AS-29) " Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2014:

The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ crore

Particulars	Opening Balance	Provision during the year		Payments made during the year	Reversal / Regrouped during the year	Closing Balance
Provision for Warranties	20.02	19.54		(2.28)	(12.85)	24.43
	12.90	*16.83*		*(0.62)*	*(9.09)*	*20.02*
Provision for Premium on Redemption of FCCB	154.52	15.63	@	-	-	170.15
	145.43	*9.09*	@	-	-	*154.52*
Provision on Premium on Redemption of Debentures........	134.70	-		(40.50)	-	94.20
	134.70	-		-	-	*134.70*

@ On account of exchange loss.
Note : Previous year's figures are in italics.

44. The Company has interests in the following Joint Ventures-Jointly Controlled Entities as on 31st March, 2014 and its proportionate share in the Assets, Liabilities, Income and Expenditure are given below:

Name of the Joint Venture (Audited)	Country of Incorporation	% holding	**31st March 2014** ₹ crore Assets	₹ crore Liabilities	₹ crore Contingent Liabilities	₹ crore Capital Commitment	**31st March 2014** ₹ crore Income	₹ crore Expenditure including Tax
Tubed Coal Mines Ltd. (TCML)	India	40	17.52	0.22	11.36	3.11	0.04	0.10
			11.96	*0.20*	*11.36*	*1.86*	*0.01*	*0.12*
Mandakini Coal Company Ltd. (MCCL)........	India	33.33	82.89	44.37	20.26	8.73	Nil	0.18
			62.01	*23.33*	*20.26*	*22.87*	*0.01*	*0.15*
Dagachhu Hydro Power Corporation Ltd. (DHPCL)........	Bhutan	26	326.55	219.51	Nil	Nil	0.12	0.19
			254.81	*151.11*	*Nil*	*Nil*	*0.01*	*0.21*
Tata Power Solar Systems Ltd. (TPSSL)	India	49	Ni	Nil	Nil	Nil	Nil	Nil
			Nil	*Nil*	*Nil*	*Nil*	*45.43*	*58.11*

Note: Previous year's figures are in italics.

45. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.
Figures below ₹ 50,000 are denoted by '*'

Performance Perspective

₹ crore

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Generation (in MUs)	13,283	13,746	14,269	14,717	14,807	15,946	15,325	15,230	15,770	**13,183**
Operating Income	3,930	4,563	4,715	5,916	7,236	7,098	6,918	8,496	9,567	**8,627**
Operating Expenses	2,978	3,727	3,992	4,979	6,095	5,220	5,330	6,711	7,509	**6,073**
Operating Profit	953	835	723	937	1,141	1,879	1,588	1,785	2,058	**2,554**
Other Income	387	326	344	498	632	282	494	983	722	**656**
EBDITA	1,340	1,161	1,067	1,435	1,773	2,160	2,082	2,768	2,752	**2,947**
Finance Cost	191	165	190	174	328	423	460	515	684	**868**
Depreciation	360	278	292	291	329	478	510	570	364	**587**
PBT	759	747	586	970	1,117	1,259	1,112	1,683	1,703	**1,491**
PAT	551	611	697	870	922	939	941	1,170	1,025	**954**
Basic Earning Per Share (EPS) - ₹ / shares	28	29	34	39	44	41	41	5	3	**4**
Dividend per share(%)	75%	85%	95%	105%	115%	120%	125%	125%	115%	**125%**
Return On Capital Employed [ROCE] (%)	14%	13%	12%	12%	11%	11%	10%	10%	9%	**10%**
Return On Net Worth [RONW] (%)	15%	14%	15%	13%	14%	10%	10%	10%	7%	**7%**
Long Term Debts / Equity	0.55	0.49	0.51	0.34	0.52	0.55	0.63	0.59	0.71	**0.71**
Total Debts/ Equity	0.56	0.50	0.60	0.38	0.60	0.55	0.70	0.65	0.80	**0.83**
Capital	198	198	198	221	221	237	237	237	237	**237**
Shareholder's Reserves	3,579	3,962	4,437	6,331	7,182	9,173	9,801	10,389	10,803	**11,649**
Statutory Reserves **	1,360	1,395	1,398	1,486	1,289	1,213	1,201	1,195	1,220	**1,241**
Borrowings	2,860	2,755	3,633	3,037	5,198	5,872	6,981	7,906	10,069	**11,080**
Gross Block (incl. Capital WIP)	5,903	6,137	7,010	8,164	9,747	10,487	11,548	13,083	14,137	**15,607**
Accumulated Depreciation	2,657	2,922	3,199	3,477	3,795	4,258	4,736	5,300	5,648	**6,233**
Net Block	3,246	3,215	3,811	4,687	5,952	6,229	6,812	7,783	8,489	**9,374**

** Share split from ₹ 10 to ₹ 1 in FY 12*

*** Statutory Reserves also include Special Appropriation towards Projects Cost and Service Line Constribution from Consumers*

FY 11, FY 12, FY 13 and FY 14 figures are based on Revised Schedule VI workings.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
THE TATA POWER COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements 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"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

(a) We draw attention to Notes 35(e) and (f) to the financial statements, which describe uncertainties relating to the outcome of the Appeals filed before the Hon'ble Supreme Court. Pending outcome of the Appeals filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crore accounted for as revenue in earlier periods and its consequential effects for the years upto 31st March, 2014. The impact of the same on the results for the year ended 31st March, 2014 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision / adjustment has been considered necessary.

(b) i. We draw attention to Note 32(a) to the financial statements, which describe uncertainties relating to the outcome of the Appeals filed by the procurers with the Appellate Tribunal for Electricity (APTEL) challenging the Central Electricity Regulatory Commission order granting compensatory tariff to a subsidiary. Pending outcome of the appeals before APTEL, no adjustment has been made in respect of the compensatory tariff aggregating to ₹ 1,019.06 crore.

ii. We draw attention to Note 32(b) to the financial statements, which describes the key source of estimation uncertainties relating to the Company's assessment of the recoverability of the carrying amount of the assets of the aforesaid subsidiary, its compliance with debt covenants and classification of long-term borrowings.

(c) In case of two jointly controlled entities of the Company, the component auditors have drawn attention to a matter as stated in Note 35(a)(x) to the financial statements, regarding recoverability of ₹ 7,147.97 crore (Group's share of ₹ 2,144.39 crore) of Value Added Tax and Vehicle fuel tax balances, and Group's share in other contingent claims from third parties on the said jointly controlled entities, the outcome of which cannot be presently determined.

(d) In case of one of the subsidiary, the component auditor has drawn attention to a matter as stated in Note 35(h) to the financial statements, wherein no adjustment has been made by the subsidiary in respect of income estimated at ₹ 185.03 crore as at 31st March, 2014 which includes carrying cost of ₹ 18.38 crore for the year ended 31st March, 2014. The impact of the above as at 31st March, 2014 cannot presently be determined pending ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion that the disallowance of expenses by Delhi Electricity Regulatory Commission (DERC) pertaining to the Rithala plant can be successfully challenged, no adjustment has been considered necessary.

(e) In case of jointly controlled entities of the Company, the component auditors have drawn attention to a matter as stated in Note 33(d) to the financial statements, regarding notices received in connection with delay in development of coal blocks and the consequent de-allocation of the same and the management's contention that in case of one of the jointly controlled entity, notices will be withdrawn considering the progress made by the said jointly controlled entity towards obtaining necessary clearances and in case of the second jointly controlled entity the interim order of the High Court in which the decision for de-allocation of the Coal Block to the promoters have been kept on hold.

Our report is not qualified in respect of these matters.

Other Matter

(a) We did not audit the financial statements / financial information of 9 subsidiaries and 24 jointly controlled entities, whose financial statements / financial information reflect total assets (net) of ₹ 26,677.01 crore as at 31st March, 2014, total revenues of ₹ 15,888.37 crore and net cash out flows amounting to ₹ 42.40 crore for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit of ₹ 4.62 crore for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements include the unaudited financial statements/financial information of 7 jointly controlled entities, whose financial statements/financial information reflect the Group's share of total assets (net) of ₹ 159.18 crore as at 31st March, 2014, the Group's share of total revenue of ₹ Nil and net cash out flows amounting to ₹ 10.44 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been certified by the Management and our opinion, in so far as it relates to the amounts included in respect of these jointly controlled entities, is based solely on such Management certified financial statements/financial information.

Our opinion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. A. BANGA
Partner
Membership Number: 037915

MUMBAI, 29th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

	Notes	Page	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	3	158	237.29	237.29
Reserves and Surplus	4	159	10,473.29	10,501.19
			10,710.58	10,738.48
UNSECURED PERPETUAL SECURITIES	5	160	1,500.00	1,500.00
STATUTORY CONSUMER RESERVES	6	160	613.23	604.23
MINORITY INTEREST			2,273.31	2,064.60
SPECIAL APPROPRIATION TOWARDS PROJECT COST			533.61	533.61
CAPITAL GRANT			8.82	8.91
SERVICE LINE CONTRIBUTIONS FROM CONSUMERS			534.83	450.56
NON-CURRENT LIABILITIES				
Long-term Borrowings	7	161	30,469.94	31,599.34
Deferred Tax Liabilities (Net)	8	161	1,137.88	1,025.41
Other Long-term Liabilities	9	162	974.57	949.11
Long-term Provisions	10	162	914.77	1,164.59
			33,497.16	34,738.45
CURRENT LIABILITIES				
Short-term Borrowings	11	163	4,706.78	3,547.18
Trade Payables			4,574.00	3,540.85
Other Current Liabilities	12	163	11,545.58	8,776.13
Short-term Provisions	10	162	900.36	778.41
			21,726.72	16,642.57
TOTAL			**71,398.26**	**67,281.41**
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	13(a)	164	36,795.04	35,395.28
Intangible Assets	13(b)	165	266.52	233.83
Capital Work-in-Progress			3,298.07	2,284.27
Intangible Assets under Development			90.60	73.34
			40,450.23	37,986.72
Goodwill on Consolidation			6,332.04	5,724.14
Non-current Investments	14	166	2,678.72	2,642.71
Deferred Tax Assets (Net)	8	161	14.96	24.88
Long-term Loans and Advances	15	167	1,529.35	1,603.85
Other Non-current Assets	16	168	7,032.08	7,148.99
			11,255.11	11,420.43
CURRENT ASSETS				
Current Investments	17	168	340.54	477.40
Inventories	18	169	2,073.27	2,026.51
Trade Receivables	19	169	4,542.61	3,305.01
Cash and Bank Balances	20	169	1,555.01	1,989.89
Short-term Loans and Advances	15	167	3,326.70	3,299.91
Other Current Assets	21	170	1,522.75	1,051.40
			13,360.88	12,150.12
TOTAL			**71,398.26**	**67,281.41**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAMESH SUBRAMANYAM
Chief Financial Officer

CYRUS P. MISTRY
Chairman

R. A. BANGA
Partner

H. M. MISTRY
Company Secretary

ANIL SARDANA
CEO & Managing Director

Mumbai, 29th May, 2014.

Mumbai, 29th May, 2014.

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Page	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
REVENUE				
Revenue from Operations (Gross)	22	170	35,668.34	*33,042.10*
Less: Excise Duty	22	170	19.64	*16.67*
Revenue from Operations (Net)	22	170	35,648.70	*33,025.43*
Other Income	23	171	227.26	*369.20*
TOTAL REVENUE			**35,875.96**	***33,394.63***
EXPENSES				
Cost of Power Purchased			7,465.67	*7,875.02*
Less: Cash Discount			69.54	*56.36*
			7,396.13	*7,818.66*
Cost of Fuel			9,895.61	*9,661.60*
Transmission Charges			508.83	286.50
Coal Processing Charges			2,683.10	*2,544.99*
Royalty towards Coal Mining			1,249.37	*1,111.14*
Cost of Components Consumed			178.99	*150.75*
Raw Material Consumed	24	172	721.88	*386.74*
Purchase of Goods for Resale			43.70	*37.47*
Decrease/(Increase) in Stock-in-Trade and Work-in-Progress	24	172	130.77	*(275.12)*
Employee Benefits Expense	25	172	1,349.35	*1,322.95*
Finance Costs	26	173	3,439.90	*2,641.69*
Depreciation and Amortisation	13	164	2,729.62	*2,051.69*
Other Expenses	27	173	4,573.64	*3,528.89*
TOTAL EXPENSES			**34,900.89**	***31,267.95***
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			**975.07**	***2,126.68***
Exceptional Item:				
Provision for Impairment			Nil	*(850.00)*
PROFIT BEFORE TAX			**975.07**	***1,276.68***
TAX EXPENSE				
Current Tax Expense			831.89	*912.69*
MAT Credit (Entitlement)/Reversal (Net)			88.31	*(29.91)*
Excess Provision for Tax relating to Prior Years			(41.51)	*(12.07)*
Net Current Tax Expense			878.69	*870.71*
Deferred Tax Expense			129.69	*307.25*
Net Tax Expense			1,008.38	*1,177.96*
(LOSS)/PROFIT AFTER TAX AND BEFORE SHARE OF PROFIT OF ASSOCIATES AND MINORITY INTEREST			**(33.31)**	***98.72***
Share of Profit of Associates for the Year			45.37	*23.92*
Minority Interest			(272.03)	*(208.07)*
LOSS FOR THE YEAR			**(259.97)**	***(85.43)***
EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)				
Basic (₹)	43	184	(1.61)	*(1.23)*
Diluted (₹)	43	184	(1.61)	*(1.23)*

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

RAMESH SUBRAMANYAM
Chief Financial Officer

CYRUS P. MISTRY
Chairman

R. A. BANGA
Partner

H. M. MISTRY
Company Secretary

ANIL SARDANA
CEO & Managing Director

Mumbai, 29th May, 2014.

Mumbai, 29th May, 2014.

Consolidated Cash Flow Statement for the year ended 31st March, 2014

		For the Year ended 31st March, 2014 ₹ crore		*For the Year ended 31st March, 2013 ₹ crore*	
A. Cash Flow from Operating Activities					
Net Profit before Taxes			975.07		*1,276.68*
Adjustments for:					
Depreciation and Amortisation		2,729.62		*2,051.69*	
Provision for Impairment		Nil		*850.00*	
Share Issue Expenses		2.12		*0.92*	
(Profit)/Loss on Sale/Retirement of Assets (Net)		(0.44)		*8.09*	
Finance Costs (Net of Capitalisation)		3,439.90		*2,641.69*	
Interest Income (Net of Interest Income Capitalised)		(154.86)		*(245.71)*	
Dividend Income (Net of Dividend Income Capitalised)		(16.76)		*(11.93)*	
Profit on Sale of Investments (Net)		(45.90)		*(71.44)*	
Provision for Diminution in Value of Investments (Net)		50.02		*68.56*	
Provision for Doubtful Debts/Advances (Net)		(5.82)		*49.09*	
Bad Debts		16.62		*0.61*	
Provision for Contingencies		(7.00)		*1.43*	
Provision for Warranties		17.61		*(4.64)*	
Discount accrued on Bonds (Net)		(0.26)		*(0.14)*	
Provision for Restoration and Rehabilitation		38.98		*128.76*	
Grants/Consumer Contributions Transferred		(26.19)		*(26.04)*	
Provision for Obsolete Stock		1.60		*1.46*	
Commission Earned		(5.83)		*(6.18)*	
Exchange Loss/(Gain) on Investing/Financing Activity (Net)		106.57		*(37.55)*	
Unrealised Exchange Loss (Net)		345.24		*87.03*	
			6,485.22		*5,485.70*
Operating Profit before Working Capital Changes			7,460.29		*6,762.38*
Changes in working capital:					
Adjustments for Increase in Operating Assets:					
Inventories		13.89		*(246.03)*	
Trade Receivables		(1,118.05)		*(935.60)*	
Short-term Loans and Advances		(330.72)		*(300.18)*	
Long-term Loans and Advances		68.98		*(244.68)*	
Other Current Assets		(503.72)		*(483.59)*	
Other Non-current Assets		102.60		*(1,330.94)*	
Purchase of Investments		(47.77)		*(15.87)*	
Sale of Investments		12.85		*32.14*	
Deposits given		(3.50)		*(8.50)*	
Deposits refunded		12.00		*Nil*	
			(1,793.44)		*(3,533.25)*
Adjustments for Increase in Operating Liabilities:					
Trade Payables		922.91		*562.25*	
Other Current Liabilities		954.99		*523.94*	
Other Long-term Liabilities		33.93		*56.59*	
Short-term Provisions		(64.66)		*(22.44)*	
Long-term Provisions		(76.31)		*19.60*	
			1,770.86		*1,139.94*
Cash Generated from Operations			7,437.71		*4,369.07*
Net Income Tax Paid			(954.64)		*(1,083.27)*
Net Cash from Operating Activities	A		**6,483.07**		***3,285.80***
B. Cash Flow from Investing Activities					
Capital Expenditure on Fixed Assets, including Capital Advances			(4,336.13)		*(4,270.21)*
Deferred Stripping Expenditure			(8.11)		*(1.13)*
Proceeds from Insurance on Assets Destroyed			Nil		*52.76*
Sale of Fixed Assets			27.55		*77.15*
Inter-corporate Deposits (Net)			269.23		*(287.75)*
Carried over			(4,047.46)		(4,429.18)

Consolidated Cash Flow Statement for the year ended 31st March, 2014

		For the Year ended 31st March, 2014 ₹ crore	For the Year ended 31st March, 2013 ₹ crore
Broght forward		(4,047.46)	(4,429.18)
Current investments			
Purchased		(19,874.83)	(23,068.52)
Proceeds from sale		20,092.58	23,393.15
Purchase consideration paid on acquisition of holding interest in Subsidiary and Jointly Controlled Entities		(150.05)	(865.05)
Purchase of Long-term investments - Others		(57.86)	Nil
Proceeds from Sale of Non-current investments			
Others		20.00	Nil
Interest Received		203.04	251.94
Commission Received		5.84	6.18
Dividend Received		17.39	23.32
Exchange Gain on Investing Activity		(0.32)	26.01
Bank balance not considered as Cash and Cash Equivalents		49.83	375.90
Net cash used in investing activities	**B**	**(3,741.84)**	**(4,286.25)**
C. Cash Flow from Financing Activities			
Proceeds from Issue of Shares to Minority Shareholders		25.94	285.84
Increase in Capital Contributions and Capital Grants		110.38	74.80
Proceeds from Long-term Borrowings		5,734.35	4,462.65
Repayment of Long-term Borrowings		(6,048.67)	(2,802.63)
Debenture/Share Issue Expenses		(4.02)	(18.68)
Proceeds from Short-term Borrowings		9,363.20	4,107.55
Repayment of Short-term Borrowings		(8,329.97)	(2,889.69)
Exchange Loss on Financing Activity		4.53	(64.54)
Other Borrowing Cost Paid (including Borrowing Cost Capitalised)		(187.42)	(185.40)
Interest Paid (including Interest Capitalised)		(3,393.14)	(2,991.21)
Dividend Paid		(341.18)	(344.62)
Additional Income-tax on Dividend Paid		(28.38)	(55.43)
Distribution on Unsecured Perpetual Securities		(171.00)	(171.47)
Net Cash Used in financing activities	**C**	**(3,265.38)**	**(592.83)**
Net Decrease in cash and cash Equivalents	**(A+B+C)**	**(524.15)**	**(1,593.28)**
Cash and Cash Equivalents as at 1st April (Opening Balance)		**1,789.63**	**3,122.34**
Cash and Cash Equivalents Acquired on Acquisition of Subsidiary and Jointly Controlled Entities		**54.97**	**167.15**
Effect of Exchange Fluctuation on Cash and Cash Equivalents		**77.60**	**93.42**
Cash and Cash Equivalents as at 31st March (Closing Balance)		**1,398.05**	**1,789.63**

Notes:

1. Cash and Cash Equivalents include:

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
(a) Cash on Hand	13.26	1.55
(b) Cheque on Hand	41.56	64.55
(c) Balance with banks		
(i) In Current Accounts	706.00	710.32
(ii) In Deposit Accounts	637.23	1,013.21
	1,398.05	**1,789.63**

2. Previous year's figures have been regrouped, wherever necessary, to conform to this year's classification.

In terms of our report attached. For and on behalf of the Board,

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 29th May, 2014.

