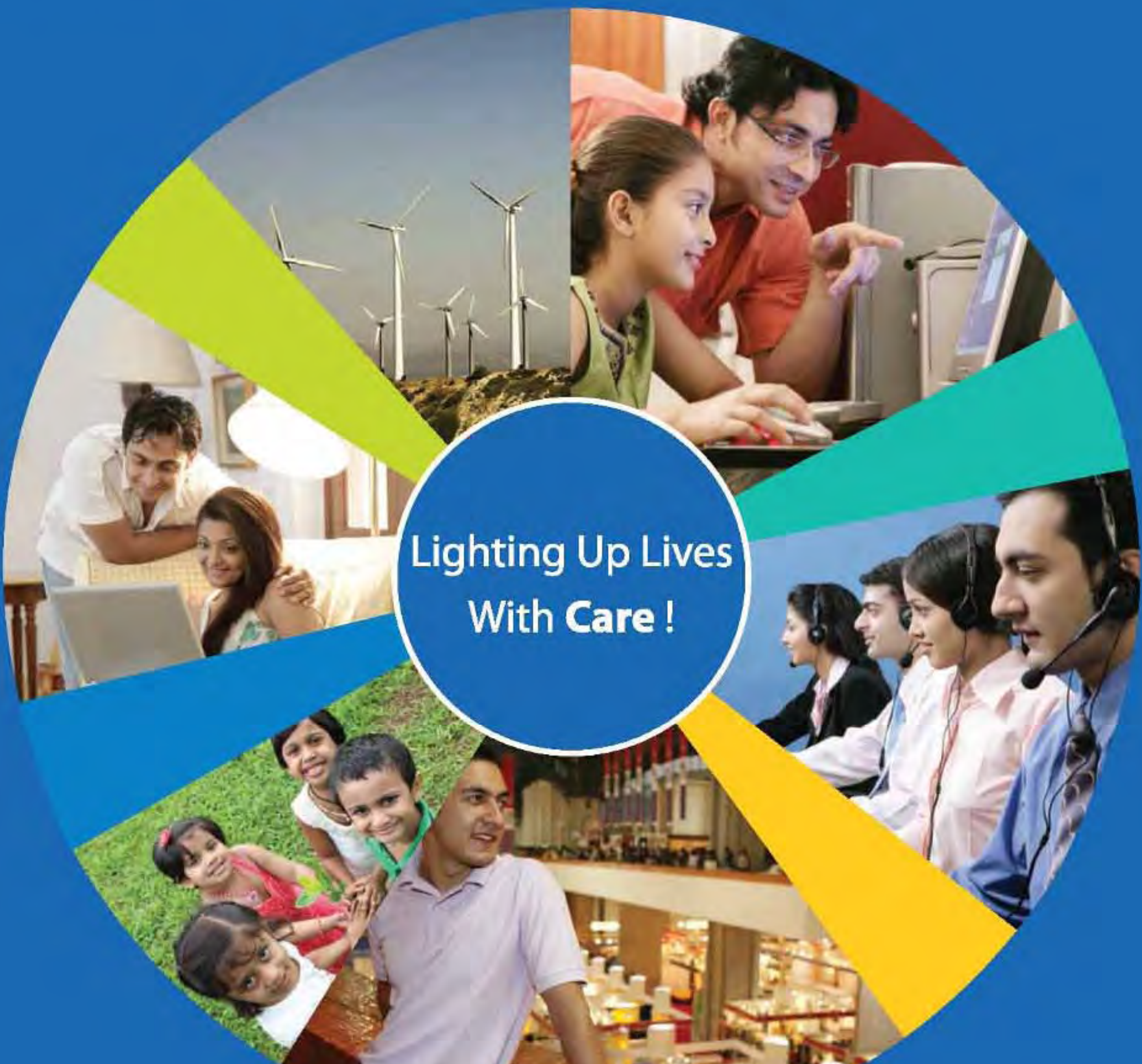
TATA POWER

TATA

94th Annual Report 2012-13



Lighting up Lives!

Lighting up Lives with Care!

As India's largest, integrated power company with a generation capacity of 8,521 MW and 1.8 million customers across the country, Tata Power believes that a path of growth and development can be paved if the efforts are sustainable. We aim to constantly innovate and pioneer initiatives that energise lives of our customers in an efficient and sustainable manner. We are committed to achieving a balance between progress and social and environment conservation. We aim to be the most affordable power provider and 'neighbour of choice' for our communities, whose lives we touch. We are committed towards resource conservation, environment protection and enrichment, while adding value to our local communities, with sustained efforts towards better education, infrastructure, healthcare and vocational training.

Sustainability at the Core

Tata Power has always maintained a strong focus on Sustainability. The Tata Power Sustainability Model covers the entire range of stakeholders (customers, shareholders, community, employees and society at large). Tata Power has also instituted "CARE" as one of the values of the organisation.

Care for our People: Safety at the Core

At Tata Power, Safety is a core value. The Company aims at maintaining world class healthy and safe standards in and around its operating facilities as well as at project sites through its OH&S policies / guidelines. Some of the Highlights of Company's efforts in the area of Safety are:

- Implementing the British Safety Council (BSC) **5 Star Safety Management System** (SMS), to further strengthen the internal processes.
- **Web based safety training** is being pursued to cover 15 critical safety topics for employees.
- A specially designed safety appreciation program titled **"Super-Vision for Safety"** was launched for first line Supervisors.
- **"Access control"** philosophy has been introduced to ensure that only trained and certified persons are deputed in safety critical jobs.
- **Safety awareness** has been greatly enhanced at homes and schools through various monthly campaigns.

Care for our Environment

For Tata Power, "Care for the Environment" addresses various aspects of resource conservation, carbon footprint reduction and environment protection and conservation.

Care for our Community

The Company is pursuing Community Development initiatives across all identified thrust areas. Presently, Community Relations Initiatives are positively impacting lives of 0.3 million people across 208 villages. More than 7,222 hours of volunteering for social causes was generated by employee participation.

Some of the key initiatives that have been implemented in the last year include:

- Installation of Solar Lights in Villages at Tiruldih; 184 home lights and 20 street lights installed in Maval; 120 at Mulshi; 20 at Maithon.
- 25 Bio-gas units installed at various locations including Maval, Mulshi and Mundra.
- Skill development program was conducted for 1,984 persons at Dehrand, Haldia, Maval, Maithon, Mundra, Mulshi, Naraj Marthapur and Trombay.
- Livelihood support was provided to 3,511 farmers at Mundra and trained 871 farmers in Maval.
- 337 youth employed in Mannat BPO until February 2013 and consequently the youth were merged into TBSS' payroll.
- Special support provided to 220 visually challenged children at Haldia and a Library set up at a school in Trombay.







Care for Customers

The Company has launched various Customer Care initiatives including exclusive customer care centres, multi-lingual portal, various payment kiosks, electronic drop boxes and fleet-on-street mobile vans.

To propagate energy conservation and efficiency in the country, the Company has launched various attractive DSM schemes for its customers and plans to launch several new schemes under its energy efficiency initiative 'My Mumbai Green Mumbai'.

- Offered BEE 5 Star rated energy efficient ceiling fans from Havells India Ltd. The scheme is getting excellent response and more than 5,000 old fans have been replaced.
- Energy audits to consumers offered only at 25% of the total cost. More than 50 large audits have been completed.
- Unique Thermal energy storage scheme 10,000 TR-hours are enrolled in the programme.
- In Demand response scheme, 40 industrial and commercial customers are already participating and 12 MW of curtailable capacity has been developed.

In FY13, Tata Power Club Enerji saved 2.7 million units. It reached out to 285 schools nationwide, sensitised 15,86,420 citizens across India and added of 29, 201 Energy Champions and 42,029 Energy Ambassadors with 1,059 self sustaining Mini Club Enerjis. The Club has won several accolades.

Highlights of the Year

- Tata Power Group's Consolidated Revenue crossed ₹ 33,000 crore.
- Touched 8,521 MW capacity mark with 1.8 million customers across the country, reinforcing its position as India's largest private power producer and integrated power player.
- Generated 34,682 MUs of power from all its power plants.
- Signed an agreement with Clean Energy Invest AS (Clean Energy) and IFC InfraVentures (IFC) for developing hydro projects in Georgia for sale of power primarily to Turkey.
- Fully commissioned 4,000 MW Mundra UMPP in record time and created a world benchmark in execution excellence.
- Fully commissioned 1,050 MW Maithon Project and stabilised both units.
- Registered two of its wind projects and its Mithapur Solar project under the Clean Development Mechanism.
- Increased its customer base in Mumbai to 3.8 lakh in a short period.
- Commissioned 21 MW wind project in Rajasthan. The total wind capacity now stands at 398 MW.
- Executed Distribution Franchisee Agreement (DFA) for electricity distribution in Jamshedpur circle.
- Acquired 26% stake in large mines at PT Baramulti Suksessarana Tbk, Indonesia.

Growth Plans: India

Projects under implementation:

Kalinganagar, Odisha CPP 1- 202.5 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. EPC contract has been awarded; all clearances for the project are in place. Boiler drum of Unit 1 has been lifted in March 2013. The project is in advanced stage of execution.

Renewable Energy Projects

Wind Power

The Company is one of the leading wind power generators in the country with an installed capacity of 398 MW. It is developing wind power projects of over 160 MW in India, of which 80 MW is proposed to be commissioned during FY14 across Maharashtra (30 MW) and Rajasthan (50 MW).

Solar Power

The Company's existing solar capacity is 28+ MW and it is in the process of acquiring land in the states of Maharashtra, Rajasthan, Gujarat and Karnataka to develop solar projects. The Company is also developing a 28.8 MW Solar Photovoltaic power plant in Maharashtra to meet its Solar Renewable Purchase Obligations. While the Company has already acquired 86 acres of land in the state of Gujarat, it is in an advanced stage of acquiring around 200 acres of land in Rajasthan.

Tata Power Jamshedpur Distribution Limited

The Company signed a Distribution Franchise Agreement with Jamshedpur State Electricity Board on 5th December 2012, for a period of 15 years for power distribution in the Jamshedpur Circle in Jharkhand, for which business operations are likely to commence with effect from October, 2013.

Projects under development:

Coastal Maharashtra Project – 1,600 MW (2x800)

The Company has made further progress in the Coastal Maharashtra project at Dehrand, Maharashtra. All statutory approvals required to start the project are in place. The project is in advanced stages of land acquisition and 30% domestic coal linkage as per policy is also being awaited.

Tiruldih Power Project – 1,980 MW (3x660)

The process of land acquisition for the 1,980 MW (3x660 MW) project has made significant progress. The land acquisition process is in an advanced stage. Water allocation for the project is under progress.

Dugar Hydroelectric JV Project

The pre-feasibility has been completed by the consortium team. The study has estimated project capacity to be 380 MW, subject to regulatory approvals, consent and clearances. The site investigations and development of the Detailed Project Report are under progress by the joint project team set up by the Company and SN Power.

Naraj Marthapur Project, Odisha

For the Naraj Marthapur Project the clearance from National Board of Wildlife, which has not met for the past two years, is awaited. With a view to expedite End Use Plant for Mandakini captive coal, the Company is pursuing alternative land available with other developers, as also with the Government of Odisha.

Kalinganagar CPP2 - 450 MW (3x150)

The coal based project will be executed through IEL. Environment Clearance has been received for the project. Progress for this project is in close co-ordination with Tata Steel Limited to align with commissioning of the steel plant capacities.

An International Play

As part of our International Strategy, the Company aims to be relevant and significant in a few chosen geographies (viz. South East Asia, Sub-Saharan Africa, Middle East & Turkey and SAARC).

Cennergi - Tsitsikamma and Amakhala Projects

The Company's Joint Venture in South Africa, Cennergi has made steady progress towards financial closure for the above referred two wind projects, for which it was declared successful by the Department of Energy, Government of South Africa.

Dagachhu Hydroelectric Power Project, Bhutan

This Project is being developed in partnership with The Royal Government of Bhutan. The civil works are progressing as planned and 87% concreting has been completed. 98% manufacturing of electro mechanical equipment has been completed. Erection of various electro mechanical components at the dam site and in the Power House is under progress.

Hydro Projects, Georgia

Through its subsidiary Tata Power International Pte. Ltd., the Company has signed an agreement with Clean Energy Invest AS (Clean Energy) and IFC InfraVentures for developing **hydro projects in Georgia,** for sale of power primarily to Turkey. The hydro projects will be of an aggregate capacity of 400 MW and would be developed in three phases. The power generated by the projects is planned to be vended primarily to Turkey.

PT Baramulti Suksessarana Tbk (BSSR)

The Company acquired 26% stake in BSSR, Indonesia through its 100% subsidiary Khopoli Investments Limited. PT Antang Gunung Meratus (AGM), a 100% subsidiary of the BSSR, and BSSR together own approximately 1 billion tonnes of coal resources in South and East Kalimantan in Indonesia.

Geothermal Project, Indonesia

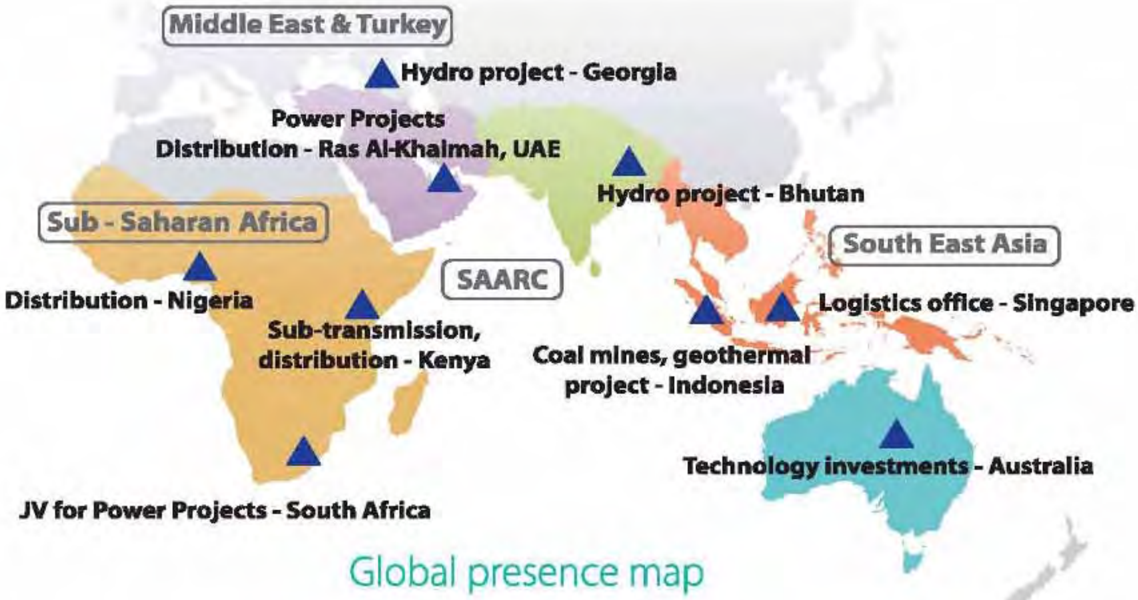
Tata Power along with consortium partners Origin Energy Limited and PT Supraco won Sorik Marapi Project in Indonesia. The Environmental Permits were received in May, 2012. Land acquisition is progressing well. Exploration work is in progress. PPA finalisation is under process and is taking more time than anticipated. The exploration phase of the project is expected to end in FY15.

Ras Al-Khaimah (RAK)

The Company has also gained a foothold in the Middle East by signing a MoU with the Government of Ras Al-Khaimah to set up power plants, to augment their existing generation capacity and develop new distribution infrastructure in certain identified areas.

Other Geographies

The Company is also evaluating investment opportunities in South East Asian Countries such as Vietnam, Myanmar and Indonesia. In addition, Tata Power will also seek opportunities to acquire or tie-up energy resources across the globe. Assured access to fuel resources would ensure availability and enable de-risking of generation capacities from escalations in fuel cost.



Global presence map

Financial Highlights

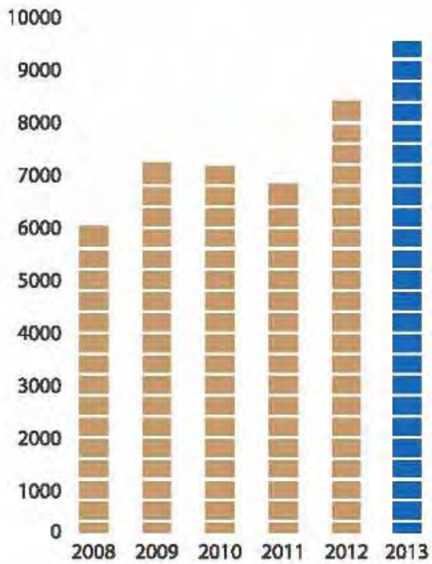
Standalone

- Revenue grew by 13% at ₹ 9,567.28 crore, as compared to ₹ 8,495.84 crore last year.
- Operating Profit was up by 13% at ₹ 2,024.06 crore as compared to ₹ 1,784.63 crore mainly due to robust operational performance by Mumbai power business and pursuant to favourable ATE order.
- PAT stood at ₹ 1,024.69 crore, as against ₹ 1,169.73 crore mainly due to lower dividends income from coal investment, higher finance charges and higher tax provisioning due to change in depreciation rates.

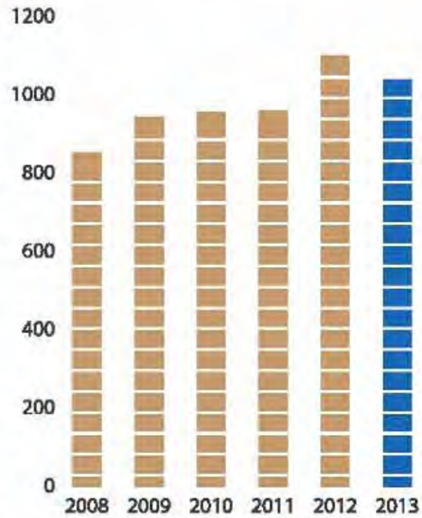
Consolidated

- **Tata Power Group's FY13** Revenue was up by 27% to ₹ 33,025.43 crore, as compared to ₹ 26,001.40 crore last year, mainly on account of additional revenue generated from CGPL Mundra, Maithon; higher revenue of TPDDL on account of increase in power purchase cost and higher volume traded by Tata Power Trading.
- Operating Profit was up 31% at ₹ 6,444.70 crore as compared to ₹ 4,900.20 crore in the corresponding period last year.
- PAT stood at ₹ (85.43) crore, as against ₹ (1087.68) crore, reported in FY12. This is largely due to better operating performance, lesser impairment provision of the Mundra assets and no charge off for deferred stripping costs during the year.
- Board recommended **Dividend** at ₹ 1.15 per share of ₹ 1/- each considering difficult period due to Mundra.
- Eagerly awaits finalisation of compensatory tariff for its Mundra UMPP.

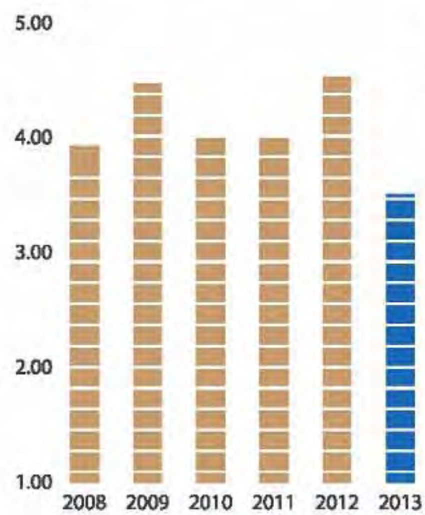
Strong Operational Performance driving Financials



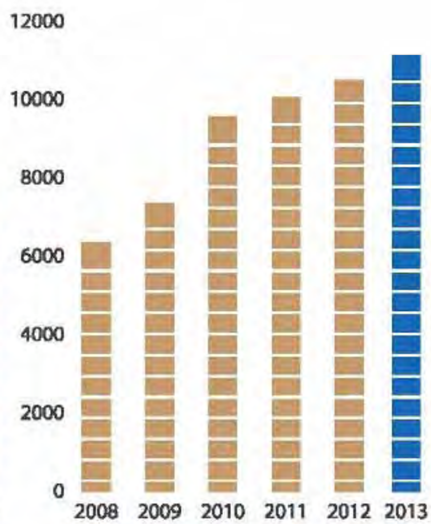
Revenues from Operations (₹crore)



Profit After Tax (₹crore)



Earnings Per Share (₹)



Net Worth (₹crore)

Key Subsidiaries:

- **Coastal Gujarat Power Limited**
  CGPL has achieved 100% Project completion and declared COD for all five units, including the Station COD. Revenue for FY13 stood at ₹ 2,795.52 crore and PAT at ₹ (1,602.02) crore. CERC has notified CGPL of its decision for a compensatory tariff to be paid till the fuel situation stabilises and this positive development is welcome. The details of the proposed compensatory tariff will be finalised by a Committee set up as per CERC's direction. CGPL has been delivering to full potential to the five beneficiary states, albeit with tremendous fiscal pain. CGPL will continue to honour its commitment towards the nation's energy security, by providing reliable and competitive power supply through the project and hopes for quicker resolution of the issues.

- **Maithon Power Limited**
  The 74:26 Joint Venture Company between Tata Power and Damodar Valley Corporation reported Revenue of ₹ 1,636.06 crore and PAT at ₹ (86.31) crore for FY13. Operations of both the units have stabilised, thereby improving the availability significantly.

- **Industrial Energy Limited**
  The Company reported Revenue at ₹ 512.83 crore, up by 18 % and PAT at ₹ 80.82 crore, up by 4% for FY13.

- **Tata Power Renewable Energy Limited**
  Revenue for FY13 stood at ₹ 63.69 crore and PAT at ₹ 1.11 crore. The Company has also commissioned 21 MW Wind Project at Dalot, Rajasthan.

- **Tata Power Delhi Distribution Limited**
  The Company's distribution subsidiary and Joint-Venture with Delhi Government, posted Revenue of ₹ 5,644.26 crore up 6% and PAT at ₹309.69 crore for FY13.

- **Powerlinks Transmission Limited**
  Powerlinks, the first public-private Joint-Venture in power transmission in India reported FY13 Revenue at ₹ 244.38 crore and PAT at ₹ 119.08 crore up by 6%, as compared to the corresponding period last year.

- **Tata Power Trading Company Limited**
  TPTCL traded a total of 9,431 MUs as compared to 5,583 MUs in the previous year. Revenue for FY13 showed significant rise at ₹ 3,789.29 crore up 97% and PAT rose to ₹ 24.48 crore up 74% over last year.

Enhancing Customer Value

The Company aims to enhance consumer experience and various value added services have been launched.


Wiremen Training

Walk Through Energy Audit


OEM Training


Safety Audits

E-bills

Consumer Charter

CORPORATE INFORMATION

(As on 30th May, 2013)

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, Managing Director Mr. S. Ramakrishnan, Executive Director Mr. S. Padmanabhan, 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
SOLICITORS	Mulla & Mulla & Craigie Blunt & Caroe
BANKERS	Citibank N.A. HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited Kotak Mahindra Bank Limited Standard Chartered Bank Limited State Bank of India
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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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	:	Friday, 16th August, 2013
Time	:	3 p.m.
Venue	:	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.

NOTICE

The NINETY-FOURTH ANNUAL GENERAL MEETING of THE TATA POWER COMPANY LIMITED will be held on Friday, the 16th day of August, 2013 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020, to transact the following business:-

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 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. R. Gopalakrishnan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N. H. Mirza, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Thomas Mathew T., who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.
7. **Appointment of Ms. Vishakha Mulye as Director**

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

   "RESOLVED that Ms. Vishakha Mulye, who was appointed an Additional Director of the Company with effect from 28th February, 2013 by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company."
8. **Re-appointment of Mr. S. Padmanabhan 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 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule XIII to the Act, the Company hereby approves of the re-appointment and terms of remuneration of Mr. S. Padmanabhan as the Executive Director of the Company for the period from 6th February, 2013 to 5th February, 2018, 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. Padmanabhan.

   RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
9. **Commission to Non-Executive Directors**

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

   "RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them [other than the Managing Director and the Executive Director(s)] in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1st April, 2013."
10. **Appointment of Branch Auditors**

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

    "RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), the Board of Directors be and is hereby authorised to appoint the Company's Auditors and / or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Act so far as Branch Offices in India are concerned, whether existing or which may be opened / acquired hereafter, or an accountant or accountants duly qualified to act as Auditor or Auditors of the Branch Offices of the Company situated in countries outside India, whether existing or which may be opened / acquired hereafter, in accordance with the laws of the country in which the Branch Offices of the Company are situated, to audit the accounts for the financial year 2013-14 of the Company's Branch Offices in India and abroad respectively and to fix their remuneration (which in the case of the Company's Auditors shall be in addition to their remuneration as the Company's Auditors) and the terms and conditions on which they shall carry out the audits."

NOTES:

(a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (the Act), in regard to the business as set out in Item Nos. 7 to 10 above and the relevant details of the Directors seeking re-appointment / appointment under Item Nos. 3 to 5 and 7 above as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.

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

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

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

(e) The Register of Members and the Transfer Books of the Company will remain closed from 30th July, 2013 to 16th August, 2013, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after 19th August, 2013 as under:

  i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 29th July, 2013;

  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 29th July, 2013.

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

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

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

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

  Consequent upon the amendment of Section 205A of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends for the subsequent years from the financial year ended 31st March, 1996 to the financial year ended 31st March, 2005, remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company were transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

  Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 onwards, are requested to make their claims to the Company accordingly, without any delay. Reminders in this regard have already been mailed to the concerned Members in March, 2013.

By Order of the Board of Directors,

H. M. Mistry
Company Secretary

Mumbai, 30th May, 2013

Registered Office:

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

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 7 to 10 of the accompanying Notice dated 30th May, 2013:

Item No. 7: Ms. Vishakha Mulye was appointed as an Additional Director of the Company with effect from 28th February, 2013 by the Board of Directors under Section 260 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 260 of the Act, Ms. Mulye holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director.

Ms. Mulye, aged 44, 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. She led the team that planned and executed the merger of ICICI Limited and ICICI Bank Limited in 2002. From 2002 to 2005, she was responsible for the Bank's structured finance and global markets businesses, and its financial institutions relationships. From 2005-2007, she was the Chief Financial Officer of ICICI Bank.

In 2009, she assumed leadership of ICICI Venture Funds Management Company Limited (ICICI Venture) as its Managing Director and CEO, where she heads the different business verticals and chairs the Investment Committee of all funds. At ICICI Venture, Ms. Mulye has led the firm's private equity investments into the fastest growing sectors of the Indian economy such as insurance, consumer services, banking and education, etc. During this period, the firm successfully concluded exits of over USD 500 million using a diverse range of exit strategies.

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. Ms. Mulye was previously a member of the Board of National Stock Exchange of India Limited. She is also a member of the Aspen Institute for 'India Leadership Initiative'. She was selected as 'Young Global Leader' for the year 2007 by World Economic Forum.

Given her background and knowledge, the Board considers it desirable that the Company should continue to receive the benefit of her valuable experience and advice and, accordingly, commends the Resolution at Item No. 7 of the accompanying Notice for acceptance by the Members of the Company. Further, her induction would help to balance the gender skew on the Board.

A notice under Section 257 of the Act has been received from a Member signifying his intention to propose Ms. Mulye's appointment as a Director.

Ms. Mulye is not related to any other Director of the Company. Ms. Mulye is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

Item No. 8: Mr. S. Padmanabhan was appointed as Executive Director of the Company for a period of 5 years effective 6th February, 2008. The Board has, vide Resolution passed on 4th January, 2013, re-appointed Mr. Padmanabhan as Executive Director of the Company for a further period of 5 years from 6th February, 2013 to 5th February, 2018.

Mr. Padmanabhan is a gold medallist in Electronics and Communication Engineering from PSG College of Technology, Coimbatore, Tamil Nadu, as well as a Glaxo gold medallist for the marketing stream from the Indian Institute of Management, Bangalore. He has rich experience in large-scale project build-up and delivery, and is highly acclaimed for global sourcing and value creation in operational efficiencies. Prior to his appointment in the Company, he was the Executive Director and Head Human Resources of Tata Consultancy Services Limited (TCS). He joined TCS in 1982 as a Trainee and progressed into various roles. He headed the Application Software and Maintenance Practice (2001-2002), the Delivery Centre at Sholinganallur, Chennai (1998-2000) and the Airline Industry Practice (1999-2000). He was also CEO of Aviation Software Development Consultancy, a joint venture between TCS and Singapore Airlines (1996-1998), and Country Manager for TCS Switzerland (1993-1996).

The principal terms and conditions of Mr. Padmanabhan's re-appointment are as follows:

1. **Period:**

   From 6th February, 2013 to 5th February, 2018.

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 XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the 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 tender his resignation from other offices held by him in any subsidiaries and associated companies without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which the Executive Director is at the material time a Director or other officer;

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. The Executive Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act.

12. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Padmanabhan 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.

13. The appointment of Mr. Padmanabhan in the Company will be construed as a transfer from TCS and for all intents and purposes, the date of joining will be the date on which Mr. Padmanabhan joined the Group. Mr. Padmanabhan will also enjoy all benefits of continuity with regard to Gratuity and other benefits.

14. 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.

An abstract of the material terms of the draft Agreement between the Company and Mr. Padmanabhan pursuant to Section 302 of the Act was sent to the Members in April, 2013.

The Board is of the view that the re-appointment of Mr. Padmanabhan 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 commends the Resolution at Item No. 8 of the accompanying Notice for acceptance by the Members of the Company.

In compliance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Act, read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Mr. Padmanabhan is not related to any other Director of the Company. Mr. Padmanabhan is concerned or interested in the Resolution relating to his appointment as contained at Item No. 8 of the accompanying Notice.

Item No. 9: At the Annual General Meeting held on 10th September, 2008, the Members had approved payment of remuneration not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of the Act to the Directors [apart from the Managing Director and the Executive Director(s)] for each of the five financial years of the Company commencing 1st April, 2008. Taking into account the responsibilities of the Directors, it is now proposed to extend the payment of remuneration to the Directors for a further period of five years commencing 1st April, 2013. The remuneration will be distributed amongst all or some or any of the Directors in accordance with the directives given by the Board.

All the Non-Executive Directors of the Company are concerned or interested in the Resolution at Item No. 9 of the accompanying Notice to the extent of the remuneration that may be received by them.

Item No. 10: As Members are aware, the Company is undertaking several projects / contracts in India as well as outside India mainly for the erection, operation and maintenance of power generation and distribution facilities. To enable the Directors to appoint Branch Auditors / Accountants for the purpose of auditing the accounts of the Company's Branch Offices in India and abroad (whether now existing or as may be established), the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 228 of the Act, in terms of the Resolution under Item No. 10 of the accompanying Notice.

The Board commends the Resolution at Item No. 10 of the accompanying Notice for acceptance by the Members of the Company.

None of the Directors is in any way concerned or interested in the Resolution at Item No. 10 of the accompanying Notice.

By Order of the Board of Directors,

H. M. Mistry
Company Secretary

Mumbai, 30th May, 2013

Registered Office:

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

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

Name of Director	Mr. R. Gopalakrishnan	Mr. N. H. Mirza	Mr. Thomas Mathew T.	Ms. Vishakha Mulye
Date of Birth	25th December, 1945	4th April, 1950	3rd June, 1953	4th February, 1969
Date of Appointment	15th January, 1999	29th September, 2006	7th August, 2009	28th February, 2013
Expertise in specific functional areas	Mr. Gopalakrishnan is a Director of Tata Sons Ltd., Chairman of Rallis India Ltd., Vice-Chairman of Tata Chemicals Ltd. and a Director of several other companies like Azko Nobel India Ltd., Castrol India Ltd. etc. Prior to joining Tatas in 1998, he served with Levers for 31 years, where he rose from being a Management Trainee to being Vice-Chairman of Hindustan Lever Ltd.	Mr. Mirza is a Fellow of The Institute of Chartered Accountants of India and was a Senior Partner of Ernst & Young. He was Advisor to Jardine Matheson & Co. Ltd., Hong Kong. He is an Independent Director on the Boards of other companies. He is also on the Advisory Board for Corporate Governance practices set up by Hunt Partners.	Mr. Thomas Mathew T. is the Managing Director of Life Insurance Corporation of India. He has 36 years of professional experience in the life insurance industry. He is a Director on the Board of Voltas Ltd. He is also the Chairman of LIC Nomura Mutual Fund Trustee Co. Pvt. Ltd.	Ms. Mulye is the Managing Director and CEO of ICICI Venture Funds Management Co. Ltd., where she heads the different business verticals and chairs the Investment Committee of all funds. She 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. She serves on the Board of Directors of leading Indian companies in the media, IT and financial services sectors.
Qualifications	Graduate in Physics from Calcutta University and in Engineering from IIT, Kharagpur.	Fellow of The Institute of Chartered Accountants of India.	Post Graduate in Economics, Bachelor's Degree in Law and a Post Graduate Diploma in Management from the International Institute of Advanced Marketing.	Graduate in Commerce, Fellow of The Institute of Chartered Accountants of India.
Directorships held in other companies (excluding foreign and private companies)	• Tata Sons Ltd. • Tata Chemicals Ltd. • Rallis India Ltd. • Azko Nobel India Ltd. • Castrol India Ltd. • Tata Autocomp Systems Ltd. • Tata Technologies Ltd. • Advinus Therapeutics Ltd. • Metahelix Life Sciences Ltd. • Dhaanya Seeds Ltd. • L&T Finance Holdings Ltd.	• Thermax Ltd. • Foodworld Supermarkets Ltd. • Coastal Gujarat Power Ltd. • Tata Power Delhi Distribution Ltd.	• Life Insurance Corporation of India • Voltas Ltd. • LIC Pension Fund Ltd. • LIC Card Services Ltd.	• 3i Infotech Ltd. • ICICI Venture Funds Management Co. Ltd. • ICICI Securities Primary Dealership Ltd. • Indian Express Newspapers (Mumbai) Ltd. • Star Health and Allied Insurance Co. Ltd. • Karvy Stock Broking Ltd.
Committee position held in other public companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	**Audit Committee** *Member* • Tata Chemicals Ltd. • Azko Nobel India Ltd. • Castrol India Ltd.	**Audit Committee** *Chairman* • Coastal Gujarat Power Ltd. • Foodworld Supermarkets Ltd. • Thermax Ltd.	**Audit Committee** *Member* • LIC Pension Fund Ltd.	**Audit Committee** *Member* • 3i Infotech Ltd. • ICICI Securities Primary Dealership Ltd. • Star Health and Allied Insurance Co. Ltd. • Karvy Stock Broking Ltd.
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-Fourth Annual Report on the business and operations of your Company and the statements of account for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

Figures in ₹ crore

		Tata Power Standalone		Tata Power Group Consolidated	
		FY13	***FY12***	**FY13**	***FY12***
(a)	Revenue from Operations (Net)	9,567.28	*8,495.84*	33,025.43	*26,001.40*
(b)	Operating Expenditure	7,543.22	*6,711.21*	26,580.73	*21,101.18*
(c)	**Operating Profit**	**2,024.06**	***1,784.63***	**6,444.70**	***4,900.22***
(d)	Add: Other Income	721.67	*983.46*	369.20	*268.76*
(e)	Less: Finance Costs	678.25	*514.87*	2,635.53	*1,527.09*
(f)	Profit before Depreciation and Tax	2,067.48	*2,253.22*	4,178.37	*3,641.89*
(g)	Less: Depreciation/Amortisation/Impairment	364.10	*570.35*	2,901.69	*3,134.64*
(h)	**Profit before Tax**	**1,703.38**	***1,682.87***	**1,276.68**	***507.25***
(i)	Less: Tax Expenses	678.69	*513.14*	1,177.96	*1,475.54*
(j)	**Net Profit/(Loss) after Tax**	**1,024.69**	***1,169.73***	**98.72**	***(968.29)***
(k)	Less: Minority Interest	-	-	208.07	*190.16*
(l)	Add: Share of Profit of Associates	-	-	23.92	*70.77*
(m)	**Net Profit/(Loss) after Tax, Minority Interest and Share of Profit of Associates**	**1,024.69**	***1,169.73***	**(85.43)**	***(1087.68)***

2. COMPANY'S PERFORMANCE

2.1 Standalone

On a Standalone basis, your Company earned a higher Profit before Tax (PBT) compared to the previous year. However, owing to higher Tax provisioning, your Company reported a Profit after Tax (PAT) of ₹ 1,024.69 crore, as against ₹ 1,169.73 crore for the previous year.

The Operating Revenue was higher at ₹ 9,567.28 crore, as against ₹ 8,495.84 crore, an increase of 13%. Operating Revenue was higher mainly on account of higher fuel cost built in the Revenue recovery; higher transmission charges paid in the Mumbai Regulated business based on the Intra-state transmission order; higher built-in tariff and through improved operational performance. The Operating Profit was higher by 13%, significantly through improved operational performance and favourable Appellate Tribunal for Electricty (ATE) Order in Mumbai Licence Area. Other Income was lower at ₹ 721.67 crore, as against ₹ 983.46 crore in the previous year. This was mainly due to lower dividend income from Coal investments; driven by lower global coal prices as compared to last year, in spite of higher coal production from the mines.

During FY13, due to lower earnings after full year's appropriation on unsecured perpetual securities, the Earnings per share (basic) was at ₹ 3.44 as against ₹ 4.53 in the previous year.

2.2 Consolidated

On a Consolidated basis, the Operating Revenue was higher at ₹ 33,025.43 crore, as against ₹ 26,001.40 crore, an increase of 27%. The increase in the Consolidated Operating Revenue was primarily on account of the additional revenue generated from Coastal Gujarat Power Limited (CGPL) and Maithon Power Limited (MPL), higher revenue of Tata Power Delhi Distribution Limited (TPDDL) on account of increase in power purchase cost and higher volume traded by Tata Power Trading Company Limited (TPTCL).

The Consolidated Loss after Tax at ₹ 85.43 crore is lower as compared to the previous year, mainly on account of relatively lesser impairment provisions of the Mundra assets and no charge-off of deferred stripping costs, during the year.

3. DIVIDEND

The Directors of your Company recommend a dividend of 115% (₹ 1.15 per share) subject to the approval of the Members. The dividend has been reduced (from 125% previous year) due to the ongoing challenge in CGPL caused due to change of law and unprecedented imported coal price increase compared to the bid.

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 alliances through Joint Ventures (JVs) and Subsidiaries. As on 31st March, 2013, your Company had 23 Subsidiaries (14 are wholly-owned Subsidiaries), 26 JVs and 10 associates.

During the year 2012-13, your Company has acquired/created the following Subsidiaries or JVs:

- **Tata Power Solar Systems Limited (TPSSL) :** Acquired 51% of the equity held by BP Alternative Energy Holdings Limited (BP) in TPSSL (formerly Tata BP Solar India Limited) to become a 100% owner of TPSSL.
- **PT Baramulti Suksessarana Tbk (BSSR) :** Acquired 26% stake in BSSR, Indonesia through its 100% subsidiary Khopoli Investments Limited (Khopoli). PT Antang Gunung Meratus (AGM), a 100% subsidiary of BSSR, and BSSR together own approximately 1 billion tonnes of coal resources in south and east Kalimantan in Indonesia.
- **PT Mitratama Perkasa (PTMP) :** Your Company, through PT Sumber Energi Andalan Tbk (in which it effectively holds 94.61% stake through Trust Energy Resources Pte. Limited), acquired 30% stake in PTMP, a coal mining service provider in Indonesia.
- **Tata Power Jamshedpur Distribution Limited (TPJDL) :** The Company signed a Distribution Franchisee Agreement (DFA) with Jharkhand State Electricty Board (JSEB) on 5th December, 2012 for a period of 15 years for power distribution in the Jamshedpur Circle in Jharkhand, for which the business operations are likely to commence with effect from October, 2013. The area to be served is approximately 3,600 square km, having a consumer base of about 3 lakh.

Following are the salient highlights related to your Company's substantive Subsidiaries/JVs **:**

4.1 Coastal Gujarat Power Limited

CGPL, the Company's wholly owned subsidiary, has implemented and commissioned the 4,000 MW (5 x 800 MW) Ultra Mega Power Plant (UMPP) at Mundra in Gujarat.

Project Commissioning

The fifth and last unit of Mundra UMPP was commissioned on 22nd March, 2013. During the year, four units of Mundra UMPP (4 x 800 MW) were commissioned. With the commissioning of Mundra UMPP, CGPL now holds the record of commissioning the maximum capacity ever during a year (3,200 MW) by any utility, with NTPC closely following at 3,160 MW.

The project continues to abide by stipulated norms for its operations including environment, community engagement and ecological impact.

Power Purchase Agreement (PPA)

Under the existing PPA, CGPL is able to recover partial cost of fuel through its tariff. International coal prices have gone up significantly during the last five years accentuated by the changes in Indonesian coal price regulations. This has led to significant financial burden for CGPL including impairment provisioning against its assets. Your Company is of the view that this is an industry-wide issue and not specific to Mundra UMPP alone and needs urgent resolution.

CGPL had submitted a petition to the Central Electricity Regulatory Commission (CERC) seeking relief by way of establishment of an appropriate mechanism to offset the adverse impact caused by the steep hike in coal prices. After several hearings, CERC, in its order dated 15th April, 2013, has given the directive to constitute a committee to recommend a compensatory tariff.

The above referred committee has begun its discussions and your Company is hopeful of an early resolution.

Provision for Impairment

During the year, the Company made an impairment provision of ₹ 850 crore as against ₹ 1,800 crore for the previous year. Hence, the provision as on 31st March, 2013 stood at ₹ 2,650 crore (₹ 1,800 crore as on 31st March, 2012).

The coal price assumptions factored at the time of bid were based on the industry outlook existing at that time. The Company had factored the availability of discounts and stable pricing for long term coal contracts which were prevalent at that time. Accordingly, the Company had quoted 45% of the coal cost in the escalable component in its bid. However, due to changes in Indonesian regulation, the Company is exposed to under-recovery of coal costs.

During the year, the Company assessed the cash flows expected to be generated over the useful life of the assets. In estimating the future cash flows, the management has, based on information from independent third parties/institutions, made certain assumptions on a consistent manner, relating to fuel prices, foreign exchange, future revenues and operating parameters, which the management believes reasonably reflect future expectations of these parameters. These assumptions are monitored on a periodic basis by the management and adjustments made as necessary.

Financing

In view of the financial impact as a result of high coal prices, the lenders to the project have sought additional support from Tata Power as part of its sponsor support obligations. Tata Power has offered to transfer the cash flows from the coal investments to meet the debt service of CGPL as an interim arrangement. The Company has sought certain waivers from lenders to enable further disbursements of loans. The same is under discussion and is likely to be finalized shortly.

Sustainability

CGPL, in its endeavour to become the 'Neighbour of Choice', continues to take initiatives for the local community in the areas of livelihood and income generation, education and health. This has been done by continuously engaging with local communities and by partnering with government agencies.

The Company and some of the project lenders have received certain complaints with regard to social and environmental compliances from organisations claiming to represent sections of the local communities. The Company has clarified to the national and international institutions that it is proactive in its association with the communities around the project area and has ensured compliance to all requirements. Since much of these concerns arise out of inadequate understanding of power plant operations, a website explaining the practices, the societal and environmental safeguards being implemented, has been created to foster better understanding. (www.tatapower.com/cgpl-mundra/myths-realities.aspx).

4.2 Investment in Coal Companies

The performance of the two Indonesian thermal coal companies, viz. PT Kaltim Prima Coal and PT Arutmin Indonesia reveals that while the production during calendar year 2012 was 74.44 MT as against 65.63 MT in calendar year 2011, the coal price realization for the year was US$ 81.01/tonne as compared to US$ 93.20/tonne in the previous year. The lower price of coal impacted the profitability of the coal companies substantially as compared to the earlier years.

In FY13, your Company also acquired 26% stake in BSSR, Indonesia. BSSR has listed its shares on the Indonesian Stock Exchange. Your Company also signed a long term coal supply agreement with AGM.

4.3 Maithon Power Limited

MPL, a JV 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. Commercial operation of Unit 1 of MPL was declared on 1st September, 2011 and Unit 2 commercial operation was declared on 24th July, 2012, with power sale commencing from first day of commercial operation.

Out of the total capacity of 1,050 MW, 300 MW power has been tied up through long term PPAs, each with DVC, WBSEDCL and TPDDL, thus totalling to 900 MW. For the balance 150 MW, long term arrangements are being pursued.

4.4 Tata Power Delhi Distribution Limited

TPDDL (formerly North Delhi Power Limited), a subsidiary of your Company (51%) with balance shares held by Delhi Power Company Limited, a Government of Delhi undertaking, is engaged in distribution of electicity in North and North-West Delhi and services around 1.3 million consumers spread over an area of 510 square km.

TPDDL's liquidity position continues to be under considerable stress due to the large accumulated Revenue Gap caused by Regulatory Assets which is non-cash accrued revenue promised by Regulators to be recovered in subsequent years through increased tariffs. The accumulated Revenue Gap recoverable from future tariffs has increased over the years from ₹ 322 crore in FY09 to ₹ 4,712 crore in FY13. This is primarily on account of increase in power purchase cost during the period, which increased from ₹ 2.86/unit in FY09 to ₹ 5.45/unit in FY13 (91% increase) against an average billing rate (excluding Electricity Tax) increase from ₹ 4.52/unit in FY09 to ₹ 6.72/unit in FY13, reflecting a 49% increase over the same period.

Bulk of the tariff increase has taken place mainly in the last two years with an average 22% increase in September, 2011 and another 21% increase thereon from July, 2012 plus levy of 8% Deficit Recovery Surcharge to ensure liquidation of the accumulated Revenue Gaps. Apart from this, quarterly power purchase price adjustment factor was brought in from July, 2012 and presently additional 3% surcharge under Power Purchase Cost Adjustment Charges is being charged. Prior to this tariff increase, the last major tariff revision had been carried out by Delhi Electricity Regulatory Commission (DERC) in

FY06 except for a marginal 1% increase in FY08. Although the prevailing increased tariffs are designed to reflect the current costs, they are not able to liquidate the outstanding Revenue Gap and the Regulatory Assets increased by ₹ 758.24 crore during FY13.

Your Company has provided alternative solutions to address the issue of burgeoning Revenue Gap. Appropriate advocacy is being done on this issue.

4.5 Cennergi Projects - Tsitsikamma and Amakhala

Your Company's JV in South Africa, Cennergi Proprietary Limited, has made steady progress towards achievement of financial closure for two wind projects for which it was declared successful by the Department of Energy, Government of South Africa.

4.6 Tata Power Renewable Energy Limited (TPREL)

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 the 21 MW wind plant at Dalot, Rajasthan.

4.7 Tata Power Solar Systems Limited (TPSSL)

TPSSL (formerly Tata BP Solar India Ltd.) currently has four business lines: (1) Manufacturing and sale of solar cells and modules; (2) Providing engineering, procurement and construction-cum-commissioning services (EPC) and O&M to solar project developers (3) Developing and selling solar PV products in rural markets and (4) Developing and selling of solar thermal (water heating) products in urban markets.

The Company, consequent to taking over BP's share, does not have ready access to the European markets. Also, the Company has witnessed cheap imported solar cells and modules flooding the Indian markets, which has resulted in TPSSL achieving substantially lower production of solar cells and modules.

The market outlook for solar energy products and projects continues to look promising despite policy delays in India and TPSSL is significantly increasing its focus on the downstream businesses of EPC services and solar products, and expects to grow revenues in the future.

4.8 Industrial Energy Limited (IEL)

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

IEL is currently executing the 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. All clearances for the project are in place; EPC contract has been awarded. Boiler drum of Unit 1 has been lifted in March, 2013. The project is in an advanced stage of completion.

4.9 Tata Power Trading Company Limited (TPTCL)

TPTCL is in the business of power trading since June, 2004 and is the first company in India to receive power trading license from CERC. TPTCL has diversified and strengthened its power portfolio by entering into long term power purchase and sales contracts for sale of power in the long term as well as over the short term, in the merchant market.

The revenue from operations for FY13 was ₹ 3,789.29 crore, as compared to ₹ 1,926.70 crore in the previous year. The PAT increased by 74% to ₹ 24.48 crore, as against ₹ 14.05 crore in the previous year. TPTCL transacted 9,431 MUs during FY13 as compared to 5,583 MUs in the previous year and has shown a CAGR of 41% over the past 5 years. It was ranked the second largest trader with a market share of 13.89% in FY13.

5. CREDIT RATING

As on 31st March, 2013, your Company had the following credit ratings - a Corporate Credit Rating of BB - with a Negative outlook from Standard & Poor's Rating Services and a corporate family rating of B1 with a Stable outlook by Moody's Investor Services. The rating is not for any specific debt issuance of the Company.

Your Company's INR denominated instruments are rated AA by CRISIL, 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. REGULATORY ENVIRONMENT

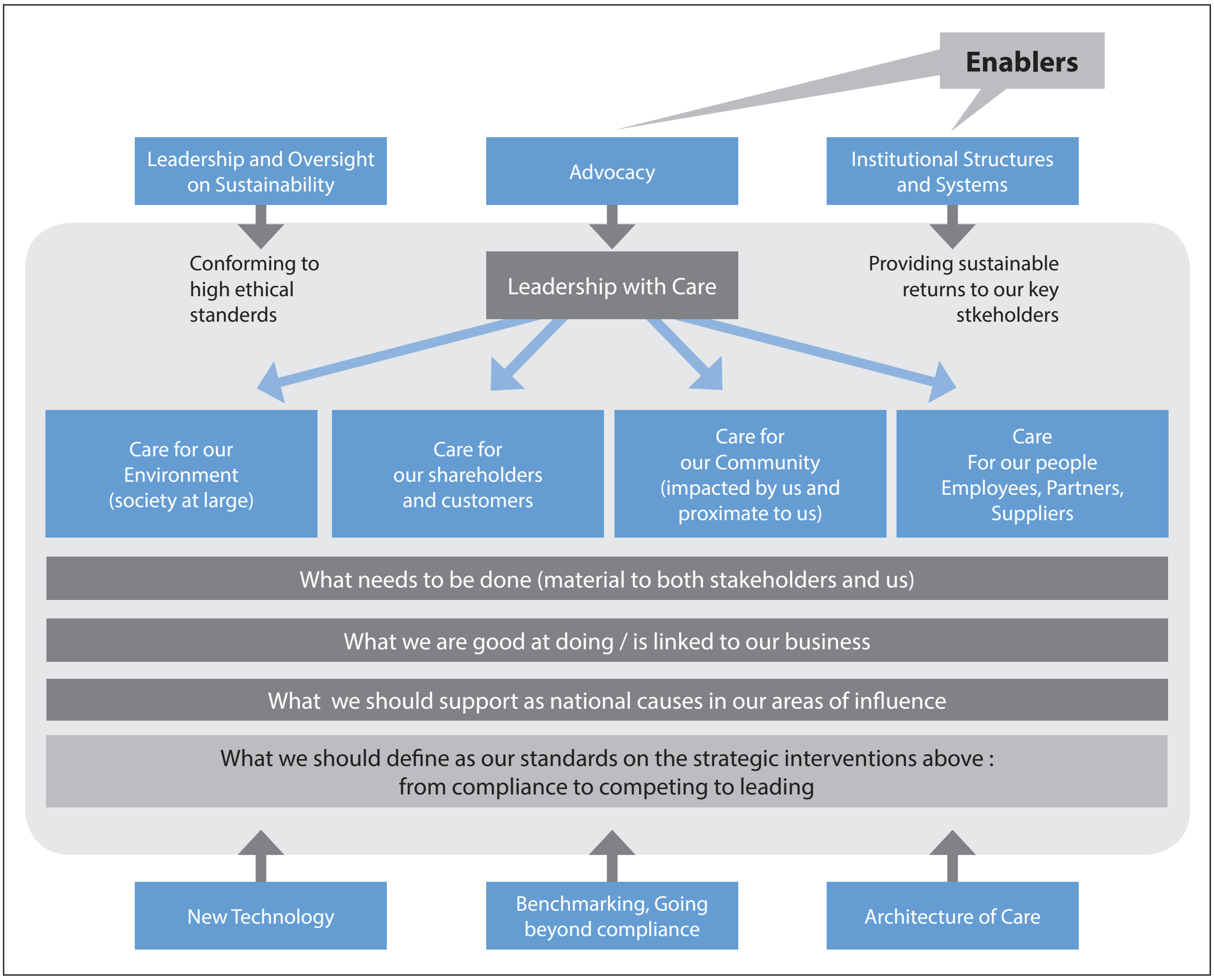
Regulatory reforms in the power sector are critical given the current challenges across the value chain. Your Company is actively engaged in addressing the bottlenecks in the regulatory environment and has been working through the Ministry of Power and other stakeholders in the industry with the Advisory Group that has been formulated by the Minister of State for Power.

The key issues that are currently being addressed through this forum are: Resolving Coal and Gas Deficits, Amendments to the Electricity Act, 2003, Transmission Bottlenecks, Standard Bidding Guidelines, Institutional Mechanism for expediting investments and debottlenecking Hydropower projects.

7. SUSTAINABILITY

At Tata Power, the Sustainability thought process – across Economic, Environment, Social and Cultural dimensions, is captured in the Tata Power Sustainability Model which has the over-arching objective of "Leadership with Care". This dovetails well with the Tata Group philosophy of "Improving the quality of life" and Tata Power's own byline – "Lighting up Lives".

Figure 1: Tata Power Sustainability Model



The Tata Power Sustainability Model covers the entire range of stakeholders (customers, shareholders, community, employees, society at large). Your Company has also instituted "CARE" as one of the values of the organization. The enablers to achieving the organization's objectives are several initiatives including Adoption of Technology, Benchmarking, Advocacy, Leadership and Oversight, Governance processes on sustainability, etc.

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

Care for our People - Safety

Your Company has declared Safety as a core value and consequently emphasized its intent for maintaining a healthy and safe environment in and around its operating facilities as well as at project sites through its Organizational Health & Safety policies/guidelines.

Highlights of efforts in the area of Safety are as follows:

- The Company is pursuing the process of implementing British Safety Council (BSC) 5 Star Safety Management System (SMS) to further strengthen the internal processes.
- Web based safety training is being pursued to cover 15 critical safety topics. More than 500 employees have been trained on all 15 topics through this initiative.
- A specially designed safety appreciation program titled "Super-Vision for Safety" was launched across Tata Power for first line Supervisors, realizing the importance of effective supervision for reducing the safety risks during execution.
- "Access control" philosophy has been introduced to ensure that only trained and certified persons are deputed in safety critical jobs.
- Safety awareness has been greatly enhanced at homes and schools. This has been achieved through various monthly campaigns.

Specific safety targets with lead and lag indicators are monitored against targets. A summary of safety results achieved (both employees and contract workforce) is given below:

Sl. No.	Parameters (For Tata Power, CGPL, MPL, IEL, Powerlinks, TPTCL, TPREL and TPSSL)	FY13	*FY12*
1	Fatality (Number)	1	*1*
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.34	*0.20*
3	Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours)	17.88	*20.97*
4	First Aid Cases (Number)	757	*1,430*

We deeply regret to report a fatal accident that took place at CGPL involving a contract worker. Although it is impossible to indemnify the loss of human life, the family of the deceased person has been given financial assistance to reduce the impact of financial distress. A detailed Root Cause Analysis has been conducted to avoid recurrence of such incidents at our sites.

Care for our Community

Your Company has identified the following five thrust areas that can help it focus its community relations efforts, share learning across the multiple locations that it operates in and enable initiatives to make a difference at a regional/state or national scale. The five thrust areas have also been aligned to the national and global frameworks on Community Development. The thrust areas are:

a) Augmenting Rural Primary Education System

b) Building and Strengthening Healthcare Facilities

c) Enhancing Programs on Livelihood and Employability

d) Building Social Capital and Infrastructure

e) Nurturing Sustainability for Inclusive Growth

Your Company is pursuing initiatives across all the identified thrust areas. Presently, Community Relations Iniatives are positively impacting lives of 0.3 million people across 208 villages. About 7,200 hours of volunteering for social causes was generated by employee participation.

Care for our Environment

For Tata Power, "Care for the Environment" implies targeting outcomes in the following areas:

- Compliance at all times to relevant Environment related National/Local standards/Regulatory requirements.
- Commitment to have 20-25% of its portfolio from non-Greenhouse Gas (non-GHG) sources.
- Reducing Water consumption; promoting re-use and ensuring necessary quality of discharge water from its power plants.
- Minimizing waste generated; promoting reuse and recycling of waste products (e.g. fly ash, etc.).
- Minimizing emissions like SOx, NOx, Fugitive Dust, Particulate matter, etc.
- Minimizing Soil contamination at area of operations.
- Preserving the Bio-diversity around our plants.
- Increasing the green cover in the vicinity of its operations.

Your Company has a comprehensive strategy to address the above and perodically reviews the same to drive improvements.

7.2 Club Enerji

Club Enerji, previously known as Tata Power Energy Club, is an initiative that takes energy 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 5.2 million citizens, who in turn have helped save more than 8.7 MUs of electricity till date. This saving is equivalent to saving 8,700 tonnes of CO_2 and is enough to light up approximately 4,070 houses for a year.

In the year 2012, Club Enerji has been bestowed with the Eco Advocate Award by Asia Pacific Enterprise Leadership Awards (APELA) at Singapore. It was recognized at the "2012 International Business Awards" with Gold Stevie Award for being the best Marketing Campaign of the Year 2012 - Energy category. It has also been awarded Gold at the ABCI awards in the category Best Communication material and Bronze for its Resource Conservation Module.

7.3 Affirmative Action

In line with the Tata Group policy, your Company has prepared its Affirmative Action (AA) Policy. Your Company has focused its efforts towards 4Es – Education, Employability, Employment and Entrepreneurship programs for the development of deprived communities, particularly SCs and STs.

During the year, Tata Power covered 6,500 students under education programs and 750 youth and women under skill development training programs. Also, contracts worth ₹ 7 crore were awarded to 10 SC/ST vendors. Your Company has planned to ramp up its AA activities significantly.

7.4 Sustainability Reporting

Your Company is conscious of its role as a Responsible Corporate Citizen and has an uncompromising adherence to the norms of Corporate Governance. This year, your Company commemorates the completion of a decade of the Sustainability Reporting journey with the launch of the Sustainability Report 2012-13. This report is based on the GRI G3.1 guidelines covering all the 84 indicators. The scope of this report has also been enhanced by including the major subsidiaries like CGPL and MPL in the reporting purview. Your Company's Sustainability Report will be hosted on the website www.tatapower.com.

7.5 Business Responsibility Report (BRR)

Vide its Circular dated 13th August, 2012, Securities and Exchange Board of India (SEBI) mandated the inclusion of BRR as a part of the Annual Report for top 100 listed entities based on their market capitalisation on BSE Limited and National Stock Exchange of India Limited at 31st March, 2012. The said reporting requirement is in line with 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. Pursuant to the above, the Stock Exchanges amended the Listing Agreement by inclusion of Clause 55 providing a suggested framework of a BRR, describing initiatives taken by your Company from an environmental, social and governance perspective. In line with the press release and FAQs dated 10th May, 2013 issued by SEBI, your Company's BRR will be hosted on its website www.tatapower.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

7.6 United Nations Global Compact (UNGC)

The Global Compact requires businesses to adhere to ten principles in the areas of human rights, labour standards, environment and anti-bribery. Your Company has been reporting data since 2006 as per the Global Compact Initiative taken up by the Secretary General of the United Nations. For the current year, your Company will submit responses to the Global Compact for its 'Communication on Progress' on various Principles in its business processes. The details of UNGC compliance will be hosted on www.unglobalcompact.org.