RAMESH SUBRAMANYAM
Chief Financial Officer

H. M. MISTRY
Company Secretary

Mumbai, 29th May, 2014.

CYRUS P. MISTRY
Chairman

ANIL SARDANA
CEO & Managing Director

Notes forming part of the Consolidated Financial Statements

1. Background:

The Company, pioneered the generation of electricity in India nine decades ago. Prior to 1st April, 2000 the Tata Electric Companies comprised of the following three Companies -

- The Tata Hydro-Electric Power Supply Company Limited, established in 1910 (Tata Hydro).
- The Andhra Valley Power Supply Company Limited, established in 1916 (Andhra Valley).
- The Tata Power Company Limited, established in 1919 (Tata Power).

With effect from 1st April, 2000, Andhra Valley and Tata Hydro merged into Tata Power to result in one large unified entity. Today, Tata Power is India's largest integrated power utility with a significant international presence. It has an installed generation capacity of 8584 MW in India and a presence in all the segments of the power sector viz. Fuel and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. It has successful public-private partnerships in Generation, Transmission and Distribution in India. It is one of the largest renewable energy players in India and has developed and fully commissioned 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology.

Its international presence includes strategic investments in Indonesia through a stake in coal mines and a geothermal project; in Singapore to securitise coal supply and the shipping of coal for its thermal power generation operations; in South Africa through a joint venture to develop projects in South Africa, Botswana and Namibia; in Australia through investments in enhanced geothermal and clean coal technologies; in Bhutan through a hydro project in partnership with The Royal Government of Bhutan and in Georgia through a joint venture with Clean Energy Invest AS and IFC Infra Ventures to develop a Hydro Project.

2.1. Significant Accounting Policies:

(a) Basis for Preparation of Accounts:

The Consolidated Financial Statements of The Tata Power Company Limited (the Parent Company), its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention, except for Fixed Assets at Strategic Engineering Division of the Parent Company, that are carried at revalued amount. The accounting policies adopted by the Group in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year, except for change in the accounting policy for revaluation of Tangible Assets by the Parent Company, as more fully described in Note 2.2.

(b) Use of Estimates:

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires the Management of the Group to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Consolidated Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

(c) Principles of Consolidation:

The Consolidated Financial Statements relate to the Parent Company, its subsidiary companies, jointly controlled entities and the Group's share of profit/loss in its associates. The Consolidated Financial Statements have been prepared on the following basis:

(i) The Financial Statements of the subsidiaries, jointly controlled entities and associates used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March, 2014 and are audited except as stated in (viii) and (ix) below.

(ii) 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, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS-27 "Financial Reporting of Interests in Joint Ventures". The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

Notes forming part of the Consolidated Financial Statements

(iv) The Consolidated Financial Statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.

(v) The excess of cost to the Group of its investments in the subsidiary companies and jointly controlled entities, over its share of equity of the subsidiary companies and jointly controlled entities, at the date on which the investments are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and is tested for impairment. On the other hand, where the share of equity in the subsidiary and joint venture companies, as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

(vi) 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 in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

(vii) Following Subsidiary Companies have been considered in the preparation of the Consolidated Financial Statements:

Name	Country of Incorporation	% voting power held as at 31st March, 2014	*% voting power held as at 31st March, 2013*
Af-Taab Investment Co. Ltd. (AICL)	India	100	*100*
Chemical Terminal Trombay Ltd. (CTTL)	India	100	*100*
Tata Power Trading Co. Ltd. (TPTCL)	India	100	*100*
Powerlinks Transmission Ltd. (PTL)	India	51	*51*
NELCO Ltd. (NELCO)	India	50.04	*50.04*
Maithon Power Ltd. (MPL)	India	74	*74*
Industrial Energy Ltd. (IEL)	India	74	*74*
Tata Power Delhi Distribution Ltd. (TPDDL)	India	51	*51*
Coastal Gujarat Power Ltd. (CGPL)	India	100	*100*
Bhira Investments Ltd. (BIL)	Mauritius	100	*100*
Bhivpuri Investments Ltd. (BHIL)	Mauritius	100	*100*
Khopoli Investments Ltd. (KIL)	Mauritius	100	*100*
Trust Energy Resources Pte. Ltd. (TERL)	Singapore	100	*100*
Energy Eastern Pte. Ltd. (EEL)	Singapore	100	*100*
Industrial Power Utility Ltd. (IPUL)	India	100	*100*
Tatanet Services Ltd. (TNSL) (Consolidated with NELCO Ltd.)	India	50.04	*50.04*
Tata Power Renewable Energy Ltd. (TPREL)	India	100	*100*
PT Sumber Energi Andalan Tbk. (SEA)	Indonesia	94.61	*94.61*
Tata Power Green Energy Ltd. (TPGEL)	India	100	*100*
NDPL Infra Ltd. (NDPLIL)	India	51	*51*
Dugar Hydro Power Ltd. (DHPL)	India	50.001	*50.001*
Tata Power Solar Systems Ltd. (TPSSL)	India	100	*100*
Tata Power Jamshedpur Distribution Ltd. (TPJDL)	India	100	*100*
Tata Power International Pte. Ltd. (TPIPL) (from 5th April, 2013)	Singapore	100	*Nil*
AES Saurashtra Windfarms Ltd. (AESSWL) (from 24th February, 2014)	India	100	*Nil*

Notes forming part of the Consolidated Financial Statements

(viii) Interest in Joint Ventures:

The Group's interest in Jointly Controlled Entities are:

Name	Country of Incorporation	% of Ownership interest as at 31st March, 2014	*% of Ownership interest as at 31st March, 2013*
PT Arutmin Indonesia (PAI)	Indonesia	30	*30*
PT Kaltim Prima Coal (PKPC)	Indonesia	30	*30*
Indocoal Resources (Cayman) Ltd. (IRCL)	Cayman Island	30	*30*
PT Indocoal Kalsel Resources (PIKR) *	Indonesia	30	*30*
PT Indocoal Kaltim Resources (PIR) *	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*
Candice Investments Pte. Ltd. (CIL)	Singapore	30	*30*
OTP Geothermal Pte. Ltd. (OTPGL) *	Singapore	50	*50*
PT Kalimantan Prima Power (PKPP)	Indonesia	30	*30*
Cennergi Pty. Ltd. (CPL)	South Africa	50	*50*
PT Mitratama Perkasa (PTMP)	Indonesia	28.38	*28.38*
PT Baramulti Sukessarana Tbk. (BSSR)	Indonesia	26	*26*
Adjaristsqali Netherlands BV (ANBV) (from 9th May, 2013)	Netherlands	40	*Nil*

* Based on Unaudited Financial Statements, certified by its Management for the year ended 31st March, 2014.

(ix) Investment in Associates:

The Group's Associates are:

Name	Country of Incorporation	% of Ownership interest as at 31st March, 2014	*% of Ownership interest as at 31st March, 2013*
Yashmun Engineers Ltd.	India	27.27	*27.27*
Tata Ceramics Ltd.	India	30.68	*30.68*
Panatone Finvest Ltd.	India	39.98	*39.98*
Tata Projects Ltd.	India	47.78	*47.78*
ASL Advanced Systems Pvt. Ltd. #	India	37	*37*
The Associated Buildings Co. Ltd. #	India	33.14	*33.14*
Rujuvalika Investments Ltd. #	India	27.59	*27.59*
Hemisphere Properties India Ltd. #	India	24.44	*50*
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.

Notes forming part of the Consolidated Financial Statements

(x) The break-up of Investment in Associates is as under:

₹ crore

Refer Note 14	Nelito Systems Ltd.	Pantone Finvest Ltd.	Yashmun Engineers Ltd.	Tata Projects Ltd.	Tata Ceramics Ltd. @
(i) Number of Equity Shares (Nos.)	10,20,000	59,08,82,000	19,200	9,67,500	2,99,39,802
	10,20,000	*59,08,82,000*	*19,200*	*9,67,500*	*2,99,39,802*
(ii) Percentage holding (%)	49.46	39.98	27.27	47.78	30.68
	49.46	*39.98*	*27.27*	*47.78*	*30.68*
(iii) Cost of Investment (Equity Shares)	4.34	600.00	0.01	66.78	13.17
	4.34	*600.00*	*0.01*	*66.78*	*13.17*
(iv) Including Goodwill/(Capital Reserve)	Nil	1.51	(0.24)	23.30	10.24
	Nil	*1.51*	*(0.24)*	*23.30*	*10.24*
(v) Share in accumulated profits net of dividends received upto 31st March, 2013	15.12	50.69	1.64	260.13	Nil
	14.70	*51.12*	*1.40*	*241.40*	*Nil*
(vi) Share of profit for the year	1.06	3.49	0.08	40.74	Nil
Less: Dividend received during the year	0.11	Nil	0.06	4.84	Nil
Share of profit net of dividends received during the year	0.95	3.49	0.02	35.90	Nil
	0.42	*(0.43)*	*0.24*	*18.73*	*Nil*
(vii) Provision for diminution in value of investments (Equity Shares)	Nil	Nil	Nil	Nil	(13.17) $
	Nil	*Nil*	*Nil*	*Nil*	*(13.17) $*
(viii) Carrying cost	20.41	654.18	1.67	362.81	Nil
	19.46	*650.69*	*1.65*	*326.91*	*Nil*

$ Included in Note 14 under Provision for diminution in value of investments.

@ Based on Unaudited Financial Statements certified by its Management for the year ended 31st March, 2014.

Note: Previous year's figures are in italics.

(xi) The Associates not considered for consolidation being not material to the Group have been stated at cost as under:

₹ crore

Refer Note 14	Hemisphere Properties India Ltd.	Brihat Trading Private Ltd.	ASL Advanced Systems Pvt. Ltd.	The Associated Building Co. Ltd.	Rujuvalika Investments Ltd.
(i) Number of Equity Shares (Nos.)	12,220	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 (%)	24.44	33.50	37.00	33.14	27.59
	50.00	*33.50*	*37.00*	*33.14*	*27.59*
(iii) Cost of Investment (Equity Shares)	0.01	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 investments (Equity Shares)	Nil	Nil	(0.56) $	Nil	Nil
	Nil	*Nil*	*(0.56) $*	*Nil*	*Nil*
(v) Carrying cost	0.01	0.01	Nil	0.17	0.60
	0.03	*0.01*	*Nil*	*0.17*	*0.60*

$ Included in Note 14 under Provision for diminution in value of investments.

*Note***:** Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

(d) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

The Group's Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(f) Tangible/Intangible Fixed Assets:

(i) Fixed assets, except Tangible Assets at its Strategic Engineering Division of the Parent Company are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use. The Group has adopted the provisions of para 46A of AS-11 "The Effects of Changes in Foreign Exchange Rates", accordingly exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Parent Company revalued all its Tangible assets that existed on 1st April, 2013 at its Strategic Engineering Division. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation/impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed/utilised.

(ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

(iii) Capital Work-in-Progress:

Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost (net of impairment), comprising direct cost, related incidental expenses and attributable borrowing costs.

(iv) Intangible Assets under Development:

Expenditure on Research and Development [Refer Note 2.1 (m)] eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(v) In case of Coal Companies, when proven reserves are determined and development is sanctioned, exploration and evaluation assets are included in "Fixed Assets". All subsequent development costs relating to construction of infrastructure required to operate the mine is capitalised and classified as work-in-progress. Development costs are net of proceeds from the sale of coal or mineral extracted during the development phase. Once development is completed, all assets included in work-in-progress are reclassified as either mining properties or other component of fixed assets.

Mining properties include assets in production and in development, assets transferred from exploration and evaluation assets and deferred stripping performed in the development of the mine. Mining properties in development and acquired mineral resources are not depreciated until production commences.

(vi) In the case of OTPGL, exploration expenditures incurred in connection with the acquisition of exploration license, exploration and evaluation are capitalised when incurred. Such costs includes license acquisition, technical services and studies, seismic acquisition, geological and geophysical expenditure, exploration drilling and testing.

Notes forming part of the Consolidated Financial Statements

Exploration expenditure incurred is fully capitalised on an area of interest basis, provided that

(i) the expenditure is expected to be recouped through successful development and exploitation of the area of interest; or

(ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing, or where both conditions are met.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration asset may exceed its recoverable amount.

Pre-license exploration expenditures incurred prior to having obtained the legal rights to explore an area are recognised in the Statement of Profit and Loss as they are incurred.

(g) Impairment of Assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units.

(h) Depreciation/Amortisation:

Tangible Assets:

(i) In the case of electricity business of the Group other than TPDDL, depreciation is provided at the rates as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (CERC) w.e.f. 1st April, 2009 and at the rates as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, wherever higher than those notified by CERC.

In other cases, fixed assets are depreciated over the estimated useful lives as determined by the Management or over the lives determined based on rates of depreciation specified under various applicable local 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 and CTTL, where depreciation is provided on written down value basis.

(ii) Intangible assets are amortised over the useful economic life of the assets or 5 years, whichever is lower. In the case of TPDDL, Computer software has been amortised at the rate of 16.21%.

(iii) License fees/Premium paid for acquisition of Leasehold Land is amortised on a straight line basis over the period of the License/Lease.

(iv) Expenditure to acquire Operating right to use intake channel is amortised on straight line basis over 25 years being the right to use the facilities.

(i) Leases:

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

(j) Investments:

(i) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments determined on an individual basis. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Notes forming part of the Consolidated Financial Statements

(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 and are carried at the lower of cost and fair value.

(k) Inventories:

Inventories of raw materials, semi-finished products, product/tools under development, stores, spare parts, consumable supplies, fuel and loose tools are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses. Work-in-progress and property under development, developed properties and finished products are valued at lower of cost and net realisable value. Cost includes cost of land, material, labour and other appropriate overheads.

In the case of AICL, Inventories (stock of shares and securities) are valued at lower of cost and fair value.

(l) Taxes on Income:

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group, in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal Income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group and amounts can be measured reliably.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and Deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(m) Research and Development Expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible/intangible fixed assets.

(n) Warranty Expenses:

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

(o) Foreign Currency Transactions and Translations:

Initial recognition:

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

Notes forming part of the Consolidated Financial Statements

Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences on restatement of long-term receivables from non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para below until disposal/recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal/recovery is recognised.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal is recognised.

The exchange differences arising on settlement/restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts:

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Note 2.1 (p) for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

(p) Derivative Contracts:

The Group enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Forward contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. All other derivative contracts are mark-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

The Group enters into Interest Rate Swap (IRS) contracts to hedge interest rate risks on foreign currency borrowings. These contracts are held to maturity, are settled as and when the amounts fall due under the contract and are in substance contracts which convert floating interest rate to fixed interest rate. Accordingly, such interest is accounted in the period in which it accrues.

(q) Employee Benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme, Pension, Post Retirement Medical Benefits, Retirement Gift, Compensated Absences, Hospitalisation in Service and Long-term Service Awards.

Defined contribution plans:

Contributions paid/payable during the year to Provident Fund, Superannuation Fund and Employees State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of Gratuity, Ex-Gratia Death Benefits, Retirement Gifts, Post Retirement Medical Benefits and Pension, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Notes forming part of the Consolidated Financial Statements

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Hospitalisation in Service and Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(r) Revenue Recognition:

(i) Revenue from Power Supply and Transmission Charges are accounted for on the basis of billings to consumers, state transmission utilities, state distribution utilities, when it is not unreasonable to expect ultimate collection and includes unbilled revenues accrued upto the end of the accounting year.

(ii) The Group 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 as notified by respective State Regulatory Commissions. 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 respective State Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders 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/confirmed by consumers.

(iv) Interest income and 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 are accounted as a liability and are 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 no significant uncertainty to the collectability exists.

(vii) Income on contracts in respect of Strategic Engineering Business and Project Management Services of the Parent Company 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.

(viii) Revenue from Sale of Carbon Credit and Renewable Energy Certificate is recognised at the time of sale.

(ix) The amount received from consumers on account of Service Line charges are treated as Income on installation of connection.

(x) 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.

(s) 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.

(t) Issue Expenses and Premium on Redemption of Bonds and Debentures:

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

(ii) Discount on issue of Bonds, Debentures and Euro Notes are amortised over the tenure.

(iii) Premium on Redemption of Bonds/Debentures, net of tax impact, are adjusted against the Securities Premium Account in the year of issue.

(u) Estimated Liability for Restoration and Rehabilitation:

Estimated liability for restoration and rehabilitation costs are based principally on legal and regulatory requirements. Estimates are reassessed regularly and the effects of changes are recognised prospectively. Recognition of current portion of liability is based on the estimates by the Management.

Notes forming part of the Consolidated Financial Statements

(v) Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(w) Segment Reporting:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under "unallocable revenue/expenses/assets/liabilities".

(x) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations 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 and are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

(y) Earnings Per Share:

Basic earnings per share is computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

2.2 The Parent Company has changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly, the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 have increased by ₹ 234.98 crore and ₹ 7.59 crore respectively and ₹ 227.39 crore has been credited to the Revaluation Reserve.

Consequent to the revaluation, the additional charge for depreciation for the year ended 31st March, 2014 amounting to ₹ 2.60 crore is withdrawn from Revaluation Reserve.

2.3 The Parent Company had, during the previous year ended 31st March, 2013, revised the rates and methodology of charging depreciation in respect of its electricity business as per the notification issued by the CERC w.e.f. 1st April, 2009 and on certain assets as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. Further the depreciation charge for the year ended 31st March, 2014 is lower by ₹ 48.02 crore *(31st March, 2013 - ₹ 48.02 crore)*. Accordingly, depreciation of ₹ 219.80 crore for the years 2009-10 to 2011-12 has been written back during the year ended 31st March, 2013. As a result, the current tax for the year ended 31st March, 2013, was higher by ₹ 53.58 crore and the deferred tax charge for the year ended 31st March, 2013 was higher by ₹ 204.28 crore.

2.4 In an earlier year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs (MCA), the Group had selected the option given in paragraph 46A of the Accounting Standard-11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items for the year ended 31st March, 2014 is ₹ 227.73 crore *(31st March, 2013 - ₹ 109.29 crore)*. The unamortised portion carried forward as at 31st March, 2014 is ₹ 1,645.08 crore *(31st March, 2013 - ₹ 998.15 crore)*.

Notes forming part of the Consolidated Financial Statements

3. Shareholders' Funds - Share Capital

	As at 31st March, 2014 Number	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 Number*	*As at 31st March, 2013 ₹ crore*
Authorised				
Equity Shares of ₹ 1/- each	300,00,00,000	300.00	*300,00,00,000*	*300.00*
Cumulative Redeemable Preference Shares of ₹ 100/- each	2,29,00,000	229.00	*2,29,00,000*	*229.00*
		529.00		*529.00*
Issued				
Equity Shares (including 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order, 4,80,40,400 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)	242,94,70,840	242.95	*242,94,70,840*	*242.95*
Subscribed and Paid-up				
Equity shares fully Paid-up (excluding 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 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)	237,30,72,360	237.31	*237,30,72,360*	*237.31*
Less : Calls in arrears [including ₹ 0.01 crore (*31st March, 2013 - ₹ 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*
Add : Equity Shares forfeited - Amount paid	16,52,300	0.06	*16,52,300*	*0.06*
Total Issued, Subscribed and fully Paid-up Share Capital		237.33		*237.33*
Less : Equity Shares held by Chemical Terminal Trombay Ltd. which were acquired before it became a subsidiary	4,00,580	0.04	*4,00,580*	*0.04*
Total		**237.29**		***237.29***

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2014 Number	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 Number*	*As at 31st March, 2013 ₹ crore*
At the beginning and at the end of the year	237,43,24,080	237.29	*237,43,24,080*	*237.29*

(b) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a Par Value of ₹ 1/- per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of per share dividend recognised as distribution to Equity Shareholders was ₹ 1.25 per share of Face Value of ₹ 1/- each (*31st March 2013 - ₹ 1.15 per share).*

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity Shares of ₹ 1/- each fully paid	As at 31st March, 2014 Number	As at 31st March, 2014 % Holding	*As at 31st March, 2013 Number*	*As at 31st March, 2013 % Holding*
Tata Sons Limited	70,75,11,570	29.81	*70,75,11,570*	*29.81*
Life Insurance Corporation of India	29,93,67,181	12.62	*30,60,52,963*	*12.90*
Matthews Pacific Tiger Fund	12,75,60,510	5.38		

(d) In an earlier year, the Company issued 3,000 1.75% Foreign Currency Convertible Bonds (FCCB) with Face Value of USD 100,000 each aggregating to USD 300 million. The bondholders have an option to convert these Bonds into Equity Shares, at an initial conversion price of ₹ 145.6125 per share at a fixed rate of exchange on conversion of ₹ 46.81 = USD 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% of their principal amount together with accrued and unpaid interest.