8. INNOVATION

8.1 CleanTech and Non-GHG generation technologies

Your Company follows various sources to keep abreast of the Applied R&D updates on clean technologies. Interactions are on with faculty members from leading institutions such as the IIT, Bombay; University of Mumbai, Institute of Chemical Technology (ICT) and various other universities. Technologies in a variety of areas like solar (PV, thin-film, concentrated PV and concentrated thermal), micro-turbine wind energy generation, CO_2 absorption using algae, carbon capture reuse and storage, fuel cell (telecom tower application), gasification (biomass, coal), etc. are being evaluated. During the year, your Company has continued to expand its presence in the field of CleanTech and Non-GHG generation techonologies. The highlights are:

i. **Geothermal :** Your Company has invested in Geodynamics Limited, a leading Australian company in enhanced geothermal systems. Your Company has invested AUD 50 million in the project so far. Geodynamics has commissioned a 1 MW pilot plant.

ii. **Floating Solar PV :** Sunengy Pty. Limited is an Australia based start-up company that has designed a floating concentrated PV system using Fresnel lenses. The first string of the 13.5 kW is operational and the performance is being monitored.

iii. **Micro-Wind :** Micro turbines of capacities of 2 kW from Windtronics, 5 kW and 12 kW from WePower and 5 kW from Unitron have been installed at the test bed site. Another 2 kW Windtronics turbine has been installed and commissioned at Trombay generating station. The turbines are being studied for understanding their performance in Indian conditions.

iv. **Solar Concentrated Thermal :** A consortium led by IIT, Bombay is on the verge of completion of 1 MW solar concentrated thermal power plant at the National Solar Centre in Gurgaon. Arrangements for commissioning and operating the same are in progress.

v. **Biomass Gasification System :** An 18 kW Biomass based gasification system has been set up in the Trombay Colony premises. The system consumes 25 kilogram/hour. of biomass as a fuel and the output power will be diverted for the colony consumption.

vi. **Continuous Hydro-Thermal Dewatering of Coal :** Your Company is working with Exergen Pty. Limited- an Australian company, on a technology that alters chemical properties of coal and makes it hydrophobic. Low grade coal (~ 50% moisture) is processed at 100 Bar pressure and 250^{O} C to produce good quality coal (25% moisture). Exergen is in the process of raising funds to complete the 50TPH plant.

8.2 Strategic Engineering Division (SED)

In FY13, SED reaffirmed its support to the indigenisation goal of the Ministry of Defence through research, design and development of various electronic systems and sub-systems in the areas of Communications, Networking, Voice & Data Processing, Optronics, Airfield and Air Traffic Management.

9. FIXED DEPOSITS

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2013.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO

On a Standalone basis, the foreign exchange earnings of your Company during the year under review amounted to ₹ 359.84 crore (previous year ₹ 631.78 crore), mainly on account of interest, dividend, etc. The foreign exchange outflow during the year was ₹ 2,418.14 crore (previous year ₹ 2,451.71 crore), mainly on account of fuel purchase of ₹ 2,202.49 crore (previous year ₹ 2,071.89 crore), interest on foreign currency borrowings and NRI dividends of ₹ 84.84 crore (previous year ₹ 70.33 crore) and purchase of capital equipment, components and spares and other miscellaneous expenses of ₹ 130.81 crore (previous year ₹ 309.49 crore).

11. DISCLOSURE OF PARTICULARS

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

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

12. 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 Act 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 the Company. A gist of the financial performance of the subsidiary companies is contained in the report. The Annual Accounts of the subsidiary companies are open for inspection by any Member/Investor and the Company will make available these documents/details upon request by any Member of the Company or to any investor of its subsidiary companies who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the 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.

13. DIRECTORS

Mr. Adi J. Engineer, stepped down as Director of your Company with effect from 27th August, 2012, consequent upon his completing 75 years of age, in line with the policy adopted by the Board for retirement of Directors. The Board has placed on record its appreciation for the valuable contribution made to your Company by Mr. Engineer.

Mr. Ratan N. Tata resigned as Chairman of the Board of Directors of the Company with effect from 8th November, 2012. He stepped down as Director with effect from 28th December, 2012 consequent upon his completing 75 years of age (in line with the policy adopted by the Board for retirement of Directors). The Board has placed on record its appreciation for his selfless and tremendous contribution towards the growth of the Company over two decades.

Mr. Cyrus P. Mistry was appointed as Chairman of the Board of Directors in place of Mr. Tata effective 8th November, 2012.

Ms. Vishakha V. Mulye was appointed as Additional Director of the Company, with effect from 28th February, 2013, in accordance with Section 260 of the Act and Article 132 of the Articles of Association of the Company. Ms. Mulye holds office only upto the date of the forthcoming Annual General Meeting and a Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Ms. Mulye's appointment as a Director.

In accordance with the requirements of the Act and the Articles of Association of the Company, Mr. R. Gopalakrishnan, Mr. N. H. Mirza and Mr. Thomas Mathew T. retire by rotation and are eligible for re-appointment.

14. AUDITORS

Messrs. Deloitte Haskins & Sells (DHS), who are the statutory auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint DHS to examine and audit the accounts of your Company for FY14. DHS has, under Section 224 (1) of the Act, furnished a certificate of its eligibility for re-appointment. The Members will be requested, as usual, to appoint Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No.6 of the Notice.

Members will also be requested to pass a resolution (vide Item No.10 of the Notice) authorizing the Board of Directors to appoint Auditors/Branch Auditors/Accountants for the purpose of auditing the accounts maintained at the Branch Offices of the Company, in India and abroad.

15. AUDITORS' REPORT

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

The consolidated financial statements of 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.

16. COST AUDITOR AND COST AUDIT REPORT

M/s Sanjay Gupta and Associates, Cost Accountants, were appointed Cost Auditors of your Company for FY13.

In accordance with the requirement of the Central Government and pursuant to Section 233B of the Act, 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, 2012, by M/s N. I. Mehta & Co., which was due for filing with the Ministry of Corporate Affairs by 31st January, 2013, was filed on 11th January, 2013.

17. 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.

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

19. 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 the areas where your Company operates and the community associated with its area of operations. The Directors are also thankful to the international Governments and regulatory authorities in the countries that it seeks to grow its business.

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, 30th May, 2013

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 your Company	i)	Development of a cost-effective floating Concentrated Photo Voltaic (C-PV) System
		ii)	Secure Tactical Communication Systems and Network/Spectrum Management and Tactical GIS
		iii)	Power Systems for Mobile Platforms
		iv)	Opto-electronics based systems for Solar Panel Tracking System
2)	Benefits derived as a result of the above R & D	i)	Potential to install solar C-PV systems on the lakes in your Company's hydro areas
		ii)	Increase of indigenous content in the Systems meeting Government of India's objective of Substantive Self Reliance in Defence Production
		iii)	Increase in energy output due to Solar Panel Tracking as compared with a Static Solar Farm installation
3)	Future Plan of Action	i)	Test a pilot plant of 13.5 kW on Walwhan Lake
		ii)	User trials and field deployments
		iii)	Pilot for Solar Panel Tracking at Mulshi Solar Farm
4)	Expenditure on R & D (in ₹ crore) (Strategic Engineering Division)*		
	a) Capital		26.07
	b) Recurring		00.02
	c) Total		26.09

*SED has got approval from Department of Scientific & Industrial Research (DSIR) for its Mumbai R&D Facility under Section 35(2AB) of Income-tax Act, 1961 for availment of weighted deduction w.e.f. 1st April, 2013 for next 4 years.

Technology absorption, adaptation and innovation

1)	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	Applied for four patents – three in the area of high-speed Signal Processing and one in the area of Mechanical Engineering
2)	Benefits derived as a result of the above efforts	Help achieving Government of India's goal of creating Substantive Self Reliance in Defence 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	Liquid Solar Array
	b) Year of Import	2010
	c) Has technology been fully absorbed	Prototype has been tested in the lab.
	d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	Pilot being installed / commissioned for field trials

A) TECHNOLOGIES ADOPTED

1. Trombay

a. **Blade Vibration Monitoring System (BVMS) :** Monitors the vibration behaviour of blades during the actual running of a turbine and also has the potential to expand safe operational limits for turbines and potentially generate additional MWs during peak-demand periods.

b. **Maximisation of fuel oil recovery from fuel oil tank :**

- Use of specialized hot tapping equipment at fuel tank to optimize the suction to fuel pumps.
- Usage of Soltron, a petroleum based after-market bulk storage fuel treatment enzyme that acts as a catalyst to improve fuel filterability.

c. **Cooling water outlet temperature reduction :** Aerators were installed in outfall channels to reduce the cooling water outlet temperature.

2. Jojobera

Various technologies were adopted for improving Boiler Efficiency by optimizing combustion. This includes:

- Optimization of coal mills performance by carrying out various tests such as Clean air test, Dirty air test (Iso-kinetic mill sampling), etc.
- Measurement of combustion parameters inside the Boiler by High Velocity Traverse testing probe.
- Testing of Air Pre-Heater performance by using special probes.
- Temperature, Oxygen and CO mapping of entire Boiler using this technology.
- Cold Air Velocity Test to increase boiler efficiency .

This has led to an overall improvement in Boiler Efficiency by about 1 percentage point.

3. Haldia

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

a. **Field disturbance recorder :** It records and monitors all the disturbances in 132 kV, 11 kV and 6.6 kV system voltage and current. Hence, it provides a solution for Improving Power System Stability and Reliability.

b. **Leakage current test of 132 kV Lighting Arrester :** To monitor the health of 132 kV Lighting Arrester.

c. **Sweep Frequency Measurement Analysis :** Used for determining winding shift, core displacement and inter-turn insulation failure in transformers.

d. **CO_2 cleaning of rotor & stator :** Dry CO_2 (cryogenic) cleaning method of the generator winding insulation cleaning is a very less time consuming method compared to traditional methods of generator cleaning. It reduces the time of outage during major over-haul.

e. **Vibration monitoring system installation :** Online vibration monitoring system installed and commissioned on Boiler Feed Pump and Cooling Tower Fans. Now real-time vibration as well as trend can be monitored from the control room.

4. IEL

a. **Automated Effluent Neutralization system in DM Plant :** Corrosive effluents are generated as a part of the DM water generation process. This effluent needs to be neutralized for safe disposal. This new technology has improved the system by refining the method and reducing manpower requirements.

b. **Recovery of waste water** by installation of Lamella Tube settler clarifier and utilization as make up water in circulating system. High turbidity waste effluent is generated during Backwash of Side stream filtration Plant during plant operation. This effluent was earlier disposed as waste water through ETP. Now, after installation of a New Lamella Plant, this waste water is recovered and utilized as make up water in circulating system for turbine condenser cooling.

c. Light pipes used in the Stores building utilizing solar light, thus saving electrical energy.

5. **Maithon**

a. **Technology to improve Boiler Pressure Parts reliability** by development and implementation of Boiler Tube Leak Monitoring Software. Use of Boiler Tube Leak Monitoring Software for checking the health of Boiler Pressure Parts. This helps in mapping of different zones of boiler and giving an early signal of deterioration in a particular zone.

b. **Transportation Management:** Adoption of Wireless Technology for creating redundant network connection using Base Station radio at TG Building. It is used to link Plant main gate (distance 3.5 km) for coal transportation management in SAP.

6. **Hydros**

a. **Replacement of AC/ GI Roofing Sheets by Polyurethane Galvalume sheets:** This is in line with your Company's Greenolution Initiative. By installing Polyurethane sandwiched sheets, there is a reduction in room temperature by 4 to 6 degrees. The benefits were:

i. Room temperature has been brought down by around 5 degree Celsius; thereby reducing the power consumption through ACs.

ii. Nil water leakage through roof and life of houses extended by 15 to 20 years, which consequently results in reduction of the pre-monsoon and O&M expense of the building.

b. Use of Public Mobile Radio Trunking system for Security Posts is an instant, two-way mobile (radio) communication service that allows a group of people to communicate with each other, even if some or all of them are on the move.

c. **Use of IP based Surveillance system and Centralised Access Control :** Adopting an IP Based, state-of-the-art security surveillance monitoring system for local and remote monitoring. This will be fully integrated with the Centralized Access Control System for all our vital locations.

To use IP based Camera for critical and unmanned locations by using Video Analytic based software which will raise alerts in case of intrusion detection. This solution is therefore, desirable for implementation in areas like water intake bay, switchyards etc.

d. **Auxiliary Power Reduction:** Aux power reduction at Hydros was achieved through Initiatives, like street lighting by LEDs, improvement in energy measurement mechanism by modern meters and solar heaters for both cooking and heating.

7. **Transmission**

a. **New Technologies on Safety**

i. E-Permit to Work : In-house web based software to automate the process of issuing work permits. Introduction of this system has helped in enhancement of safety and massive reduction in cycle time and paper consumption.

ii. Ladder with fall safe arrangement has been introduced for safe working on Transmission line towers.

iii. Safety Helmet with front and rear protection to protect the Lineman from bird attacks, while removing bird nest from towers.

iv. Life Line arrangement on Power Transformers and Isolators for safety of personnel while working at height.

v. Scissor Platforms and various Aerial Working Platforms were introduced for safe working at height.

b. **Augmentation of Transmission capacity of existing lines:** Replacing the existing conductors with High Temperature Low Sag Conductors which are capable of carrying more than double the load than the conventional conductors helped us to overcome the space challenge. The capacity of more than 100 km of existing EHV network was doubled using this technology. Also, capacity of 21 km of 22 kV Distribution lines in Saki area also doubled by using Aluminium Conductor Composite Core.

c. **Redundancy of Optical Fibre Network:** Using Low Tension Stringing method helped us complete the formation of optical fibre ring system without causing any interruptions in existing network. 170 km of OPGW conductor was strung using this new technology.

d. **Introduction of Line Signature Analyser:** Introduction of Signature Analyser (Seba KMT - German Technology) for Transmission Lines. This will help us to pinpoint the line faults within a range of plus or minus 100 metres, thus reducing line repair time and improving reliability of power supply.

e. **Sulphur Hexa Fluoride (SF6) Gas Detection Camera:** The newly introduced (SF6) gas detection cameras will help us to detect minute gas leakages. This will help us to take pre-emptive actions which will contribute to equipment availability and preservation of environment.

8. **Distribution**

Network Analysis Software : An advanced version has been successfully integrated with the GIS (Geographical Information System). The existing Network mapped in GIS (along with connectivity, attributes, database attributes, etc.) has been migrated successfully to this software thereby eliminating the need for manual modelling of the Network. Real time analysis of network is possible, thereby giving accurate Load Flow, Power flow and voltage drop analysis, Load balancing and load allocation/ estimation.

a. **Integration of GIS with Mobile Devices / Personal Digital Assistant (PDA) :** PDA is a mobile device having internet accessibility and uses touch screen technology. PDA can also store GIS maps and Applications for specific functions. This will help us to reduce manual intervention, thereby reducing errors in data entry and also enable quick mapping of new meters in GIS.

b. **Design Manager (DM) :** Is an out of box module of GIS platform. The module is used to process new distribution network schemes/designs having easy-to-use design layout tools with CAD-based precision.

c. **Automation of Meter Reading (AMR) and billing process for Commercial & Industrial (C& I) consumers:** An Automatic Meter Reading system based on GPRS technology has been installed for high value commercial and industrial consumers which improve the accuracy of energy audit. A total of 2,700 C&I consumers have already been covered under AMR. The process of Meter reading and billing has been fully automated for high value industrial and commercial consumers and requires no human intervention.

9. **Retail**

a. Technological adoption for enhancing the Condition Based Maintenance culture has been brought by using Thermo vision scanning of cable and Power Quality Monitoring System. Introduction of Line Resonance Analysis for condition monitoring of cable has been done for the first time in Distribution. These efforts have resulted in Average System Availability Index (ASAI) of 99.992% and technical complaints per 1000 customer index is as low as 6.92 against previous year's 8.48.

b. Demand Response - Under the ambit of Demand Side Management, your Company has rolled out Demand Response Program; a unique pogramme approved by MERC and such program has been rolled out for the first time in India, by any utility company. During the periods of transmission constraints or when the power procurement cost is very high, Tata Power requests the consumers to reduce their load for a short time. The consumer voluntarily curtails the load as per Tata Power's requirement and consumer gets paid at the rate of ₹ 2.25 per unit curtailed. In the reporting year, 11 demand response events have been organized and energy shift of 214 MWh achieved.

c. Customer Relations Centre (CRC) - In order to be close to our consumers and provide easy access, we have more than 20 Customer Relations Centers within a 2 km radius of our consumer base. Our CRCs are equipped with well-trained staff, bill payment kiosks, excellent infrastructure etc. to enhance the customer overall experience. Our CRCs have Queue Management System with a centralized monitoring system at Dharavi - first time in Distribution.

d. Meter reading efficiency of 99.92% has been achieved by adopting technologies like Hand Held Units and Common Meter Reading Instruments. This has removed human interface in meter reading, bringing down the errors to as low as 0.016%.

10. **Solar**

Solar panel Cleaning: Solar panel performance increases with adequate sunlight and likewise the panels need to be in a clean state. In-house mechanism for solar panel cleaning was designed, fabricated and effectively utilised.

11. **Wind**

Your Company has adopted following technologies for optimizing the operations:

a. Introduction of surge protection module in pitch power supply unit for reducing pitching error and convertor errors.

b. Vacuum type slip ring was introduced to increase the maintenance cycle of wind turbines.

c. Air gap monitoring at bearings was opted for preventing bearing failures.

12. Strategic Engineering Division

The following new technologies are being pursued:

i. Adopted a FM3TR Waveform for Airborne applications and integrated it with Power Amplifiers, Radio Control Units etc. to create a prototype Software Defined Radio for User Trials.

ii. Tactical Communication System Test Bed has been set up for the development and integration of indigenous Tactical Network Centric Operations-based system prototypes for "Make" Programs under Ministry of Defence's acquisition process.

iii. Optronics Development & Prototype Centre created for the development and demonstration of Night Vision Devices / System Prototypes for Optical / Thermal Sights incorporating advanced Generation 3 FOM: 1700+ Image Intensifier Tubes with Auto-gating for superior performance in low-light conditions.

iv. Data Fusion algorithms indigenously developed for fusing data received from distributed Sensors into one integrated Operational Situation Picture.

v. Advanced Flight Path Computation and Control Systems - Indigenous flight path computation algorithms and System Control Systems developed and field proven in User Trials.

vi. Network Centric Operations enablement of Defence Services.

13. Sustainability

The following new environment friendly technologies are being pursued :

i. Your Company is setting up a test bed of micro wind turbines at one of its locations. This test bed will help your Company to determine the most cost-effective forms of wind energy. Such units can be installed on rooftops or in remote areas wherein there is sufficient wind energy. Three micro turbines of capacities of 2 kW, 5 kW and 12 kW, have been installed and their performance is being studied.

ii. **Technologies to improve energy efficiency :** Your Company has undertaken several initiatives to reduce energy consumption, prime among them being:

a) Variable Frequency Drives have been installed for load carrying oil pumps.

b) LED street lights have been installed.

c) A 650 watt Micro wind turbine has been installed at coal berth to cater to lighting requirements.

d) A hybrid Unit consisting of 650 watt wind turbine and 1,800 watt solar PV cells has been installed to cater to lighting requirements for the office building.

B) TECHNOLOGIES BEING REVIEWED / ADOPTED

i. **Continuous Hydro-Thermal Dewatering of Coal:** Your Company is working with Exergen Pty. Limited- an Australian company, on a technology that alters chemical properties of coal and makes it hydrophobic. Low grade coal (~ 50% moisture) is processed at 100 Bar pressure and 250° C to produce good quality coal (25% moisture). A pilot (4 TPD) plant has been built and operated for 4 years. Exergen is trying to raise funds to complete the 50TPH plant.

ii. **Microwave drying of Coal :** Experiments at a pilot scale for a study related to coal drying by microwave were carried out. The experiments suggest that with the present setup, microwave based coal drying is not viable. With modifications in the existing setup, experiments can be conducted to arrive at a more optimum value and judge the viability of the technology.

iii. **Advanced Metering Infrastructure (AMI) :** The AMI system acquires energy data from consumer meters automatically from remote locations, avoiding any human intervention. This data is used for billing, planning, monitoring, decision making and taking corrective actions accordingly. The AMI system also helps in carrying out energy audits, analyzing energy consumption and load profile of various consumers and detecting metering abnormalities. The system generates reports to highlight demand violations, poor power factor condition, significant drop or increase in consumption, improve services, reduce costs and reduce the need for peak–load capacity. The system can also be used for remotely disconnecting defaulting customers and also for reconnecting.

Your Company has installed this system for 1,500 industrial and commercial customers. The customers will be able to download their daily consumption through its website and analyze their consumption pattern and optimize their utilization.

iv. **Smart Grids**

Smart Grids will work in conjunction with AMR/AMI systems. A Smart Grid involves delivering of power to consumers through a two way digital communication and control of appliances at consumers' homes. It also has the capability of integrating renewable energy effectively. Hence, Smart Grid will enable every consumer to have access to the Grid, and vary his consumption dynamically, enabling him to use technology to conserve energy and save energy cost.

On behalf of the Board of Directors,

Cyrus P. Mistry
Chairman

Mumbai, 30th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1 Global Energy Demand

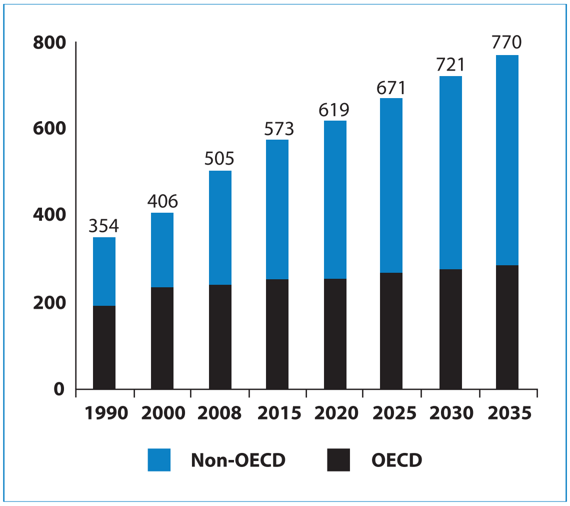
The world's energy demand is growing with increasing population, coupled with rapid economic development in emerging markets. About 1.2 billion people in the OECD countries consume about 247 QBTU of primary energy while the 5.8 billion people residing in non-OECD countries consume almost the same amount of energy, about 290 QBTU.

By 2030, energy consumption is expected to grow to 721 QBTU (at a cumulative annual growth rate of 1.6%) dominated by growth in energy consumption in non-OECD economies such as India, China, Africa and the Middle East.

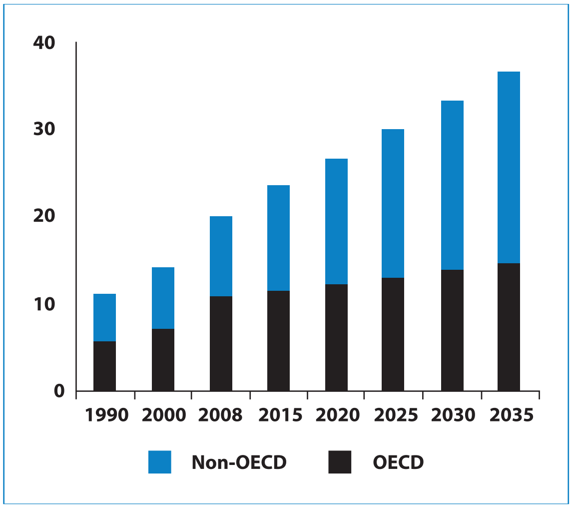
Electricity consumption is expected to grow at a faster rate of 2.3% per annum (as compared to overall energy growth rate in the same period), thereby indicating the continued shift of preference towards electricity as an energy source. Meeting such a growth in demand is a complex challenge, given the need to strike a balance between energy cost, energy security and sustainability.

Chart 1: World Energy and Power Consumption[1]

World Energy Consumption (QBTU)



World Power Consumption (Thousand TWh)



1.2 Global Energy Supply

With the global energy demand continuing to increase, a diverse, reliable and affordable fuel mix is needed to meet the requirements of the future. Energy sources will continue to evolve and diversify as technologies develop. The increase in demand and spiralling prices will put pressure on organizations and countries to innovate.

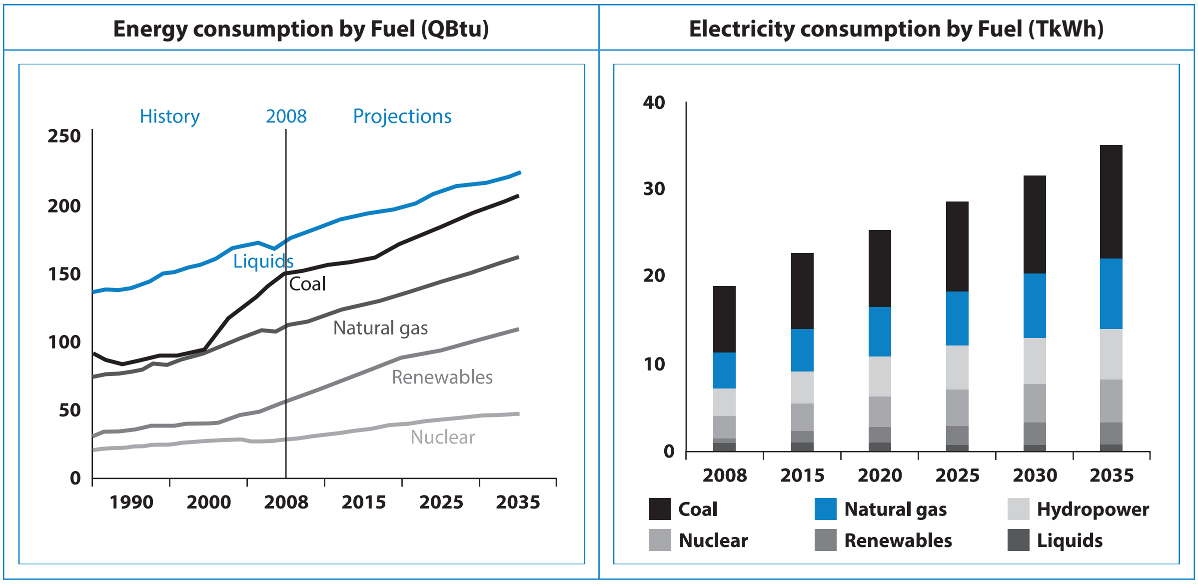
While oil is expected to remain the predominant source of energy in the next 20-25 years, its share in the global energy mix is expected to reduce in the future. Renewable energy is expected to be the fastest growing form of energy.

As far as electricity is concerned, coal is expected to remain the largest source of fuel, driven by growth in India and China. However the share of coal in the fuel mix is expected to drop. Renewable energy is expected to be the fastest growing source of power. Natural gas is expected to be the second fastest growing generation source, driven by shale gas usage in the United States and subsequently in other geographies. While China, United States and South America have extensive Shale gas reserves, the United States has taken the lead in commercializing this technology. Shale gas reserves, if further

[1] International Energy Outlook September 2011 - http://www.eia.gov/forecasts/ieo/

developed, both in the United States and other geographies, coupled with large scale international trade in natural gas, will have a significant impact on the global energy scenario.

Chart 2: Share of fuels in Energy and Electricity Consumption[2]



Considering the evolution in the global energy environment, your Company plans to 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), Renewables and Hydro Power generation will be given importance in the portfolio to ensure a sustainable generation mix.

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. The markets will permit direct hedging contracts between the retailers and generators to manage price volatility in the common pool.

India has different models of power sale ranging from an integrated utility [the old State Electricity Board (SEB) structure], to a 'single buyer' (MoU based/regulated generation), to 'wholesale competition' (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.

1.4 Market Scenario in India

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 6% over the last five years and has reached 880 kWh in 2011-12 from 672 kWh in 2006-07. 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.

1.4.1 Generation

The installed generating capacity in the country as on 31st March, 2013, was 223 GW. Your Company's contribution to the installed capacity is 8,521 MW as of 31st March, 2013 making it the largest private sector power generation company in India. Capacity addition during the financial year for the country was 23 GW as compared to capacity addition of 26 GW during the previous financial year.

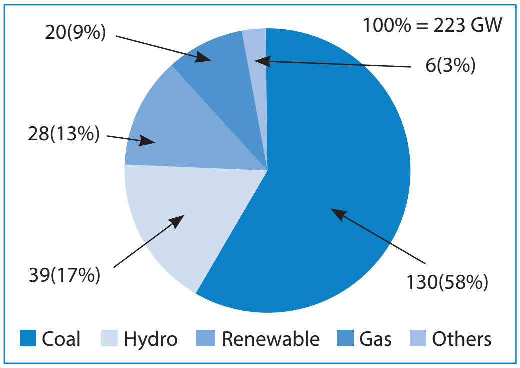
The target for the 12th Plan (2012-17) has been set at 118 GW (88 GW of conventional power and 30 GW of renewable).

[2] International Energy Outlook September 2011 - http://www.eia.gov/forecasts/ieo/

More than half the capacity addition is expected to be from the private sector.

With about 70 GW of capacity addition planned through coal based thermal power plants in the 12th Plan, coal is expected to remain a major generation fuel source in the next five years. However, availability of domestic coal has been a major challenge. Domestic gas availability for power generation has been steadily declining and coupled with the high cost of imported LNG, share of gas as a source of power generation is expected to decline. Renewable energy is expected to be an important driver of capacity growth in India, given the policy focus, the reducing cost of power and the shorter gestation time for commissioning projects.