(e) The Company, vide its Letter of Offer dated 19th March, 2014, offered upto 33,22,30,130 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 60/- per Equity Share (including Share Premium of ₹ 59/- per Equity Share) for an amount aggregating to ₹ 1,993.38 crore to the existing Equity Shareholders of the Company on rights basis in the ratio of 7 Equity Shares for every 50 Equity Shares held by the Equity Shareholders on the record date i.e. 20th March, 2014. The issue opened on 31st March, 2014 and closed on 15th April, 2014. On 25th April, 2014 the Company has allotted 33,15,52,894 Equity Shares, balance Equity Shares being kept in abeyance.

The Equity Shares issued vide the said Rights Issue have not been considered for computing Earnings Per Share.

Notes forming part of the Consolidated Financial Statements

4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Capital Reserve	61.66	*61.66*
Revaluation Reserve (Refer Note 2.2)		
Opening Balance	Nil	*Nil*
Add: Created during the year	227.39	*Nil*
Less: Amount transferred to Depreciation Account (Refer Note 13)	2.60	*Nil*
Closing Balance	224.79	*Nil*
Capital Redemption Reserve		
Opening Balance	15.76	*15.12*
Add: Amount transferred from Surplus in Statement of Profit and Loss	Nil	*0.64*
Closing Balance	15.76	*15.76*
Capital Reserve on Consolidation		
Opening Balance	152.02	*4.58*
Add: On Acquisition of a Subsidiary Company	7.72	*147.44*
Closing Balance	159.74	*152.02*
Self Insurance Reserve		
Opening Balance	8.58	*8.00*
Add: Amount transferred from Surplus in Statement of Profit and Loss	1.53	*0.58*
Closing Balance	10.11	*8.58*
Securities Premium Account		
Opening Balance	3,656.22	*3,674.85*
Less: Issue Expenses pertaining to Right Issue	1.90	*Nil*
Less: Issue Expenses pertaining to Debentures	Nil	*18.63*
Closing Balance	3,654.32	*3,656.22*
Debenture Redemption Reserve		
Opening Balance	715.01	*557.74*
Add: Amount transferred from Surplus in Statement of Profit and Loss	132.85	*157.27*
Closing Balance	847.86	*715.01*
Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)		
Opening Balance	62.49	*61.00*
Add: Amount transferred from Surplus in Statement of Profit and Loss	4.59	*1.49*
Closing Balance	67.08	*62.49*
Foreign Currency Translation Reserves (Net)		
Opening Balance	298.88	*179.07*
Add: Effect of foreign exchange rate variations during the year	476.39	*119.81*
Closing Balance	775.27	*298.88*
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(147.49)	*(136.41)*
Add: Effect of foreign exchange rate variations during the year	(139.33)	(85.49)
Less: Amortised during the year	150.81	*74.41*
Closing Balance	(136.01)	*(147.49)*
General Reserve		
Opening Balance	3,814.61	*3,690.24*
Add: Amount transferred from Surplus in Statement of Profit and Loss	126.02	*124.37*
Closing Balance	3,940.63	*3,814.61*
Carried forward...	9,621.21	*8,637.74*

Notes forming part of the Consolidated Financial Statements

4. Shareholders' Funds - Reserves and Surplus (*Contd.*)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Brought forward ...	9,621.21	*8,637.74*
Surplus in Statement of Profit and Loss		
Opening Balance	1,863.45	*2,759.15*
Add: Reversal of additional Income-tax on Dividend in respect of earlier year	28.54	*Nil*
Less: Loss for the year	259.97	*85.43*
Distribution on Unsecured Perpetual Securities [Net of tax ₹ 58.12 crore *(31st March, 2013 - ₹ Nil)*]	112.88	*171.20*
Income-tax reversal on distribution of Unsecured Perpetual Securities in respect of earlier year	Nil	*28.42*
Proposed Dividend [₹ 1.25 per share (*31st March, 2013 - ₹ 1.15 per share*)]	338.45	*273.17*
Additional Income-tax on Dividend	54.62	*46.13*
Transfer to Self Insurance Reserve (Net)	1.53	*0.58*
Transfer to Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)	4.59	*1.49*
Transfer to Contingencies Reserve Fund	9.00	*7.00*
Transfer to Debenture Redemption Reserve	132.85	*157.27*
Transfer to Capital Redemption Reserve	Nil	*0.64*
Transfer to General Reserve	126.02	*124.37*
	(1,011.37)	*(895.70)*
Closing Balance	852.08	*1,863.45*
Total	**10,473.29**	***10,501.19***

5. Unsecured Perpetual Securities

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Unsecured Perpetual Securities	1,500.00	*1,500.00*
Total	**1,500.00**	***1,500.00***

In an earlier year the Company raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years. The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such Securities is not considered under "Finance Costs".

6. Statutory Consumer Reserves

[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Tariffs and Dividends Control Reserve	22.43	*22.43*
Contingencies Reserve Fund		
Opening Balance	67.00	*80.54*
Add: Amount transferred from Surplus in Statement of Profit and Loss	9.00	*7.00*
Less: Adjustment against Tariff Recoverable	Nil	*20.54*
Closing Balance	76.00	*67.00*
Development Reserve	5.29	*5.29*
Deferred Taxation Liability Fund	279.76	*279.76*
Investment Allowance Reserve	121.18	*121.18*
Debt Redemption Reserve	51.94	*51.94*
Debenture Redemption Reserve	56.63	*56.63*
Total	**613.23**	***604.23***

Notes forming part of the Consolidated Financial Statements

7. Long-term Borrowings

	As at 31st March, 2014 Non-current ₹ crore	As at 31st March, 2014 Current ₹ crore	*As at 31st March, 2013 Non-current ₹ crore*	*As at 31st March, 2013 Current ₹ crore*
Secured				
Redeemable Non-Convertible Debentures	1,826.00	281.00	*2,107.00*	*221.00*
Term Loans				
From Banks	13,571.47	1,102.60	*12,661.83*	*1,081.14*
From Others	8,118.27	526.78	*8,048.44*	*468.80*
Finance Lease Obligations	358.58	148.31	*382.89*	*161.27*
	23,874.32	2,058.69	*23,200.16*	*1,932.21*
Unsecured				
Redeemable Non-Convertible Debentures	1,500.00	Nil	*1,500.00*	*Nil*
Convertible Debentures	2.89	Nil	*2.89*	*Nil*
Bonds				
8.50% Subordinate Notes (2071)	2,695.05	Nil	*2,447.10*	*Nil*
8.50% Euro Notes (2017)	356.68	Nil	*323.93*	*Nil*
1.75% Foreign Currency Convertible Bonds (2014)	Nil	1,796.70	*1,631.70*	*Nil*
Term Loans				
From Banks	1,852.25	989.31	*2,242.76*	*682.06*
From Others	119.90	142.36	*173.20*	*113.97*
Deferred Payment Liabilities				
Sales Tax Deferral	68.85	8.76	*77.60*	*7.53*
	6,595.62	2,937.13	*8,399.18*	*803.56*
Total	**30,469.94**	**4,995.82**	***31,599.34***	***2,735.77***

Security

Redeemable Non-Convertible Debentures raised by the Parent Company are secured by a *pari passu* charge on specific immovable properties and a *pari passu* charge on specific movable fixed assets present and future.

Finance lease obligations are secured by hypothecation of specific assets taken on finance lease.

Term Loans availed by various entities of the Group from various Financial Institutions/Banks are secured by a *pari passu* charge on all present and future movable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, receivables, intangibles of the respective entities.

8. Deferred Tax Balances

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
A Deferred Tax Liability (Net)		
The components of Deferred Tax Liability and Asset are as under:		
Deferred Tax Liability on account of:		
Relating to Fixed Assets	2,030.20	*1,715.26*
Balance in Deferred Tax Liability Fund	(279.76)	*(279.76)*
Lease Transactions	122.19	*171.55*
Exchange Losses on Loans to Subsidiaries	Nil	*27.58*
Deferred Tax Liability	1,872.63	*1,634.63*
Deferred Tax Asset on account of:		
Provision for Doubtful Debts and Advances	27.98	*25.69*
Provision for Tax, Duty, Cess, Fee etc.	17.99	*10.68*
Provision for Employee Benefits	105.40	*132.13*
Brought Forward Business Losses	3.04	Nil
Others	0.24	*7.14*
Deferred Tax Asset	154.65	*175.64*
Net Deferred Tax Liability	1,717.98	*1,458.99*
Less: Tax to be recovered in Future Tariff Determination	580.10	*433.58*
Total	**1,137.88**	***1,025.41***

Notes forming part of the Consolidated Financial Statements

8. Deferred Tax Balances (*Contd.*)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
B Deferred Tax Asset (Net)		
The components of Deferred Tax Liability and Asset are as under:		
Deferred Tax Liability on account of:		
Relating to Fixed Assets	2,534.10	*2,291.05*
Lease Transactions	Nil	*0.24*
Deferred Tax Liability	2,534.10	*2,291.29*
Deferred Tax Asset on account of:		
Provision for Doubtful Debts and Advances	12.04	*15.91*
Provision for Tax, Duty, Cess, Fee etc.	1.13	*6.32*
Provision for Employee Benefits	7.70	*5.81*
Unabsorbed Depreciation Carried Forward	2,518.97	*2,270.05*
Brought Forward Business Losses	7.56	*16.22*
Others	1.66	*1.86*
Deferred Tax Asset	2,549.06	*2,316.17*
Net Deferred Tax Asset	**14.96**	***24.88***

Note: Certain Subsidiaries of the Group have net Deferred Tax Assets as at 31st March, 2014 and 31st March, 2013, significantly arising from Unabsorbed Depreciation and Brought Forward Business Losses, which has been recognised as a matter of prudence only to the extent of Deferred Tax Liability.

9. Other Long-term Liabilities

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Trade Payables	28.51	*28.66*
Payables on Purchase of Fixed Assets	2.52	*16.21*
Consumers' Benefit Account	21.94	*21.94*
Regulatory Liabilities	33.48	*20.53*
Security Deposits from Customers/Consumers	483.43	*440.95*
Advances from Customers	297.29	*321.89*
Advance against Depreciation	98.73	*98.73*
Interest accrued but not due on Borrowings	0.42	*0.20*
Others	8.25	*Nil*
Total	**974.57**	***949.11***

10. Provisions

	As at 31st March, 2014 Long-term ₹ crore	As at 31st March, 2014 Short-term ₹ crore	*As at 31st March, 2013 Long-term ₹ crore*	*As at 31st March, 2013 Short-term ₹ crore*
Provision for Employee Benefits	313.12	85.57	*372.71*	*86.07*
Provision - Others				
Provision for Warranties	26.05	29.27	*17.22*	*24.75*
Provision for Premium on Redemption of Foreign Currency Convertible Bonds	Nil	170.15	*154.52*	*Nil*
Provision for Premium on Redemption of Debentures	40.50	53.70	*94.20*	*40.50*
Provision for Contingencies	Nil	Nil	*Nil*	*7.02*
Provision for Future Forseeable Losses	2.51	0.40	*2.41*	*0.41*
Provision for Income-tax (Net)	3.74	106.72	*4.65*	*273.40*
Provision for Wealth Tax	Nil	3.21	*Nil*	*2.39*
Provision for Proposed Dividend	Nil	338.45	*Nil*	*273.17*
Provision for Additional Income-tax on Dividend	Nil	61.84	*Nil*	*45.38*
Provision for Restoration and Rehabilitation	528.85	51.05	*518.88*	*25.32*
Total	**914.77**	**900.36**	***1,164.59***	***778.41***

Notes forming part of the Consolidated Financial Statements

11. Short-term Borrowings

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Secured		
From Banks		
(a) Short-term Loans	651.10	*343.79*
(b) Buyer's Line of Credit	291.35	*638.51*
	942.45	*982.30*
Unsecured		
From Banks		
(c) Short-term Loans	1,600.63	*1,037.32*
(d) Buyer's Line of Credit	904.57	*1,363.66*
(e) Commercial Paper	300.00	*Nil*
From others		
(f) Inter-corporate Deposit	209.13	*163.90*
(g) Commercial Paper	750.00	*Nil*
	3,764.33	*2,564.88*
Total	**4,706.78**	***3,547.18***

Security

The Short-term Loans and Buyers' Line of Credit availed by various entities of the Group are secured by hypothecation of all tangible movable assets, a charge on the fixed assets, receivables and stores and spares of the respective entities.

12. Other Current Liabilities

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(a) Payables towards Purchase of Fixed Assets	1,030.32	*1,746.11*
(b) Current Maturities of Long-term Debt (Refer Note 7)	4,995.82	*2,735.77*
(c) Interest accrued but not due on Borrowings	546.28	*490.04*
(d) Interest accrued and due on Borrowings	42.08	*26.22*
(e) Investor Education and Protection Fund shall be credited by the following amounts namely:		
Unclaimed Dividend	13.38	*12.52*
Unclaimed Matured Deposits	0.03	*0.03*
Unclaimed Matured Debentures	0.09	*0.09*
(f) Book Overdraft	94.59	*34.99*
(g) Other Payables		
Statutory Liabilities	420.21	*259.70*
Advance and Progress payments received from Customers/ Public Utilities	560.30	*457.57*
Royalty	2,745.13	*2,277.74*
Security Deposits from Consumers	162.74	*192.02*
Security Deposits from Customers	61.24	*66.39*
Tender Deposits from Vendors	20.14	*3.26*
Regulatory Liabilities	472.86	*334.36*
Other Liabilities	380.37	*139.32*
Total	**11,545.58**	***8,776.13***

Notes forming part of the Consolidated Financial Statements

13. Fixed Assets

₹ crore

	GROSS BLOCK									DEPRECIATION AND IMPAIRMENT											NET BLOCK
	As at 1st April, 2013	Acquired during the year #	Additions	Revaluation ##	Reclassification	Borrowing cost capitalised	Effect of foreign currency exchange difference / Translation Adjustments	Deductions	As at 31st March, 2014	As at 1st April, 2013	Depreciation Reserve on account of Revaluation as at 1st April, 2013 ##	Acquired during the year #	For the year	Reclassification	Impairment losses recognised: Transfer from Capital Work-in-Progress	Impairment losses recognised: Recognised in the Statement of Profit and Loss	Other adjustments @@	Translation Adjustments	Deductions	As at 31st March, 2014	As at 31st March, 2014
(a) TANGIBLE ASSETS																					
Land																					
(a) Freehold Land	323.81	0.66	75.88	192.49	Nil	Nil	1.41	Nil	594.25	21.64	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	21.64	572.61
	275.14	*1.68*	*48.27*	*Nil*	*Nil*	*Nil*	*0.05*	*1.33*	*323.81*	*15.10*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*6.54*	*Nil*	*Nil*	*Nil*	*21.64*	*302.17*
(b) Leasehold Land	305.76	Nil	38.87	Nil	Nil	Nil	0.09	Nil	344.72	14.78	Nil	Nil	4.88	Nil	Nil	Nil	Nil	0.05	Nil	19.71	325.01
	264.40	*0.91*	*40.93*	*Nil*	*Nil*	*Nil*	*0.02*	*0.50*	*305.76*	*9.65*	*Nil*	*0.50*	*4.27*	*Nil*	*Nil*	*0.72*	*Nil*	*(0.03)*	*0.33*	*14.78*	*290.98*
(i) Owned Assets:																					
1. Hydraulic Works	531.52	Nil	1.92	Nil	Nil	Nil	Nil	Nil	533.44	205.84	Nil	Nil	17.33	Nil	Nil	Nil	Nil	Nil	Nil	223.17	310.27
	497.17	*Nil*	*34.35*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*531.52*	*165.97*	*Nil*	*Nil*	*18.62*	*Nil*	*Nil*	*Nil*	*21.25*	*Nil*	*Nil*	*205.84*	*325.68*
2. Buildings - Plant	1,880.95	Nil	182.98	10.58	Nil	0.16	2.15	0.07	2,076.75	497.76	2.91	Nil	78.35	Nil	Nil	Nil	Nil	0.64	0.01	579.65	1,497.10
	1,553.17	*Nil*	*317.88*	*Nil*	*14.13*	*5.86*	*2.61*	*12.70*	*1,880.95*	*392.85*	*Nil*	*Nil*	*74.09*	*4.13*	*15.07*	*18.47*	*(3.33)*	*0.45*	*3.97*	*497.76*	*1,383.19*
3. Buildings - Others	469.00	0.12	121.29	19.96	Nil	0.01	Nil	0.07	610.31 $	114.36	0.07	0.01	19.61	Nil	Nil	Nil	Nil	Nil	0.07	133.98	476.33
	268.25	*Nil*	*190.00*	*Nil*	*Nil*	*2.15*	*0.57*	*(8.03)*	*469.00 $*	*75.06*	*Nil*	*6.02*	*13.65*	*Nil*	*12.40*	*6.95*	*0.32*	*Nil*	*0.04*	*114.36*	*354.64*
4. Coal Jetty	106.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil	106.10	22.39	Nil	Nil	5.60	Nil	Nil	Nil	Nil	Nil	Nil	27.99	78.11
	106.10	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*106.10*	*17.15*	*Nil*	*Nil*	*5.60*	*Nil*	*Nil*	*Nil*	*(0.36)*	*Nil*	*Nil*	*22.39*	*83.71*
5. Railway Sidings, Roads, Crossings, etc.	98.94	Nil	4.78	Nil	Nil	Nil	0.04	Nil	103.76	25.40	Nil	Nil	3.39	Nil	Nil	Nil	Nil	Nil	Nil	28.79	74.97
	86.85	*0.39*	*11.70*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*98.94*	*18.39*	*Nil*	*Nil*	*3.25*	*Nil*	*Nil*	*1.38*	*2.38*	*Nil*	*Nil*	*25.40*	*73.54*
6. Plant and Machinery	36,645.81	216.80	1,498.87	10.97	309.54	1.26	914.03	92.15	39,505.13	10,569.89	3.96	55.95	1,862.17	177.21	Nil	Nil	Nil	190.10	82.69	12,776.59	26,728.54
	21,942.48	*219.92*	*11,975.34*	*Nil*	*356.81*	*1,531.46*	*693.96*	*74.16*	*36,645.81*	*7,113.58*	*Nil*	*92.39*	*1,388.94*	*205.33*	*1,130.12*	*807.04*	*(200.20)*	*92.67*	*59.98*	*10,569.89*	*26,075.92*
7. Transmission Lines, Cable Network, etc.	5,019.00	Nil	434.76	0.06	Nil	1.92	Nil	26.09	5,429.65	1,812.92	0.05	Nil	215.46	Nil	Nil	Nil	Nil	Nil	18.80	2,009.63	3,420.02
	4,595.71	*Nil*	*423.60*	*Nil*	*Nil*	*1.52*	*Nil*	*1.83*	*5,019.00*	*1,633.93*	*Nil*	*Nil*	*204.15*	*Nil*	*Nil*	*0.02*	*(24.35)*	*Nil*	*0.83*	*1,812.92*	*3,206.08*
8. Furniture and Fixtures	97.14	Nil	18.91	0.90	Nil	Nil	0.07	2.59	114.43	40.51	0.58	Nil	8.60	Nil	Nil	Nil	Nil	0.01	2.31	47.39	67.04
	76.62	*3.81*	*18.55*	*Nil*	*Nil*	*Nil*	*(0.05)*	*1.79*	*97.14*	*38.02*	*Nil*	*1.62*	*7.70*	*Nil*	*Nil*	*0.25*	*(5.27)*	*(0.07)*	*1.74*	*40.51*	*56.63*
9. Office Equipment	123.19	0.15	10.45	Nil	Nil	Nil	0.41	3.27	130.93	64.74	Nil	0.02	10.18	Nil	Nil	Nil	Nil	0.11	1.73	73.32	57.61
	108.60	*6.71*	*11.55*	*Nil*	*Nil*	*Nil*	*0.20*	*3.87*	*123.19*	*53.06*	*Nil*	*5.72*	*10.24*	*Nil*	*Nil*	*0.25*	*(1.71)*	*0.03*	*2.85*	*64.74*	*58.45*
10. Motor Vehicles, Launches, Barges, etc	102.72	Nil	14.63	0.02	0.89	Nil	0.33	11.00	107.59	46.80	0.02	Nil	11.97	Nil	Nil	Nil	Nil	0.16	6.27	52.68	54.91
	98.66	*3.01*	*16.59*	*Nil*	*Nil*	*Nil*	*0.01*	*15.55*	*102.72*	*53.79*	*Nil*	*1.27*	*9.94*	*Nil*	*Nil*	*0.96*	*(8.53)*	*0.04*	*10.67*	*46.80*	*55.92*
11. Ships	1,053.45	Nil	0.20	Nil	Nil	Nil	106.76	Nil	1,160.41	81.42	Nil	Nil	49.58	Nil	Nil	Nil	Nil	7.75	Nil	138.75	1,021.66
	991.64	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*61.81*	*Nil*	*1,053.45*	*34.73*	*Nil*	*Nil*	*44.58*	*Nil*	*Nil*	*Nil*	*Nil*	*2.11*	*Nil*	*81.42*	*972.03*
12. Helicopters	36.86	Nil	0.14	Nil	Nil	Nil	Nil	Nil	37.00	14.53	Nil	Nil	3.14	Nil	Nil	Nil	Nil	Nil	Nil	17.67	19.33
	36.73	*Nil*	*0.13*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*36.86*	*11.34*	*Nil*	*Nil*	*3.19*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*14.53*	*22.33*
13. Mine Property	1,370.07	Nil	76.40	Nil	Nil	Nil	269.54	Nil	1,716.01	656.87	Nil	Nil	116.94	Nil	Nil	Nil	Nil	196.86	Nil	970.67	745.34
	131.64	*31.68*	*327.43*	*Nil*	*910.05*	*Nil*	*64.62*	*95.35*	*1,370.07*	*88.76*	*Nil*	*4.52*	*260.11*	*311.64*	*Nil*	*Nil*	*Nil*	*24.66*	*32.82*	*656.87*	*713.20*
14. Deferred Exploration Cost	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	910.05	*Nil*	*Nil*	*Nil*	*(910.05)*	*Nil*	*Nil*	*Nil*	*Nil*	*311.64*	*Nil*	*Nil*	*Nil*	*(311.64)*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
15. Infrastucture Facilities	885.47	Nil	118.88	Nil	0.13	Nil	88.54	1.02	1,091.99	280.71	Nil	Nil	73.18	Nil	Nil	Nil	Nil	27.76	0.76	380.89	711.10
	370.86	*0.92*	*491.93*	*Nil*	*Nil*	*Nil*	*21.76*	*Nil*	*885.47*	*235.73*	*Nil*	*0.41*	*30.69*	*Nil*	*Nil*	*Nil*	*Nil*	*14.49*	*0.61*	*280.71*	*604.76*
16. Ports	170.23	Nil	2.35	Nil	Nil	Nil	17.22	Nil	189.80	29.18	Nil	Nil	9.96	Nil	Nil	Nil	Nil	2.85	Nil	41.99	147.81
	Nil	*159.18*	*19.48*	*Nil*	*Nil*	*Nil*	*(8.43)*	*Nil*	*170.23*	*Nil*	*Nil*	*25.58*	*5.72*	*Nil*	*Nil*	*Nil*	*Nil*	*(2.12)*	*Nil*	*29.18*	*141.05*
(ii) Assets taken on Lease:																					
1. Leased Plant and Machinery	917.86	Nil	90.41	Nil	(310.56)	Nil	95.90	1.66	791.95	248.34	Nil	Nil	216.05	(177.21)	Nil	Nil	Nil	24.85	1.66	310.37	481.58
	812.90	*Nil*	*426.41*	*Nil*	*(370.94)*	*Nil*	*50.54*	*1.05*	*917.86*	*273.23*	*Nil*	*Nil*	*167.55*	*(209.46)*	*Nil*	*Nil*	*Nil*	*17.02*	*Nil*	*248.34*	*669.52*
2. Leased Motor Vehicles	7.76	0.27	Nil	Nil	Nil	Nil	0.02	0.07	7.98	2.28	Nil	0.03	0.01	Nil	Nil	Nil	Nil	Nil	0.04	2.28	5.70
	1.29	*6.30*	*0.18*	*Nil*	*Nil*	*Nil*	*(0.01)*	*Nil*	*7.76*	*1.17*	*Nil*	*0.86*	*0.25*	*Nil*	*Nil*	*Nil*	*Nil*	***	*Nil*	*2.28*	*5.48*
TOTAL TANGIBLE ASSETS	**50,145.64**	**218.00**	**2,691.71**	**234.98**	**Nil**	**3.35**	**1,496.51**	**137.99**	**54,652.20**	**14,750.36**	**7.59**	**56.01**	**2,706.40**	**Nil**	**Nil**	**Nil**	**Nil**	**451.14**	**114.34**	**17,857.16**	**36,795.04**
2012-2013	*33,128.26*	*434.51*	*14,354.32*	*Nil*	*Nil* **	*1,540.99*	*887.66*	*200.10*	*50,145.64*	*10,543.15*	*Nil*	*138.89*	*2,252.54*	*Nil* **	*1,157.59*	*842.58*	*(219.80)*	*149.25*	*113.84*	*14,750.36*	*35,395.28*

Notes:
- $ Buildings include ₹ '*' being cost of ordinary shares in co-operative housing societies.
- # Consequent to acquisition of Subsidiary - AES Saurashtra Windfarms Limited and Jointly Controlled Entity - Adjaristsqali Netherlands B.V.
  During the Prevision year, consequent to acquisition of Subsidiary - Tata Power Solar Systems Limited and Jointly Controlled Entities - PT Mitratama Perkasa and PT Baramulti Suksessarana Tbk.
- ## Pertains to Revaluation of Assets. Refer Note 2.2.
- ** On account of reclassification of deferred stripping cost to deferred exploration cost.
- @@ Pertains to depreciation written back in respect of earlier years. Refer Note 2.3.
- * Denotes figures below ₹ 50,000/-.
  Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

13. Fixed Assets (*Contd.*)

₹ crore

	GROSS BLOCK								AMORTISATION AND IMPAIRMENT							NET BLOCK
	As at 1st April, 2013	Acquired during the year #	Additions	Reclassification	Borrowing cost capitalised	Effect of foreign currency exchange difference / Translation Adjustments	Deductions	As at 31st March, 2014	As at 1st April, 2013	Acquired during the year #	For the year	Impairment losses recognised	Translation Adjustments	Deductions	As at 31st March, 2014	As at 31st March, 2014
(b) INTANGIBLE ASSETS:																
1. Technical Know-How and Prototypes !	33.35	Nil	28.14	Nil	Nil	Nil	Nil	61.49	24.22	Nil	4.50	Nil	Nil	Nil	28.72	32.77
	25.97	*4.63*	*3.94*	*Nil*	*Nil*	*Nil*	*1.19*	*33.35*	*17.46*	*4.63*	*2.17*	*Nil*	*Nil*	*0.04*	*24.22*	*9.13*
2. Right to Use Assets	201.43	Nil	2.74	Nil	Nil	Nil	Nil	204.17	33.63	Nil	8.10	Nil	Nil	Nil	41.73	162.44
	193.38	*Nil*	*8.05*	*Nil*	*Nil*	*Nil*	*Nil*	*201.43*	*18.49*	*Nil*	*7.72*	*7.42*	*Nil*	*Nil*	*33.63*	*167.80*
3. Licences $$	1.04	Nil	Nil	Nil	Nil	Nil	Nil	1.04	0.55	Nil	0.09	Nil	Nil	Nil	0.64	0.40
	1.04	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*1.04*	*0.50*	*Nil*	*0.05*	*Nil*	*Nil*	*Nil*	*0.55*	*0.49*
4. Computer Software $$	87.25	0.01	28.39	Nil	Nil	Nil	0.03	115.62	30.84	Nil	13.88	Nil	Nil	0.01	44.71	70.91
	63.18	*1.04*	*26.00*	*Nil*	*0.33*	*(0.01)*	*3.29*	*87.25*	*23.17*	*0.79*	*9.63*	*Nil*	*	*2.75*	*30.84*	*56.41*
TOTAL INTANGIBLE ASSETS	**323.07**	**0.01**	**59.27**	**Nil**	**Nil**	**Nil**	**0.03**	**382.32**	**89.24**	**Nil**	**26.57**	**Nil**	**Nil**	**0.01**	**115.80**	**266.52**
2012-2013	*283.57*	*5.67*	*37.99*	*Nil*	*0.33*	*(0.01)*	*4.48*	*323.07*	*59.62*	*5.42*	*19.57*	*7.42*	*Nil*	*2.79*	*89.24*	*233.83*

Notes: ! Internally generated intangible assets.

\# Consequent to acquisition of Subsidiary - AES Saurashtra Windfarms Limited and Jointly Controlled Entity - Adjaristsqali Netherlands B.V.
During the Prevision year, consequent to acquisition of Subsidiary - Tata Power Solar Systems Limited and Jointly Controlled Entites - PT Mitratama Perkasa and PT Baramulti Suksessarana Tbk.

* Denotes figures below ₹ 50,000/-.

$$ Other than internally generated intangible assets.

Depreciation/Amortisation for the year:

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Depreciation for the year before adjustments	2,706.40	*2,252.54*
Less: Adjustment - written back of Previous Years (Refer Note 2.2)	Nil	*219.80*
Less: Amount transfer from Revaluation Reserve (Refer Note 2.2)	2.60	*Nil*
Add: Amortisation for the year	26.57	*19.57*
Less: Depreciation charged off to Capital Work-in-Progress and Inventories	0.75	*0.62*
Total	**2,729.62**	***2,051.69***

Impairment for the year:

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Impairment on Tangible Assets	Nil	*842.58*
Impairment on Intangible Assets	Nil	*7.42*
Total	**Nil**	***850.00***

Notes forming part of the Consolidated Financial Statements

14. Non-current Investments

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
A. Trade Investments (valued at cost less diminution other than temporary, if any)		
Equity Shares fully Paid-up (unless otherwise stated)		
(i) Investment in Others (Quoted)	214.12	194.42
(ii) Investment in Others (Unquoted)	61.45	55.82
	275.57	250.24
Less: Provision for diminution in value of Investments other than temporary	262.73	193.82
	12.84	56.42
(iii) Investment in Associates (Unquoted)	384.89	348.02
	397.73	404.44
B. Other Investments		
1. Statutory Investments		
a. Contingencies Reserve Fund Investments		
Government Securities (Unquoted)	77.53	60.03
b. Deferred Taxation Liability Fund Investments		
Government Securities (Unquoted)	279.58	269.83
	357.11	329.86
2. Other investments		
a. Equity Shares fully Paid-up (unless otherwise stated)		
(i) Investment in Others (Quoted)	472.17	472.17
(ii) Investment in Others (Unquoted) #	786.52	786.52
	1,258.69	1,258.69
Less : Provision for diminution in value of Investments other than temporary	1.81	1.81
	1,256.88	1,256.88
(iii) Investment in Associates (Unquoted)	668.70	665.23
Less: Provision for diminution in value of Investments other than temporary	13.73	13.73
	654.97	651.50
b. Preference shares fully Paid-up		
(i) Investment in Associates (Unquoted)	12.00	Nil
(ii) Investment in Others (Unquoted)	0.05	0.05
	12.05	0.05
Less: Provision for diminution in value of Investments other than temporary	0.05	0.05
	12.00	Nil
c. Government Securities (Unquoted)	0.03	0.03
	1,923.88	1,908.41
Total	**2,678.72**	**2,642.71**
Notes :		
1. Aggregate of Quoted Investments		
Cost	686.29	666.59
Less: Provision for diminution in value of Investments other than temporary	202.57	168.25
Aggregate amount of Quoted Investments (Net)	**483.72**	**498.34**
Market value	768.09	651.58
2. Aggregate of Unquoted Investments		
Cost	2,270.75	2,185.53
Less: Provision for diminution in value of Investments other than temporary	75.75	41.16
Aggregate amount of Unquoted Investments (Net)	**2,195.00**	**2,144.37**

Refer Note 35(c)

Notes forming part of the Consolidated Financial Statements

15. Loans and Advances

	As at 31st March, 2014 Long -term ₹ crore	As at 31st March, 2014 Short-term ₹ crore	*As at 31st March, 2013 Long -term ₹ crore*	*As at 31st March, 2013 Short-term ₹ crore*
(a) Capital Advances				
Unsecured,considered good	480.89	Nil	*485.11*	*Nil*
Doubtful	0.66	Nil	*0.64*	*Nil*
	481.55	Nil	*485.75*	*Nil*
Less: Provision for Doubtful Advances	0.66	Nil	*0.64*	*Nil*
	480.89	Nil	*485.11*	*Nil*
(b) Security Deposits				
Unsecured,considered good	640.18	26.33	*558.00*	*26.75*
Doubtful	22.47	2.44	*15.15*	*2.25*
	662.65	28.77	*573.15*	*29.00*
Less: Provision for Doubtful Deposits	22.47	2.44	*15.15*	*2.25*
	640.18	26.33	*558.00*	*26.75*
(c) Other Loans and Advances - Associates/Joint-Ventures				
Unsecured, considered good	Nil	Nil	*Nil*	*8.50*
Doubtful	1.27	Nil	*1.27*	*Nil*
	1.27	Nil	*1.27*	*8.50*
Less: Provision for Doubtful Advances	1.27	Nil	*1.27*	*Nil*
	Nil	Nil	*Nil*	*8.50*
(d) Advance Income-tax (Net)				
Unsecured, considered good	143.79	26.86	*113.72*	*0.02*
(e) MAT Credit entitlement				
Unsecured,considered good	46.51	Nil	*134.82*	*Nil*
(f) Balance with Government Authorities				
Unsecured, considered good				
Advances	Nil	16.32	*Nil*	*9.81*
VAT/Sales Tax Receivable	17.35	2,306.62	*35.89*	*2,155.07*
	17.35	2,322.94	*35.89*	*2,164.88*
(g) Inter-corporate Deposits with HDFC Limited				
Unsecured, considered good	Nil	Nil	*Nil*	*337.75*
(h) Other Loans And Advances				
Unsecured, considered good				
Loans to Employees	16.86	3.49	*18.11*	*7.53*
Prepaid Expenses	28.96	141.69	*3.51*	*113.99*
Unamortised Option Premium	16.97	110.74	*47.72*	*73.30*
Advances to Vendors	137.57	417.25	*206.97*	*185.62*
Other Advances	0.27	277.40	*Nil*	*381.57*
Doubtful	6.10	6.75	*2.11*	*7.04*
	206.73	957.32	*278.42*	*769.05*
Less: Provision for Doubtful Advances	6.10	6.75	*2.11*	*7.04*
	200.63	950.57	*276.31*	*762.01*
Total	**1,529.35**	**3,326.70**	***1,603.85***	***3,299.91***

Notes forming part of the Consolidated Financial Statements

16. Other Non-current Assets

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
(a) Long-term Trade Receivables		
Unsecured, considered good		
Trade Receivables - Regulatory Assets	6,717.10	*6,816.54*
Trade Receivables from Contracts	4.37	*7.54*
Trade Receivables from Others	187.97	*193.98*
	6,909.44	*7,018.06*
(b) Others		
Ancillary Borrowing Cost	98.76	*116.54*
Deferred Stripping Costs	23.88	*14.39*
	122.64	*130.93*
Total	**7,032.08**	***7,148.99***

17. Current Investments

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
A. Current Portion of Long-term Investments		
Trade Investments (valued at cost less diminution other than temporary, if any)		
Other Investments		
Statutory Investments		
(i) Contingencies Reserve Fund Investments		
Government Securities (Unquoted)	Nil	*10.00*
(ii) Deferred Taxation Liability Fund Investments		
Government Securities (Unquoted)	Nil	*10.00*
Total - Current Portion of Long-term Investments	Nil	*20.00*
B. Other Current Investment (valued at lower of cost and fair value)		
Mutual Funds (Unquoted)	340.54	*457.40*
Total	**340.54**	***477.40***
Aggregate amount of Unquoted Investments	340.54	*477.40*

Reconciliation for disclosure as per Accounting Standard 13

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
Long-term Investments		
Non-current Investments (Refer Note 14)	2,678.72	*2,642.71*
Current portion of Long-term Investments (Refer Note 17)	Nil	*20.00*
	2,678.72	*2,662.71*
Current Investments		
Other Current Investments (Refer Note 17)	340.54	*457.40*
Total	**3,019.26**	***3,120.11***

Notes forming part of the Consolidated Financial Statements

18. Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Raw Materials	103.39	*57.76*
Work-in-Progress	19.16	*3.33*
Finished Goods	458.43	*558.01*
Stock-in-Trade - Shares	12.86	*13.64*
Stores and Spare Parts	475.20	*431.04*
Fuel - Stores	886.35	*838.53*
Fuel-in-Transit	75.74	*87.70*
Loose Tools	1.62	*0.98*
Property under Development	40.52	*35.52*
Total	**2,073.27**	***2,026.51***

19. Trade Receivables

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
Trade Receivables outstanding for period exceeding six months from the date they were due for payment		
Considered good	124.97	*160.45*
Considered doubtful	196.60	*208.04*
	321.57	*368.49*
Less: Provision for Doubtful Trade Receivables	196.60	*208.04*
	124.97	*160.45*
Other Trade Receivables		
Considered good	4,417.64	*3,144.56*
Considered doubtful	17.06	*17.21*
	4,434.70	*3,161.77*
Less: Provision for Doubtful Trade Receivables	17.06	*17.21*
	4,417.64	*3,144.56*
Total	**4,542.61**	***3,305.01***

20. Cash and Bank Balances

	As at 31st March, 2014 ₹ crore	*As at 31st March, 2013 ₹ crore*
(A) Cash and Cash Equivalents:		
(i) Cash on Hand	13.26	*1.55*
(ii) Cheques on Hand	41.56	*64.55*
(iii) Balances with Banks:		
(a) In Current Accounts	706.00	*710.32*
(b) In Deposit Accounts (remaining maturity of three months or less)	637.23	*1,013.21*
Cash and Cash Equivalents as per AS-3 Cash Flow Statements	1,398.05	*1,789.63*
(B) Other Balances with Banks:		
(i) In Earmarked Accounts-		
Unclaimed Dividend Account	10.74	*10.03*
In Deposit Accounts as security for guarantees issued/ loan availed	144.28	*166.97*
(ii) In Deposit Accounts (remaining maturity of more than three months but not more than twelve months)	Nil	*21.32*
(iii) In Deposit Accounts (remaining maturity of more than twelve months)	1.94	*1.94*
	156.96	*200.26*
Total	**1,555.01**	***1,989.89***

Notes forming part of the Consolidated Financial Statements

21. Other Current Assets

	As at 31st March, 2014 ₹ crore	As at 31st March, 2013 ₹ crore
(a) Unbilled Revenue	440.92	*416.37*
(b) Regulatory Assets	1,024.86	*548.16*
(c) Accruals		
Interest accrued on Deposits	3.54	*25.88*
Interest accrued on Investments	6.12	*6.29*
(d) Others		
Receivable on sale of Fixed Assets	Nil	*0.62*
Assets held for Disposal	Nil	*2.55*
Ancillary Borrowing Cost	17.21	*17.29*
Mark-to-Market (MTM) Forward Contracts	3.92	*3.36*
Insurance Claim Receivable	12.47	*30.88*
Other Receivables	13.71	*Nil*
Total	**1,522.75**	***1,051.40***