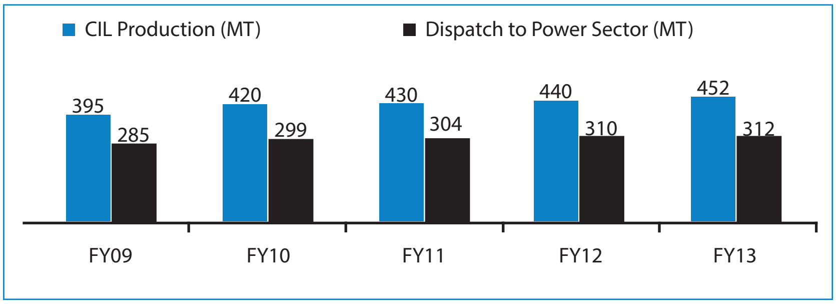
Chart 3: India Generation Mix (in GW and %) as of 31st March, 2013



1.4.2 Fuel Availability - Coal

In the past few years, Coal India Limited (CIL) has been unable to satisfy the growing fuel needs of the Indian Power Sector. CIL's inability to clear the bottlenecks in its capacity expansion is clearly visible from the stagnant growth in its coal production in the last five years. From the total production of 452.5 MT of coal by CIL in FY13, 312 MT was supplied to the power sector.

Chart 4: CIL Production and Dispatch to the Power Sector (in MT)



Considering the estimates of coal production by CIL and the demand of coal in the current Five Year Plan, the total quantity of coal imports is expected to rise to more than 200 MT per annum in the terminal year of the 12th Plan. In order to ensure adequate supplies of coal and avoid stranded generating capacities in the country, the government issued a Presidential directive to CIL to sign Fuel Supply Agreements (FSAs) with power producers assuring them of at least 80% of the Annual Committed Quantity. However, CIL was unable to honour the 80% commitment on account of production shortfall.

To accommodate the incremental cost of coal imported in the situation of fuel deficit, the Union Cabinet accorded an in-principle approval to the price pooling mechanism for coal wherein the impact of high cost of imported coal was proposed to be partially neutralised by blending it with indigenous coal. However, in the wake of the opposition against coal price pooling mechanism, alternate solutions such as allowing power companies to pass on the cost of imported coal basis approval of Regulatory Commissions, are under discussions in the Government.

As such, there is a distinct need to catalyse the indigenous coal production capacity expansion through various initiatives such as:

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

Your Company participated in the committee constituted by the CII to recommend policy measures that can improve the coal supply in the country.

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 kilometer (Ckm) at the end of 10th Plan (FY07) to about 2,68,693 Ckm by 31st March, 2013. The backbone transmission system in India is mainly through 400 kV AC network with approximately 1,13,000 Ckm coverage. The highest transmission voltage level is 765 kV with line length of approximately 5,730 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 the present capacity available in the inter-region transmission lines needs tremendous enhancement as it is already tending to show constraints in transfer of power from available generation to load centres. The concerned authorities have already conceptualized projects to augment the inter-regional flow of power. The need of the hour is to expeditiously implement them.

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% of the short-term liabilities, have evinced interest to participate in this programme.

It is noticeable that the Government had introduced the Accelerated Power Development Programme in 2000 with the objective of initiating a financial turnaround in the performance of the SEBs. The programme ultimately proved inadequate in the achievement of its objectives. Hence, it is important to ensure that improvements in performance and long-term commercial viability be ensured as part of the scheme.

Reforms in the distribution sector are crucial for success of the sector as generation companies cannot sell power to financially unviable entities. 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, cause tremendous cash management challenges for the distribution companies. Hence, there is a need to address the issue of Regulatory Assets through early 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 99 BUs of electricity were traded in the short term power market during FY13, accounting for around 11% of the total generation. The total electricity traded comprised of 5.65% through bilateral, 2.54% through Power Exchanges and 2.73% through Unscheduled Interchange.

Open access to consumers, share of merchant power in upcoming independent power plants, banking of power, 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 the 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 49 in FY13. 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 (ER) and Western Region to Southern Region leading to a prevalence of high prices for the customers in the Southern states. During the year, corridor constraints also cropped up for power flow from ER and W3[3] which led to significant stranded generating capacities in the newly carved out W3 sub-region.

Despite the challenges, various policy initiatives brighten the outlook for the power trading sector.

[3]W3 is a new region established by NLDC with effect from 18th Sep 2012

2. OPPORTUNITIES AND OUTLOOK

2.1 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:

2.1.1 Generation

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

ii) Due to the current stress in the power sector, there are assets which may be available for acquisition. Your Company is 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 Energy and Decentralized Distributed Generation (DDG) (as elaborated in the section below).

Renewable Energy

i) Technology for Renewable Energy based generation has matured rapidly and has gained an increased acceptance. Together with an increased awareness of benefits of clean energy and long timelines required for installing conventional capacity, there is a greater emphasis on developing renewable power. Your Company is exploring multiple options: Greenfield and Acquisitions, to be able to capture the market for Solar and Wind based generation.

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

iii) Strengthening of Renewable Energy Certificate (REC) mechanism is expected to help manage the liquidity in the renewable energy market by allowing states that lack renewable energy sources to meet their Renewable Purchase Obligation (RPO). There could be significant opportunities in the renewable energy space depending on whether the regulators implement the REC mechanism in letter and spirit by penalizing discoms that do not meet their RPOs. This will provide further impetus for growth in renewable energy.

Decentralized 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.

2.1.2 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 betwen tariffs and power purchase cost. Implementation of 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 sucessfully 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 was recently awarded a Letter of Intent (LOI) to manage the distribution circle of Jamshedpur city as a franchisee on behalf of the State's distribution utility.

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

2.1.3 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.

2.1.4 Fuel

In the wake of current circumstances in the country, the possibility of further allotment of coal blocks to private sector companies is constrained. Your Company will continue to maintain progress on the Coal Blocks that have been allotted to it (via Tubed and Mandakini JVs).

Additionally, your Company will continue to track reform and growth opportunities in the sector.

2.2 International

i) As part of its International strategy, your Company aims to be relevant and significant in a few chosen geographies (viz. South East Asia, Sub- Saharan Africa, Middle East & Turkey and the SAARC region). In this context:

a. Your Company's JV, Cennergi (Pty) Limited is evaluating development of projects in South Africa as well as opportunities for developing power projects in the African Region.

b. Your Company has signed an MoA with the Government of Ras Al-Khaimah and would be advising the Government on Comprehensive Electricity Management at the Emirate.

c. Your Company is evaluating investment opportunities in South-East Asian Countries such as Vietnam, Myanmar and Indonesia.

ii) In addition, your Company will also seek opportunities to acquire or tie-up energy resources across the globe. Assured access to fuel resources would ensure availability and enable de-risking of generation capacities from escalations in fuel cost.

3. BUSINESS PERFORMANCE: OPERATIONS

As of 31st March, 2013, the Tata Power group of companies had an installed generation capacity of 8,521 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	Mundra	Gujarat	4,000	7,407
	Trombay	Maharashtra	1,580	
	Maithon	Jharkhand	1,050	
	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
	Bhivpuri	Maharashtra	75	
	Khopoli	Maharashtra	72	

Renewables	Wind farms	Maharashtra, Gujarat, Karnataka, Tamil Nadu, Rajasthan	398	427
	Solar Photovoltaic (PV)	Maharashtra, Gujarat	28	
		Delhi	1	
Total				**8,521**

Your Company has 13% of capacity (in MW terms) through non-GHG (includes renewables, waste heat recovery and hydros) based generating sources. Because of the large capacity addition through CGPL, the non-GHG capacity percentage has reduced as compared to last year. Your Company re-emphasizes its commitment to maintaining a 20-25% share of its generation mix through non-GHG sources.

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 1,110 Ckm of Transmission lines, connecting Generating Stations to 19 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 2,500 Ckm of Distribution lines.
	New Delhi	Over 10,500 Ckm of Distribution lines
Retail	Mumbai	Over 380,000 customers with sales of over 6,500 MUs in FY13, emerging as the largest Distribution Company in Mumbai.
	New Delhi	Over 1.3 million customers with sales of over 7,760 MUs in FY13
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.

The segment-wise performance of existing businesses is outlined below.

OPERATIONAL PERFORMANCE OF KEY BUSINESSES

Your Company generated 34,682 MUs of power from all its power plants during the year as compared to 18,317 MUs in the previous year with more than 90% increase in generation. Out of this, the major increase (15,673 MUs) was from two plants, viz. CGPL (12,401 MUs) and MPL (3,362 MUs).

3.1 Generation

- **Thermal**

Your Company has thermal power generation units located at Mundra, Maithon, Trombay, Jojobera/Jamshedpur, Haldia, Lodhivali, Belgaum and Rithala. During the year, the thermal power plants collectively generated 32,371 MUs as against 16,205 MUs generated in the previous year.

Table 3: Details of thermal power generation during FY13

Site	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY13	*FY12*	FY13	*FY12*	FY13	*FY12*
CGPL (Mundra)	12,440	*39**	84	*11**	74	*8**
Trombay (Mumbai)	9,424	*9,211*	97	*93*	68	*86*

MPL (Maithon)	4,587	*1,225*	83	*65*	59	*46*
Jojobera	3,067	*2,855*	95	*95*	82	*82*
IEL (Jamshedpur)	1,705	*1,574*	96	*94*	81	*74*
Haldia	925	*867*	96	*98*	94	*88*
TPDDL (Rithala)	137	*242*	88	*68*	16	*32*
Belgaum#	86	*189*	85	*93*	13	*27*
Lodhivali	0.03	*3*	100	*99*	0.06	*2*

** Only one 800 MW unit was operational which operated for three days in FY12*

 # The PPA expired in the month of February, 2013. Your Company is actively engaged in finding a suitable buyer for the assets.

Coastal Gujarat Power Limited

During the year, the Company's four of the five Power Generating Units of 800 MW achieved commercial operation resulting in the total power generating capacity at CGPL to touch 4,000 MW.

The company generated 12,440 MUs during FY13 and has planned a generation of approximately 28,000 MUs in FY14, owing to commissioning of all units of CGPL.

Trombay Thermal Power Station

Trombay Station won the National Award for Excellence in Energy Management through CII, as an Energy Efficient Unit for the year 2012.

While PLF for Trombay Power Station was lower as compared to the previous year, the availability was maintained at the same level as compared to previous year. The lower PLF was mainly due to the need to back down units, as relatively competitive power was procured from the market to ensure affordable power for the consumers in Mumbai.

Maithon Power Limited

Unit 1 commercial operation was declared on 1st September, 2011 and Unit 2 commercial operation was declared on 24th July, 2012, with power sale commencing from the first day of operation.

Total generation of Unit 1 and Unit 2 for the FY13 was 2,735 MUs and 1,852 MUs respectively. The forced outage rate improved from 35 % in FY12 to 5.59 % in FY13. Performance Guarantee tests were conducted for Boiler-Turbine-Generator packages of both the units. The average coal receipt to the station was approximately 12,000 MT per day and monthly highest receipt of 5 lakh tons was achieved in the month of December, 2012.

Jojobera Thermal Power Station

During the year, the station recorded a generation of 3,067 MUs as compared to 2,855 MUs in the previous year. Major overhauls of Unit 2 and 4 were completed in FY13. Unit 1 and Unit 3 major overhaul is planned in FY14.

Industrial Energy Limited

During the year, IEL Units recorded a generation of 1,705 MUs as compared to 1,574 MUs in the previous year. In order to meet the Tata Steel Limited demand with uninterrupted supply, major overhauls of PH#6 was completed in FY13. Unit 5 overhaul is planned in FY14.

- **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 1,450 MUs as against 1,530 MUs generated in the previous year. The decrease was on account of lower availability in the Bhira Pumped Storage Unit which was caused by major winding failure in September, 2012. The plant availability at other hydro capacities viz. Bhivpuri, Bhira - Old PH and Khopoli was 100%.

Table 4: Details of hydroelectric power generation

Site	Generation (MUs)		Generation Availability (%)		Plant Load Factor (PLF) (%)	
	FY13	*FY12*	FY13	*FY12*	FY13	*FY12*
Bhira	474	*360*	100	*99*	36	*27*

Bhira Pumped Storage Unit	382	*648*	70	*100*	29	*49*
Bhivpuri	302	*244*	100	*97*	46	*37*
Khopoli	292	*278*	100	*98*	46	*44*

- **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 4.5 MUs in the year as against 4.23 MUs in the previous year. Higher generation was on account of improved cleaning cycles and other energy optimization initiatives.

ii) **Mithapur Solar PV Plant**

Your Company has commissioned a 25 MW grid connected solar PV plant at Mithapur on 25th January, 2012, which, when commissioned, was one of the largest of its kind in the country. This solar power plant uses the modular, proven and widely deployed Crystalline Silicon PV Technology.

Your Company has signed a PPA for this project with Gujarat Urja Vikas Nigam Limited and generated 43.37 MUs in FY13 with PLF of 19.83% as compared to 9.2 MUs in FY12.

- **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 total installed wind power capacity is 398 MW.

Table 5: Details of installed wind power capacity

Location	**State**	**Installed Capacity (MW)**
Poolavadi	Tamil Nadu	99.0
Khandke	Maharashtra	50.4
Samana	Gujarat	50.4
Gadag	Karnataka	50.4
Agaswadi	Maharashtra	49.5
Dalot	Rajasthan	21.0
Nivade	Maharashtra	20.9
Sadawaghapur	Maharashtra	17.5
Supa	Maharashtra	17.0
Bramanvel	Maharashtra	11.2
Visapur	Maharashtra	10.0
	Total	**398**

During the year, Company's wind farms generated 813 MUs as against the previous year's actual of 569 MUs. The major increase was from two plants, viz. Agaswadi (85 MUs) and Poolavadi (140 MUs) out of the total increase of 244 MUs.

Table 6: Details of wind power generation

Site	**Generation (MUs)**		**Generation Availability (%)**		**Plant Load Factor (PLF) (%)**	
	FY13	***FY12***	**FY13**	***FY12***	**FY13**	***FY12***
Poolavadi	269	*129*	99	*95*	31	*20*
Khandke	111	*108*	98	*99*	25	*24*
Samana	92	*82*	99	*99*	21	*18*
Gadag	97	*93*	99	*99*	22	*21*
Agaswadi	115	*30*	99	*96*	26	*18*
Nivade	31	*31*	99	*97*	17	*17*
Sadawaghapur	32	*34*	98	*98*	21	*21*
Supa	27	*24*	98	*97*	18	*16*

Bramanvel	19	*17*	98	*97*	19	*17*
Visapur	20	*21*	98	*99*	23	*24*

3.2 Transmission

➢ **Mumbai License Area**

Your Company has 1,110 Ckm of transmission network in Mumbai License Area, comprising 977 Ckm of 220 kV/110 kV overhead lines and 132 Ckm of 220 kV/110 kV underground cables, which connects Trombay and the hydro generating stations to 19 receiving stations spread across the Mumbai Operations area. The transmission lines are connected to the network of Tata Power Distribution business, BEST, RInfra and MSEDCL. The major highlights for the year are as below:

i) During the year, the Transmission grid availability was 99.56% 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) During the year, your Company added 930 MVA of Transformer Capacity, 34 outlets and laid 22.59 Ckm of network.

iii) 245 kV GIS has been commissioned at Sahar for meeting the requirements of the Mumbai International Airport and other load growth in that area.

iv) Remote operation of receiving stations was established from Power System Control Centre.

v) About 5,000 persons were sensitised under the awareness campaign "Janjagruti Abhiyan". Awareness sessions were conducted at vulnerable locations for the safety of public staying under overhead lines and reduce overhead line faults. NGOs/professional bodies were engaged to increase the frequency of sensitization for better effectiveness. Special awareness sessions were arranged during Ganesh Festival for volunteers of Ganesh Mandals having their pandals close to EHV lines in Bhandup, Vikhroli and Chembur area.

vi) Tata Power Transmission Division has been recognized by Council of Power Utilities for contribution in the category "Best Fast track completed Transmission Projects". Tata Power has been awarded the "Performance Award for Excellent Services" by RCF, one of our largest customers. Tata Power Transmission Division also won the Greentech Safety Silver Award for 2012.

➢ **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 98.49% for Eastern Region in FY13 (previous year availability: 99.66%) and 99.95% for Northern Region (previous year availability: 99.85%), as against the minimum stipulated availability of 98%.

3.3 Distribution and Retail

➢ **Mumbai License Area**

It has been your Company's experience that till the intervention of Hon'ble Supreme Court in 2008, its right to distribute power to retail consumers was questioned by the competitor and prevented through ruling of MERC and ATE. Subsequently, till about a year back, Tata Power's proposal to add to its own network was not supported by Competitor and Regulatory actions. In recent years, Tata Power has been advised to add network and only acquire consumers who are on other's network and consuming upto 300 units per month. These turn of events has impacted your Company to service consumers freely and competitively. However, in line with the growing demand of Mumbai, the distribution business has achieved significant growth during the year.

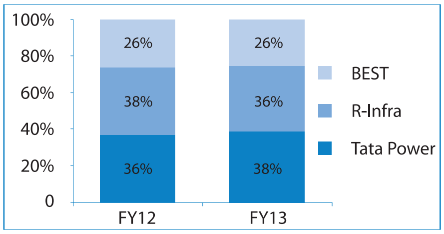
Your Company's retail sales in Mumbai grew significantly and your Company emerged as the No.1 Distribution company in Mumbai with an annual sale of 6,590 MUs followed by R-Infra at 6,221 MUs and BEST at 4,443 MUs.

The highlights of the performance are as follows:

i) Overall retail sales during FY13 increased by 13% as compared to FY12.

ii) Total consumer base increased to 3,80,644 with the addition of 90,615 changeover and 5,437 direct consumers during FY13.

Chart 5: Mumbai discoms Sales



iii) More than 250 acquisition camps were organized during this year in 10 clusters across Mumbai to acquire LT consumers, mostly residential consumers with consumption less than 300 units per month.

iv) To meet the increase in growth, 5 Distribution Sub-Station (DSS), 67 Consumer Sub-Station (CSS) were commissioned, 138 Ckm of HT cable network and 131 Ckm of LT cable network were added. Thus, the total number of DSS and CSS are 23 and 583 respectively while the network length is 2,588 Ckm.

v) System availability was maintained at a very high level, with an ASAI of 99.993 % as against the previous year ASAI of 99.988 %. This has been achieved by implementing improvement initiatives such as introduction of Thermo Vision scanning of cable terminations. These initiatives have thus reduced the number of technical complaints per 1,000 consumers from 11 to 8.5.

vi) In Distribution power supply, restoration time is normally a benchmark. Canadian Electricity Association analyzes various reliability parameters for worldwide utilities. Tata Power-Distribution is a benchmark in the world for CAIDI at 21.98 which is an index demonstrating quick restoration of power supply after interruption.

vii) SAP - CRM Module has been implemented and 2,500 AMR enabled meters have been installed for better customer interaction and service, which has helped to reduce commercial complaints per thousand consumers from 5.92 nos. to 4.71 nos.

viii) Value added services have been launched, aimed at enhancing consumer experience.

- **Wiremen Training** - Understanding the society's need for a good quality Electricians to service day-to-day needs, your Company launched a "Wiremen Training Programme" for residential consumers and trained 168 wiremen in 12 batches during FY13.

- **Walk Through Energy Audit** - To facilitate LT-Industrial consumers on Energy Conservation in their premises, Walk Through Energy Audit was launched. Overall, 49 industrial consumers were benefitted during FY13.

- **OEM training** - Your Company has been conducting knowledge sharing sessions on substation equipments like LT Breaker etc. for various Industrial and Commercial consumers on a regular monthly schedule. During FY13, your Company arranged for knowledge sharing sessions in co-ordination with leading equipment manufacturers like M/s ABB India, Schneider, L&T etc. to share their expertise on equipment and technological advancements. These sessions were aimed towards building technical acumen and a safety culture among industrial consumers. Till now 81 companies have benefitted from this programme.

- **Safety Audits** - In high footfall areas (places of public congregation) such as malls, theatres, hospitals, clubs, educational institutes; the risk of loss of life and property increases manifold in case of any unsafe occurrence.

  Hence, in an effort to control such risks, your Company has initiated electrical safety audits for such consumers for determining necessary actions to minimise hazards. A total of 164 safety audits and 555 safety inspections were carried out during FY13.

- **E-bills:** In our journey of Sustainability, 10,802 consumers joined us in registering for E-bills.

- **Consumer Charter** - To create awareness among our consumers of their rights as a consumer, we have uploaded the 'Consumer Charter' on our website, as well as distributed copies to our consumers. Through the Consumer Charter, we enable our consumers to know about our services and provide them with an insight into our processes.

➢ **Tata Power Delhi Distribution Limited**

TPDDL is engaged in distribution of electricity in North and North-West Delhi and services around 1.3 million consumers spread over an area of 510 square km. The peak load in this area is about 1,575 MW, with energy consumption of over 7,700 MUs.

AT&C Loss Reduction

One of the most significant measures of operational efficiency in the Power Distribution Sector is AT&C Loss Reduction. AT&C Losses refer to the difference between energy input and energy for which revenue is realised. TPDDL has consistently over-achieved its Regulatory AT&C Loss Reduction Targets including in FY13, thereby to some extent, mitigating the increase in retail tariffs despite steep increase in input costs, and also maintaining the edge over competition.

Having reached high levels of efficiency, further reduction of AT&C Losses is more difficult without significant capital investment. This is a challenge in view of large accumulated Revenue Gaps, associated financing and impact on tariff.

System Reliability

The Company's ASAI, continued to be over 99% in FY13, reflecting the high degree of reliability built into the network through prudent infusion of capex for strengthening and augmenting the network and advancement in maintenance practices.

Performance Standards

The DERC has specified stringent Performance Assurance standards with respect to consumer service delivery. As in the past, the Company's compliance to Assurance time lines in FY13 continued to be in the range of 100% with certain key services such as providing new connections (in average 5 to 7 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 (4 to 6 days against 15 days allowed by DERC), being provided in significantly less (faster) time than stipulated by DERC.

As per a survey conducted by the Ascent Group, an international management consulting firm that specializes in customer service operations and competitive benchmarking, TPDDL's Call Centre services are a global benchmark for average handling time per call (from receiving the call to its completion) at 3.0 minutes against average 4.7 minutes taken by global utilities.

3.4 Power Trading

Tata Power Trading Company Limited, a 100% subsidiary of your Company, transacted 9,431 MUs in FY13 as compared to 5,583 MUs in the previous year and has shown a CAGR of 41% over the past 5 years.

It was ranked the second largest trader with a market share of 13.89% in FY13.

3.5 Coal Investments

The performance of the two Indonesian thermal coal companies, viz. PT Kaltim Prima Coal and PT Arutmin Indonesia reveals that while the production during the calendar year 2012 was 74.44 MT as against 65.63 MT in the calendar year 2011, the coal price realization for the year was US$ 81.01/tonne as compared to US$ 93.20/tonne in the previous year. The lower price of coal impacted the profitability of the coal companies substantially as compared to the earlier years.

In FY13, your Company also acquired a 26% stake in PT Baramulti Suksessarana Tbk, Indonesia through its 100% subsidiary Khopoli Investments Limited. PT Antang Gunung Meratus (AGM), a 100% subsidiary of the BSSR, and PT Baramulti Suksessarana Tbk together own approximately 1 billion tonnes of coal resources in South and East Kalimantan in Indonesia. BSSR has listed its shares at the Indonesian Stock Exchange. Your Company also signed a long term coal supply agreement with AGM.

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 power plant O&M, project management, specialized testing services, technical audits, Residual Life Assessment (RLA) studies and related activities. It offers customized solutions to greenfield as well as existing power plants and distribution networks. During the year, the Power Services Division has bagged contracts as below:

- Maintenance Contract of 3 x 33 MW Bharat Oman Refineries Limited, Bina
- GIS Hipot Testing for Toshiba, Tokyo
- Technical Services to TSMG

Current Services Contracts:

Your Company is currently operating the following Operations and Maintenance Services Agreement (OMSA), Corporate Services Agreement (CSA) and Project Management Services Agreement (PMSA):

- PMSA and CSA for 1,050 MW coal fired thermal Power Plant at Maithon
- O&M contract for 1,000 MW - coal fired thermal power plant at Nellore, Andhra Pradesh
- O&M contract for IEL – comprising of 120 MW Unit 5 coal fired thermal Power Plant and 120 MW waste gas based Power Plant at Jojobera, Jharkhand

- OMSA of 108 MW TPDDL – Combined Cycle GT Power Plant at Rithala
- OMSA of 25 MW TPREL solar power plant at Mithapur, Gujarat

During FY13, the Power Services Business had a turnover of ₹ 117 crore as against ₹ 89 crore in FY12, a growth of 31%.

3.7 Tata Power SED

SED has won several accolades as well as new Contracts in the Systems and Engineering areas, which now forms the core of its business expertise. In line with this changing business focus and relevance, SED will now stand for the 'Strategic Engineering Division' of Tata Power.

Despite FY13 being a rough year for the Indian Defence Industry, associated with budget cuts, Tata Power SED booked a turnover of ₹ 293 crore in FY13 as against ₹ 275 crore in FY12, with the Closing Order Backlog in excess of ₹ 2,770 crore as on 31st March, 2013.

Some of the noteworthy achievements of SED during FY13 are:

i. SED was awarded a ₹ 900+ crore Contract for supply of Systems for an EW Programme by the Ministry of Defence.

ii. SED's Software Unit was successfully appraised at CMMI Level 5.

iii. SED's Electro Magnetic Interference/Compatibility Lab was accredited by NABL. Your Company can thus offer this service to other customers.

iv. SED was certified by CEMILAC to undertake the Design and Development of Mission Avionics Systems and associated equipments for Aircrafts and UAVs.

4. BUSINESS PERFORMANCE: PROJECTS

Your Company is engaged in executing generation projects (both in India and select international geographies) with a cumulative capacity of 1,151 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	526.0
	Georgia	400.0	
Wind	Maharashtra, Rajasthan	160.0	394.0
	South Africa	234.0	
Solar	Maharashtra	28.8	28.8
Total			**1,151.3**

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 drum of Unit 1 has been lifted in March 2013. The project is in an advanced stage of execution.

4.1.2 Renewable Energy Projects

Wind Power

Your Company is developing wind power projects of over 160 MW in India.

Solar Power

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

The Company is also developing a 28.8 MW Solar Photovoltaic power plant in Maharashtra to meet its Solar RPO. While the Company has already acquired 86 acres of land in the state of Gujarat, it is at an advanced stage of acquiring around 200 acres of land in Rajasthan.

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 square km, having a consumer base of approximately 3 lakh. The expected date of takeover, after Independent Audit of RFP information by Ernst & Young, is around October, 2013. The operations shall be managed by a wholly owned subsidiary viz. Tata Power Jamshedpur Distribution Limited.

With the above acquisition, the distribution retail consumer base of your Company will cross 2 million, including Mumbai and Delhi.

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 the Company (26%), Druk Green Power Corporation Limited (59%) and National Pension and Provident Fund of Bhutan (15%)]. The civil works are progressing as planned. Overall 87% concreting has been completed. The excavation of Head Race tunnel and the tunnel lining is in progress. Cumulatively, about 9.6 km of tunnelling out of a total scope of 10.5 km has been completed. Electro-mechanical works are being executed by Austrian Hydro Consortium Dagachhu (JV of Alstom and Andritz Hydro Austria). 98% manufacturing of electro mechanical equipment has been completed. Erection of various electro mechanical components at the dam site and in the Power House is under progress.

4.2.2 Cennergi Projects - Tsitsikamma and Amakhala

Your Company's JV in South Africa, Cennergi Proprietary Limited, has made steady progress towards financial closure for two wind projects for which it was declared successful by the Department of Energy, Government of South Africa.

4.2.3 Georgia Hydro

Your Company has signed an agreement with Clean Energy Invest AS and IFC InfraVentures for developing hydro projects in Georgia for the sale of power, primarily to Turkey, at an estimated cost of about USD 700 million.

Your Company has agreed to acquire a 40% equity stake in a company implementing three hydro projects aggregating to 400 MW in Georgia. These projects are being developed in a phased manner on Build, Own and Operate basis. It is envisaged that for the first 10 years, 85% of the power would be sold to Turkish utilities, while the remaining 15% would be sold within Georgia. Thereafter, the entire power generated by the projects would be exported to Turkey. With this acquisition, your Company would have a presence in Turkey/Georgia and would actively pursue other opportunities in this region. Turkey is connected to the European power market and thus the Company has the opportunity to trade power in the European eco-system.

5. BUSINESS PERFORMANCE: GROWTH

5.1 DOMESTIC

5.1.1 Coastal Maharashtra Project - 1,600 MW (2 x 800)

During the year, your Company has made further progress in the Coastal Maharashtra project at Dehrand, Maharashtra. All statutory approvals required to start the project are in place.

The project is in advanced stages of land acquisition. About 70% (706 out of 993 acres) of private land has been acquired so far. Subsequent to the High Court judgement in favour of the Company on land to be acquired for the project, GoM has authorized the Collector to acquire the balance land, the process for which is underway. For the Government land required, the survey of the land by District authorities, which is a prerequisite before clearance for transfer by GoM to MIDC, has been scheduled.

The PPA is being pursued with MSEDCL/GoM/MERC. 30% domestic coal linkage as per policy is also being awaited.

5.1.2 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 significant progress. Your Company has successfully completed a Public Hearing on 20th March, 2013 and Environment Clearance is awaited.

Land acquisition for the project is in an advanced stage. More than 400 acres of private land has been acquired and agreement with villagers for further 92 acres of land has been made. Water allocation for the project is under progress.

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

MPL has been working towards expansion of its plant. 30 Cusecs water has been allocated for Phase 2 (expansion) of the project (23 Cusecs water had been allocated for Phase-1). Coal linkage application for the Unit has been filed with the Ministry of Coal. Evironmental Impact Assessment (EIA) report along with necessary documents was submitted for the purpose of public hearing, which was successfully conducted on 1st December, 2012. The minutes of the proceedings have been forwarded by Jharkhand State Pollution Control Board to Ministry of Environment and Forest (MoEF) and the 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 is a JV between the Company (50% + 1 share) and SN Power (50% - 1 share).

The pre-feasibility has been completed by the joint team. The study has estimated the project capacity to be 380 MW, subject to regulatory approvals, consent and clearances. The site investigations and development of the Detailed Project Report are under progress by the joint project team set up by your Company and SN Power.