22. Revenue from Operations

	For the year ended 31st March, 2014 ₹ crore	For the year ended 31st March, 2013 ₹ crore
(a) Revenue from Power Supply and Transmission Charges	23,772.56	*21,260.25*
Less: Cash Discount	154.86	*110.60*
Add: Income to be recovered in future tariff determination (Net)	966.70	*1,856.05*
Add: Income to be recovered in future tariff determination (Net) in respect of earlier years	300.00	*104.72*
	24,884.40	*23,110.42*
Less: Revenue Capitalised	Nil	*87.77*
	24,884.40	*23,022.65*
(b) Sale of Coal	8,849.64	*8,636.37*
(c) Revenue from Contracts		
Project/Operation Management Services	48.05	*23.15*
Solar Products	912.82	*459.59*
Electronic Products	414.24	*371.50*
	1,375.11	*854.24*
(d) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	11.65	*10.79*
Charter Hire	99.28	*113.27*
Income in respect of Services Rendered	181.23	*153.16*
Transfer from Capital Grants/Consumers Contribution	26.19	*26.04*
Sale of Renewable Energy Certificates	15.41	*9.13*
Income from Storage and Terminalling	13.37	*12.95*
Compensation (Net)	0.01	*24.72*
Miscellaneous Revenue and Sundry Credits	135.06	*140.84*
Sale of Fly Ash	6.90	*6.03*
Delayed Payment Charges	24.91	*31.72*
Sale of Carbon Credits	13.86	*Nil*
Provision for doubtful debts and advances written back (Net)	5.82	*Nil*
Profit on sale/retirement of assets (Net)	0.44	*Nil*
Sale of Stock of Shares	1.36	*0.15*
Dividend from Non-current Investments	3.62	*4.26*
Dividend from Current Investments	0.86	*0.25*
Interest on Inter-corporate Deposits	0.22	*0.68*
Dividend from Shares treated as Stock-in-Trade	0.66	*0.39*
Profit on sale of Non-current Investments	26.38	*Nil*
Profit on sale of Current Investments	0.02	*2.17*
	567.25	*536.55*
Less: Revenue Capitalised	8.06	*7.71*
	559.19	*528.84*
	35,668.34	*33,042.10*
Less: Excise Duty	19.64	*16.67*
Total	**35,648.70**	***33,025.43***

Notes forming part of the Consolidated Financial Statements

23. Other Income

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
(a) Interest Income		
Interest on Bank Deposits	74.57	*104.89*
Interest from Inter-corporate Deposits	12.81	*49.50*
Interest on Fuel Adjustment Charges Recoverable from Consumers	3.86	*20.53*
Interest on Overdue Trade Receivables	30.64	*40.91*
Interest on Income-tax Refund	0.79	*5.75*
Interest on Non-current Investments - Contingency Reserve Fund	5.62	*6.76*
Interest on Non-current Investments - Deferred Tax Liability Fund	21.15	*19.60*
Interest on Non-current Trade Investments - Associates	Nil	*0.16*
Other Interest	5.86	*10.32*
	155.30	*258.42*
Less: Interest Income Capitalised	0.44	*12.71*
	154.86	*245.71*
(b) Dividend Income		
From Current Investments - Others	7.99	*5.19*
From Long-term Investments - Others	9.84	*8.35*
	17.83	*13.54*
Less: Dividend Income Capitalised	1.07	*1.61*
	16.76	*11.93*
(c) Profit/(Loss) on Sale of Investments		
Current Investments	45.90	*69.29*
Long-term investments (Net)	Nil	*2.15*
	45.90	*71.44*
(d) Other Non-operating Income		
Discount amortised/accrued on Bonds (Net)	0.26	*0.14*
Miscellaneous Income	0.03	*32.97*
Commission Earned	5.83	*6.18*
Leave and License Fees	1.36	*0.83*
Other Income	2.26	*Nil*
	9.74	*40.12*
Total	**227.26**	***369.20***

Notes forming part of the Consolidated Financial Statements

24. Raw Materials Consumed and (Increase)/Decrease in Work-in-Progress/Finished Goods/Stock-in-Trade

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Raw Materials Consumed		
Opening Stock	57.76	*42.98*
Add: Purchases	767.51	*363.36*
Add: On acquistion of a subsidiary	Nil	*38.16*
	825.27	*444.50*
Less: Closing Stock	103.39	*57.76*
Total	**721.88**	***386.74***
(Increase)/Decrease in Work-in-Progress/Finished Goods/Stock-in-Trade		
Work-in-Progress		
Inventory at the beginning of the year	3.33	*8.34*
Add: On acquistion of a subsidiary	Nil	*1.49*
	3.33	*9.83*
Less: .Inventory at the end of the year	19.16	*3.33*
	(15.83)	*6.50*
Finished Goods		
Inventory at the beginning of the year	558.01	*360.75*
Add: On acquistion of a subsidiary and joint venture	Nil	*37.38*
Add / (Less): Exchange Fluctuation	46.24	*(122.69)*
	604.25	*275.44*
Less:.Inventory at the end of the year	458.43	*558.01*
	145.82	*(282.57)*
Stock-in-Trade - Shares		
Inventory at the beginning of the year	13.64	*14.59*
Less:.Inventory at the end of the year	12.86	*13.64*
	0.78	*0.95*
Total	**130.77**	***(275.12)***

25. Employee Benefits Expense

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Salaries and Wages	1,235.42	*1,137.78*
Contribution to Provident Fund	42.25	*39.63*
Contribution to Superannuation Fund	10.26	*10.14*
Retiring Gratuities	14.61	*37.63*
Leave Encashment Scheme	16.43	*38.79*
Pension Scheme	2.70	*59.36*
Staff Welfare Expenses	161.03	*150.47*
	1,482.70	*1,473.80*
Less:		
Employee Cost Capitalised	121.51	*136.56*
Employee Cost Inventorised	11.84	*14.29*
	133.35	*150.85*
Total	**1,349.35**	***1,322.95***

Notes forming part of the Consolidated Financial Statements

26. Finance Costs

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
(a) Interest Expense on:		
Borrowings		
Interest on Debentures	359.86	*291.09*
Interest on - Euro Notes and FCCB	68.46	*60.75*
Interest on Fixed Period Loans - Others	2,648.36	*2,646.61*
Others		
Interest on Consumer Security Deposits	43.70	*42.18*
Other Interest and Commitment Charges	132.48	*57.40*
	3,252.86	*3,098.03*
Less: Interest Capitalised	112.31	*586.30*
	3,140.55	*2,511.73*
(b) Other Borrowing Costs		
Derivative Premium	62.13	*109.27*
Other Finance Costs	239.32	*83.27*
	301.45	*192.54*
Less: Other Borrowing Costs Capitalised	2.10	*62.58*
	299.35	*129.96*
Total	**3,439.90**	***2,641.69***

27. Other Expenses

	For the year ended 31st March, 2014 ₹ crore	*For the year ended 31st March, 2013 ₹ crore*
Stores, Oil, etc. consumed (excluding ₹ 59.04 crore on repairs and maintenance - *Previous Year - ₹ 88.93 crore*)	155.08	*134.26*
Rental of Land, Buildings, Plant and Equipment, etc.	380.75	*146.26*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	151.77	*91.69*
(ii) To Machinery and Hydraulic Works	856.36	*829.41*
(iii) To Furniture, Vehicles, etc.	102.59	*76.15*
	1,110.72	*997.25*
Rates and Taxes	92.82	*76.73*
Insurance	109.28	*83.95*
Travelling Expenses	60.77	*62.03*
Other Operation Expenses	301.54	*379.12*
Freight and Handling Charges	42.85	*59.40*
Auditors' Remuneration	10.55	*9.93*
Cost of Services Procured	148.85	*166.58*
Warranty Charges	17.61	*15.13*
Ash Disposal Expenses	65.02	*30.28*
Bad Debts	16.62	*0.61*
Provision for Diminution in Value of Investments (Net)	50.02	*68.56*
Provision for Doubtful Debts and Advances (Net)	Nil	*49.09*
Provision for Contingencies	(7.00)	*1.43*
Provision for Future Forseeable Losses	0.17	*Nil*
Loss on Sale/Retirement of Assets (Net)	Nil	*8.09*
Miscellaneous Expenses	413.87	*315.15*
Consultants' Fees	44.97	*59.16*
Donations	3.09	*1.84*
Loss on Foreign Currency Transaction and Translation (Net)	789.12	*187.64*
Legal Charges	34.24	*33.79*
Marketing Expenses	756.01	*748.10*
Transfer of Revenue Expenses to Capital	(23.31)	*(105.49)*
Total	**4,573.64**	***3,528.89***

Notes forming part of the Consolidated Financial Statements

28. In the case of MPL, the Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipts of the mega power certificate, the Company remains liable to pay Excise and Customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid Excise duty to its vendors aggregating to ₹ 119.36 crore *(31st March, 2013 - ₹ 106.70 crore)* upto 31st March, 2014. Out of total payment of Excise duty to vendors ₹ 119.05 crore (net of receipts) *(31st March, 2013 - ₹ 106.39 crore)* had been capitalised and the balance amount of ₹ 0.31 crore *(31st March, 2013 - ₹ 0.31 crore)* is included in capital work-in-progress as at 31st March, 2014.

29. In an earlier year, the Parent Company had commissioned its 120 MW Unit 4 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.

30. 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.

31. Coal Company's Agreements:

(a) Coal Company's Long-term Agreements:

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 Companies commenced its 30-year operating period on 1st October, 1989 and 1st January, 1992 respectively.

Exploitation License:

In the case of BSSR, the Company obtained Mining Authorization of Coal Exploitation for 12 years, which is valid from 11th April, 2006 to 11th April, 2018.

Operation Production License:

The Company obtained approval for the change of its Mining Authorisation of Exploitation to become Mining Right ("IUP") of Operation Production for 8 years, commencing from 13th April, 2010 upto 11th April, 2018.

(b) Coal Companiy's Sale Agreement:

The Group, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies. As per the terms of the agreement, it is proposed to sell its stake in these companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The completion of the sale transaction is conditional upon the satisfaction or waiver of certain conditions, obtaining requisite consents and certain restructuring actions and accordingly, not made any adjustments in the financial statements as at 31st March, 2014. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date.

32. (a) Revenue recognition arising out of CERC order:

Coastal Gujarat Power Limited (CGPL) had implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP") and commenced commercial operations in its all five Units of 800 MW each.

CGPL had made an application to the Central Electricity Regulatory Commission (CERC) for evolving a mechanism to compensate the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia.

The CERC has, after considering the recommendations of a committee appointed for the purpose (which comprised of experts from various disciplines like Legal, Banking, Finance, Technical and Procurers, the deliberations of which extended over several months) vide its order dated 21st February, 2014, decided that Company is entitled to compensatory tariff from 1st April, 2012 over and above the tariff agreed under the PPA with the procurers till the hardship on account of Indonesian regulations persists.

Subsequent to the above CERC order, the procurers have not commenced payment of bills raised by the CGPL and have challenged the order as also filed appeals with APTEL for grant of stay on the enforcement of the CERC order. As of date, APTEL has neither granted the stay nor passed any other order.

CGPL has been legally advised that it has a good arguable case. However, in view of the appeal as mentioned above and considering that the amounts associated are significant, the CGPL has not recognized aggregate revenue of ₹ 1,019.06 crore towards compensatory tariff for the period from 1st April, 2012 to 31st March, 2014.

(b) Impairment of Assets:

In terms of the 25 year Power Purchase Agreement (PPA), the CGPL is entitled to charge 45 percent of escalation of the cost of coal from the procurers of its power.

As at 31st March, 2014, CGPL had in pursuance of Accounting Standard-28 (AS-28) – "Impairment of Assets", reassessed impairment of its Mundra UMPP, having regard to the upward revision in the fuel prices, exchange rates variation, operating parameters and compensatory tariff.

Based on assessment as at 31st March, 2013, CGPL had accounted an impairment loss of ₹ 2,650.00 crore in respect of its Mundra UMPP, which had been recognised as an exceptional item-Impairment loss in the Statement of Profit and Loss.

For estimating the Mundra UMPP value in use it is necessary to project future cash flows of Mundra UMPP over its estimated useful life.

The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel prices, exchange rate variation, operating parameters and compensatory tariff that would impact future cash flows and has concluded that no further provision for impairment for the year ended 31st March, 2014 in CGPL is necessary on this account *(provision made ₹ 850.00 crore for the year ended 31st March, 2013)*. In view of the pending appeals relating to compensatory tariff, the Management has not considered the effect of compensatory tariff in evaluation of provision for impairment. The legal proceedings and the underlying assumptions will be monitored on a periodic basis by the Management and appropriate adjustments will be made.

The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in the current year is 10.61 percent per annum *(previous year 10.57 percent per annum)*.

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Consequent to the impairment loss in respect of Mundra UMPP, certain covenants governing the loans borrowed for construction of the project have not been met. No notice has been served by the lenders, declaring the loans taken as immediately due and payable. CGPL had received waiver from compliance of the covenants upto 30th June, 2013. Further, CGPL has sought revision in certain terms of Financing Agreements and extending of existing waivers. Accordingly, loans aggregating to ₹ 11,471.50 crore are considered to be long-term borrowings (including current maturities of long-term borrowings of ₹ 722.15 crore).

33. (a) The Group has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crore *(31st March, 2013 - ₹ 735.48 crore)*. Based on the accounts for the year ended 31st March, 2013, TTSL has accumulated losses which has completely 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.

(b) The Group has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore *(31st March, 2013 - ₹ 22.50 crore)*. Based on the accounts for the year ended 31st March, 2013, HPL 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.

(c) The Group has an investment in Taj Air Limited (TAL) of ₹ 4.20 crore *(31st March, 2013 - ₹ 4.20 crore)*, TAL has accumulated losses as at 31st March, 2013, based on audited accounts for March, 2013, which has significantly eroded its net worth. In the opinion of the Management, having regard to the long term nature of its business and proposed restructuring plan by Management of TAL, at this point of time there is no diminution other than temporary, in the value of the investment.

(d) In case of Mandakini Coal Company Limited (MCCL) and Tubed Coal Mines Limited (TCML), jointly controlled entities of the Group, the Parent Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the coal blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Group is of the view that, in case of MCCL notice will be withdrawn considering the progress made in land acquisition and obtaining various clearances for development of the coal blocks and in case of TCML, the interim order of the High Court in which the decision for de-allocation of coal block have been kept on hold.

34. Commitments:

(a) Capital Commitments (net of capital advance):

(i) Capital commitments not provided for are estimated at ₹ 3,345.81 crore *(31st March, 2013 - ₹ 2,799.31 crore)*.

(ii) In the case of Associates, capital commitments not provided for are estimated at ₹ 3.12 crore *(31st March, 2013 - ₹ 0.33 crore)*.

(b) Uncalled liability on Shares and Other Investment partly paid:

(i) Uncalled liability on partly paid up shares - ₹ Nil *(31st March, 2013 - ₹ 13.42 crore)*.

(ii) In case of TERL, commitment for purchase of investment ₹ Nil in Sunengy Pty. Ltd *(31st March, 2013 - ₹ 0.36 crore)*.

(iii) In case of TPIPL, commitment for purchase of investment ₹ 0.34 crore in Sunengy Pty. Ltd *(31st March, 2013 - ₹ Nil)*.

(c) Other Commitments:

(i) (a) 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, 2014, 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.

(b) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Ltd. (PFL), an associate of the Parent Company, with the Government of India, PFL 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 Communication Limited (TCL). The Parent Company has till date acquired 1,34,22,037 shares of TCL from PFL. 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 PFL to bear the "Surplus Land" obligation pertaining to these shares.

(ii) The Parent Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings amounting to ₹ 635.13 crore *(31st March, 2013 - ₹ 721.22 crore)*.

(iii) In the case of CGPL, in terms of the Port Service Agreement valid upto 31st March, 2040, CGPL is required to pay fixed handling charges amounting to ₹ 138.00 crore per annum escalable as per CERC notification and variable port handling charges for handling a certain minimum tonnage of coal for its Mundra UMPP. In the event of a default which subsists for over one year, the Port Operator shall be entitled to suspend all its services under the agreement without terminating the agreement and all amount outstanding shall be payable by CGPL.

(iv) In the case of TPSSL, Vendor purchase commitments ₹ 245.62 crore *(31st March, 2013 - ₹ 97.71 crore)* and contracts pertaining to future post sale services ₹ 94.13 crore *(31st March, 2013 - ₹ 79.57 crore)*.

(v) AICL has on behalf of Tata Ceramics Limited (TCL), given a letter of undertaking to the rating agency that in the event of TCL not having requisite cash flows to timely service its debt obligations, AICL will make all endeavors to repay the principal and interest falling due, from its own cash flows in such manner that all the banks of TCL are repaid on or before due dates. Outstanding debt (principal and interest due) of TCL as on 31st March, 2014 amounting to ₹ 15.97 crore *(31st March, 2013 - ₹ 17.06 crore)* against this letter of undertaking.

(vi) MCCL has given an undertaking to the Chief Engineer, Minor Irrigation Department, Orissa vide letter no. MCCL/C.E. (MI)/053 dated 24.7.2010 to reimburse/compensate the cost of compensatory minor irrigation project due to loss of ayacut area of 82 Hectares of Ghasiapasi Minor Irrigation canal. The liability for the same is not determinable at present.

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35. Contingent Liabilities (to the extent not provided for):

(a) Claims against the Group not acknowledged as debts aggregating to ₹ 4,933.32 crore *(31st March, 2013 - ₹ 3,352.78 crore)* consist mainly of the following:

(i) Interest and penalty demand disputed by the Parent Company aggregating ₹ 795.55 crore *(31st March, 2013 - ₹ Nil)* relating to Entry tax claims for the financial years 2005-06, 2006-07, 2008-09 and 2009-10. The Parent Company is of the view, supported by legal opinion, that the demand can be successfully challenged.

(ii) In the case of the Group, disputes relating to power purchase agreements ₹ 878.96 crore *(31st March, 2013 - ₹ 501.62 crore)*.

(iii) Rates, Cess, Property Tax, Excise and Custom Duty claims disputed by the Group aggregating ₹ 238.18 crore *(31st March, 2013 - ₹ 121.56 crore)*.

(iv) Custom duty claims of ₹ 211.84 crore *(31st March, 2013 - ₹ 204.83 crore)* disputed by the Group relating to applicability and classification of coal [Payment made by the Group under protest against these claims of ₹ 187.97 crore *(31st March, 2013 - ₹ 187.97 crore)*].

(v) A Suit has been filed against the Parent Company claiming compensation of ₹ 20.51 crore *(31st March, 2013 - ₹ 20.51 crore)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 116.29 crore *(31st March, 2013 - ₹ 111.99 crore)*.

(vi) Way Leave fees (including interest) of ₹ 54.00 crore *(31st March, 2013 - ₹ 46.65 crore)* claims disputed by the Parent Company relating to rates charged.

(vii) Octroi claims disputed by the Parent Company aggregating to ₹ 5.03 crore *(31st March, 2013 - ₹ 5.03 crore)*, in respect of octroi exemption claimed by the Parent Company.

(viii) Other claims against the Group, not acknowledged as debts ₹ 381.11 crore *(31st March, 2013 - ₹ 168.51 crore)*.

(ix) In the case of Associates, other claims not acknowledged as debts ₹ 87.46 crore *(31st March, 2013 - ₹ 15.51 crore)* and liquidated damages amounts is indeterminable.

(x) In the case of certain jointly controlled entities, demand for royalty payment is set-off against recoverable Value Added Tax (VAT) paid on inputs for coal production aggregating to ₹ 7,147.97 crore - Group's share ₹ 2,144.39 crore *(31st March, 2013 - ₹ 7,188.58 crore - Group's share ₹ 2,156.57 crore)*. 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 Management of the Coal Companies, based on the various legal judgments, are of the view that the said amounts would be allowable as set-off.

Further, the Coal Companies are contingently liable for claims from third parties arising from the ordinary conduct of business relating to land dispute, illegal mining, mining service fees etc. which are either pending or being processed by the Courts, the outcome of which cannot be presently determined.

(xi) In the case of the Group, amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/ authorities.

(b) Other Contingent Liabilities:

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) ₹ 234.72 crore (including interest demanded ₹ 15.22 crore) *[31st March, 2013 - ₹ 145.36 crore (including interest demanded ₹ 22.90 crore)]*.

In the case of Associates, taxation matters for which liability, relating to issues of deductibility and taxability, is disputed and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed) ₹ 1.01 crore *(31st March, 2013 - ₹ 1.30 crore)*.

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/ authorities.

(c) Indirect exposures of the Group:

(i) The Parent Company has pledged 18,27,08,138 shares *(31st March, 2013 - 18,27,08,138 shares)* of TTSL with the lenders for borrowings availed.

(ii) The Parent Company's shares in Subsidiaries to the extent of 100% in PTL, 51% in CGPL, 51% in IEL, 51% in MCCL and 51% in TPREL have been pledged with the lenders for borrowings availed by the respective Subsidiaries.

(d) In the case of TPDDL, 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 (SVRS RTBF, 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.

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(ii) The Trust to pay the terminal benefits and all dues of the VSS optees and Discoms to pay to the trust an 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period.

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.

While the writ petition was pending, the Company had already advanced ₹ 77.74 crore *(31st March, 2013 - ₹ 77.74 crore)* to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits/residual pension to the Trust, the Hon'ble Delhi High Court in its above Order dated 2nd July, 2007 in WP C 4827/2005 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. As mentioned above that due to pending computation of the liability by the Arbitral Tribunal of Actuaries, the Company has paid ₹ 8.01 crore in FY 2008-09 as interest to VSS optees which is also shown as recoverable from SVRS Trust in case of option (ii). As the Company was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Company had recovered ₹ 29.71 crore *(31st March, 2013 - ₹ 29.71 crore)* and adjusted an amount of ₹ 49.76 crore *(31st March, 2013 - ₹ 40.36 crore)* from pension, leave salary and other contribution totaling to ₹ 79.47 crore *(31st March, 2013 - ₹ 70.07 crore)*, against a claim of ₹ 80.34 crore *(31st March, 2013 - ₹ 76.19 crore)* from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31st March, 2014.

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 the Statement of Profit and Loss. Consequently, pending valuation of 'Additional Contribution' to be computed by an Arbitral Tribunal of Actuaries, the Company has shown ₹ 6.28 crore *(31st March, 2013 - ₹ 15.43 crore)* as recoverable as on 31st March, 2014 and includes current portion of ₹ 1.95 crore *(31st March, 2013 - ₹ 8.28 crore)*.

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 been charged to the Statement of Profit and Loss.

(e) In respect of the Parent Company's Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2014 the accumulated interest was ₹ 195.96 crore *(31st March, 2013- ₹ 184.76 crore)* (₹ 11.20 crore for the year ended 31st March, 2014). 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 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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 crore, 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.

(f) 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 35(e) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 35(e) above.

(g) In terms of agreements entered into in 2008-09 between the Parent Company and NTT Docomo Inc. the Parent Company sold to NTT Docomo Inc. of Japan (Strategic Partner – SP), 2,72,82,177 equity shares of Tata Teleservices Ltd **("TTSL")** at ₹ 116.09 per share which resulted in a profit of ₹ 255.62 crore in the same year.

Tata Sons Limited is party to a Shareholders Agreement with NTT Docomo Inc. of Japan (Strategic Partner – SP) dated 25th March, 2009 and amended on 21st May, 2010.

The Parent Company has an "inter se" agreement with Tata Sons Limited and other Tata Group companies. Tata Sons Limited has informed the Parent Company as follows:

1. Under the terms of the Shareholders Agreement if certain performance parameters and other conditions are not met by TTSL by 31st March, 2014 the SP has an option to divest its entire shareholdings in TTSL at a price being the higher of fair value or ₹ 58.05 per share (i.e. 50 percent of the subscription price) **("Sale Price")**, subject to compliance with applicable law and regulations **("Sale Option")**.
2. Tata Sons Limited had offered other shareholders of TTSL, including the Parent Company, the option in 2008-09 to sell to the SP. If Tata Sons Limited becomes obliged to acquire the Sale Shares under the Sale Option the Parent Company can be nominated by it to acquire pro-rated proportions of the Sale Shares based on the number of shares sold by the Parent Company to the SP. On a pro rated bases the number of shares would be 13,45,95,551 shares out of the Sale Shares. The Parent Company has further agreed to reimburse Tata Sons Limited for any other indemnification claim made on Tata Sons Limited by SP on a similar proportionate basis.
3. In the wake of recent regulatory developments in India, Tata Sons Limited has considered its position relating to the possible exercise of the Sale Option under the Shareholders Agreement.
4. The Shareholders Agreement obliges Tata Sons Limited to find a buyer for the shares at the Sale Price.
5. If there is no buyer at the Sale Price, then Tata Sons Limited is obliged to acquire or procure the acquisition of such shares. These obligations are subject to compliance with applicable law and regulations.
6. No notice of exercise of the Sale Option has been received although the SP has communicated its board decision to exercise the Sale Option.
7. Pending receipt of a notice exercising the Sale Option and in view of applicable law and regulations, the exposure of the Parent Company (if any) cannot be ascertained.

The aforementioned agreements are governed by Indian Law.

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(h) In the case of TPDDL, Delhi Electricity Regulatory Commission (DERC) has issued the Order on True up for FY 2010-11, Aggregate Revenue Requirement for FY 2012-13 to FY 2014-15 and Distribution Tariff (Wheeling & Retail Supply) for FY 2012-13 ('the Order') on 13th July, 2012. While approving the power purchase cost for the FY 2010-11, DERC had allowed the power purchase cost for generation of Rithala plant at the rate equivalent to the Unscheduled Interchange rates for units generated during the time when the Company was under-drawing from the grid instead of the actual cost of generation resulting in disallowance of ₹ 7.62 crore for the FY 2010-11. Following the same approach, DERC in its true up order for FY 2011-12 issued on 31st July, 2013, has disallowed ₹ 90.19 crore. The Company has, however, not made any adjustments for disallowances based on the above mentioned principle stated in the Order. The Company has based on management estimates accounted for revenue of ₹ 7.62 crore, ₹ 88.42 crore and ₹ 49.68 crore for FY 2010-11, FY 2011-12 and for the period 1st April, 2012 to 30th September, 2012 respectively aggregating to ₹ 145.72 crore besides ₹ 39.31 crore as entitlement towards carrying cost (which includes ₹ 18.38 crore for the year ended 31 March, 2014) thus amounting to ₹ 185.03 crore,which amount is included in income adjustable from future tariff. With effect from 1st October, 2012, the scheduling of power generation at Rithala plant is being done as per the instructions/directions of State Load Dispatch Center. The Company has filed an appeal on 22nd August, 2012 and 30th September, 2013, before the Appellate Tribunal for Electricity and is of the view, supported by legal opinion that DERC's Order on power scheduled from Rithala plant can be successfully contested and has accordingly not made any adjustments in the financial statements as at 31st March, 2014. The adjustments, if any will be recorded by the Company on the final outcome of the matter.

36. In case of Parent Company:

(a) In an earlier year, the Company had provisionally determined Statutory Appropriations and adjustments to be made on Annual Performance Review as per Multi Year Tariff (MYT) Regulations, 2011 for Mumbai Licensed Area for financial year 2011-12. In view of deferment of implementation of MYT Tariffs to 1st April, 2012, as directed by MERC, revenue amounting to ₹ 155.00 crore was reversed in the previous year.

The Company had filed a petition at the Appellate Tribunal for Electricity (ATE). ATE in its Order dated 28th November, 2013 has ruled in favour of the Company for implementation of MYT tariffs effective 1st April, 2011. Accordingly, during the year ended 31st March, 2014, the Company has recognised revenues amounting to ₹ 185.00 crore for the financial year 2011-12.

(b) During the previous year, the Appellate Tribunal for Electricity (ATE) in its Order dated 31st August, 2012, had allowed the Company's claim regarding certain expenses/accounting principles which were disallowed/not recognised by MERC in earlier years in its true-up order. Accordingly, during the previous year, the Company had treated such expenses as recoverable and had recognised revenue of ₹ 142.00 crore.

(c) During the previous year, pursuant to the favourable ATE Order dated 31st August, 2012, true-up order dated 15th February, 2012 and other favourable orders received by other regulated entities in the power sector within Maharashtra, the Company had recognised revenue of ₹ 172.00 crore in respect of earlier years towards carrying cost entitlement on the regulatory assets (net) carried in the books as at 31st March, 2013.

(d) In an earlier year, Jharkhand State Electricity Regulatory Commission (JSERC) had determined the Annual Revenue Requirement (ARR) for Units 2 and 3 at Jojobera for financial year 2011-12 by treating the entire capacity as regulated under JSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2010. The Company, on the basis of legal opinions obtained, had appealed against the disallowances/deviations at the ATE.

The ATE in its Order dated 20th September, 2012, had disallowed the Company's claim. Accordingly, during the previous year, the Company had reversed revenue of ₹ 43.61 crore.

(e) During the year ended 31st March, 2014, Maharashtra Electricity Regulatory Commission (MERC) has completed truing-up for the financial year 2011-12 and issued Tariff Orders. In these Tariff Orders, MERC has allowed true-up of the claims made by the Company in respect of earlier years incorporating the impact of favourable ATE Order. Accordingly, an amount of ₹ 115.00 crore has been recognised in the financial statements for the year ended 31st March, 2014.

37. 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 crore as on 31st December, 2007. ATE in its Order dated 12th May, 2008 on appeal by R-Infra, has directed R-Infra to pay the difference in the energy charges amounting to ₹ 34.98 crore 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 Parent Company from R-Infra, ATE has directed MERC that the issue be examined afresh and after the decision of the Hon'ble 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 Hon'ble Supreme Court. The Hon'ble Supreme Court, vide its Order dated 14th December, 2009, has granted stay against ATE Order and has directed R-Infra to deposit with the Hon'ble Supreme Court, a sum of ₹ 25.00 crore and furnish bank guarantee of ₹ 9.98 crore. 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.

38. Employee Benefits:

(a) The Group makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees.

As a result of the above, a sum of ₹ 52.51 crore *(31st March, 2013 - ₹ 49.77 crore)* has been charged to the Consolidated Statement of Profit and Loss.

(b) The Group operates the following unfunded/funded defined benefit plans:

(i) Ex-Gratia Death Benefits

(ii) Retirement Gifts

(iii) Post Retirement Medical Benefits

(iv) Pension

(v) Gratuity

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(c) The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2014. The following tables set out the amounts recognised in the financial statements as at 31st March, 2014 for the above mentioned defined benefit plans:

(i) Net employee benefit expense (recognised in employee cost) for the year ended 31st March, 2014:

	31st March, 2014 ₹ crore (Funded)#	**31st March, 2014 ₹ crore (Unfunded)**	***31st March, 2013 ₹ crore (Funded)#***	***31st March, 2013 ₹ crore (Unfunded)***
Current Service Cost	29.38	6.54	*29.78*	*5.58*
Interest	33.65	6.57	*29.36*	*5.81*
Actuarial (Gain)/Loss	(32.39)	(6.45)	*54.27*	*5.66*
Past Service Cost	Nil	1.59	*Nil*	*0.35*
Settlement Cost	Nil	(0.80)	*Nil*	*Nil*
Plan Amendment	Nil	Nil	*1.05*	*0.94*
Expected Return on Plan Assets	(19.94)	Nil	*(14.23)*	*Nil*
Total Expense	10.70	7.45	*100.23*	*18.34*

Post Retirement Gratuity funded in case of Parent Company, TPDDL, CTTL, PTL, TPSSL and PKPC.

(ii) Change in the Defined Benefit Obligation/Commitments during the year ended 31st March, 2014:

	31st March, 2014 ₹ crore (Funded)#	**31st March, 2014 ₹ crore (Unfunded)**	***31st March, 2013 ₹ crore (Funded)#***	***31st March, 2013 ₹ crore (Unfunded)***
Present value of Defined Benefit Obligation as at 1st April as per books	465.37	90.56	*373.02*	*74.80*
Increase in Present value of Defined Benefit Obligation on account of acquisition	Nil	Nil	*2.92*	*2.71*
Employee Benefit Expenses	20.55	7.45	*115.08*	*17.40*
Acquisition Costs	Nil	1.37	*1.87*	*2.03*
Benefits Paid (Net)	(18.15)	(6.15)	*(22.49)*	*(6.81)*
Exchange (Gain)	(20.07)	(1.88)	*(5.03)*	*(0.51)*
Plan Amendment	Nil	Nil	*Nil*	*0.94*
Present value of Defined Benefit Obligation as at 31st March	447.70	91.35	*465.37*	*90.56*
Less: Fair Value of Plan Assets at the end of the year	277.16	Nil	*228.52*	*Nil*
Provision for Defined Benefit Obligation as at 31st March as per books	170.54	91.35	*236.85*	*90.56*

Post Retirement Gratuity funded in case of Parent Company, TPDDL, CTTL, PTL, TPSSL and PKPC.

Notes forming part of the Consolidated Financial Statements

(iii) Plan Assets:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
Fair value of Plan Assets as on 1st April	228.52	*150.27*
Increase in fair value of Plan Assets on account of acquisition	Nil	*0.52*
Expected Return on Plan Assets	19.94	*14.23*
Contribution	50.63	*69.30*
Benefits Paid	(5.39)	*(5.72)*
Actuarial (Loss)/Gain	(10.08)	*0.62*
Exchange (Loss)/Gain	(6.42)	*(0.70)*
Closing balance as on 31st March	277.20	*228.52*

The Parent Company has paid ₹ 33.00 crore to Tata Power Gratuity Fund *(31st March, 2013 - ₹ 49.60 crore)*. Of the payment of ₹ 33.00 crore, ₹ 8.00 crore towards the current year liability *(31st March, 2013 - ₹ 24.60 crore)* and ₹ 25.00 crore towards the Opening Liability *(31st March, 2013 - ₹ 25.00 crore)*. The balance of the Opening Liability to be funded over a period of 2 years.

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

	31st March, 2014	*31st March, 2013*
Discount Rate	8.40% to 9.31%	*6.09% to 8.25%*
Salary Growth Rate	6% to 11% p.a.	*6% to 12% p.a.*
Turnover Rate - Age 21 to 44 years	0.50% to 10% p.a.	*0.50% to 8% p.a.*
Turnover Rate - Age 45 years and above	0.50% to 2.50% p.a.	*0.50% to 2.50% p.a.*
Pension Increase Rate	3% p.a.	*3% p.a.*
Mortality Table (in case of Indian Companies)	Indian Assured Lives Mortality (2006-08) Ult	*LIC (1994-96) & Indian Assured Lives Mortality (2006-08) Ult*
Expected Return on Scheme Assets	7.50% to 9.25% p.a.	*7% to 9.30% p.a.*
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.

(v) The contribution expected to be made by the Group during the financial year 2014-15 has not been ascertained.

39. In respect of the contracts pertaining to the Strategic Engineering 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 ₹ 343.07 crore *(31st March, 2013 - ₹ 298.66 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2014 ₹ 343.15 crore *(31st March, 2013 - ₹ 279.73 crore)*.

(ii) Advances and progress payments received as at 31st March, 2014 ₹ 709.25 crore *(31st March, 2013 - ₹ 567.93 crore)*.

(iii) Retention money included as at 31st March, 2014 in Sundry Debtors ₹ 9.81 crore *(31st March, 2013 - ₹ 12.53 crore)*.

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2014 ₹ 402.03 crore *(31st March, 2013 - ₹ 327.46 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2014 ₹ 35.93 crore *(31st March, 2013 - ₹ 39.26 crore)*.

Notes forming part of the Consolidated Financial Statements

40. Related Party Disclosures:

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)

1) Tata Projects Ltd.
2) Nelito Systems Ltd.
3) Yashmun Engineers Ltd.
4) Tata Ceramics Ltd.

(ii) Joint Ventures-Jointly Controlled Entities (where transactions have taken place during the year)

1) Indocoal Resources (Cayman) Ltd.
2) PT Arutmin Indonesia
3) PT Kalimantan Prima Power
4) Cennergi Pty. Ltd.
5) OTP Geothermal Pte. Ltd. **
6) PT Antang Gunung Meratus **
7) Adjaristsqali Georgia LLC **

** Fellow Jointly Controlled Entities

(iii) Promoters holding together with its Subsidiary more than 20% — Tata Sons Ltd.

(b) Key Management Personnel

Anil Sardana - CEO & Managing Director
S. Ramakrishnan - Executive Director (upto 28th February, 2014)
S. Padmanabhan - Executive Director
Ramesh Subramanyam - Chief Financial Officer (from 31st March, 2014)

(c) Details of Transactions:

₹ crore

Particulars	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
Purchase of goods	-	1,899.50	-	-
	-	*1,120.75*	-	-
Purchase of fixed assets	383.89	-	-	-
	126.23	-	-	-
Rendering of services	0.10	39.35	-	-
	0.10	*30.13*	-	*0.11*
Receiving of services	12.21	-	-	0.85
	12.57	-	-	*0.50*
Brand equity contribution	-	-	-	25.38
	-	-	-	*25.80*
Remuneration paid	-	-	11.12	-
	-	-	*10.50*	-
Interest income	0.22	-	-	-
	0.84	-	-	-
Dividend received	5.01	-	-	5.34
	9.85	-	-	*5.34*
Dividend paid	-	-	-	81.36
	-	-	-	*88.44*
Inter corporate deposit given	3.50	-	-	-
	8.50	-	-	-
Inter corporate deposit repaid	12.00	-	-	-
	-	-	-	-
Purchase of preference shares	12.00	-	-	-
	-	-	-	-
Redemption of debentures	-	-	-	-
	9.37	-	-	-
Letter of undertaking given	15.97	-	-	-
	17.06	-	-	-
Letter of undertaking cancelled	17.06	-	-	-
	16.02	-	-	-

Notes forming part of the Consolidated Financial Statements

40. Related Party Disclosures: (*Contd.*)

(c) Details of Transactions *(Contd.)*:

₹ crore

Particulars	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
Balances outstanding				
Inter corporate deposit given	-	-	-	-
	8.50	-	-	-
Security deposit given	-	-	-	0.50
	-	-	-	*0.50*
Other receivables (net of provisions)	71.45	39.21	-	-
	108.27	*16.12*	-	-
Loans given (including interest thereon)	1.27	-	-	-
	1.27	-	-	-
Loans provided for as doubtful advances	1.27	-	-	-
	1.27	-	-	-
Guarantees, collaterals etc. outstanding	-	-	-	Refer Note 35(g)
	-	-	-	*Refer Note 35 (g)*
Letter of undertaking	15.97	-	-	-
	17.06	-	-	-
Preference shares outstanding	12.00	-	-	-
	-	-	-	-
Other payables	130.75	119.89	-	27.86
	31.44	*95.58*	-	*26.26*

Note: Previous year's figures are in italics.