5.1.5 Naraj Marthapur Project, Odisha

Naraj Marthapur was originally envisaged as an end-use-plant for Mandakini coal block. Accordingly, land of 871 acres 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. Accordingly, the water allocation was obtained and clearance from the National Board of Wildlife, which has not met for the past two years, is awaited. Considering the above and with a view to expedite end use for Mandakini captive coal, the Company is pursuing alternative land available with other developers as also with the Government of Odisha.

Meanwhile, alternate use of Naraj Marthapur land including possibility of establishing a Combined Cycle Gas Turbine (CCGT) based project is being explored in association with the Government of Odisha.

5.1.6 Mundra Expansion - 1,600 MW (2 x 800)

The EIA report for expansion by two additional units of 800 MW has been submitted to Gujarat Pollution Control Board on 20th April, 2013. A Public Hearing on the same is expected soon. These units are being planned to sell electricity in the open market or through Case-1 bidding.

5.1.7 Kalinganagar CPP2 - 450 MW (3 x 150)

The coal based project will be executed through IEL. Environment Clearance has been received for the project. Our application for 'Consent to Establish' has been heard and the final approval is awaited. The 'Aviation Clearance' has been received for the project. Application for long term linkage for 2.3 MTPA of coal has been submitted to Ministry of Coal (MoC), Ministry of Power (MoP) and Central Electricity Authority (CEA). The recommendation from the CEA for coal linkage has been sent to MoP and MoC.

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

5.1.8 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 in the 3 x 660 MW Tiruldih Power Project.

Presently, the land acquisition for the project is in progress. So far, 22 acres out of 145 acres of non-CNT private land has been acquired and an agreement is signed for 72 acres, out of 493 acres of land falling under the ambit of CNT Act.

Payment for 97 acres of land has already been made to Government of Jharkhand. 249 acres against a total requirement of 401 acres of Compensatory Afforestation land has been registered in the name of TCML.

Environmental clearance for the project has been obtained, which is subject to Stage-I Forest Clearance. Recommendation for Forest Diversion Proposal has been sent by state of Jharkhand to MoEF. Prior approval for mining lease is in place.

The progress of Tubed Coal Mine development is being reviewed by the Inter-Ministerial Group.

5.1.9 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 stakes. The annual yield 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 to the Naraj Marthapur Power Project or an alternate end use plant in the state of Odisha, which is under finalization.

Land acquisition process for the project has been completed. Stage-I forest clearance for the project has already been obtained and compliance report on the same has been submitted to appropriate authorities. Suitable vendor for mine development and operation is under finalization.

The progress of Mandakini Coal Mine development is being reviewed by the Inter-Ministerial Group.

5.1.10 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). Environmental clearance and regulatory approvals are being pursued for the same. 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 power for consumers.

400 kV Vikhroli Transmission Project

Your Company is constructing a 400 kV, double circuit, 1,870 MVA transmission line of route length 92 km from 400 kV MSETCL Receiving station at Nagothane via Dehrand receiving station to a proposed 400 kV Receiving station at Vikhroli. Your Company is also constructing a 400 kV transmission line of route length of approximately 8 km between MSETCL Kharghar Receiving station to the same 400 kV Receiving station at Vikhroli. The proposed 400 kV Receiving station at Vikhroli will inject bulk power into the Mumbai Transmission grid system.

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 Ras Al-Khaimah

Your Company executed a Memorandum of Agreement with the Government of RAK in December 2012 for implementing a comprehensive solution for the electricity sector in the Emirate. This presents your Company an opportunity to associate with Generation, Transmission and Distribution systems of the Emirate.

5.2.2 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 based on the geosciences studies carried out is positive and encouraging. The PPA negotiation with Indonesia's State Power offtaker (PLN) commenced in Q2 FY13, and is making progress. Sufficient progress is being made in infrastructure planning and development.

The exploratory drilling is now expected to commence in FY14, after conclusion of PPA discussions.

6. HUMAN RESOURCES (HR)

In our quest to achieve the vision of being the most admired Integrated Power Company and our Strategic intent, your Company continued its prime focus on its employees. The Human Resources approach at your Company aims at 'lighting up lives' of its employees by inculcating a people friendly approach and propounding the culture of 'Meritocracy'.

The Human Resources division in your Company has recently been re-organised with an objective to further sharpen the focus on the strategic and delivery aspects of the function. This structure would enable your Company to effectively understand the needs of various segments of the organization, develop customized and efficient solutions, and deploy the people programmes with speed and efficiency.

The Human Resource strategy at Tata Power aims at fulfilling both Business and People needs by developing and adopting best-in-class people management policies, systems, processes and ensuring their impeccable deployment and execution. It helps the organization proactively pursue performance orientation, meritocracy and high employee engagement.

Manpower

On a standalone basis, the manpower (officers and staff) stood at 4,126 as compared to 4,141 at the end of the last financial year. The manpower, including major subsidiaries (CGPL, MPL, IEL, Powerlinks, TPREL and TPTCL) is 4,830 as compared to 4,709 in the previous year.

Employee Engagement

Based on the employee engagement and satisfaction survey in FY12, 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. Counselling sessions were arranged with relevant departments and managers to ensure sustained engagement and satisfaction levels in FY13.

Cadre Recruitment

Graduate Engineer Trainees (GETs) recruitment was conducted to induct bright young talent, to be part of the next phase of growth. GETs were recruited in streams of Electrical, Mechanical, Instrumentation, Electronics and Civil Engineering disciplines.

Recognising the need to build its leadership pipeline, in addition to engineering talent, an introductory Management Trainee programme was started to recruit bright students in General Management discipline. These cadres will go through a rigour of focused formal and on the job development programmes, in order to groom them as future leaders.

Training

Based on the needs identified for development of required competencies, a variety of training programmes for both functional and behavioural aspects have been conducted across the organization. Programmes were also conducted in partnership with renowned institutes like NICMAR, NPTI, BITS Pilani. Simulator Training facility which was available at Trombay, Maithon and Mundra were actively used to provide specific training inputs pertaining to power plant operations, to a cross section of employees. E-learning as an effective medium of training has been well received by the employees.

Talent Management and Succession Planning

To identify the right talent and develop a pipeline, your Company has a structured talent management process whereby high potential officers are identified as both Tata Group talent/Company talent and individual development plans are prepared.

Talent Management initiatives focused on all levels of management have been launched and actively enabled. These include programmes for senior management (Leadership Effectiveness and Development, Manager Assimilation Programme, Tata Reflections-Multi Rater workshop, Cross Functional Teams), Middle Management (Strategic Training for Employees' Progress) and Junior Management (FUSION-Flow of Unique Skills and Intelligence from Old to New). 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, all critical positions were reviewed and a pool of potential successors were identified, thereby ensuring a future-ready talent pipeline.

In order to provide a platform for young employees to explore innovative solutions for real-life current and potential challenges faced by the organization, an initiative under the name of Shikhar Awards was launched.

Performance Management System

The Performance Management System, which has now evolved over the years, was successfully executed within a month of closure of the financial year, for the seventh year in a row. While the system ensures effective evaluation and development of employees, a system of Appraisal Step Redressal was introduced for the first time with a view to address concerns of officers pertaining to appraisal outcomes.

Compensation Benchmarking

Your Company has ensured suitable and competitive compensation levels by benchmarking its salary levels within the industry.

Industrial Relations

Your Company maintained good Industrial relations environment across the organization. Long term wage contracts were successfully signed at Jojobera Power plant.

7. CORPORATE FUNCTIONS: ENABLERS TO BUSINESS

7.1 Sustainability

Your Company has always maintained a strong focus on Sustainability. Some of the key initiatives that have been implemented in the last year include:

- Fly Ash Brick manufacturing unit project initiated in Jojobera under the affirmative action plan
- Installation of Solar Lights in Villages at Tiruldih; 184 home lights and 20 street lights installed in Maval; 120 at Mulshi; and 20 at Maithon
- 25 Bio-gas units installed at various locations including Maval, Mulshi and Mundra
- Skill development programme conducted for 1,984 persons at Dehrand, Haldia, Maval, Maithon, Mundra, Mulshi, Naraj Marthapur, and Trombay
- Livelihood support provided to 3,511 farmers at Mundra and training given to 871 farmers in Maval
- 337 youth (20% SC/ST) employed in Mannat BPO until February and consequently the youth were merged into TBSS' payroll
- Special Coaching classes covered 485 students at Haldia, Maval and Jojobera apart from quality education provided to 1471 students in 9 schools in Tiruldih
- Special support provided to 220 visually challenged children at Haldia and a library set up at school in Trombay. Education materials provided to 4,536 students at Naraj Marthapur, Haldia, and Dehrand
- Capacity building programme benefited 2,116 community members at Mundra, Maval and Mulshi
- 7,828 persons availed medical services at Jojobera, Maithon, Mulshi, Tiruldih Trombay and Naraj Marthapur (cumulative - 11,662)
- Basic health services provided through Mobile Medical van, homeopathic clinic and medical camps; reaching out to 37,701 persons across locations such as Trombay, Mulshi, Maithon, Naraj Marthapur, etc.
- As a pro-active measure, mercury monitoring in coal, ash and flue gas has been initiated recently at the stations in Trombay, Jojobera, Mundra and Maithon
- Your Company tracks its water consumption on regular basis. Waste water discharges are treated, checked for quality confirmation to discharge standards and then discharged to the receiving water body. Wherever possible, waste water is treated and reused within the premises
- Eco-restoration and Eco-development programmes in its area of operation in the Western Ghats, particularly in the catchment areas of the lakes in Mawal and Mulshi Talukas
- Green belt development is done at all its plants and the same is maintained in healthy condition by proper upkeep at all its operating plants

7.2 Financing

The macro-economic and fiscal conditions in the country had an impact on the fund raising environment that your Company operated in.

Fund Raising

During the year, your Company successfully completed an offering of 60-year Debentures aggregating ₹ 1,500 crore. These Debentures have a call option with the Company which can be exercised at the end of 10 years and at the end of every year thereafter. The Coupon (which may be deferred at the Company's option) on the Debentures is set at 10.75% p.a., with a step up provision of 1% if the Debentures are not called after 10 years.

Our debt profile is a mix of borrowings evenly distributed between banks/NBFCs and Debentures. We continuously make efforts to reduce the interest cost and towards this, we prepaid a high cost debt of ₹ 210 crores with a debenture, which gave savings of 1.5% p.a. to your Company.

Leverage

On a Standalone basis, the long term debt/equity is at 0.71 as on 31st March, 2013.

On a Consolidated basis, the long term debt/equity ratio as on 31st March, 2013 stood at 2.81 (including impairment provisioning) and 2.31 (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 approved by the Board.

7.3 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:

7.3.1 Compensatory Tariff for CGPL

Under the existing PPA, there is only a partial pass through of increase in coal price, whereas coal prices have gone up considerably due to changes in Indonesian coal price regulations, which has lead to an additional financial burden. Your Company is of the view that this is an industry-wide issue and not specific to Mundra UMPP alone.

CGPL had submitted a petition to 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, in its order dated 15th April, 2013, has given the directive that a committee be formed consisting of the representatives of the Principal Secretary (Power)/Managing Directors of the Distribution Companies of the procurer States, Chairman of The Tata Power Company Limited or its nominee, an independent financial analyst of repute and an eminent banker dealing and conversant with the infrastructure sector. The above referred Committee has begun its discussions and your Company is hopeful of a resolution of the issue in the near future.

7.3.2 Multi-Year Tariff (MYT) Order of MERC

As per the MYT Regulations, a utility in Maharashtra has to file a Business Plan for approval with MERC for FY12 to FY16. Accordingly, the Business Plan was filed for the said periods for the businesses of Generation, Transmission and Distribution of Mumbai. The orders for the same were issued by MERC during the year. The amounts as approved by MERC in orders for Business Plan have to form a basis for further filing in the MYT petition which determines the tariff for the businesses for various years.

Your Company, therefore, filed the MYT petitions for the three businesses during the year. In addition, the truing up of FY2011-12 was also filed. MERC has passed an order for transmission business of Tata Power's Mumbai License area and the tariffs for Generation and Distribution are expected to be given in the near future.

7.3.3 Changeover of consumers to Tata Power

During the previous year, RInfra filed a petition against your Company in MERC to stop the changeover of consumers. MERC, in its order (in August, 2012), has allowed the changeover only for the category of Residential consumers who consume less than 300 units. This restriction would be applicable for a period of one year. Further, MERC has also directed your Company to lay the distribution network in certain notified areas of Mumbai.

7.3.4 Increase in the Cross Subsidy Surcharge for Changeover Consumers

MERC, in the month of May, 2013 (i.e. FY14), had re-determined the Cross Subsidy Surcharge for Changeover Consumers. In this order, MERC has worked out the CSS for the different categories of consumers. The increase in Cross Subsidy Surcharge through this order is very large for some categories and has been newly introduced for some categories which were not payable earlier. This order has been challenged by the Company at the ATE.

7.3.5 Initiation of Case-1 Bidding

In the month of March, 2013, your Company initiated the process of procuring power to the extent of 300 MW through bidding for its Mumbai Distribution business under the Competitive Bidding Guidelines issued by the Government of India. Prior to initiation, the Company had to take the approval of the quantum of purchase from MERC. The bids have been received in the month of May, 2013.

7.3.6 JSERC MYT Order of Control Period FY13-16 for Jojobera Units 2 and Unit 3

The JSERC has passed MYT order of Jojobera Unit 2 and Unit 3 for the Control Period FY13-16 in May, 2012.

7.3.7 Annual Performance Review (APR) Petition of Jojobera Unit 2 and Unit 3

Your Company has filed APR Petition for Jojobera Unit 2 and Unit 3 for the review year FY13 to the JSERC and the Order of the same is expected during FY14.

7.3.8 CERC Tariff Order for Maithon Power Project

CERC, after considering Petition No. 274/2010 along with Interlocutory Application Nos. 11/2011 and 14/2011, has passed the provisional tariff order in November, 2011 for sale of 150 MW from 525 MW Unit 1 to DVC for FY 2011-12. Further, CERC through its order dated 15th May, 2012, extended the earlier issued Provisional Tariff Order dated 11th November, 2011 for sale of Power to DVC.

MPL has, in February, 2013, based on the revised Project Cost and actual Capitalisation data as on COD of Unit 2, filed the revised Petition for Capital Cost approval and Tariff Determination at CERC and the Order of the same is expected soon.

7.4 Legal Matters

7.4.1 Standby Charges

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

7.4.2 Energy Charges and 'Take or Pay' Obligation

MERC directed RInfra 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 RInfra, the ATE upheld the Company's contention with regard to payment for energy charges but reduced the rate of interest. As per the ATE order, the amount payable works out to ₹ 34.98 crore (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 RInfra. The Company and RInfra filed appeals in the Supreme Court. Both the appeals have been admitted and are listed for hearing and final disposal. The Supreme Court, vide its order dated 14th December, 2009, has granted stay against the ATE order and has directed RInfra to deposit with the Supreme Court a sum of ₹ 25 crore 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.

7.4.3 Disallowance in proposed Transit loss in Coal

Your Company has filed a an appeal in ATE against the MYT Order dated May, 2012 passed by JSERC for Jojobera Unit 2 and Unit 3 on the issue of Transit Loss in Coal. The matter in pending at ATE and Judgement is expected during FY14.

7.5 Business Excellence

i. Tata Business Excellence Model

Your Company underwent an assessment during the year under the Tata Business Excellence Model, and maintained its high performance as the previous assessment in 2010. Your Company continues to strengthen its processes and make improvements in its journey of excellence.

ii. Organisation Transformation (OT)

During the year, 'Leher' (a management cadre transformational programme) provided an opportunity to about 65 officers in the management cadre, across functions, levels and sites. The programme 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 programme has now covered all operating sites with 1,233 employees working on 188 projects this year.

A set of programmes (Spandan, Worker Development Programme and Tejaswini) targeted at improving personal productivity and effectiveness for frontline and contract workforce were introduced in your Company during the year. These programmes, too have gained popularity and 300 Tata Power Employees, 730 Contract workforce and 200 family members of employees were covered under the programmes.

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 the Company. The Sankalp programme has helped achieve improvement in some critical performance parameters of the operating plants of your organisation. Some of the key improvements achieved were improvement in the efficiency (heat rate) of 500 MW coal fired thermal generating Unit 5 and Unit 8 at Trombay and of Jojobera 120 MW coal fired thermal generating Unit 2.

iv. Structured Problem Solving (SPS)

The SPS programme launched in 2010-11 in your Company has gained momentum and over 500 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. 57 SPS projects were taken up during the year and 38 projects have been completed.

v. Business Process Reengineering (BPR)

During the year, BPR implemented SAP based CRM module which would provide a single window for all customer related information and automate workflows for customer facing processes. BPR is also spearheading an initiative called 'Sarthi' which is aimed at developing a key business enabler through re-implementation of the ERP tool in the organisation.

vi. Knowledge Fair

Your Company conducted The Knowledge Fair, an event to showcase Jugaads, Innovations and Best Practices in February, 2013. The fair featured over 90 stalls setup by various teams, exhibiting 36 best practices, 45 Jugaads/Innovations and 19 showcase exhibits.

vii. 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, one of which won the award in the category of Process Innovations.

7.6 Information Technology (IT)

The use of Information and Communications Technology in the Power sector has been growing by leaps and bounds. While your Company was one of the early entrants, the time has now come to transit to the next orbit of IT implementation and usage.

A complete revamp of the SAP installation, augmented by applications in reporting and analytics, empowerment through mobility with concomitant changes to the infrastructure has been planned. The SAP CRM module has been implemented for Mumbai Distribution business to cater to the customer interactions and we have also extended the Document Management System for IT enabling processes that handle unstructured data/documents.

8. FINANCIAL PERFORMANCE: STANDALONE

Your Company recorded a PAT of ₹ 1,024.69 crore during the financial year ended 31st March, 2013 *(FY12: ₹ 1,169.73 crore)*. Both the basic and the diluted earnings per share were at ₹ 3.44 for FY13 *(FY12: ₹ 4.53)*.

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

8.1 Revenue

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Revenue from Power Supply and Transmission Charges	9,081.33	*8,051.53*	1,029.80	13
Revenue from Contracts	394.51	*356.19*	38.32	11
Other Operating Revenue	91.44	*88.12*	3.32	4
Total	9,567.28	*8,495.84*	1,071.44	13

Revenue from Power Supply is higher mainly on account of higher fuel costs; higher transmission charges paid in Mumbai Regulated business based on the Intra state transmission order and, favourable ATE Order in Mumbai Operations. 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 from wind farms in the current year.

8.2 Other Income

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Dividend Income	371.93	*614.30*	(242.37)	(39)
Interest Income	270.35	*215.67*	54.68	25
Others	79.39	*153.49*	(74.10)	(48)
Total	721.67	*983.46*	(261.79)	(27)

Dividend income is lower mainly on account of lower dividend income from Coal investments during the year. Interest income is higher primarily on account of higher interest on fixed deposits and interest on overdue from BEST. Other income is lower mainly due to forex gain in the previous year on adoption of option given in para 46A of AS-11 in the notification issued by Ministry of Corporate Affairs (MCA).

8.3 Cost of Power Purchased and Cost of Fuel

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Cost of Power Purchased	623.39	*647.53*	(24.14)	(4)
Cost of Fuel	5,244.40	*4,636.89*	607.51	13

Cost of Power Purchased was lower mainly due to revision in standby charges during the year. The Cost of Fuel increase is primarily due to the increase in prices of fuel and change in the fuel mix.

8.4 Employee Benefits Expense

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Employee Benefits Expense	547.60	*512.65*	34.95	7

Employee Benefits Expense was higher during the current financial year mainly due to annual increases in salary and induction of new executives.

8.5 Finance Costs

	FY13	*FY12*	Change	% Change
Finance Costs	678.25	*514.87*	163.38	32

Finance costs was higher mainly due to fresh issue of ₹ 1,500 crore of 10.75% Redeemable and Non-Convertible debentures during the year which is mainly utilised towards meeting the increase in tariff recoverable in Mumbai License Area. (FY13: ₹ 2,241.42 crore *FY 12: ₹ 1,350.53 crore)*

8.6 Depreciation and Amortization

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Depreciation and amortization	364.10	*570.35*	(206.25)	(36)

Depreciation is lower mainly due to 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.

8.7 Operations and Other Expenses

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Repairs and Maintenance	286.77	*275.61*	11.16	4
Transmission Charges	233.43	*100.64*	132.79	132
Components Consumed	150.75	*154.77*	(4.02)	(3)
Rates and Taxes	47.13	*30.95*	16.18	52
Provision for Doubtful debts and Advances (Net)	20.85	*5.53*	15.32	277
Others	388.90	*346.64*	42.26	12
Total	1,127.83	*914.14*	213.69	23

Operation and Other Expenses have increased primarily on account of revision in transmission charges paid in Mumbai Regulated Business as per the Intra State Transmission order, increase in the property tax and higher provision for doubtful debts pertaining to Belgaum plant.

8.8 Tax Expenses

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Current Tax	337.43	*320.68*	16.75	5
Deferred Tax	341.26	*192.46*	148.80	77
Total	678.69	*513.14*	165.55	32

Current Tax is higher mainly due to higher profit in the current year on account of one time impact of depreciation write back offset by MAT credit accounted in the previous year. Deferred tax is higher mainly due to the change in the depreciation rates from the repealed Electricity (Supply) Act,1948 to the CERC or PPA Rates, whichever higher.

8.9 Fixed Assets

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Tangible Assets	7,744.41	*7,154.21*	590.20	8
Intangible Assets	30.11	*18.59*	11.52	62
Capital Work in Progress	641.46	*585.37*	56.09	10
Intangible assets under development	73.34	*24.90*	48.44	195
Total	8,489.32	*7,783.07*	706.25	9

Increase in Net Fixed Assets mainly represents the higher capitalisation in the Mumbai License Area Transmission and Distribution businesses. Apart from this, during the year the Company has written back depreciation amounting to ₹ 268 crore in line with notification issued by the MCA and changed the depreciation rates as per the repealed Electricity Act 1948 to CERC rates or the rates as per the PPA, whichever higher.

8.10 Non-Current Investments

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Investment in Subsidiary, Joint Ventures and Associates	8,960.94	*7,356.23*	1,604.71	22
Statutory Investments	329.86	*273.43*	56.43	21
Others	1,568.88	*1,578.88*	(10.00)	(1)
Total	10,859.68	*9,208.54*	1,651.14	18

Increase in Non-Current Investments is mainly on account of additional equity contributed by your Company to CGPL (₹ 916 crore), MPL (₹ 74 crore) and overseas subsidiary (₹ 255 crore) during the year. Fresh funds were invested through preferential share issue in TPDDL (₹ 255 crore) during the year.

8.11 Current Investments

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Investment in Associates	-	*9.37*	(9.37)	(100)
Statutory Investments	20.00	*80.91*	(60.91)	(75)
Mutual Funds	238.56	*484.77*	(246.21)	(51)
Others	-	*9.09*	(9.09)	(100)
Total	258.56	*584.14*	(325.58)	(56)

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

8.12 Loans and Advances

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Long Term	2,190.06	*1,230.95*	959.11	78
Short Term	955.09	*1,357.68*	(402.59)	(30)
Total	3,145.15	*2,588.63*	556.52	21

Increase in Long term loans and advances is mainly due to loans given during the year to CGPL (₹ 188 crores), MPL (₹ 74 crore) and TPREL (₹ 50 crore). Apart from this, USD 100 million loans given to overseas subsidiaries were re-classified from short term to long term upon the change in the terms of the loans.

8.13 Trade Receivable

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Receivables	1,300.06	*1,003.37*	296.69	30

Increase in Trade Receivables is mainly due to outstanding receivables from BEST in Mumbai Operations.

8.14 Other Non-Current Assets

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Tariff Adjustment Debtors	2,555.78	*1,538.89*	1,016.89	66
Others	202.89	*193.26*	9.63	5
Total	2,758.67	*1,732.15*	1,026.52	59

Increase in Non-Current Assets is mainly due to higher regulated assets in Mumbai License Area as tariff has not been revised since September, 2010. Pursuant to favourable ATE Order in Mumbai operations, your Company has also booked receivables - mainly on account of carrying costs and normative interest entitlement on working capital.

8.15 Long Term Borrowings

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Secured Loans	4,905.99	*4,930.60*	(24.61)	(0.50)
Unsecured Loans	3,546.58	*1,944.45*	1,602.13	82
Total	8,452.57	*6,875.05*	1,577.52	23

Increase in unsecured loans is mainly on account of fresh borrowing of 10.75% Redeemable non-convertible debentures amounting to ₹ 1,500 crore and realignment of foreign currency borrowings.

8.16 Short Term Borrowings

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Secured Loans	637.03	*20.67*	616.36	2982
Unsecured Loans	535.12	*737.39*	(202.27)	(27)
Total	1,172.15	*758.06*	414.09	55

Increase in short term borrowings is mainly on account of additional buyer's credit facility availed for the purchase of fuel.

8.17 Trade Payables

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Payables	923.55	*1,061.55*	(138.00)	(13)

Decrease in Trade Payable is mainly on account of reduction in fuel creditors.

8.18 Other Current Liabilities

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Other Current Liabilities	2,027.64	*1,586.25*	441.39	28

Increase in Other Current Liabilities is mainly due to increase in long term borrowings which are payable within 12 months. Further, higher carrying cost payable on regulatory liabilities post ATE Order and higher advances and security deposits received from the consumers has led to increase in current liabilities.

8.19 Net Worth (Shareholders' Funds)

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Net Worth (Shareholders' Fund)	11,040.79	*10,626.15*	414.64	4

The net worth of your Company has increased by 4% during the year on account of profits of the year transferred to Reserves after appropriation and declaration of dividend.

9 FINANCIAL PERFORMANCE: CONSOLIDATED

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Total Income	33,394.63	*26,270.16*	7,124.47	27
Depreciation/Amortization/Impairment	2,901.69	*3,134.64*	(232.95)	(7)
Finance Costs	2,635.53	*1,527.09*	1,108.44	73
Profit Before Taxes	1,276.68	*507.25*	769.43	152
Profit/(Loss) After Taxes, Share of Associates, Minority Interest and Before Statutory Appropriations	(85.43)	*(1,087.68)*	1,002.25	(92)

The increase in Total Income was primarily on account of additional revenue generated on account of commissioning of all the units at CGPL and MPL, higher revenue of TPDDL on account of higher recovery due to increase in power purchase cost and higher volumes traded by TPTCL.

The lower depreciation/amortization/impairment is mainly due to lesser impairment provisions for Mundra UMPP in the current year (FY13: ₹ 850 crore, FY12: ₹ 1,800 crore) offset by the higher charge on account of commissioning of all the units in CGPL and MPL.

Finance costs were higher primarily on account of additional borrowings and commissioning of all the units in CGPL and MPL. A large share of the increase in interest charge is on account of increase in tariff recoverable in Tata Power Standalone (FY13: ₹ 2,241.42 crore FY12: ₹ 1,350.53 crore) and TPDDL (FY13: ₹ 4,711.93 crore FY12: ₹ 3,953.69 crore) and which is being funded by higher borrowings.

Loss after share of Associates and Minority Interest is lower mainly on account of better operational performance, lesser provisions made for impairment of Mundra projects in the current year (FY13: ₹ 850 crore, FY12: ₹ 1,800 crore) and previous year include deferred stripping costs charged off amounting to ₹ 659.44 crore.

Tax Expenses stood at ₹ 1,177.96 crore as against ₹ 1,475.54 crore in the previous year. The decrease is mainly due to lower dividend income from Coal investments and lower profits of Indonesian Coal Companies.

9.1 Fixed Assets

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Tangible Assets	35,395.28	*22,585.11*	12,810.17	57
Intangible Assets	233.83	*223.95*	9.88	4
Capital Work-in-Progress	2,284.27	*12,634.31*	(10,350.04)	(82)
Intangible assets under development	73.34	*24.90*	48.44	195
Total	37,986.72	*35,468.27*	2,518.45	7

Increase in the Tangible Assets is mainly due to additional capitalization in Mumbai License Area, commissioning of 4 units at CGPL and one unit at MPL during the year. CGPL and MPL commissioning led to the reduction in the capital work in progress during the year.

9.2 Goodwill on Consolidation

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Goodwill on Consolidation	5,724.14	*4,844.40*	879.74	18

Goodwill on Consolidation has increased mainly due to realignment of goodwill in Coal Companies and acquisition of PT Baramulti Sukessarana Tbk during the year.

9.3 Non-Current Investments

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Investment in Associates	1,013.25	*994.29*	18.96	2
Statutory Investments	329.86	*280.92*	48.94	17
Others	1,509.01	*1,503.74*	5.27	0.40
Provision for diminution in value of Investment	(209.41)	*(133.53)*	(75.88)	57
Total	2,642.71	*2,645.42*	(2.71)	(0.10)

Provision for diminution in the value of investment is higher mainly on account of provision for long term investments.

9.4 Current Investments

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Investments in Associates	-	*9.37*	(9.37)	(100)
Statutory Investments	20.00	*92.48*	(72.48)	(78)
Mutual Funds	457.40	*666.54*	(209.14)	(31)
Others	-	*9.09*	(9.09)	(100)
Total	477.40	*777.48*	(300.08)	(39)

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

9.5 Loans and Advances

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Long Term	1,603.85	*1,355.04*	248.81	18
Short Term	3,299.91	*2,421.67*	878.24	36
Total	4,903.76	*3,776.71*	1,127.05	30

Increase in Long term loans and advances is mainly due increase in the security deposits, MAT Credit entitlements and VAT/Sales tax receivables.

Increase in short term loans and advances is mainly due to VAT realignments in coal companies , higher inter- corporate deposits with HDFC Ltd and higher advances to vendors in SED division of Tata Power.

9.6 Trade Receivable

Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Receivable	3,305.01	*2,271.35*	1,033.66	46

Increase in Trade Receivables is mainly due to outstanding receivables from BEST in Mumbai Operations and higher debtors in CGPL due to full operations during the year.