(d) Details of material related party transactions [included under (c)] above:

(a) Joint Ventures:

₹ crore

Particulars	PT Arutmin Indonesia	Indocoal Resources (Cayman) Ltd.	PT Antang Gunung Meratus
Purchase of goods	-	1,870.11	-
	-	*1,120.75*	-
Rendering of services	35.68	-	-
	23.25	-	-
Balances outstanding			
Other receivables (net of provisions)	39.21	-	-
	16.12	-	-
Other payables	-	91.02	29.31
	-	*93.54*	-

(b) Associates:

₹ crore

Particulars	Tata Ceramics Ltd.	Tata Projects Ltd.	Yashmun Engineers Ltd.	Nelito Systems Ltd.
Purchase of fixed assets	-	383.89	-	-
	-	*126.23*	-	-
Rendering of services	-	-	0.10	-
	-	-	*0.10*	-
Receiving of services	-	-	12.21	-
	-	-	*12.57*	-
Interest income	0.22	-	-	-
	0.68	*0.16*	-	-
Dividend received	-	4.84	-	-
	-	*9.68*	-	-
Inter corporate deposit given	3.50	-	-	-
	8.50	-	-	-
Inter corporate deposit repaid	12.00	-	-	-
	-	-	-	-
Purchase of preference shares	12.00	-	-	-
	-	-	-	-
Redemption of debentures	-	-	-	-
	-	*9.37*	-	-
Letter of undertaking given	15.97	-	-	-
	17.06	-	-	-
Letter of undertaking cancelled	17.06	-	-	-
	16.02	-	-	-
Balances outstanding				
Other receivables (net of provisions)	-	71.45	-	-
	-	*107.47*	-	-
Loans given (including interest thereon)	-	-	-	1.27
	-	-	-	*1.27*
Loans provided for as doubtful advances	-	-	-	1.27
	-	-	-	*1.27*
Letter of undertaking	15.97	-	-	-
	17.06	-	-	-
Preference shares outstanding	12.00	-	-	-
	-	-	-	-
Other payables	-	128.48	-	-
	-	*29.37*	-	-

Note: Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

41. Derivative Instruments and Unhedged foreign currency exposures:

(i) Derivative Instruments:

The following derivative positions are open as at 31st March, 2014. These transactions have been undertaken to act as economic hedges for the Group's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments. The accounting for these transactions is stated in Note 2.1 (o) and 2.1 (p).

Forward exchange contracts (being 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.

Outstanding swaps/forward/currency options contracts entered into by the Group as on 31st March, 2014:

	31st March, 2014		*31st March, 2013*	
	Foreign Currency (in Millions)	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***
Forward Contracts	USD 456.27	2,732.57	*USD 386.65*	*2,080.00*
	Euro 105.44	867.35	*Euro 3.68*	*25.61*
	JPY 860.79	50.35	*JPY 3,363.62*	*195.09*
Forward Contracts (Firm commitments)	GBP 0.24	2.39	*Nil*	*Nil*
	Euro 1.68	13.82	*Nil*	*Nil*
	USD 76.51	458.23	*Nil*	*Nil*
Currency Option Contracts	USD 742.24	4,445.26	*USD 642.88*	*3,496.63*
Interest Rate Swaps	USD 1,627.10	9,340.47	*USD 1,650.52*	*8,977.18*
	ZAR 414.28	234.48	*Nil*	*Nil*
Unrecognised Gain in respect of above Forward Contracts and Currency Option Contracts	Nil	321.72	*Nil*	*297.81*

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

	31st March, 2014		*31st March, 2013*	
	Foreign Currency (in Millions)	**₹ crore**	***Foreign Currency (in Millions)***	***₹ crore***
(a) Amounts receivable in foreign currency on account of the following:				
Export of goods	USD 1.52	9.09	*USD 4.40*	*23.83*
	Euro *	0.14	*Euro **	*0.12*
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 23.93	143.38	*USD 109.45*	*595.01*
	Euro 0.41	3.37	*Euro 0.35*	*2.45*
	GBP 0.59	5.85	*GBP 0.28*	*2.33*
	JPY 3.32	0.19	*JPY 0.34*	*0.02*
	NOK 0.12	0.12	*NOK 0.07*	*0.06*
	CHF*	0.01	*Nil*	*Nil*
(Ii) Capital imports	Euro 0.74	6.11	*Euro 0.98*	*7.07*
	JPY 152.30	8.91	*JPY 141.60*	*8.21*
	USD 0.51	3.04	*USD 33.02*	*179.63*
	GBP *	0.05	*GBP 0.06*	*0.51*
	Nil	Nil	*CHF **	*0.01*
(Iii) Interest payable	USD 2.71	16.22	*USD 3.72*	*20.23*
(Iv) Loans payable * *	USD 890.03	5,330.36	*USD 1,085.03*	*5,901.46*
(v) Premium payable on borrowings	USD 28.41	170.15	*USD 28.41*	*154.52*
(c) Bank balances	Nil	Nil	*SGD 0.98*	*4.32*
	USD 1.01	6.05	*USD 1.05*	*5.73*
	TAKA 0.22	0.02	*TAKA 0.23*	*0.01*

** Without considering hedge cover of USD 235.72 million valued at ₹ 141.47 crore taken for future firm commitment of interest liabilities.

Notes forming part of the Consolidated Financial Statements

42. Disclosures as required by Accounting Standard 29 (AS-29) " Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2014:

The Group has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ crore

Particulars	Opening Balance	Additions during the year	Acquis-tion made during the year	Payments/ Adjustments made during the year	Reversal/ Regrouped during the year	Closing Balance
Provision for Warranties and Contingencies	41.97	31.77	-	(4.26)	(14.16)	55.32
	33.48	*26.51*	*15.75 **	*(2.62)*	*(31.15)*	*41.97*
Provision for Premium on Redemption of FCCB	154.52	15.63 @	-	-	-	170.15
	145.43	*9.09 @*	-	-	-	*154.52*
Provision for Premium on Redemption of Debentures	134.70	-	-	(40.50)	-	94.20
	134.70	-	-	-	-	*134.70*
Provision for Foreseeable losses on Contracts etc.	2.82	0.09	-	-	-	2.91
	4.31	-	-	-	*(1.49)*	*2.82*
Provision for Restoration and Rehabilitation	544.20	38.98	-	(3.28) #	-	579.90
	445.33	*128.76*	-	*(29.89)* #	-	*544.20*

@ On account of exchange loss.
# includes exchange fluctuation.
* On account of TPSSL becoming a Subsidiary.
Note: Previous year's figures are in italics.

43. Earnings Per Share:

	31st March, 2014	*31st March, 2013*
Basic		
Net loss for the year (₹ crore)	(259.97)	*(85.43)*
Less: Contingencies Reserve provided for the year (₹ crore)	9.00	*7.00*
	(268.97)	*(92.43)*
Less: Distribution on Unsecured Perpetual Securities (₹ crore)	112.88	*199.62*
Net loss for the year attributable to the Equity Shareholders (₹ crore)	(381.85)	*(292.05)*
The weighted average number of Equity Shares for Basic Earning Per Share (Nos.)	237,49,74,860	*237,49,74,860*
Par value Per Share (in ₹)	1.00	*1.00*
Basic Earnings Per Share (in ₹)	(1.61)	*(1.23)*
Diluted		
Net loss for the year attributable to the Equity Shareholders (₹ crore)	(381.85)	*(292.05)*
Add: Interest Expense and Exchange Fluctuation on FCCB (Net) (₹ crore)	132.35	*77.73*
Loss attributable to Equity Shareholders on dilution (₹ crore)	(249.50)	*(214.32)*
The weighted average number of Equity Shares for Basic Earning Per Share (Nos.)	237,49,74,860	*237,49,74,860*
Add: Effect of potential Equity Shares on Conversion of FCCB (Nos.)	9,64,40,896	*9,64,40,896*
The weighted average number of Equity Shares for Diluted Earning Per Share (Nos.)	247,14,15,756	*247,14,15,756*
Par value Per Share (in ₹)	1.00	*1.00*
Diluted Earnings Per Share (in ₹) - (Anti Dilutive)	(1.01)	*(0.87)*
Diluted Earnings Per Share restricted to Basic Earning Per Share (in ₹)	(1.61)	*(1.23)*

Note:

The Company, vide its Letter of Offer dated 19th March, 2014, offered upto 33,22,30,130 Equity Shares of face value of ₹ 1/- each at a price of ₹ 60/- per equity share (including share premium of ₹ 59/- per equity share) for an amount aggregating to ₹ 1,993.38 crore to the existing shareholders of the Company on rights basis in the ratio of 7equity shares for every 50 equity shares held by the equity shareholders on the record date i.e. 20th March, 2014. The issue opened on 31st March, 2014 and closed on 15th April, 2014. On 25th April, 2014 the Company has allotted 33,15,52,894 equity shares, balance 6,77,236 equity shares being kept in abeyance.

The equity shares issued vide the said Rights Issue have not been considered for computing Earnings Per Share.

Notes forming part of the Consolidated Financial Statements

44. Segment Reporting

(a) Primary Segment Information:

The Group has identified business segments as its primary segment. Business segments are as below:

₹ crore

	Power	Coal	Others	Eliminations	Total
REVENUE					
External Revenue	25,268.18	9,693.90	1,779.76	1,093.14	**35,648.70**
	23,382.73	*9,140.99*	*1,074.47*	*572.76*	***33,025.43***
RESULT					
Total Segment Results	3,732.84	1,069.41	31.11	-	4,833.36
	3,087.58	*1,499.95*	*20.71*	-	*4,608.24*
Finance Costs					*(3,439.90)*
					(2,641.69)
Exceptional Item	-	-	-	-	-
	(850.00)	-	-	-	*(850.00)*
Unallocable Income net of Unallocable Expense					(418.39)
					160.13
Income Taxes					(1,008.38)
					(1,177.96)
(Loss)/Profit after Tax and before Share of Profit of Associates and Minority Interest					**(33.31)**
					98.72
Share of Profit of Associates					45.37
					23.92
Minority Interest					(272.03)
					(208.07)
Loss for the year					**(259.97)**
					(85.43)
OTHER INFORMATION					
Segment Assets	50,093.21	14,558.28	2,240.65	-	66,892.14
	47,288.08	*13,060.15*	*1,605.55*	-	*61,953.78*
Unallocable Assets					4,506.12
					5,327.63
Total Assets					**71,398.26**
					67,281.41
Segment Liabilities	6,582.59	5,319.37	1,075.60	-	12,977.56
	6,419.53	*4,234.91*	*837.34*	-	*11,491.78*
Unallocable Liabilities					42,789.97
					40,348.71
Total Liabilities					**55,767.53**
					51,840.49
Capital Expenditure	3,821.06	392.87	122.20	-	4,336.13
	2,920.22	*1,297.91*	*52.08*	-	*4,270.21*
Non-cash Expenses other than Depreciation/Amortisation	31.27	-	50.32	-	81.59
	105.01	*76.84*	*22.81*	-	*204.66*
Depreciation/Amortisation (to the extent allocable to segment)	2,043.78	542.03	143.81	-	2,729.62
	1,415.38	*569.60*	*66.71*	-	*2,051.69*

Types of products and services in each business segment:
Power - Generation, Transmission, Distribution and Trading of Electricity.
Coal - Mining and Trading.
Others - Defence Engineering, Solar Equipment, Project Contracts/Infrastructure Management Services, Coal Bed Methane, Investment, Shipping and Property Development.
Note : Previous year's figures are in italics

Notes forming part of the Consolidated Financial Statements

44. Segment Reporting (*Contd.*)

(b) Secondary Segment Information:

₹ crore

Particulars	Domestic	Overseas	Total
Revenue from External Customers	26,615.22	9,033.48	35,648.70
	24,163.23	*8,862.20*	*33,025.43*
Segment Assets	50,408.62	16,483.52	66,892.14
	47,568.43	*14,385.35*	*61,953.78*
Capital Expenditure	3,537.40	798.73	4,336.13
	2,889.07	*1,381.14*	*4,270.21*

Note : Previous year's figures are in italics

45. Interest in Joint Ventures-Jointly Controlled Entities:

The Group's share of total assets, liabilities, income, expenses, contingent liabilities and capital commitments in jointly controlled entities considered in these consolidated financial statements are as under:

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
I. NON-CURRENT LIABILITIES		
a) Long-term Borrowings	941.11	*890.23*
b) Deferred tax Liabilities	254.64	*219.16*
c) Other long-term Liabilities	18.14	*Nil*
d) Long-term Provisions	673.97	*684.22*
(A)	1,887.86	*1,793.61*
II. CURRENT LIABILITIES		
a) Short-term Borrowings	85.20	*80.20*
b) Trade Payables	1,559.08	*1,166.43*
c) Other Current Liabilities	3,339.15	*2,582.55*
d) Short-term Provisions	147.80	*248.20*
(B)	5,131.23	*4,077.38*
(A+B)	7,019.09	*5,870.99*
III. NON-CURRENT ASSETS		
a) Fixed Assets	4,317.93	*3,657.28*
b) Goodwill	31.53	28.62
c) Long-term Loans and Advances	337.29	*280.82*
d) Other Non-current Assets	23.88	*14.39*
e) Deferred tax Assets	12.92	*17.86*
(C)	4,723.55	*3,998.97*
IV. CURRENT ASSETS		
a) Inventories	575.93	*654.81*
b) Trade Receivables	1,407.90	*614.03*
c) Cash and Bank Balances	356.14	*538.00*
d) Short-term Loans and Advances	2,352.65	*2,298.75*
e) Other Current Assets	0.09	*0.92*
(D)	4,692.71	*4,106.51*
(C+D)	9,416.26	*8,105.48*

Notes forming part of the Consolidated Financial Statements

45. Interest in Joint Ventures - Jointly Controlled Entities: (*Contd.*)

	31st March, 2014 ₹ crore	*31st March, 2013 ₹ crore*
V. REVENUE		
a) Revenue from Operations	8,879.45	*8,661.06*
b) Other Income	8.32	*7.08*
	8,887.77	*8,668.14*
VI. EXPENSES		
a) Royalty towards Coal Mining	1,249.37	*1,111.14*
b) Cost of Fuel	1,438.26	*1,460.00*
c) Coal Processing Charges	2,683.10	*2,544.99*
d) Decrease/(Increase) in Stock-in-Trade and Work-in-Progress	126.29	*(270.27)*
e) Employee Benefits Expense	305.67	*362.48*
f) Other Expenses	2,354.44	*1,963.32*
g) Depreciation and Amortisation	542.68	*570.23*
h) Finance Costs	93.86	*59.01*
i) Tax Expense	236.51	*340.63*
	9,030.18	*8,141.53*
VII. (LOSS)/PROFIT AFTER TAX	**(142.41)**	***526.61***
VIII. OTHER MATTERS		
a) Contingent Liabilities	2,322.44	*2,182.81*
b) Capital Commitments	1,380.90	*77.58*
	3,703.34	*2,260.39*

46. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure. Figures below ₹ 50,000 are denoted by '*'.

Gist of the Financial Performance for the year 2013-14of the Subsidiary Companies

₹ crore

Sr. No.	Name of the subsidiary	Capital !	Reserves	Assets @	Investments $	Liabilities #	Turnover ##	Profit/(Loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed Dividend *
1	NELCO Limited (conso.)	22.82	(12.19)	143.65	8.37	141.39	143.33	(11.65)	0.52	(12.17)	-
2	Chemical Terminal Trombay Limited	1.86	40.41	15.26	35.43	8.42	22.87	6.31	1.14	5.17	1.86
3	Af-Taab Investment Company Limited	10.73	124.10	15.89	124.99	7.30	34.56	28.58	5.63	22.95	3.22
4	Tata Power Trading Company Limited	16.00	104.33	398.79	3.00	281.46	4,145.98	58.54	19.34	39.20	8.00
5	Maithon Power Limited	1,508.92	(165.54)	5,149.49	-	3,806.11	2,333.86	102.98	-	102.98	-
6	Powerlinks Transmission Limited	468.00	63.43	1,105.54	56.11	630.22	268.98	121.78	8.87	112.91	90.09
7	Coastal Gujarat Power Limited	5,928.28	(5,301.77)	16,371.59	-	15,748.48	5,679.42	(1,491.86)	-	(1,491.86)	-
8	Industrial Energy Limited	333.00	125.94	1,631.78	205.54	1,378.38	494.16	112.11	23.50	88.61	66.60
9	Bhivpuri Investments Limited ^	4.08	1,140.72	10.01	2,589.17	1,454.38	0.37	(0.77)	-	(0.77)	-
10	Bhira Investments Limited ^	4.10	(132.78)	2,255.43	3,935.16	6,319.27	599.93	242.63	44.93	197.70	211.75
11	Khopoli Investments Limited ^	255.20	121.79	2,313.14	1,029.21	2,991.87	314.45	118.73	27.23	91.50	30.25
12	Tata Power Renewable Energy Limited	279.47	6.39	1,111.92	15.08	888.58	92.24	7.36	2.95	4.41	-
13	Industrial Power Utility Limited	0.11	(0.10)	0.01	-	-	-	-	-	-	-
14	Tata Power Delhi Distribution Limited	1,052.00	1,818.16	9,240.28	-	6,370.17	6,008.78	423.94	90.08	333.86	128.21
15	Trust Energy Resources Pte. Limited ^	601.31	152.17	1,336.04	138.62	721.18	463.48	103.04	8.34	94.70	-
16	Energy Eastern Pte. Limited ^	3.40	11.35	272.84	-	258.09	551.25	6.30	-	6.30	-
17	PT Sumber Energi Andalan Tbk ^	24.35	(12.45)	12.63	-	0.73	12.69	9.58	2.11	7.47	-
18	Tata Power Green Energy Limited	0.05	(0.02)	0.03	-	-	-	-	-	-	-
19	NDPL Infra Limited	0.05	0.18	1.64	-	1.41	3.63	0.69	0.46	0.23	-
20	Dugar Hydro Power Limited	70.00	(1.13)	71.53	-	2.66	0.10	(0.57)	-	(0.57)	-
21	Tata Power Solar Systems Limited	89.83	109.84	851.59	-	651.92	1,105.50	(126.77)	-	(126.77)	-
22	Tata Power Jamshedpur Distribution Limited	0.05	(6.96)	2.20	-	9.11	0.19	(5.04)	-	(5.04)	-
23	AES Saurashtra Windfarms Limited	42.15	13.37	184.91	-	129.39	4.12	0.35	-	0.35	-
24	Tata Power International Pte. Limited ^	222.43	(34.80)	117.37	162.06	91.80	8.41	(34.39)	0.02	(34.41)	0.08

! Share Capital includes Share application money pending allotment.
@ Assets = Fixed Assets + Non-Current Assets + Current Assets (other than Non-Current and Current Investments).
# Liabilities = Capital Grant + Service Line Contributions from Consumers + Non-Current Liabilities + Current Liabilities.
$ Investments except in case of Investments in Subsidiaries.
Turnover includes Other Income.
* Proposed Dividend includes Interim Dividend and Special Interim Dividend.
^ Figures of foreign subsidiaries are as per their accounts prepared under the respective GAAP, converted to Indian GAAP.

Exchange rate as on 31.03.2014- ₹ 59.89/$.

Gist prepared as per Individual Subsidiary Company's Final Accounts. For Consolidated results, please refer to Consolidated Financial Statements and Notes appearing thereon.

Notes

Notes

TATA

TATA POWER

The Tata Power Company Limited

CIN: L28920MH1919PLC000567

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Tel.: 91 22 6665 8282 Fax: 91 22 6665 8801 E-mail: tatapower@tatapower.com Website: www.tatapower.com

Attendance Slip

95TH ANNUAL GENERAL MEETING ON WEDNESDAY, 13TH AUGUST 2014 AT 3 P.M.

at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020

Folio No. ....DP ID No. ....Client ID No. ....

Name of the Member..Signature..

Name of the Proxyholder..Signature..

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

TATA

TATA POWER

The Tata Power Company Limited

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Tel.: 91 22 6665 8282 Fax: 91 22 6665 8801 E-mail: tatapower@tatapower.com Website: www.tatapower.com

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28920MH1919PLC000567

Name of the company : **The Tata Power Company Limited**

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Name of the member(s) :.. E-mail ID :..

Registered address : ....

Folio No / Client ID :..DP ID :..

I / We, being the member(s) of ....shares of the above named company, hereby appoint

1. Name :..E-mail ID :..

   Address :..

   ....Signature : ...., or failing him

2. Name :..E-mail ID :..

   Address :. ....

   ....Signature : ...., or failing him

3. Name :..E-mail ID :..

   Address :. ....

   ....Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 95th Annual General Meeting of the Company, to be held on the 13th day of August 2014 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.		For	Against
1	Adoption of Audited Statement of Profit and Loss for the year ended 31st March 2014 and Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon	☐	☐
2	Declaration of dividend on Equity Shares	☐	☐
3	Appointment of Director in place of Mr. Cyrus P. Mistry, who retires by rotation and is eligible for re-appointment	☐	☐
4	Appointment of Statutory Auditors	☐	☐
5	Appointment of Mr. Ashok S. Sethi as Director	☐	☐
6	Appointment of Mr. Ashok S. Sethi as Executive Director	☐	☐
7	Appointment of Dr. Homiar S. Vachha as an Independent Director	☐	☐
8	Appointment of Mr. Nawshir H. Mirza as an Independent Director	☐	☐
9	Appointment of Mr. Deepak M. Satwalekar as an Independent Director	☐	☐
10	Appointment of Mr. Piyush G. Mankad as an Independent Director	☐	☐
11	Appointment of Mr. Ashok Kumar Basu as an Independent Director	☐	☐
12	Appointment of Ms. Vishakha V. Mulye as an Independent Director	☐	☐
13	Revision in terms of remuneration of Mr. Anil Sardana, CEO & Managing Director	☐	☐
14	Private placement of Non-Convertible Debentures	☐	☐
15	Borrowing limits of the Company	☐	☐
16	Creation of charges	☐	☐
17	Appointment of Branch Auditors	☐	☐
18	Payment of Remuneration to the Cost Auditors	☐	☐
19	Increase in limits of investments in other bodies corporate	☐	☐

Signed this ....day of 2014

Signature of shareholder..

Signature of Proxy holder(s)..

Affix Revenue Stamp

Notes 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting.

2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.

Committed to Superior Customer Service

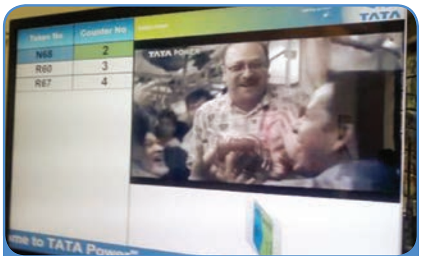
PROVIDING HASSLE-FREE CUSTOMER SERVICES!

Customer Camps

Customer Relations Centre, Mumbai

Multiple Payment Avenues

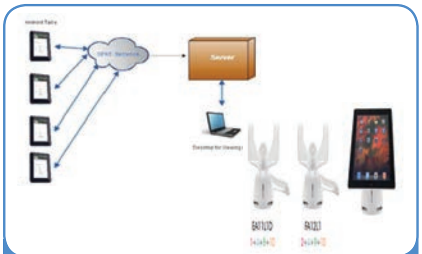
OEM Training



Queue Management System

Wiremen Training

Safety Audits and Training



Happy to hear – Feedback Mechanism

Multi-lingual Customer Portal

Consumer Charter

Customer Care Centre, Delhi

E- Bill Facility

Customer Meets

TATA POWER

The Tata Power Company Limited
Bombay House 24 Homi Mody Street Mumbai 400 001
Call on TOLL FREE investor Helpline for any shareholder information at 1800-209-8484
www.tatapower.com e-mail: tatapower@tatapower.com CIN: L28920MH1919PLC000567

The Annual Report has been printed on 100% recycled paper

TATA

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

Name of the Company:	The Tata Power Company Limited
Standalone financial statements for the year ended	31st March 2014
Type of Audit observation -1:	Emphasis of Matter (a) We draw attention to Note 32 (d) and (e) to the financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crore accounted for as revenue in earlier periods and its consequential effects (Note 32 (d) and (e)) for the period upto 31st March, 2014. The impact of the same on the results for the year ended 31st March, 2014 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision/adjustment has been considered necessary. Our opinion is not qualified in respect of this matter. Relevant note in the financial statement 32(d). In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2014 the accumulated interest was ₹ 195.96 crore (31st March, 2013 - ₹ 184.76 crore) (₹ 11.20 crore for the year ended 31st March, 2014). 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 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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	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 crore, 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. 32(e). 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 32(d) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 32(d) above.
Frequency of observation	Repetitive.
Type of Audit observation 2:	Emphasis of Matter (b) We draw attention to Note 29 (a) to the financial statements which describes the key source of estimation uncertainties as at 31st March, 2014 relating to the Company's assessment of the recoverability of the carrying amount of assets of Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary that could result in material adjustment to the carrying amount of the long-term investment in the said subsidiary. For the reasons explained in the said Note, no provision for diminution in value of investment is considered necessary. Our opinion is not qualified in respect of this matter Relevant note in the financial statement

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	29(a). The Company has a long-term investment of ₹ 5,928.28 crore (31st March, 2013 - ₹ 5,103.61 crore) (including advance towards equity) and has extended loans amounting to ₹ 1,413.46 crore (including interest accrued) (31st March, 2013 - ₹ 436.57 crore) to Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of the Company which has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP"). CGPL has obligated to charge escalation on 45 percent of the cost of coal in terms of the 25 year power purchase agreement relating to the Mundra UMPP. During the year, CGPL's Management has re-assessed the recoverability of the carrying amount of the assets at Mundra as of 31st March, 2014 and concluded that no further provision for impairment is necessary (31st March, 2013 - ₹ 2,650 crore). 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 assets' useful life which Management believes reasonably reflects the future expectation of these items. In view of the estimation uncertainties, the assumptions will be monitored on a periodic basis and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate. The Company's investments in Indonesian Coal Companies including Infrastructure Companies through its subsidiaries, were made to secure long-term coal supply. The Management believes that cash inflows (in the nature of profit distribution and profit from sale) from these investments from an economic perspective provide protection from the risk of price volatility on coal to be used in power generation in CGPL, to the extent not covered by price escalations. In order to provide protection to CGPL and to support its cash flows, the Management has committed to a future restructuring under which the Company will transfer at least 75 percent of its equity interests in the Indonesian Coal Companies including Infrastructure Companies to CGPL, subject to receipt of regulatory and other necessary approvals which are being pursued and will also evaluate other alternative options. A valuation of the equity interests in the Indonesian Coal Companies including Infrastructure Companies has been carried out on the basis of certain assumptions, including legal interpretation that there is reasonable certainty that the mining leases would be extended without significant cost.

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	Further, the Company, through its wholly owned subsidiaries, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies. As per the terms of the agreement, it is proposed to sell its stake in these companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The completion of the sale transaction is conditional upon the satisfaction or waiver of certain conditions, obtaining requisite consents and certain restructuring actions. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date. The proposed sale of shares in PT Arutmin Indonesia referred above is consistent with the above intent. Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal Companies including Infrastructure Companies and the proposed future restructuring, no provision for diminution in value of long-term investment in CGPL is considered necessary as at 31st March, 2014.
Frequency of observation	Repetitive
Type of Audit observation 3:	Emphasis of Matter (c) We draw attention to Note 29 (d) to the financial statements regarding notices received by the jointly controlled entities in connection with delay in development of coal blocks and the consequent de-allocation of the same and the management's contention that in case of one of the jointly controlled entity, notices will be withdrawn considering the progress made by the said jointly controlled entity towards obtaining necessary clearances and in the case of the second jointly controlled entity the interim order of the High Court in which the decision for de-allocation of the Coal Block to the promoters have been kept on hold. For the reasons explained in the said Note, no provision for diminution in value of investments is considered necessary. Our opinion is not qualified in respect of this matter. Relevant note in the financial statement 29 (d) (i) The Company has invested ₹ 39.30 crore (31st March, 2013 - ₹ 39.30 crore) and issued guarantees of ₹ 86.93 crore (31st March, 2013 - ₹ 86.93 crore) on behalf of Mandakini Coal Company Limited ("Joint Venture") which had been allotted coal blocks by Government of India through Ministry of Coal.

	The Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Company is of the view that considering the progress made in land acquisition and obtaining various clearances for development of the coal blocks, there is a case for withdrawal of the notices. Considering the above, in the opinion of the Management, as at 31st March, 2014, there is no diminution, other than temporary in the value of investment in the Joint Venture Entity. 29 (d) (ii) The Company has invested ₹ 17.58 crore (31st March, 2013 - ₹ 11.98 crore) (including advance towards equity) in and issued guarantees of ₹ 11.36 crore (31st March, 2013 - ₹ 11.36 crore) on behalf of Tubed Coal Mines Limited ("Joint Venture") which had been allotted coal blocks by Government of India through Ministry of Coal. The Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Company has filed a writ petition in the High Court so as to restrain the Ministry of Coal from taking any adverse decision in relation to the notice received and also to restrain Ministry of Coal from taking any decision on de-allocation of the coal block. In view of the interim order of the High Court the decision for de-allocation of the Coal Block to the promoters have been kept on hold. Considering the above, in the opinion of the Management, as at 31st March, 2014, there is no diminution, other than temporary in the value of investment in the Joint Venture.

	29 (d) (iii) The Hon'ble Supreme Court of India is also evaluating the issue of Coal mine allocations and their judgement is awaited. The above two referred mines are part of those referred to the Hon'ble Supreme Court.
Frequency of observation	Appeared first time.

Refer our Audit Report dated 29th May, 2014
on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)

R.K. Banga

R. A. Banga
Partner
Membership No 037915
Mumbai, 11 July 2014

For The Tata Power Company Limited

Anil Sardana
CEO & Managing Director

Ramesh Subramanyam
Chief Financial Officer

Homiar S Vachha

H. S. Vachha
Audit Committee Chairman
Mumbai, 11 July 2014

TATA

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

Name of the Company:	The Tata Power Company Limited
Consolidated financial statements for the year ended	31st March, 2014
Type of Audit observation 1:	Emphasis of Matter (a) We draw attention to Notes 35(e) and (f) to the financial statements, which describe uncertainties relating to the outcome of the Appeals filed before the Hon'ble Supreme Court. Pending outcome of the Appeals filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crore accounted for as revenue in earlier periods and its consequential effects for the years upto 31st March, 2014. The impact of the same on the results for the year ended 31st March, 2014 cannot presently be determined pending the ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion, that the Tribunal's Order can be successfully challenged, no provision / adjustment has been considered necessary. Our opinion is not qualified in respect of this matter Relevant note in the financial statement 35(e). In respect of the Parent Company's Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2014 the accumulated interest was ₹ 195.96 crore (31st March, 2013 - ₹ 184.76 crore) (₹ 11.20 crore for the year ended 31st March, 2014). 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 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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	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 crore, 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. 35(f). 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 35(e) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby Charges dispute as mentioned in Note 35(e) above.
Frequency of observation	Repetitive.
Type of Audit observation 2:	Emphasis of Matter (b) (i) We draw attention to Note 32(a) to the financial statements, which describe uncertainties relating to the outcome of the Appeals filed by the procurers with the Appellate Tribunal for Electricity (APTEL) challenging the Central Electricity Regulatory Commission order granting compensatory tariff to a subsidiary. Pending outcome of the appeals before APTEL, no adjustment has been made in respect of the compensatory tariff aggregating to ₹ 1,019.06 crore.

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TATA

	(ii) We draw attention to Note 32(b) to the financial statements, which describes the key source of estimation uncertainties relating to the Company's assessment of the recoverability of the carrying amount of the assets of the aforesaid subsidiary, its compliance with debt covenants and classification of long-term borrowings. Our opinion is not qualified in respect of this matter. Relevant note in the financial statement 32(a) Revenue recognition arising out of CERC order : Coastal Gujarat Power Limited (CGPL) had implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP") and commenced commercial operations in its all five Units of 800 MW each. CGPL had made an application to the Central Electricity Regulatory Commission (CERC) for evolving a mechanism to compensate the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia. The CERC has, after considering the recommendations of a committee appointed for the purpose (which comprised of experts from various disciplines like Legal, Banking, Finance, Technical and Procurers, the deliberations of which extended over several months) vide its order dated 21st February, 2014, decided that Company is entitled to compensatory tariff from 1st April, 2012 over and above the tariff agreed under the PPA with the procurers till the hardship on account of Indonesian regulations persists. Subsequent to the above CERC order, the procurers have not commenced payment of bills raised by the CGPL and have challenged the order as also filed appeals with APTEL for grant of stay on the enforcement of the CERC order. As of date, APTEL has neither granted the stay nor passed any other order. CGPL has been legally advised that it has a good arguable case. However, in view of the appeal as mentioned above and considering that the amounts associated are significant, the CGPL has not recognized aggregate revenue of ₹ 1,019.06 crore towards compensatory tariff for the period from 1st April, 2012 to 31st March, 2014.

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	32 (b). Impairment of Assets : In terms of the 25 year Power Purchase Agreement (PPA), the CGPL is entitled to charge 45 percent of escalation of the cost of coal from the procurers of its power. As at 31st March, 2014, CGPL had in pursuance of Accounting Standard-28 (AS-28) – "Impairment of Assets", reassessed impairment of its Mundra UMPP, having regard to the upward revision in the fuel prices, exchange rates variation, operating parameters and compensatory tariff. Based on assessment as at 31st March, 2013, CGPL had accounted an impairment loss of ₹ 2,650.00 crore in respect of its Mundra UMPP, which had been recognised as an exceptional item-Impairment loss in the Statement of Profit and Loss. For estimating the Mundra UMPP value in use it is necessary to project future cash flows of Mundra UMPP over its estimated useful life. The Management has reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra considering the fuel prices, exchange rate variation, operating parameters and compensatory tariff that would impact future cash flows and has concluded that no further provision for impairment for the year ended 31st March, 2014 in CGPL is necessary on this account (provision made ₹ 850.00 crore for the year ended 31st March, 2013). In view of the pending appeals relating to compensatory tariff, the Management has not considered the effect of compensatory tariff in evaluation of provision for impairment. The legal proceedings and the underlying assumptions will be monitored on a periodic basis by the Management and appropriate adjustments will be made. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The discount rate used in the current year is 10.61 percent per annum (previous year 10.57 percent per annum). Consequent to the impairment loss in respect of Mundra UMPP, certain covenants governing the loans borrowed for construction of the project have not been met. No notice has been served by the lenders, declaring the loans taken as immediately due and payable. CGPL had received waiver from compliance of the covenants upto 30th June, 2013. Further, CGPL has sought revision in certain terms of Financing Agreements and extending of existing waivers. Accordingly, loans aggregating to ₹ 11,471.50 crore are considered to be long-term borrowings (including current maturities of long-term borrowings of ₹ 722.15 crore).
Frequency of observation	Repetitive

Type of Audit observation 3:	Emphasis of Matter (c) In case of two jointly controlled entities of the Company, the component auditors have drawn attention to a matter as stated in Note 35(a)(x) to the financial statements, regarding recoverability of ₹ 7,147.97 crore (Group's share of ₹ 2,144.39 crore) of Value Added Tax and Vehicle fuel tax balances, and Group's share in other contingent claims from third parties on the said jointly controlled entities, the outcome of which cannot be presently determined. Our opinion is not qualified in respect of this matter. Relevant note in the financial statement. 35(a)(x) In the case of certain jointly controlled entities, demand for royalty payment is set-off against recoverable Value Added Tax (VAT) paid on inputs for coal production aggregating to ₹ 7,147.97 crore - Group's share ₹ 2,144.39 crore (31st March, 2013 - ₹ 7,188.58 crore - Group's share ₹ 2,156.57 crore). 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 Management of the Coal Companies, based on the various legal judgements, are of the view that the said amounts would be allowable as set-off. Further, the Coal Companies are contingently liable for claims from third parties arising from the ordinary conduct of business relating to land dispute, illegal mining, mining service fees etc.) which are either pending or being processed by the Courts, the outcome of which cannot be presently determined.
Frequency of observation	Repetitive

Type of Audit observation 4:	Emphasis of Matter (d) In case of one of the subsidiary, the component auditor has drawn attention to a matter as stated in Note 35(h) to the financial statements, wherein no adjustment has been made by the subsidiary in respect of income estimated at ₹ 185.03 crore as at 31st March, 2014 which includes carrying cost of ₹ 18.38 crore for the year ended 31st March, 2014. The impact of the above as at 31st March, 2014 cannot presently be determined pending ultimate outcome of the matter. Since the Company is of the view, supported by legal opinion that the disallowance of expenses by Delhi Electricity Regulatory Commission (DERC) pertaining to the Rithala plant can be successfully challenged, no adjustment has been considered necessary. Our opinion is not qualified in respect of this matter Relevant note in the financial statement 35 (h). In the case of TPDDL, Delhi Electricity Regulatory Commission (DERC) has issued the Order on True up for FY 2010-11, Aggregate Revenue Requirement for FY 2012-13 to FY 2014-15 and Distribution Tariff (Wheeling & Retail Supply) for FY 2012-13 ('the Order') on 13th July, 2012. While approving the power purchase cost for the FY 2010-11, DERC had allowed the power purchase cost for generation of Rithala plant at the rate equivalent to the Unscheduled Interchange rates for units generated during the time when the Company was under-drawing from the grid instead of the actual cost of generation resulting in disallowance of ₹ 7.62 crore for the FY 2010-11. Following the same approach, DERC in its true up order for FY 2011-12 issued on 31st July, 2013, has disallowed ₹ 90.19 crore. The Company has, however, not made any adjustments for disallowances based on the above mentioned principle stated in the Order. The Company has based on management estimates accounted for revenue of ₹ 7.62 crore, ₹ 88.42 crore and ₹ 49.68 crore for FY 2010-11, FY 2011-12 and for the period 1st April, 2012 to 30th September, 2012 respectively aggregating to ₹ 145.72 crore besides ₹ 39.31 crore as entitlement towards carrying cost (which includes ₹ 18.38 crore for the year ended 31st March, 2014) thus amounting to ₹ 185.03 crore, which amount is included in income adjustable from future tariff.

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	With effect from 1st October, 2012, the scheduling of power generation at Rithala plant is being done as per the instructions / directions of State Load Dispatch Center. The Company has filed an appeal on 22nd August, 2012 and 30th September, 2013, before the Appellate Tribunal for Electricity and is of the view, supported by legal opinion that DERC's Order on power scheduled from Rithala plant can be successfully contested and has accordingly not made any adjustments in the financial statements as at 31st March, 2014. The adjustments, if any will be recorded by the Company on the final outcome of the matter.
Frequency of observation	Repetitive
Type of Audit observation 5:	Emphasis of Matter (e) In case of jointly controlled entities of the Company, the component auditors have drawn attention to a matter as stated in Note 33(d) to the financial statements, regarding notices received in connection with delay in development of coal blocks and the consequent de-allocation of the same and the management's contention that in case of one of the jointly controlled entity, notices will be withdrawn considering the progress made by the said jointly controlled entity towards obtaining necessary clearances and in case of the second jointly controlled entity the interim order of the High Court in which the decision for de-allocation of the Coal Block to the promoters have been kept on hold. Our opinion is not qualified in respect of this matter. Relevant note in the financial statement

(9)

	33(d) In case of Mandakini Coal Company Limited (MCCL) and Tubed Coal Mines Limited (TCML), jointly controlled entities of the Group, the Parent Company along with the other Joint Venture Partners has received notices from Ministry of Coal, seeking explanations for delay in development of the coal blocks and requesting for certain clarifications as regards various clearances and execution of mining lease, on the basis of which a decision for de-allocation of coal blocks will be taken. The Group is of the view that, in case of MCCL notice will be withdrawn considering the progress made in land acquisition and obtaining various clearances for development of the coal blocks and in case of TCML, the interim order of the High Court in which the decision for de-allocation of coal block have been kept on hold.
Frequency of observation	Appeared first time

Refer our Audit Report dated 29th May, 2014
on the consolidated financial statements of the Company

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)

R. K. Banga

R. A. Banga
Partner
Membership No 037915
Mumbai, 11 July 2014

For The Tata Power Company Limited

Anil Sardana
CEO & Managing Director

Ramesh Subramanyam
Chief Financial Officer

Homiar S Vachha

H. S. Vachha
Audit Committee Chairman
Mumbai, 11 July 2014

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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 ('the Company'), for the year ended 31st March, 2014, 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

R. K. Banga

R. A. BANGA
Partner
(Membership No. 037915)

MUMBAI, 29th May, 2014