9.7 Other Current Assets Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Receivable from Regulatory Assets	548.16	*7.90*	540.26	6839
Unbilled Revenue	416.37	*480.61*	(64.24)	(13)
Others	86.87	*132.27*	(45.40)	(34)
Total	1,051.40	*620.78*	430.62	69

Increase in Other current assets is mainly due to higher trade receivable from regulatory assets in TPDDL and MPL.

9.8 Other Non-Current Assets Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Receivable from Regulatory Assets	6,816.54	*5,492.58*	1,323.96	24
Others	332.45	*327.98*	4.47	1
Total	7,148.99	*5,820.56*	1,328.43	23

Increase in Other Non-Current Assets is mainly due to higher regulatory assets in Tata Power and TPDDL .

9.9 Long Term Borrowings Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Secured Loans	23,200.16	*22,579.96*	620.20	3
Unsecured Loans	8,399.18	*7,153.15*	1,246.03	17
Total	31,599.34	*29,733.11*	1,866.23	6

Increase in secured loans is mainly due to additional borrowings in TPDDL during the year to fund the increase regulatory assets.

Increase in unsecured loans is mainly on account of fresh borrowing of 10.75% Redeemable non-convertible debentures amounting to ₹ 1,500 crore mainly utilized to fund the regulatory assets in Mumbai License Area and realignment of foreign currency borrowings.

9.10 Short Term Borrowings Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Secured Loans	982.30	*200.05*	782.25	391
Unsecured Loans	2,564.88	*1,986.69*	578.19	29
Total	3,547.18	*2,186.74*	1,360.44	62

Increase in short term borrowings is mainly on account of additional buyer's credit facility availed for the purchase of fuel by Tata Power and CGPL.

9.11 Trade Payables Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Trade Payables	3,540.85	*2,750.13*	790.72	29

Increase in trade payables is mainly on account of increase in fuel related creditors in CGPL.

9.12 Other Current Liabilities Figures in ₹ crore

	FY13	*FY12*	Change	% Change
Other Current Liabilities	8,776.13	*7,376.60*	1,399.53	19

Increase in Other Current Liabilities is mainly due to increase in long term borrowing which are payable within 12 months. Further, higher royalty payable in coal companies, higher carrying cost payable on regulatory liabilities post ATE Order and higher advances and security deposits received from the consumers has lead to increase in the current liabilities.

10. 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 your 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. In the recent past, the volatility in imported coal price has become a serious cause of concern as it has gone up from about US$ 50/tonne a few years back to about US$ 100/tonne, which results in a significant increase in cost of generation and makes dispatch of power more challenging. However, coal prices have declined in the current year as was seen in the case of our coal mines.

iii. India's domestic capacity is heavily skewed towards fossil fuels. This impacts quite negatively from an environmental perspective.

iv. Infrastructure in both the exporting countries and India is limited and not geared to handle large quantities of coal for import into India, further impacting the fuel costs due to the supply-demand gap.

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

vi. 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.

vii. 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.

viii. 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 upto FY16.

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

x. Lack of water is another threat to the capacity addition plans, since 80% of the upcoming capacity will be in areas of water scarcity.

xi. 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.

xii. Another cause of concern faced by the infrastructure sector, and the power sector in particular, is the lack of skilled manpower.

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

i. Timely Resolution and implementation of CGPL PPA Compensatory Tariff

ii. Volatility in international coal prices and exchange rates

iii. Single Country source of Imported Fuel (Indonesia)

iv. Inadequate growth pipeline to meet aspirations

v. Talent Pool retention

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. The major risk areas are covered in the risk based Internal Audit Plan.

Your Company also pursues the process of Disaster Management and Business Continuity plan for its businesses and reviews, upgrades it from time to time.

11. 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. Eight Risk Management Sub-Committees (RMSCs) closely monitor and review the risk plans. The Company's Risk Management Committee (RMC) comprises the Executive Directors, Chief Risk Officer and other senior managers.

The RMC meets every quarter to review the risk plans and to suggest further mitigation action points. During the year, divisional RMSCs reviewed the major risks at the business unit level. A new web-based Risk Management System was implemented during the year and all risk plans have been uploaded in the system. This has enabled continuous tracking of status of mitigation action.

An update on the major risks is presented to the Audit Committee of Directors at quarterly Audit Committee meetings.

Internal controls and systems: Your Company has engaged a firm of Chartered Accountants to execute 84% of its internal Audit on the basis of an Annual Audit Plan. The balance 16% of the audit plan was executed by an in-house audit team which was built during the year. The Internal Audit process includes review and evaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. During the year, the Internal Audit Strategy 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 criticality of the process. The process is rated through the Control Effectiveness Index/Risk Control Index given by the Internal Auditors. Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan.

The Company has developed Control Self Assessment questionnaire for all processes across the organization. Process owners are required to submit their assessment findings on the designed questionnaire to assess built in internal controls in each process. This will help the Company to identify 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 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.

12. 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

AC	Alternating Current
ACE	Accelerated Career Enhancement
AMR	Automatic Meter Reading
APDP	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
BEST	Brihanmumbai Electric Supply and Transport Undertaking
BITS	Birla Institute of Technology and Science
BPO	Business Process Outsourcing
BSE	Bombay Stock Exchange
BTG	Boiler Turbine Generator
BUs	Billion Units
CAGR	Compound annual growth rate
CAIDI	Customer Average Interruption Duration Index
Capex	Capital Expenditure
CCGT	Combined Cycle Gas Turbine
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
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
CPP	Captive Power Plant
CRM	Customer Relationship Management
CSA	Corporate Services Agreement
CSPV	Crystalline Silicon Photovoltic
CSS	Consumer Substations
DDG	Decentralized Distributed Generation
DERC	Delhi Electricity Regulatory Commission
DFA	Distribution Franchisee Agreement

DHPL	Dugar Hydro Power Limited
Discoms	Distribution Companies
DSS	Distribution Substations
DVC	Damodar Valley Corporation
EA	Electricity Act
EIA	Environment Impact Assessment
EPC	Engineering Procurement and Construction
ER	Eastern Region
ERP	Enterprise Resource Planning
EW	Electronic Warfare
FOREX	Foreign Exchange
GDP	Gross Domestic Product
GET	Graduate Engineer Trainee
GHG	Greenhouse Gas
GIS	Gas Insulated Switchgear
GoHP	Government of Himachal Pradesh
GoM	Government of Maharashtra
GPCB	Gujarat Pollution Control Board
GRI	Global Reporting Initiatives
GW	Gigawatt
HT	High Tension
IEL	Industrial Energy Limited
JSEB	Jharkhand State Electricity Board
JSERC	Jharkhand State Electricity Regulatory Commission
JSPCB	Jharkhand State Pollution Control Board
JV	Joint Venture
Km	Kilometres
kV	Kilowatt
kWh	Kilowatt Hour
L&T	Larsen & Toubro Limited
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LT	Low Tension
LTIFR	Lost Time Injuries Frequency Rate
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs
MCCL	Mandakini Coal Company Limited
MDO	Management 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
NGO	Non Government Organization
NICMAR	National Institute of Construction Management and Research
Nos.	Numbers
NPTI	National Power Training Institute
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-operation and Development
OMSA	Operations & Maintenance Services Agreement
PA	Performance Assurance
PAT	Profit After Tax
PBT	Profit Before Tax
PH	Power House
PLF	Plant Load Factor
PMSA	Project Management Services Agreement
PPA	Power Purchase Agreement
PPP	Public Private Partnership
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
RMSC	Risk Management Sub – Committees
RPO	Renewable Purchase Obligation
SAARC	South Asian Association for Regional Cooperation
SC/ST	Scheduled Caste/ Scheduled Tribe
SCADA	Supervisory Control And Data Acquisition
SEB	State Electricity Board
SED	Strategic Engineering Division
SEZ	Special Economic Zones
SPV	Special Purpose Vehicle
SR	Southern Region
T&D	Transmission & Distribution
TBSS	Tata Business Support Services
TCML	Tubed Coal Mines Limited
TIFR	Total Injuries Frequency Rate
TPDDL	Tata Power Delhi Distribution Limited
TPJDL	Tata Power Jamshedpur Distribution Limited
TPREL	Tata Power Renewable Energy Limited
TPSSL	Tata Power Solar Systems Limited
TPTCL	Tata Power Trading Company Limited
TSMG	Tata Strategic Management Group
TWh	Terawatt Hours
UAV	Unmanned Aerial Vehicle
UI	Unscheduled Interchange
UMPP	Ultra Mega Power Project
USD	US Dollars
UT	Union Territory
VAT	Value Added Tax
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WR	Western Region

Performance Perspective

₹ crore

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Generation (in MUs)	12,917	13,283	13,746	14,269	14,717	14,807	15,946	15,325	15,230	**15,770**
Operating Income	4,239	3,930	4,563	4,715	5,916	7,236	7,098	6,918	8,496	**9,567**
Operating Expenses	2,952	2,978	3,727	3,992	4,979	6,095	5,220	5,330	6,711	**7,543**
Operating Profit	1,287	953	835	723	937	1,141	1,879	1,588	1,785	**2,024**
Other Income	160	387	326	344	498	632	282	494	983	**721**
Interest and Finance Charges	284	191	165	190	174	328	423	460	515	**678**
Depreciation	334	360	278	292	291	329	478	510	570	**364**
PBT	734	759	747	586	970	1,117	1,259	1,112	1,683	**1,703**
PAT	509	551	611	697	870	922	939	941	1,170	**1,025**
Earning Per Share (EPS) - ₹ / shares *	24	28	29	34	39	44	41	41	5	**3**
Dividend per share (%)	70	75	85	95	105	115	120	125	125	**115**

Return On Capital Employed [ROCE] (%)	18	14	13	12	12	11	11	10	10	**9**
Return On Net Worth [RONW] (%)	13	15	14	15	13	14	10	10	10	**7**
Long Term Debts / Equity	0.34	0.55	0.49	0.51	0.34	0.52	0.55	0.63	0.59	**0.71**
Total Debts / Equity	0.34	0.56	0.50	0.60	0.38	0.60	0.55	0.70	0.65	**0.80**

Capital	198	198	198	198	221	221	237	237	237	**237**
Shareholders' Reserves	3,450	3,579	3,962	4,437	6,331	7,182	9,173	9,801	10,389	**10,803**
Statutory Reserves **	1,402	1,360	1,395	1,398	1,486	1,289	1,213	1,201	1,195	**1,220**
Borrowings	1,721	2,860	2,755	3,633	3,037	5,198	5,872	6,981	7,906	**10,069**
Gross Block (incl. Capital WIP)	5,841	5,903	6,137	7,010	8,164	9,747	10,487	11,548	13,083	**14,137**
Accumulated Depreciation	2,364	2,657	2,922	3,199	3,477	3,795	4,258	4,736	5,300	**5,648**
Net Block	3,477	3,246	3,215	3,811	4,687	5,952	6,229	6,812	7,783	**8,489**

**Share split from ₹10 to ₹1 in FY 12*

*** Statutory Reserves also includes Special Appropriation towards Projects Cost and Service Line Constribution from Consumers*

FY 11, FY 12 & FY 13 figures are based on Revised Schedule VI workings

Standalone Financial Statements

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, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") 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 judgement, 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, 2013;

(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 Matters

(a) We draw attention to Note 32(d) 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 years upto 31st March, 2013. The impact of the same on the results for the year ended 31st March, 2013 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, 2013 relating to the Company's assessment of the recoverability of the carrying amount of assets that could result in material adjustment to the carrying amount of the long-term investment in a subsidiary. For the reasons explained in the Note, no provision for diminution in value of investment 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, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
   (e) On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

R. A. BANGA
Partner
(Membership Number: 37915)

Mumbai: 30th May, 2013

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)

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

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of 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) The Company has neither granted nor taken any loans, secured or unsecured, to/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 thatsome 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 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, 2013 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, 2013 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	2.61	1993-94 to 1999-00	Appellate Authority - upto Commissioner level
Central Excise Laws	Excise Duty	8.61	1992-93 to 1995-96	Appellate Authority - upto Tribunal Level
Cess Laws	Cess	1.13	2009-10	Chairman MPCB
Income Tax Act, 1961	Income Tax	31.83	2007-08	Income Tax Appellate Tribunal
Wealth Tax	Wealth Tax	0.88	2009-10	Commissioner of Wealth Tax (CWT(A))

(x) The Company does not have accumulated losses as at 31st March, 2013 and 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) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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

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

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

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment of term loans of ₹ 458.30 crore, pending application in short-term bank and inter-corporate deposits.

(xvii) 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 have, *prima facie,* not been used during the year for long-term investment.

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

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

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

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

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

R. A. BANGA
Partner
(Membership Number: 37915)

Mumbai, 30th May, 2013

Balance Sheet as at 31st March, 2013

	Notes	Page	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	3	82	237.33	*237.33*
Reserves and Surplus	4	83	10,803.46	*10,388.82*
			11,040.79	*10,626.15*
UNSECURED PERPETUAL SECURITIES	5	84	1,500.00	*1,500.00*
STATUTORY CONSUMER RESERVES	6	84	604.23	*597.23*
SPECIAL APPROPRIATION TOWARDS PROJECT COST			533.61	*533.61*
SERVICE LINE CONTRIBUTIONS FROM CONSUMERS			82.22	*64.02*
NON-CURRENT LIABILITIES				
Long-term Borrowings	7	85	8,452.57	*6,875.05*
Deferred Tax Liabilities (Net)	8	87	805.49	*419.02*
Other Long-term Liabilities	9	87	99.81	*93.70*
Long-term Provisions	10	87	413.19	*480.52*
			9,771.06	*7,868.29*
CURRENT LIABILITIES				
Short-term Borrowings	11	88	1,172.15	*758.06*
Trade Payables			923.55	*1,061.55*
Other Current Liabilities	12	88	2,027.64	*1,586.25*
Short-term Provisions	10	87	437.61	*386.14*
			4,560.95	*3,792.00*
TOTAL			**28,092.86**	***24,981.30***
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	13(a)	89	7,744.41	*7,154.21*
Intangible Assets	13(b)	90	30.11	*18.59*
Capital Work-in-Progress			641.46	*585.37*
Intangible Assets under Development			73.34	*24.90*
			8,489.32	*7,783.07*
Non-current Investments	14	91	10,859.68	*9,208.54*
Long-term Loans and Advances	15	94	2,190.06	*1,230.95*
Other Non-current Assets	16	94	2,758.67	*1,732.15*
			24,297.73	*19,954.71*
CURRENT ASSETS				
Current Investments	17	95	258.56	*584.14*
Inventories	18	96	761.09	*854.47*
Trade Receivables	19	96	1,300.06	*1,003.37*
Cash and Bank Balances	20	96	413.17	*1,037.35*
Short-term Loans and Advances	15	94	955.09	*1,357.68*
Other Current Assets	21	97	107.16	*189.58*
			3,795.13	*5,026.59*
TOTAL			**28,092.86**	***24,981.30***

See accompanying notes forming part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

H. M. MISTRY
Company Secretary

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

TATA

Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	Page	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
REVENUE				
Revenue from Operations (Gross)	22	97	9,583.64	*8,512.48*
Less: Excise Duty	22	97	16.36	*16.64*
Revenue from Operations (Net)	22	97	9,567.28	*8,495.84*
Other Income	23	98	721.67	*983.46*
TOTAL REVENUE			**10,288.95**	***9,479.30***
EXPENSES				
Cost of Power Purchased			624.26	*649.56*
Less: Cash Discount			0.87	*2.03*
			623.39	*647.53*
Cost of Fuel			5,244.40	*4,636.89*
Employee Benefits Expense	24	99	547.60	*512.65*
Finance Costs	25	99	678.25	*514.87*
Depreciation and Amortisation	13 & 2.2	89, 81	364.10	*570.35*
Other Expenses	26	100	1,127.83	*914.14*
TOTAL EXPENSES			**8,585.57**	***7,796.43***
PROFIT BEFORE TAX			**1,703.38**	***1,682.87***
TAX EXPENSE				
Current Tax Expense for Current Year	2.2	81	337.43	*370.51*
MAT Credit			Nil	*(51.00)*
Current Tax Expense relating to Prior Years			Nil	*1.17*
Net Current Tax Expense			337.43	*320.68*
Deferred Tax Expense	2.2	81	341.26	*192.46*
			678.69	*513.14*
PROFIT FOR THE YEAR			**1,024.69**	***1,169.73***
EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)				
Basic (₹)	42	114	3.44	*4.53*
Diluted (₹)	42	114	3.44	*4.53*

See accompanying notes forming part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

H. M. MISTRY
Company Secretary

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Cash Flow Statement for the year ended 31st March, 2013

	For the Year ended 31st March, 2013 ₹ crore		*For the Year ended 31st March, 2012 ₹ crore*	
A. Cash Flow from Operating Activities				
Profit before tax		1,703.38		*1,682.87*
Adjustments for:				
Depreciation and Amortisation	364.10		*570.35*	
Interest Income	(270.35)		*(215.67)*	
Dividend Income	(371.93)		*(614.30)*	
Gain on sale of Investments	(69.02)		*(48.16)*	
Discount accrued on Bonds	(0.13)		*(1.76)*	
Guarantee Commission	(10.24)		*(7.50)*	
Transfer of Service Line Contributions	(9.97)		*(9.26)*	
Interest Expenditure	666.26		*493.80*	
Other Borrowing Cost	3.83		*5.81*	
Derivative Premium Amortised	8.16		*15.26*	
Loss/(Gain) on sale of Assets (Net)	1.34		*(0.56)*	
Provision for Doubtful Trade and Other Receivables, Loans and Advances (Net)	20.85		*5.53*	
Provision for Warranties	7.12		*6.04*	
Exchange (Gain)/Loss on Investing/Financing Activity (Net)	(60.33)		*29.91*	
Unrealised Exchange Loss/(Gain) (Net)	89.30		*(83.30)*	
		368.99		*146.19*
Operating Profit before Working Capital Changes		2,072.37		*1,829.06*
Adjustments for:				
Inventories	93.38		*(229.45)*	
Trade Receivables	(309.57)		*(164.79)*	
Short-term Loans and Advances	(0.38)		*(177.85)*	
Long-term Loans and Advances	(160.11)		*(12.65)*	
Other Current Assets	66.45		*(58.49)*	
Other Non-current Assets	(1,026.52)		*(694.13)*	
Trade Payables	(138.00)		*321.98*	
Other Current Liabilities	167.10		*134.61*	
Other Long-term Liabilities	2.42		*5.46*	
Short-term Provisions	9.42		*24.44*	
Long-term Provisions	(36.32)		*(28.02)*	
		(1,332.13)		*(878.89)*
Cash Generated from Operations		740.24		*950.17*
Taxes Paid (Net)		(308.71)		*(299.42)*
Net Cash Generated from Operating Activities ... A		**431.53**		***650.75***
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets, including Capital Advances		(815.54)		*(1,228.57)*
Proceeds from sale of Fixed Assets		1.32		*1.49*
Purchase of Long-term Investments -				
Subsidiaries		(1,684.71)		*(1,104.41)*
Joint Ventures / Associates		(30.30)		*(25.70)*
Other Investments		(66.30)		*(70.99)*
Proceeds from sale of Long-term Investments -				
Subsidiaries (Buy-back)		16.00		*29.23*
Associates		9.37		*9.37*
Others		90.00		*81.99*
Purchase of Current Investments		(18,350.66)		*(14,373.47)*
Proceeds from sale of Current Investments		18,662.99		*13,911.53*
Interest Received -				
Subsidiaries		33.21		*89.29*
Associates		0.31		*1.11*
Others		200.30		*117.73*
Loans given to Subsidiaries		(2,476.75)		*(133.56)*
Loans repaid by Subsidiaries		2,340.10		*500.38*
Carried over...		(2,070.66)		*(2,194.58)*

Cash Flow Statement for the year ended 31st March, 2013 *(Contd.)*

	For the Year ended 31st March, 2013 ₹ crore	*For the Year ended 31st March, 2012 ₹ crore*
Brought forward...	(2,070.66)	(2,194.58)
Dividend Received -		
Subsidiaries	353.81	*589.71*
Joint Ventures	Nil	*5.24*
Associates	9.73	*11.03*
Others	8.39	*8.32*
Exchange Gain on Investing Activity	119.43	*5.08*
Guarantee Commission received	8.51	*5.48*
Inter-corporate Deposits placed	(1,899.00)	*(675.00)*
Inter-corporate Deposits redeemed	1,611.25	*625.00*
Bank balance not considered as Cash and Cash Equivalents	364.33	*(367.87)*
Net Cash used in Investing Activities ... B	**(1,494.21)**	***(1,987.59)***
C. Cash Flow from Financing Activities		
Increase in Capital/Service Line Contributions	28.17	*8.87*
Proceeds from Long-term Borrowings	2,191.86	*851.00*
Repayment of Long-term Borrowings	(558.96)	*(236.88)*
Proceeds from Short-term Borrowings	1,625.89	*1,258.26*
Repayment of Short-term Borrowings	(1,213.18)	*(1,204.47)*
Exchange Loss on Financing Activity	(59.10)	*(34.99)*
Proceeds from Issue of Unsecured Perpetual Securities	Nil	*1,500.00*
Unsecured Perpetual Securities Issue Expenses	Nil	*(17.73)*
Distribution on Unsecured Perpetual Securities	(171.47)	*(70.55)*
Other Borrowing Cost Paid	(3.83)	*(5.81)*
Derivative Premium Charges Paid	(43.66)	*(15.26)*
Debenture Issue Expenses	(18.63)	*Nil*
Interest Paid	(638.56)	*(534.68)*
Dividend Paid	(295.95)	*(295.69)*
Dividend Tax Paid	(39.75)	*(39.22)*
Net Cash Generated from Financing Activities ... C	**802.83**	***1,162.85***
Net Decrease in Cash and Cash Equivalents ... (A+B+C)	**(259.85)**	***(173.99)***
Cash and Cash Equivalents as at 1st April (Opening Balance)	**661.05**	***835.04***
Cash and Cash Equivalents as at 31st March (Closing Balance)	**401.20**	***661.05***

Notes:

1. Cash and Cash Equivalents include:

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(i) Cash and Cheques on Hand (include cheques on hand ₹ 8.67crore, *Previous Year - ₹ Nil)*	8.68	*0.04*
(ii) Current Accounts with Banks	46.82	*49.86*
(iii) Term Deposits with Banks	345.70	*611.15*
	401.20	***661.05***

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

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

H. M. MISTRY
Company Secretary

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive 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 the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(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 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.

(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 in the Balance Sheet.

Notes forming part of the Financial Statements

(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:

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 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.

(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. 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.

Notes forming part of the Financial Statements

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 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 substantially 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 equity are recognised in equity 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 fixed assets and intangible assets.

(m) Warranty Expenses:

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

(n) Foreign Exchange Transactions:

Initial recognition:

Transactions in foreign currencies entered into by the Company and its 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.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement/settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign exchange translation reserve" until disposal/recovery of the net investment.

The exchange differences arising on revaluation of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining balance life of such assets and in other cases amortised over the balance period of such long-term foreign currency monetary items. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation account" net of the tax effect thereon.

Notes forming part of the Financial Statements

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. Derivative 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, Pension, Superannuation Fund, Gratuity Scheme, Compensated Absences, Long Service Awards, Post Retirement Benefits and Directors Retirement Obligations.

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.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, post retirement benefits and Director's pension scheme, 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.

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. 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.

Notes forming part of the Financial Statements

(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.

(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 Euro Notes is amortised over the tenure of the Notes.

(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.

(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".

Notes forming part of the Financial Statements

(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 been providing depreciation on assets at rates and methodology relating to the electricity business in accordance with the Central Government notification under the Electricity (Supply) Act, 1948 (repealed).

Vide its notification dated 31st May, 2011, the Ministry of Corporate Affairs (MCA) has clarified that companies engaged in the generation and supply of electricity can provide for depreciation at rates and methodology notified by Central Electricity Regulatory Commission (CERC). The CERC, under the provisions of The Electricity Act, 2003, notified the rates and methodology effective 1st April, 2009, under the Terms and Conditions of Tariff Regulations, 2009. These rates would be applicable for purposes of tariff determination and accounting in terms of the provisions of National Tariff Policy notified by the Government of India.

Management had sought clarifications and guidance from the MCA on the applicability of the CERC rates as the Company has both regulated and non-regulated generating capacity.

The Company has, during the year ended 31st March, 2013, based on a legal opinion, provided for depreciation in respect of its electricity business following the rates and methodology notified by the CERC w.e.f. 1st April, 2009 and at the rates as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. 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. Further the depreciation charge for the year ended 31st March, 2013 is lower by ₹ 48.02 crore. As a result, the current tax for the year ended 31st March, 2013, is higher by ₹ 53.58 crore and the deferred tax charge for the year ended 31st March, 2013 is higher by ₹ 204.28 crore.

2.3. (a) During the previous 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, 2013 is ₹ 83.84 crore *(31st March, 2012 - ₹39.01 crore)*. The unamortised portion carried forward as at 31st March, 2013 is ₹ 253.86 crore *(31st March, 2012 - ₹ 213.56 crore)*.

(b) During the previous year, the Company had changed its accounting policy pertaining to accounting for expenditure incurred on purchase/implemenation of application software which hitherto was being charged off in the year of accrual and is now being capitalised and amortised over the useful economic life or 5 years whichever is lower. This results in a more appropriate presentation. As a result of this change, the depreciation and amortisation for the previous year was lower by ₹ 10.07 crore and the profit before tax was higher by ₹ 10.07 crore.

Notes forming part of the Financial Statements

3. Shareholders' Funds - Share Capital

	As at 31st March, 2013 Number	₹ crore	*As at 31st March, 2012 Number*	*₹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, 2012 - ₹ 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	31st March, 2013 Number	₹ crore	*31st March, 2012 Number*	*₹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, 2013, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.15 per share of Face Value of ₹ 1/- each *(31st March, 2012 - ₹ 1.25 per share of Face Value of ₹ 1/- each)*.

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	31st March, 2013 Number	% holding	*31st March, 2012 Number*	*% holding*
Tata Sons Limited	70,75,11,570	29.81	*70,75,11,570*	*29.81*
Life Insurance Corporation of India	30,60,52,963	12.90	*31,18,23,233*	*13.14*

(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 percent of their principal amount together with accrued and unpaid interest.

Notes forming part of the Financial Statements

4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Special Reserve		
Opening Balance	Nil	*13.00*
Less: Amount transferred to Surplus in Statement of Profit and Loss as no longer required	Nil	*13.00*
Closing Balance	Nil	*Nil*
Capital Reserve	61.66	*61.66*
Capital Redemption Reserve	1.60	*1.60*
Securities Premium Account		
Opening Balance	3,662.04	*3,679.77*
Less: Issue Expenses pertaining to Unsecured Perpetual Securities	Nil	*17.73*
Issue Expenses pertaining to Debentures	18.63	*Nil*
Closing Balance	3,643.41	*3,662.04*
Debenture Redemption Reserve		
Opening Balance	557.74	*246.95*
Add: Amount transferred from Surplus in Statement of Profit and Loss	157.27	*310.79*
Closing Balance	715.01	*557.74*
Foreign Exchange Translation Reserves (Net)		
Opening Balance	(67.36)	*(91.39)*
Add: Effect of foreign exchange rate variations during the year [including deferred tax ₹ 45.21 crore *(31st March, 2012 - ₹ Nil)*]	(72.01)	*Nil*
Less: Effect of foreign exchange rate variations during the year [net of deferred tax ₹ Nil *(31st March, 2012 - ₹ 11.51 crore)*]	Nil	*24.03*
Closing Balance	(139.37)	*(67.36)*
Foreign Currency Monetary Item Translation Account		
Opening Balance	(136.41)	*Nil*
Add: Effect of foreign exchange rate variations during the year	(85.49)	*(170.82)*
Less: Amortised during the year	74.41	*34.41*
Closing Balance	(147.49)	*(136.41)*
General Reserve		
Opening Balance	3,490.17	*3,240.17*
Add: Amount transferred from Surplus in Statement of Profit and Loss	102.47	*250.00*
Closing Balance	3,592.64	*3,490.17*
Surplus in Statement of Profit and Loss		
Opening Balance	2,819.38	*2,649.65*
Add: Profit for the year	1,024.69	*1,169.73*
Transfer from Contingencies Reserve Fund (Net)	Nil	*6.00*
Transfer from Special Reserve (Net)	Nil	*13.00*
Less: Distribution on Unsecured Perpetual Securities [net of tax ₹ Nil *(31st March, 2012 - ₹ 28.42 crore)*]	171.20	*113.61*
Income-tax reversal on distribution on Unsecured Perpetual Securities in respect of earlier year	28.42	*Nil*
Proposed Dividend [amount ₹ 1.15 per share *(31st March, 2012 - ₹ 1.25 per share)*]	273.17	*296.92*
Additional Income-tax on Dividend	28.54	*39.75*
Additional Income-tax on Dividend in respect of earlier years	Nil	*7.93*
Transfer to Contingencies Reserve Fund	7.00	*Nil*
Transfer to Debenture Redemption Reserve	157.27	*310.79*
Transfer to General Reserve	102.47	*250.00*
	256.62	*169.73*
Closing Balance	3,076.00	*2,819.38*
Total	**10,803.46**	***10,388.82***

Notes forming part of the Financial Statements

5. Unsecured Perpetual Securities

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Opening Balance	1,500.00	*Nil*
Add: Issued during the year	Nil	*1,500.00*
Closing Balance	**1,500.00**	***1,500.00***

During the previous 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 the said Securities, which may be deferred at the option of the Company under certain circumstances, is set at 11.40% p.a., with a step up provision if the Securities are called after 10 years. As these securities are perpetual in nature and ranked senior only to the Share Capital of the Company, 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 "Interest".

Unless all arrears of distribution are fully paid to these Securities, the Company shall not declare or pay any dividends or distributions or make any other payment on, or will procure that no dividend, distribution or other payment is made on any securities of the Company ranking *pari passu* with, or junior to, the securities, or redeem, reduce, cancel, buy-back or acquire for any consideration any security of the Company ranking *pari passu* with, or junior to, the Securities.

6. Statutory Consumer Reserves

[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Tariffs and Dividends Control Reserve	22.43	*22.43*
Contingencies Reserve Fund		
Opening Balance	60.00	*66.00*
Add: Amount transferred from Surplus in Statement of Profit and Loss	7.00	*Nil*
Less: Amount transferred to Surplus in Statement of Profit and Loss as no longer required	Nil	*6.00*
Closing Balance	67.00	*60.00*
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	**604.23**	***597.23***

Notes forming part of the Financial Statements

7. Long-term Borrowings

	As at 31st March, 2013		*As at 31st March, 2012*	
	Non-current ₹ crore	Current ₹ crore	*Non-current ₹ crore*	*Current ₹ crore*
Secured				
Redeemable Non-Convertible Debentures				
(a) 9.15% Series 2025	202.00	16.00	*218.00*	*16.00*
(b) 9.15% Series 2025	275.00	25.00	*300.00*	*25.00*
(c) 9.40% Series 2023	210.00	Nil	*Nil*	*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	420.00	180.00	*600.00*	*Nil*
	2,107.00	221.00	*2,118.00*	*41.00*
Term Loans				
From Banks				
(g) HDFC Bank	480.00	30.00	*510.00*	*30.00*
(h) ICICI Bank	Nil	Nil	*72.50*	*31.00*
(i) IDBI Bank	587.50	35.00	*622.50*	*35.00*
(j) Kotak Mahindra Bank	41.50	31.00	*Nil*	*Nil*
	1,109.00	96.00	*1,205.00*	*96.00*
From Others				
(k) Asian Development Bank	82.36	12.67	*95.03*	*39.01*
(l) Industrial Renewable Energy Development Agency	406.91	35.13	*428.29*	*35.13*
(m) Infrastructure Development Finance Company Limited	1,196.40	60.10	*1,076.40*	*50.10*
(n) Export Import Bank of India	4.32	6.07	*7.88*	*5.72*
	1,689.99	113.97	*1,607.60*	*129.96*
Finance Lease Obligations				
(o) Lease finance - from others	Nil	0.04	*Nil*	*0.14*
A	4,905.99	431.01	*4,930.60*	*267.10*
Unsecured				
Redeemable Non-Convertible Debentures				
(p) 10.75% Series 2073	1,500.00	Nil	*Nil*	*Nil*
Bonds				
(q) 8.50% Euro Notes (2017)	323.93	Nil	*304.87*	*Nil*
(r) 1.75% Foreign Currency Convertible Bonds (2014) [Refer Note 3 (d)]	1,631.70	Nil	*1,535.70*	*Nil*
	1,955.63	Nil	*1,840.57*	*Nil*
Term Loans				
From Banks				
(s) ICICI Bank	14.50	5.80	*20.30*	*5.80*
Deferred Payment Liabilities				
(t) Sales Tax Deferral	76.45	7.13	*83.58*	*Nil*
B	3,546.58	12.93	*1,944.45*	*5.80*
Total (A + B)	**8,452.57**	**443.94**	***6,875.05***	***272.90***

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 moveable 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 land in Village Takve Khurd (Maharashtra), moveable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra, except assets of windmill projects, present and future.
(vi) The loans from HDFC Bank, ICICI Bank and IDBI Bank, mentioned in (g), (h) and (i) respectively have been secured by a *pari passu* charge on all moveable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including moveable machinery, machinery spares, tools and accessories.
(vii) The loan from Kotak Mahindra Bank mentioned in (j) 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 moveable machinery, machinery spares, tools and accessories.
(viii) The loans from Asian Development Bank and Industrial Renewable Energy Development Agency mentioned in (k) and (l) respectively have been secured by a first charge on the tangible moveable 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 (m) have been secured by a charge on the moveable assets except assets of all windmill projects present and future more particularly situated in Supa, Khandke, Brahmanvel, Sadawaghapur, Gadag and Samana in Maharashtra, Karnataka and Gujarat.
(x) The loan from Export Import Bank of India mentioned in (n) has been secured by receivables (present and future), book debts and outstanding monies.
(xi) The loan mentioned in (o) 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 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 at the end of 9th, 10th and 11th year respectively from 18th October, 2004.
(vi) The 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.
(vii) The loan from IDBI Bank of ₹ 300 crore mentioned in (i) 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 (i) is redeemable at par in 36 quarterly installments of ₹ 5 crore commencing from 1st April, 2011 and one installment of ₹ 220 crore on 1st April, 2020.
(viii) The loan from Kotak Mahindra Bank mentioned in (j) 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.
(ix) The loan from Asian Development Bank mentioned in (k) is redeemable at par in 26 semi-annual installments commencing from 15th December, 2007.
(x) The loan from Industrial Renewable Energy Development Agency of ₹ 95 crore mentioned in (l) is redeemable at par in 26 semi-annual installments commencing from 15th December, 2007 and,
The second loan from Industrial Renewable Energy Development Agency of ₹ 450 crore mentioned in (l) 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 loan of ₹ 250 crore from Infrastructure Development Finance Company Limited mentioned in (m) was repaid on 15th November, 2012.
The second loan from Infrasturcture Development Finance Company Limited of ₹ 450 crore mentioned in (m) 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 third loan from Infrastructure Development Finance Company Limited of ₹ 150 crore mentioned in (m) is redeemable at par in 36 quarterly installments of ₹ 1.88 crore commencing from 15th May, 2010 and 4 quarterly installments of ₹ 20.63 crore commencing from 15th May, 2019 and,
The fourth loan from Infrastructure Development Finance Company Limited of ₹ 800 crore mentioned in (m) is redeemable at par in 40 quarterly installments of ₹ 15 crore commencing from 15th October, 2013 and 4 quarterly installments of ₹ 50 crore from 15th October, 2023.
(xii) The loan from Export Import Bank of India mentioned in (n) is redeemable at par in 19 semi - annual installments of USD 372,200 each commencing from 29th September, 2006.
(xiii) The 10.75% Redeemable and Non-convertible Debentures mentioned in (p) 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 (q) is repayable fully on 19th August, 2017.
(xv) The loan from ICICI Bank mentioned in (s) is redeemable at par in 10 semi-annual installments commencing from 1st April, 2012.
(xvi) Sales Tax Deferral mentioned in (t) is repayable in quarterly 150 installments commencing from April, 2013 and repayable in full by 2022.

Notes forming part of the Financial Statements

8. Deferred Tax Liability (Net)

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Deferred Tax Liability on account of:		
Relating to Fixed Assets	1,142.78	*800.06*
Less: Balance in Deferred Tax Liability Fund	279.76	*279.76*
	863.02	*520.30*
Add: Exchange Losses on Loans to Subsidiaries	27.58	*Nil*
Deferred Tax Liability	890.60	*520.30*
Deferred Tax Asset on account of:		
Provision for Employee Benefits	49.11	*57.81*
Provision for Tax, Duty, Cess, Fee etc.	10.68	*11.94*
Provision for Doubtful Debts and Advances	18.50	*9.37*
Exchange Losses on Loans to Subsidiaries	Nil	*17.65*
Others	6.82	*4.51*
Deferred Tax Asset	85.11	*101.28*
Net Deferred Tax Liability	**805.49**	***419.02***

9. Other Long-term Liabilities

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Trade Payables	26.50	*24.08*
Others		
Payables on Purchase of Fixed Assets	14.46	*10.77*
Consumers' Benefit Account	21.94	*21.94*
Security Deposits from Customers	36.91	*36.91*
Total	**99.81**	***93.70***

10. Provisions

	Long-term		Short-term	
	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Provision for Employee Benefits				
Compensated absences	64.42	*65.19*	6.82	*6.42*
Gratuity	36.37	*78.56*	36.90	*28.08*
Pension Obligation	15.07	*14.26*	1.98	*1.88*
Long service awards	13.47	*11.33*	1.10	*1.21*
Other Employee Benefits	28.95	*25.26*	3.18	*3.07*
Provision - Others				
Provision for Warranties	6.19	*5.79*	13.83	*7.11*
Provision for Premium on Redemption of Foreign Currency Convertible Bonds	154.52	*145.43*	Nil	*Nil*
Provision for Premium on Redemption of Debentures	94.20	*134.70*	40.50	*Nil*
Provision for Income-tax (Net)	Nil	*Nil*	*29.79*	*Nil*
Provision for Wealth Tax	Nil	*Nil*	1.80	*1.70*
Provision for Proposed Dividend	Nil	*Nil*	273.17	*296.92*
Provision for Additional Income-tax on Dividend	Nil	*Nil*	28.54	*39.75*
Total	**413.19**	***480.52***	**437.61**	***386.14***

Notes forming part of the Financial Statements

11. Short-term Borrowings

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Secured		
From Banks		
(a) Buyer's Line of Credit	637.03	*20.67*
Unsecured		
From Banks		
(b) Buyer's Line of Credit	530.05	*732.32*
From Others		
(c) Inter-corporate Deposit	5.07	*5.07*
	535.12	*737.39*
Total	**1,172.15**	***758.06***

Security

Buyer's Line of Credit is secured against first *pari passu* charges 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, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Current Maturities of Long-term Debt (Refer Note 7)	443.94	*272.90*
(b) Interest accrued but not due on Borrowings	270.51	*197.59*
(c) Investor Education and Protection Fund shall be credited by the following amounts namely: **		
Unpaid Dividend	12.40	*11.43*
Unpaid Matured Deposits	0.03	*0.03*
Unpaid Interest	Nil	*Nil*
Unpaid Matured Debentures	0.09	*0.09*
(d) Book Overdraft	34.42	*10.27*
(e) Other Payables		
Statutory Liabilities	119.82	*106.02*
Regulatory Liabilities	314.36	*188.36*
Payables on Purchase of Fixed Assets	238.63	*221.77*
Advance and Progress payments received from Customers / Public Utilities	373.64	*340.08*
Security Deposits from Consumers	180.85	*146.65*
Security Deposits from Customers	4.30	*67.73*
Tender Deposits from Vendors	2.70	*2.52*
Other Liabilities	31.95	*20.81*
Total	**2,027.64**	***1,586.25***

** Includes amounts outstanding aggregating ₹ 0.78 crore *(31st March, 2012 - ₹ 0.74 crore)* for more than seven years pending legal cases.

Notes forming part of the Financial Statements

13. Fixed Assets

₹ crore

	GROSS BLOCK				DEPRECIATION					NET BLOCK
	As at 1st April, 2012	Additions	Deductions	As at 31st March, 2013	As at 1st April, 2012	For the year	Adjustments @@	Deductions	As at 31st March, 2013	As at 31st March, 2013
(a) TANGIBLE ASSETS										
(i) Owned assets										
Freehold Land	114.93	6.82	Nil	121.75	Nil	Nil	Nil	Nil	Nil	121.75
	50.78	*64.15*	*Nil*	*114.93*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*114.93*
Hydraulic Works	497.17	34.35	Nil	531.52	165.97	18.62	21.25	Nil	205.84	325.68
	478.86	*18.31*	*Nil*	*497.17*	*151.63*	*14.34*	*Nil*	*Nil*	*165.97*	*331.20*
Buildings - Plant	745.45	95.62	0.01	841.06	270.32	33.35	(3.33)	*	300.34	540.72
	670.93	*74.52*	*Nil*	*745.45*	*238.52*	*31.80*	*Nil*	*Nil*	*270.32*	*475.13*
Buildings - Others	129.70	12.32	0.04	141.98 @	43.38	5.44	0.32	0.03	49.11	92.87
	120.19	*9.55*	*0.04*	*129.70 @*	*39.42*	*3.97*	*Nil*	*0.01*	*43.38*	*86.32*
Coal Jetty	106.10	Nil	Nil	106.10	17.15	5.60	(0.36)	Nil	22.39	83.71
	106.10	*Nil*	*Nil*	*106.10*	*12.11*	*5.04*	*Nil*	*Nil*	*17.15*	*88.95*
Railway Sidings, Roads, Crossings, etc.	49.75	0.49	Nil	50.24	13.07	1.95	2.38	Nil	17.40	32.84
	47.85	*1.90*	*Nil*	*49.75*	*11.63*	*1.44*	*Nil*	*Nil*	*13.07*	*36.68*
Plant and Machinery	8,985.19	463.69 #	9.46	9,439.42	4,129.24	431.58 #	(200.20)	8.30	4,352.32	5,087.10
	7,628.33	*1,360.87*	*4.01*	*8,985.19*	*3,690.72*	*442.06*	*Nil*	*3.54*	*4,129.24*	*4,855.95*
Transmission Lines, Cable Network, etc.	1,421.54	277.87	Nil	1,699.41	565.01	67.67	(24.35)	Nil	608.33	1,091.08
	1,156.93	*264.61*	*Nil*	*1,421.54*	*510.98*	*54.03*	*Nil*	*Nil*	*565.01*	*856.53*
Furniture and Fixtures	47.40	8.59	0.09	55.90	24.80	3.26	(5.27)	0.07	22.72	33.18
	39.55	*8.28*	*0.43*	*47.40*	*21.22*	*3.94*	*Nil*	*0.36*	*24.80*	*22.60*
Office Equipment	18.97	4.32	0.31	22.98	8.56	1.65	(1.71)	0.21	8.29	14.69
	16.81	*2.39*	*0.23*	*18.97*	*6.97*	*1.76*	*Nil*	*0.17*	*8.56*	*10.41*
Motor Vehicles, Launches, Barges, etc.	49.01	7.96	8.13	48.84	40.86	2.97	(8.53)	7.26	28.04	20.80
	51.05	*0.76*	*2.80*	*49.01*	*38.70*	*4.66*	*Nil*	*2.50*	*40.86*	*8.15*
Helicopters	36.73	0.13	Nil	36.86	11.34	3.19	Nil	Nil	14.53	22.33
	36.73	*Nil*	*Nil*	*36.73*	*8.08*	*3.26*	*Nil*	*Nil*	*11.34*	*25.39*
(ii) Assets taken on lease										
Leasehold Land	248.00	39.30	Nil	287.30	6.15	3.60	Nil	Nil	9.75	277.55
	112.31	*135.69*	*Nil*	*248.00*	*3.70*	*2.45*	*Nil*	*Nil*	*6.15*	*241.85*
Motor Vehicles under Finance Lease	1.29	Nil	0.06	1.23	1.17	Nil	Nil	0.05	1.12	0.11
	1.29	*Nil*	*Nil*	*1.29*	*1.10*	*0.07*	*Nil*	*Nil*	*1.17*	*0.12*
TOTAL TANGIBLE ASSETS	**12,451.23**	**951.46**	**18.10**	**13,384.59**	**5,297.02**	**578.88**	**(219.80)**	**15.92**	**5,640.18**	**7,744.41**
2011 - 2012	*10,517.71*	*1,941.03*	*7.51*	*12,451.23*	*4,734.78*	*568.82*	*Nil*	*6.58*	*5,297.02*	*7,154.21*

Notes:
@ Buildings include ₹ * being cost of ordinary shares in co-operative housing societies.
# Addition to Plant and Machinery includes ₹ 38.66 crore (*31st March, 2012 - ₹ 81.74 crore*) and depreciation of ₹ 9.44 crore (*31st March, 2012 - ₹ 4.59 crore*) on account of Foreign Currency Exchange Differences.
@@ Pertains to depreciation written back in respect of earlier years. Refer Note 2.2.
Fixed Assets having Gross Block of ₹ 1,711.26 crore (*31st March, 2012 - ₹ 2,589.27 crore*) [Net Block ₹ 565.09 crore (*31st March, 2012 - ₹ 1,405.30 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, 2012	Additions	Deductions	As at 31st March, 2013	As at 1st April, 2012	For the year	Deductions	As at 31st March, 2013	As at 31st March, 2013
(b) INTANGIBLE ASSETS									
Technical Know-How and Prototypes !	10.68	3.94	1.19	13.43	2.16	2.17	0.09	4.24	9.19
	0.95	*9.73*	*Nil*	*10.68*	*0.94*	*1.22*	*Nil*	*2.16*	*8.52*
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*
Computer Software $	10.38	13.70	Nil	24.08	0.31	2.85	Nil	3.16	20.92
	Nil	*10.38*	*Nil*	*10.38*	*Nil*	*0.31*	*Nil*	*0.31*	*10.07*
TOTAL INTANGIBLE ASSETS	**21.32**	**17.64**	**1.19**	**37.77**	**2.73**	**5.02**	**0.09**	**7.66**	**30.11**
2011-2012	*1.21*	*20.11*	*Nil*	*21.32*	*1.20*	*1.53*	*Nil*	*2.73*	*18.59*

Notes: ! Internally generated intangible assets.

$Other than internally generated intangible assets.

Previous year's figures are in italics.

Depreciation/Amortisation for the year:

	As at 31st March, 2013	*As at 31st March, 2012*
Depreciation for the year before adjustments	578.88	*568.82*
Less: Adjustment - Write-back of previous years (Refer Note 2.2)	219.80	*Nil*
Add: Amortisation for the year.	5.02	*1.53*
Total	**364.10**	***570.35***

Notes forming part of the Financial Statements

14. Non-current Investments

	As at 31st March, 2013 Quantity	*As at 31st March, 2012 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ 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.	106,18,39,120	*98,78,39,120*	10	1,062.07	*988.07*
Industrial Energy Ltd. #	24,64,20,000	*24,64,20,000*	10	246.42	*246.42*
Coastal Gujarat Power Ltd. #	488,66,10,000	*397,05,00,000*	10	4,886.61	*3,970.50*
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	*7,350*	USD 1	255.20	*0.03*
Trust Energy Resources Pte. Ltd.	12,47,63,344	*12,46,98,270*	USD 1	575.02	*574.67*
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	*Nil*	10	0.05	*Nil*
Industrial Power Utility Ltd.	1,10,000	*1,10,000*	10	0.11	*0.11*
Tata Power Renewable Energy Ltd. #	4,87,08,000	*2,70,60,000*	10	48.71	*27.06*
Dugar Hydro Power Ltd.	2,83,00,002	*1,40,00,002*	10	28.30	*14.00*
Tata Power Solar Systems Ltd. (erstwhile Tata BP Solar India Ltd.)	67,77,567	*Nil*	100	148.31	*Nil*
				7,773.40	*6,343.46*
(ii) Investment in Associates (Unquoted)					
Yashmun Engineers Ltd. @	19,200	*9,600*	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	*47,80,000*	10	11.98	*4.78*
Mandakini Coal Company Ltd. #	3,93,00,000	*3,43,00,000*	10	39.30	*34.30*
Dagachhu Hydro Power Corporation Ltd. !	10,74,320	*8,42,400*	Nu 1,000	94.01	*70.91*
Tata Power Solar Systems Ltd. (erstwhile Tata BP Solar India Ltd.)	Nil	*33,21,000*	100	Nil	*111.43*
				145.29	*221.42*
(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*
				8,016.27	*6,662.46*
b. Preference Shares fully Paid-up (Unquoted)					
(i) Investment in Subsidiaries					
Tata Power Delhi Distribution Ltd.	2,55,00,000	*Nil*	100	255.00	*Nil*
Tata Power Solar Systems Ltd. (erstwhile Tata BP Solar India Ltd.)	22,05,000	*Nil*	100	22.05	*Nil*
				277.05	*Nil*
(ii) Investment in Joint Ventures					
Tata Power Solar Systems Ltd. (erstwhile Tata BP Solar India Ltd.)	Nil	*22,05,000*	100	Nil	*22.05*
Carried over...				8,293.32	*6,684.51*

Notes forming part of the Consolidated Financial Statements

14. Non-current Investments *(Contd.)*

	As at 31st March, 2013 Quantity	*As at 31st March, 2012 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Brought forward ...				8,293.32	*6,684.51*
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*
8.19% GOI (2020)	7,03,000	*Nil*	100	7.03	*Nil*
6.35% GOI (2020)	16,01,300	*16,01,300*	100	16.01	*16.01*
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*
				60.03	*53.00*
(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	*Nil*	100	20.00	*Nil*
7.35% GOI (2024)	31,00,000	*31,00,000*	100	31.00	*31.00*
8.15% GOI (2022)	20,00,000	*Nil*	100	20.00	*Nil*
8.19% GOI (2020)	19,40,000	*Nil*	100	19.40	*Nil*
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*
9.00% GOI (2013)	Nil	*10,00,000*	100	Nil	*10.00*
				269.83	*220.43*
				329.86	*273.43*
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	*11,37,000*	100	68.68	*72.78*
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*
Carried over...				9,757.03	*8,095.89*

Notes forming part of the Financial Statements

14. Non-current Investments (*Contd.*)

	As at 31st March, 2013 Quantity	*As at 31st March, 2012 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Brought forward ...				9,757.03	*8,095.89*
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	*2,240.57*
(ii) Government Securities (Unquoted)					
8.07% GOI (2017)	3,000	*3,000*	100	0.03	*0.03*
9.00% GOI (2013)	Nil	*10,00,000*	100	Nil	*10.00*
				0.03	*10.03*
				2,236.50	*2,250.60*
Total				**10,859.68**	***9,208.54***
Notes:					
1. Aggregate of Quoted Investments					
Cost				**475.94**	**475.94**
Market value				468.49	*563.51*
2. Aggregate of Unquoted Investments					
Cost				10,392.85	*8,741.71*
Less: Provision for diminution in value of Investments other than temporary				9.11 **	*9.11* **
Aggregate amount of Unquoted Investments - Net of provision for dimunition in value of Investments other than temporary				**10,383.74**	**8,732.60**

** Provision for diminution in value of Investments other than temporary.

! 8,42,400 fully Paid-up Shares and 2,31,920 partly Paid-up Nu 421.27 *(31st March, 2012 - 8,42,400 partly Paid-up Nu 841.76).*

@ Bonus shares in the ratio of 1:1 issued during the year.

Refer Note 32(c)

* Denotes figures below ₹ 50,000/-.

Notes forming part of the Financial Statements

15. Loans and Advances

	Long-term		Short-term	
	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Capital Advances				
Unsecured, considered good	94.37	*247.76*	Nil	*Nil*
Doubtful	0.64	*0.74*	Nil	*Nil*
	95.01	*248.50*	Nil	*Nil*
Less: Provision for Doubtful Advances	0.64	*0.74*	Nil	*Nil*
	94.37	*247.76*	Nil	*Nil*
(b) Security Deposits				
Unsecured, considered good	432.78	*314.27*	1.11	*12.51*
Doubtful	15.07	*8.18*	Nil	*0.31*
	447.85	*322.45*	1.11	*12.82*
Less: Provision for Doubtful Deposits	15.07	*8.18*	Nil	*0.31*
	432.78	*314.27*	1.11	*12.51*
(c) Loans and Advances to Related Parties				
Unsecured, considered good				
Advance towards Equity	252.78	*146.58*	Nil	*Nil*
Other Advances	Nil	*Nil*	Nil	*70.43*
Other Loans (including interest accrued)	1,239.06	*371.18*	312.65	*1,026.73*
Doubtful	1.27	*1.27*	Nil	*Nil*
	1,493.11	*519.03*	312.65	*1,097.16*
Less: Provision for Doubtful Advances	1.27	*1.27*	Nil	*Nil*
	1,491.84	*517.76*	312.65	*1,097.16*
(d) Advance Income-tax (Net) - Unsecured, considered good	Nil	*27.35*	Nil	*Nil*
(e) MAT Credit entitlement - Unsecured, considered good	105.00	*105.00*	Nil	*Nil*
(f) Balance with Government Authorities				
Unsecured, considered good				
Advances	Nil	*Nil*	6.36	*3.52*
VAT / Sales Tax Receivable	35.47	*Nil*	64.01	*70.38*
	35.47	*Nil*	70.37	*73.90*
(g) Inter-corporate Deposits with HDFC Ltd. - Unsecured, considered good	Nil	*Nil*	337.75	*50.00*
(h) Other Loans and Advances				
Unsecured, considered good				
Loans to Employees	10.87	*11.70*	Nil	*Nil*
Prepaid Expenses	Nil	*Nil*	12.34	*7.18*
Unamortised Option Premium	13.83	*Nil*	21.67	*Nil*
Advances to Vendors	Nil	*1.00*	181.25	*112.09*
Other Advances	5.90	*6.11*	17.95	*4.84*
Doubtful	2.11	*0.74*	1.39	*2.77*
	32.71	*19.55*	234.60	*126.88*
Less: Provision for Doubtful Advances	2.11	*0.74*	1.39	*2.77*
	30.60	*18.81*	233.21	*124.11*
Total	**2,190.06**	***1,230.95***	**955.09**	***1,357.68***

16. Other Non-current assets

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Long-term Trade Receivables		
Unsecured, considered good		
Trade Receivables - Regulatory Assets	2,555.78	*1,538.89*
Trade Receivables from Contracts	17.13	*7.50*
Trade Receivables from Others	185.76	*185.76*
Total	**2,758.67**	***1,732.15***

Notes forming part of the Financial Statements

17. Current Investments

	As at 31st March, 2013 Quantity	*As at 31st March, 2012 Quantity*	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
A. Current portion of Long-term Investments					
Trade Investments (valued at cost less diminution other than temporary, if any)					
Debentures (Unquoted)					
Investment in Associates					
8% Secured Non-Convertible Debentures in Tata Projects Ltd.	Nil	*93,750*	1,000	Nil	*9.37*
Other Investments					
1. Statutory investments					
a. Contingency Reserve Fund Investments					
Government Securities (Unquoted)					
9.00% GOI (2013)	10,00,000	*Nil*	100	10.00	*Nil*
b. Deferred Taxation Liability Fund Investments					
(i) Government Securities (Unquoted)					
9.00% GOI (2013)	10,00,000	*Nil*	100	10.00	*Nil*
6.85% GOI (2012)	Nil	*40,91,300*	100	Nil	*40.91*
				10.00	*40.91*
(ii) Other Securities					
Bonds (Unquoted)					
7.85% EXIM Bank Bonds F6 Series (2012)	Nil	*40*	1,00,00,000	Nil	*40.00*
				10.00	*80.91*
2. Other Investments					
Other Securities					
Government Securities (Unquoted)					
6.85% GOI (2012)	Nil	*9,08,700*	100	Nil	*9.09*
Total - Current Portion of Long-term Investments				20.00	*99.37*
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	*95,587*	10	0.11	*0.11*
Kotak Floater Short-term - Growth	4,43,289	*Nil*	1,000	85.00	*Nil*
Baroda Pioneer Liquid Fund - Growth	1,68,028	*Nil*	1,000	22.55	*Nil*
DSP Blackrock Liquidity Fund - Growth	5,07,247	*Nil*	1,000	85.00	*Nil*
Religare Liquid Fund - Growth	62,069	*Nil*	1,000	10.00	*Nil*
Kotak Liquid Scheme - Growth	85,185	*Nil*	1,000	20.25	*Nil*
Tata Liquid Fund - Growth	20,341	*10,10,338*	1,000	4.40	*200.00*
Birla Sunlife Cash Plus - Institutional Premium - Growth	Nil	*56,14,522*	100	Nil	*96.40*
ICICI Prudential Liquid - Regular Plan - Growth	5,77,104	*1,17,97,229*	100	10.00	*187.01*
				238.56	*484.77*
Total				**258.56**	***584.14***
Aggregate amount of Unquoted Investments				258.56	*584.14*

Reconciliation for Disclosure as per Accounting Standard 13

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Long-term Investments		
Non-current Investments (Refer Note 14)	10,859.68	*9,208.54*
Current portion of Long-term Investments (Refer Note 17)	20.00	*99.37*
	10,879.68	*9,307.91*
Current Investments		
Other Current Investments (Refer Note 17)	238.56	*484.77*
Total	**11,118.24**	***9,792.68***

$ Dividend re-invested in the form of units.

Notes forming part of the Financial Statements

18. Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Stores and Spares		
Fuel - Stores	394.96	*453.07*
Fuel-in-Transit	87.12	*139.17*
Stores and Spare Parts	243.18	*229.12*
Loose Tools	0.31	*0.43*
	725.57	*821.79*
Others		
Property under Development	35.52	*32.68*
Total	**761.09**	***854.47***

19. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Trade Receivables outstanding for a period exceeding six months from the due date of payment *		
Considered good	67.81	*31.32*
Considered doubtful	33.63	*17.91*
	101.44	*49.23*
Less: Provision for Doubtful Trade Receivables	33.63	*17.91*
	67.81	*31.32*
Other Trade Receivables *		
Considered good	1,232.25	*972.05*
Considered doubtful	0.61	*1.95*
	1,232.86	*974.00*
Less: Provision for Doubtful Trade Receivables	0.61	*1.95*
	1,232.25	*972.05*
Total	**1,300.06**	***1,003.37***

* Company holds security deposits of ₹ 180.85 crore (*Previous Year - ₹ 146.65 crore*) in respect of Electricity Receivables.

20. Cash and Bank Balances

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(A) Cash and Cash Equivalents:		
(i) Cash on Hand	0.01	*0.04*
(ii) Cheques on Hand	8.67	*Nil*
(iii) Balances with Banks:		
(a) In Current Accounts	46.82	*49.86*
(b) In Deposit Accounts (remaining maturity of three months or less)	345.70	*611.15*
Cash and Cash Equivalents as per AS-3 Cash Flow Statements	**401.20**	***661.05***
(B) Other Balances with Banks:		
(a) In Deposit Accounts (remaining maturity of more than three months but less than twelve months)	Nil	*330.00*
(b) In Deposit Accounts (remaining maturity of more than twelve months)	1.94	*36.94*
(c) In Unpaid Dividend Account	10.03	*9.36*
Total	**413.17**	***1,037.35***

Notes forming part of the Financial Statements

21. Other Current Assets

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Unbilled Revenue	89.69	*155.90*
(b) Accruals		
Interest accrued on Deposits	8.25	*12.94*
Interest accrued on Investments	6.08	*8.80*
(c) Others		
Receivable on sale of Current Investments	Nil	*9.00*
Receivable on sale of Fixed Assets	0.62	*Nil*
Mark-to-Market (MTM) Forward Contracts	2.52	*2.94*
Total	**107.16**	***189.58***

22. Revenue from Operations

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
(a) Revenue from Operations		
(i) Revenue from Power Supply and Transmission Charges	7,990.80	*7,349.47*
Less: Cash Discount	42.91	*66.30*
Add: Income to be recovered in future tariff determination (Net)	1,028.72	*729.53*
Add: Income to be recovered in future tariff determination (Net) in respect of earlier years	104.72	*38.83*
	9,081.33	*8,051.53*
(ii) Revenue from Contracts		
Electronic Products	298.66	*283.69*
Project / Operation Management Services	112.21	*89.14*
	410.87	*372.83*
(b) Other Operating Revenue		
Rental of Land, Buildings, Plant and Equipment, etc.	9.07	*11.57*
Income in respect of Services Rendered	34.77	*28.47*
Compensation Earned	0.01	*0.85*
Transfer of Service Line Contributions	9.97	*9.26*
Sale of REC Certificates	9.13	*Nil*
Miscellaneous Revenue	19.92	*21.35*
Sale of Fly Ash	2.50	*2.03*
Sale of Carbon Credits	Nil	*8.98*
Profit on Sale/Retirement of Assets (Net)	Nil	*0.56*
Delayed Payment Charges	6.07	*5.05*
	91.44	*88.12*
	9,583.64	*8,512.48*
Less: Excise Duty	16.36	*16.64*
Total	**9,567.28**	***8,495.84***

Notes forming part of the Financial Statements

23. Other Income

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
(a) Interest Income		
Interest from Banks on Deposits	49.82	*48.35*
Interest from Inter-corporate Deposits	49.51	*29.00*
Interest on Fuel Adjustment Charges Recoverable from Consumers	20.53	*15.25*
Interest on Overdue Trade Receivables	40.91	*0.80*
Interest on Income-tax Refund	4.52	*0.44*
Interest on Contingency Reserve Fund Investments	5.19	*3.48*
Interest on Deferred Tax Liability Fund Investments	19.60	*21.73*
Interest on Loans to Subsidiaries	77.15	*91.67*
Interest on Non-current Trade Investments - Associates	0.31	*1.11*
Other Interest	2.81	*3.84*
	270.35	*215.67*
(b) Dividend Income		
From Long-term Investments		
Subsidiaries	353.81	*589.71*
Joint Ventures	Nil	*5.24*
Associates	9.73	*11.03*
Others	8.34	*8.28*
	371.88	*614.26*
From Current Investments		
Others	0.05	*0.04*
	371.93	*614.30*
(c) Profit on Sale of Investments / Buy-back of Investments		
Current Investments	57.12	*30.47*
Long-term Investments - Buy-back of shares	11.90	*17.69*
	69.02	*48.16*
(d) Other Non-operating Income		
Discount amortised/accrued on Bonds (Net)	0.13	*1.76*
Guarantee Commission from Subsidiaries	10.24	*7.50*
Net Gain on Foreign Currency Transactions and Translation	Nil	*96.07*
	10.37	*105.33*
Total	**721.67**	***983.46***

Notes forming part of the Financial Statements

24. Employee Benefits Expense

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
Salaries and Wages	437.54	*417.33*
Contribution to Provident Fund	18.68	*16.55*
Contribution to Superannuation Fund	9.86	*10.43*
Retiring Gratuities	32.54	*35.62*
Leave Encashment Scheme	29.04	*19.69*
Pension Scheme	5.14	*4.24*
Staff Welfare Expenses	84.15	*65.83*
	616.95	*569.69*
Less:		
Employee Cost Capitalised	45.15	*38.13*
Employee Cost Recovered	9.91	*7.35*
Employee Cost Inventorised	14.29	*11.56*
	69.35	*57.04*
Total	**547.60**	***512.65***

25. Finance Costs

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
(a) Interest Expense on:		
Borrowings		
Interest on Debentures	290.87	*191.55*
Interest on - Euro Notes and FCCB	60.75	*53.80*
Interest on Fixed Period Loans - Others	343.33	*288.88*
Others		
Interest on Consumer Security Deposits	16.39	*8.79*
Other Interest and Commitment Charges	0.41	*2.67*
	711.75	*545.69*
Less: Interest Capitalised	45.49	*51.89*
	666.26	*493.80*
(b) Other Borrowing Cost		
Derivative Premium	8.16	*15.26*
Other Finance Costs	3.83	*5.81*
	11.99	*21.07*
Total	**678.25**	***514.87***

Notes forming part of the Financial Statements

26. Other Expenses

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
Consumption of Stores, oil, etc. (excluding ₹ 84.14 crore on repairs and maintenance - *Previuos Year ₹ 72.89 crore*)	16.32	*16.30*
Rental of Land, Buildings, Plant and Equipment, etc.	17.74	*15.75*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	53.05	*43.03*
(ii) To Machinery and Hydraulic Works	223.03	*225.83*
(iii) To Furniture, Vehicles, etc.	10.69	*6.75*
	286.77	*275.61*
Rates and Taxes	47.13	*30.95*
Insurance	15.79	*17.80*
Cost of Components Consumed	150.75	*154.77*
Transmission Charges	233.43	*100.64*
Other Operation Expenses	69.83	*74.32*
Ash Disposal Expenses	15.85	*8.77*
Warranty Charges	7.74	*6.75*
Travelling and Conveyance Expenses	29.66	*27.21*
Consultants Fees	30.03	*33.08*
Auditors' Remuneration	4.47	*3.89*
Cost of Services Procured	83.71	*75.05*
Agency Commission	Nil	*1.10*
Bad Debts	0.19	*0.01*
Provision for Doubtful Debts and Advances (Net)	20.85	*5.53*
Loss on Sale/Retirement of Assets (Net)	1.34	*Nil*
Donations	1.84	*9.19*
Legal Charges	8.30	*7.57*
Net Loss on Foreign Currency Transactions and Translation	27.62	*Nil*
Miscellaneous Expenses	58.47	*49.85*
Total	**1,127.83**	***914.14***

Payment to the Auditors comprises (inclusive of service tax):	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
As Auditors - Statutory Audit	2.97	*2.47*
For Taxation Matters	0.45	*0.45*
For Company Law Matters	*	*
For Other Services	0.56	*0.57*
Reimbursement of Expenses	Nil	*0.02*
For service tax	0.49	*0.38*
Total	**4.47**	***3.89***

The remuneration disclosed above excludes fees of ₹ 0.45 crore *(31st March, 2012 - ₹ 0.17 crore)* [exclusive of service tax of ₹ 0.06 crore *(Previous Year - ₹ 0.02 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 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 ₹ 5,103.61 crore (including advance towards equity) (*31st March, 2012 - ₹ 4,112.08 crore*) and has extended loans amounting to ₹ 436.57 crore (including interest accrued) (*31st March, 2012 - ₹ 248.88 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") and declared commercial operations for all its five Units of 800 MW each.

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, 2013 and concluded that the cash flows expected to be generated over the useful life of the asset of 40 years would not be sufficient to recover the carrying amount of such assets and has therefore recorded in CGPL's books as at 31st March, 2013, a provision for an impairment loss of ₹ 2,650.00 crore (*31st March, 2012 - ₹ 1,800.00 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 through its wholly owned subsidiaries, Bhira Investments Limited and Khopoli Investments Limited, were made to secure long-term coal supply. The Management believes that cash inflows (in the nature of profit distribution) 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 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 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.

Having regard to the overall returns expected from the Company's investment in CGPL, including the valuation of investments in the Indonesian Coal 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, 2013.

(b) The Company has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crore (*31st March, 2012 - ₹ 735.48 crore)*. Based on the accounts as certified by the TTSL Management for the period ended 31st December, 2012, TTSL has accumulated losses which have significantly eroded its net worth. In the opinion of the Management, having regard to the long-term nature of the business, there is no diminution other than temporary, in the value of the investment also considering the Hon'ble Supreme Court judgement cancelling the three (3) CDMA licenses pertaining to Jammu & Kashmir, Assam and North East Circles of TTSL.

(c) The Company has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore *(31st March, 2012 - ₹ 22.50 crore)*. Based on the accounts for the year ended 31st March, 2012, 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.

Notes forming part of the Financial Statements

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, 2013 ₹ crore	***31st March, 2012 ₹ crore***
(a) Principal amount remaining unpaid as on 31st March	2.81	*4.08*
(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.

31. Commitments:

(a) Capital commitments:

Capital commitments not provided for are estimated at ₹ 545.82 crore *(31st March, 2012 - ₹ 477.46 crore)*.

(b) Uncalled liability on Shares and Other Investment partly paid:

Uncalled liability on partly paid-up shares - ₹ 13.42 crore *(31st March, 2012 - ₹ 13.33 crore)*.

(c) 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 equity for any overrun in project costs and Debt Service Reserve Guarantee as provided under the financing agreements. The support will cease on the date of "financial completion" as defined under the relevant financing agreements. Further, CGPL has entered into 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 ₹ 1,600.00 crore. In accordance with these agreements the Company has provided total Additional Subordinated Loans of ₹ 1,167.41 crore (of which ₹ 767.41 crore has been converted into equity) *(31st March, 2012 - ₹ 212.31 crore)* 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 has waived charging interest on these loans from 1st April, 2012.

The accrued interest as at 31st March, 2013 aggregating to ₹ 36.57 crore *(31st March, 2012 - ₹ 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) 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 and Tata Power Jamshedpur Distribution Limited.

(iii) 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.

(iv) 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. Limited (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.

(v) 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 Communications 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.

(vi) The Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited amounting to ₹ 721.22 crore *(31st March, 2012 - ₹ 931.28 crore)*.

(vii) The Company has given letter of comfort to Cennergi Pty. Limited amounting to ₹ 27.57 crore *(31st March, 2012 - ₹ Nil)*.

32. Contingent Liabilities (to the extent not provided for):

(a) Claims against the Company not acknowledged as debts aggregating to ₹ 370.06 crore *(31st March, 2012 - ₹ 234.66 crore)* consist mainly of the following:

(i) Octroi claims disputed by the Company aggregating to ₹ 5.03 crore *(31st March, 2012 - ₹ 5.03 crore)*, in respect of octroi exemption claimed by the Company.

(ii) A Suit has been filed against the Company claiming compensation of ₹ 20.51 crore *(31st March, 2012 - ₹ 20.51 crore)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 111.99 crore (*31st March, 2012 - ₹ 107.68 crore)*.

(iii) (a) Rates, Cess, Way Leave Fees and Duty claims disputed by the Company aggregating ₹ 63.73 crore *(31st March, 2012 - ₹ 68.90 crore)*. In respect of certain dues as per the terms of an agreement, the Company has the right to claim reimbursement from a third party.

(b) Custom duty claims of ₹ 135.52 crore disputed by the Company relating to issue of applicability and classification (Payment made under protest against these claims of ₹ 135.52 crore).

(iv) Other claims against the Company not acknowledged as debts ₹ 33.28 crore *(31st March, 2012 - ₹ 32.54 crore)*.

(v) Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

Future cash flows in respect of the 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) ₹ 58.82 crore (including interest demanded ₹ 1.25 crore) [*(31st March, 2012 - ₹ 113.85 crore) (including interest demanded ₹ 6.31 crore)*].

Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(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 *21,98,18,101*
Powerlinks Transmission Limited (PTL)	- *-*	23,86,80,000 *23,86,80,000*
Coastal Gujarat Power Limited (CGPL)	3,473.55 (including JPY 31,219 million) *3,117.59* *(including JPY 31,219 million)*	249,21,71,100 *202,49,55,000*
Industrial Energy Limited (IEL)	- *-*	12,56,74,200 *12,56,74,200*
Khopoli Investments Limited (KIL)	3,212.06 (equivalent to USD 590.56 million) *3,014.63* *(equivalent to USD 588.91 million)*	- *-*
Bhira Investments Limited (BIL)	4,895.10 (equivalent to USD 900 million) *4,607.10* *(equivalent to USD 900 million)*	- *-*
Trust Energy Resources Pte. Limited (TERL)	287.72 (equivalent to USD 52.90 million) *270.80* *(equivalent to USD 52.90 million)*	- *-*
Tubed Coal Mines Limited (TCML)	11.36 *11.36*	- *-*
Mandakini Coal Company Limited (MCCL)	86.93 *20.26*	2,00,43,000 *-*
Energy Eastern Pte. Limited (EEL)	301.86 (equivalent to USD 55.50 million) *87.02* *(equivalent to USD 17 million)*	- *-*
Tata Power Renewable Energy Limited (TPREL)	405.45 *285.99*	2,48,41,080 *1,38,00,600*
Maithon Power Limited (MPL)	135.00 *-*	- *-*
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 respective subsidiaries, jointly controlled entities and TTSL.
2. Previous year's figures are in italics.

(d) In respect of the Standby Charges dispute with Reliance Infrastructure Limited (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, 2013 the accumulated interest was ₹ 184.76 crore *(31st March, 2012 - ₹ 173.56 crore)* (₹ 11.20 crore for the year ended 31st March, 2013). 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.

Notes forming part of the Financial Statements

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% per annum 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) During the year 2008-09, in terms of the agreements entered into between Tata Teleservices Limited (TTSL), Tata Sons Limited (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), TSL gave an option to the Company to sell 2,72,82,177 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP.

If certain performance parameters and other conditions are not met by TTSL by 31st March, 2014 and should the SP decide to divest its entire shareholding in TTSL and TSL is unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price in proportion of the number of shares sold by the Company to the aggregate of the secondary shares sold to the SP, subject to compliance with applicable exchange control regulations, or should the SP decide to divest its entire shareholding in TTSL and TSL is unable to find a buyer for such shares and the SP divests the shares at a lower price, subject to compliance with applicable exchange control regulations, the Company is obliged to pay a compensation representing the difference between such lower sale price and the price referred to above in proportion of the number of shares sold by the Company to the aggregate of the secondary shares sold to the SP.

Under the above mentioned aggrements with SP, TSL and TTSL have jointly and severally agreed to indemnify SP with the agreed limits against claims arising on account of any failure of certain warranties provided by TSL and TTSL to be true and correct in all respect (amount not determinable) and in respect of specifed contingent liabilities (Company's share ₹ 31.10 crore). The Company is liable to reimburse TSL, on a pro-rata basis.

33. (a) In the previous year, the Company had provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 (MYT Regulation) for its operations in respect of the Mumbai Licensed Area. During the year ended 31st March, 2013, Maharashtra Electricity Regulatory Commission (MERC) has approved the Multi Year Tariff Business Plan of the Company's Mumbai Licensed Area for the Second Control Period from FY 2012-13 to FY 2015-16 and directed the Company to submit its Annual Revenue Requirement (ARR) for FY 2011-12 as per old regulations i.e. MERC (Terms and Conditions of Tariff) Regulations, 2005.

In view of the above, during the year, the Company has reversed revenue amounting to ₹ 155.00 crore accrued in the previous year in respect of its Mumbai Licensed Area as per the MYT Regulation.

(b) The Appellate Tribunal for Electricity (ATE) in its Order dated 31st August, 2012, has 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 year, the Company has treated such expenses as recoverable and has recognised revenue of ₹ 142.00 crore.

(c) During the 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 has 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 the previous 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, has disallowed the Company's claim. Accordingly, during the year, the Company has reversed revenue of ₹ 43.61 crore including ₹ 34.16 crore on account of previous year.

Notes forming part of the Financial Statements

(e) During the previous year, the Maharashtra Electricity Regulatory Commission (MERC) had completed truing-up for the financial years 2009 -10 and 2010 -11 and issued Tariff Orders. In these Tariff Orders, it had disallowed certain claims made by the Company amounting to ₹ 86.00 crore and ₹ 55.00 crore respectively. The Company has filed an appeal to the Appellate Tribunal for Electricity (ATE) against these disallowances. Based on the earlier favourable ATE Order on similar matters, the Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial results.

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 ₹ 28.54 crore (*31st March, 2012 - ₹ 26.99 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 obligation has been carried out as at 31st March, 2013. The following tables set out the amounts recognised in the financial statements as at 31st March, 2013 for the above mentioned defined benefit plans:

(i) Net employee benefits expense (recognised in employee cost) for the year ended 31st March, 2013:

	31st March, 2013 ₹ crore	***31st March, 2012 ₹ crore***
Current Service Cost	11.40	*9.73*
Interest	15.13	*12.60*
Expected Return on Plan Assets	(5.18)	*Nil*
Actuarial Loss	18.21	*12.01*
1/5th of Transitional Liability	Nil	*1.21*
Total Expense	39.56	*35.55*

Notes forming part of the Financial Statements

(ii) Change in the Defined Benefit Obligation during the year ended 31st March, 2013:

	31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
Present value of Defined Benefit Obligation as at 1st April as per books	185.97	*164.25*
Unrecognised Transitional Liability as at 1st April	Nil	*1.21*
Current Service Cost	11.40	*9.73*
Interest	15.13	*12.60*
Actuarial Loss (Net)	17.81	*12.01*
Benefits Paid (Net)	(18.08)	*(13.83)*
Present value of Defined Benefit Obligation as at 31st March	212.23	*185.97*
Less: Fair Value of Assets at the end of the year	94.38	*40.00*
Provision for Defined Benefit Obligation as at 31st March as per books	117.85	*145.97*

	2012-13 ₹ crore	2011-12 ₹ crore	2010-11 ₹ crore	2009-10 ₹ crore	2008-09 ₹ crore
Defined Benefit Obligation	212.23	185.97	164.25	132.49	123.69
Experience Adjustment on Plan Liabilities	10.79	7.01	19.83	1.60	3.01

The Company has paid ₹ 49.60 crore to Tata Power Grautity Fund (*31st March, 2012 - ₹ 40.00 crore*). Of the payment of ₹ 49.60 crore, ₹ 24.60 crore towards the current year liability (*31st March, 2012 - ₹ 15.00 crore*) and ₹ 25.00 crore towards the Opening Liability (*31st March, 2012 - ₹ 25.00 crore*). The balance of the Opening Liability to be funded over a period of 3 years.

(iii) Change in Fair Value of Assets during the year:

	31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
Plan Assets at the beginning of the year	40.00	*Nil*
Expected Return on Plan Assets	5.18	*Nil*
Actual Company contributions	49.60	*40.00*
Actuarial Loss	(0.40)	*Nil*
Fair value of plan assets at the end of the year	94.38	*40.00*

Composition of the plan assets is as follows:
Debt Securities - 100%

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

	31st March, 2013	31st March, 2012
Discount Rate	8.00%	*8.60%*
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	*LIC (1994-96)*
Annual Increase in Health Cost	6% p.a.	*6% p.a.*

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

Notes forming part of the Financial Statements

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

	31st March, 2013		*31st March, 2012*	
	₹ crore	₹ crore	*₹ crore*	*₹ crore*
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost..	0.05	(0.04)	*0.09*	*(0.06)*
Effect on defined benefit obligation	1.04	(0.91)	*1.23*	*(1.03)*

(vi) The contribution expected to be made by the Company during the financial year 2013-14 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 ₹ 298.66 crore (*31st March, 2012 - ₹ 310.74 crore*).

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2013 - ₹ 279.73 crore (*31st March, 2012 - ₹ 254.50 crore*).

(ii) Advances and progress payments received as at 31st March, 2013 - ₹ 567.93 crore (*31st March, 2012 - ₹ 313.01 crore*).

(iii) Retention money included as at 31st March, 2013 in Sundry Debtors - ₹ 12.53 crore (*31st March, 2012 - ₹ 12.46 crore*).

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2013 - ₹ 327.46 crore (*31st March, 2012 - ₹ 219.45 crore*).

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2013 - ₹ 39.26 crore (*31st March, 2012 - ₹ 99.32 crore*).

37. (a) Total number of electricity units sold and purchased during the year as certified by Management - 16,002 MUs (*31st March, 2012 - 15,240 MUs*) and 1,378 MUs (*31st March, 2012 - 1,042 MUs*).

(b) C.I.F. value of imports:

	31st March, 2013 ₹ crore	*31st March, 2012* *₹ crore*
(i) Capital goods	28.64	*232.60*
(ii) Components and spare parts	85.44	*59.00*
(iii) Fuel	2,202.49	*2,071.89*

(c) Expenditure in foreign currency :

	31st March, 2013 ₹ crore	*31st March, 2012* *₹ crore*
(i) Professional and consultation fees (Revenue)	8.55	*6.81*
(ii) Professional and consultation fees (Capital)	2.67	*4.62*
(iii) Interest and issue expenses	81.69	*67.17*
(iv) Other matters	5.51	*6.46*

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

	31st March, 2013		*31st March, 2012*	
	₹ crore		*₹ crore*	
(i) Imported	2,980.06	54.23%	*2,387.72*	*48.92%*
(ii) Indigenous	2,515.55	45.77%	*2,493.13*	*51.08%*
	5,495.61	100.00%	*4,880.85*	*100.00%*

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

	31st March, 2013	*31st March, 2012*
Dividend for the year ended		
No. of non-resident shareholders	4,796	*3,842*
No. of Equity Shares of Face Value ₹ 1 each held	2,51,60,759	*2,52,63,900*
Amount of Dividend (₹ crore)	3.15	*3.16*

Notes forming part of the Financial Statements

(f) Earnings in foreign exchange:

	31st March, 2013 ₹ crore	31st March, 2012 ₹ crore
(i) Interest	34.99	*82.25*
(ii) Export of services	4.66	*8.83*
(iii) Guarantee Commission from Subsidiaries	10.24	*7.50*
(iv) Dividend	296.55	*532.09*
(v) Others	13.40	*1.11*

(g) Expenditure incurred on Research and Development by the Company:

	31st March, 2013 ₹ crore	31st March, 2012 ₹ crore
(i) Revenue Expenditure	0.02	*0.16*
(ii) Capital Expenditure	26.07	*13.41*

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) (from 28th June, 2012)
23) Tata Power Jamshedpur Distribution Limited (TPJDL) (from 6th November, 2012)

** 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

1) Tubed Coal Mines Ltd. (TCML)
2) Mandakini Coal Company Ltd. (MCCL)
3) Dagachhu Hydro Power Corporation Ltd. (DHPCL)
4) Cennergi Pty. Ltd. (CPL)
5) OTP Geothermal Pte. Ltd. (OTPGL)

(iii) Promoters holding together with its Subsidiary more than 20% — Tata Sons Ltd.

(c) Key Management Personnel

Anil Sardana
S. Ramakrishnan
S. Padmanabhan

Notes forming part of the Financial Statements

38. Related Party Disclosures (*Contd.*)

(d) Details of Transactions:

₹ **crore**

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Promoters
Purchase of goods/power	310.49	-	-	-	-
	342.54	-	-	-	-
Sale of goods/power	227.70	-	-	-	-
	335.16	-	-	-	-
Purchase of fixed assets	3.68	24.78	-	-	-
	5.26	*36.18*	*7.83*	-	-
Sale of fixed assets	-	-	-	-	-
	0.06	-	-	-	-
Rendering of services	120.20	0.10	4.65	-	0.11
	103.03	*0.10*	-	-	*0.24*
Receiving of services	4.54	12.57	-	-	0.50
	4.78	*13.83*	*0.37*	-	*0.54*
Brand equity contribution	-	-	-	-	23.66
	-	-	-	-	*21.29*
Guarantee, collaterals etc. given	1,797.81	-	66.67	-	-
	5,219.73	-	-	-	-
Letter of comfort given	-	-	27.57	-	-
	-	-	-	-	-
Amount received on buy-back of equity shares	16.00	-	-	-	-
	29.23	-	-	-	-
Remuneration paid	-	-	-	10.50	-
	-	-	-	*11.98*	-
Interest income	77.15	0.31	-	-	-
	91.67	*1.11*	-	-	-
Dividend received	353.81	9.73	-	-	5.34
	589.71	*11.03*	*5.24*	-	*5.34*
Dividend paid	0.05	-	-	-	88.44
	0.05	-	-	-	*88.44*
Guarantee commission earned	10.24	-	-	-	-
	7.50	-	-	-	-
Loans given	3,244.16	-	-	-	-
	133.56	-	-	-	-
Security deposits given	-	-	-	-	-
	-	-	-	-	*0.50*
Equity contribution (including advance towards equity contribution and loan converted into equity) @	1,392.82	-	35.31	-	-
	1,104.41	*100.00*	*25.70*	-	-
Redemption of preference shares/debentures	-	9.37	-	-	-
	-	*109.38*	-	-	-
Purchase of preference shares	255.00	-	-	-	-
	-	-	-	-	-
Loans repaid (including loan converted into equity)	3,107.51	-	-	-	-
	500.48	-	-	-	-
Coal stock given on loan	-	-	-	-	-
	69.44	-	-	-	-
Coal stock loan repaid	69.44	-	-	-	-
	-	-	-	-	-
Deposits taken	4.90	-	-	-	-
	64.00	-	-	-	-
Deposits repaid	68.90	-	-	-	-
	-	-	-	-	-
Balances outstanding					
Security deposits given	-	-	-	-	0.50
	-	-	-	-	*0.50*
Other receivables (net of provisions)	52.78	0.33	3.95	-	-
	272.47	*0.03*	*5.00*	-	*0.02*

Notes forming part of the Financial Statements

38. Related Party Disclosures (*Contd.*)

₹ crore

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Promoters
Loans given (including interest thereon)	1,551.71	1.27	-	-	-
	1,397.91	*1.27*	-	-	-
Loans provided for as doubtful advances	-	1.27	-	-	-
	-	*1.27*	-	-	-
Preference shares/debentures outstanding	277.05	-	-	-	-
	-	*9.37*	*22.05*	-	-
Advance towards equity	252.78	-	-	-	-
	141.58	-	*5.00*	-	-
Guarantees, collaterals etc. outstanding	12,710.74	-	98.29	-	31.10
	11,383.13	-	*31.62*	-	*409.51*
Letter of comfort outstanding	-	-	27.57	-	-
	-	-	-	-	-
Other payables	34.05	5.36	-	-	24.31
	72.76	*5.39*	*0.18*	-	*21.72*

@ Including shares pursuant to loan being converted to equity.

Note: Previous year's figures are in italics.

(e) Details of material related party transactions:

(i) Subsidiaries :

₹ crore

Particulars	AICL	IEL	PTL	TPTCL	MPL	EEL	BHIL	BIL	CTTL	KIL	TERL	CGPL	TPREL	TPDDL
Purchase of goods/power	-	-	-	-	-	-	-	-	-	-	284.11	-	-	-
	-	-	-	*104.92*	-	-	-	-	-	-	*237.62*	-	-	-
Sale of goods/power	-	-	-	225.10	-	-	-	-	-	-	-	-	-	-
	-	-	-	*332.93*	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	3.68	-	-	-
	-	-	-	-	-	-	-	-	-	-	*3.90*	-	-	*1.36*
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	*0.06*	-	-	-	-	-	-	-	-	-
Rendering of services	-	34.86	-	-	48.49	-	-	-	-	-	-	-	-	-
	-	*19.17*	-	-	*47.69*	-	-	*14.34*	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-	-	-	0.53	-	-	2.58	-	0.70
	-	-	-	-	-	-	-	-	*1.62*	-	-	*2.91*	-	-
Guarantee and collaterals etc. given	-	-	-	-	135.00	209.63	-	-	-	-	-	1,308.11	-	-
	-	-	-	-	-	-	-	*4,607.10*	-	-	-	-	-	-
Amount received on buy-back of equity shares	16.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	21.23	-	-	-	-	-	-	-	*8.00*	-	-	-	-	-
Interest Income	-	-	-	-	14.31	-	-	13.51	-	20.99	-	-	10.60	-
	-	-	-	-	-	-	-	*66.24*	-	-	-	*19.57*	-	-
Dividend received	-	-	50.12	-	-	-	296.55	-	-	-	-	-	-	-
	-	-	-	-	-	-	*532.09*	-	-	-	-	-	-	-
Guarantee commission earned	-	-	-	-	-	-	-	7.37	-	1.24	1.38	-	-	-
	-	-	-	-	-	-	-	*6.38*	-	*1.12*	-	-	-	-
Loans given	-	-	-	625.00	-	-	-	-	-	570.60	-	955.10	-	725.00
	-	-	-	-	*50.00*	-	-	-	-	-	-	-	*71.25*	-
Coal stock given on loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	*69.44*	-	-	-	-	-	-	-	-	-	-	-	-
Coal stock given on loan repaid	-	69.44	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit taken	-	4.90	-	-	-	-	-	-	-	-	-	-	-	-
	-	*64.00*	-	-	-	-	-	-	-	-	-	-	-	-
Deposit repaid	-	68.90	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-
	-	-	-	-	-	-	-	-	*0.05*	-	-	-	-	-
Equity contribution (including advance towards equity contribution and loan converted into equity)	-	-	-	-	-	-	-	-	-	255.17	-	991.53	-	-
	-	-	-	-	-	-	-	-	-	-	-	*939.58*	-	-
Purchase of preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	255.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans repaid (including loan converted into equity)	-	-	-	575.00	-	-	-	1,023.60	-	-	-	767.41	-	725.00
	-	-	-	-	-	-	-	*365.63*	-	*134.85*	-	-	-	-

Note: Previous year's figures are in italics.

Notes forming part of the Financial Statements

38. Related Party Disclosures (*Contd.*)

(ii) Associates and Joint Ventures:

₹ crore

Particulars	Associates				Joint Ventures				
	PFL	TPL	YEL	RUIL	CPL	MCCL	OTP	TCML	DHPCL
Purchase of fixed assets	-	24.78	-	-	-	-	-	-	-
	-	*36.18*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Rendering of services	-	-	0.10	-	0.83	-	3.82	-	-
	-	*-*	*0.10*	*-*	*-*	*-*	*-*	*-*	*-*
Receiving of services	-	-	12.57	-	-	-	-	-	-
	-	*-*	*13.82*	*-*	*-*	*-*	*-*	*-*	*-*
Interest income	-	0.31	-	-	-	-	-	-	-
	-	*1.06*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Dividend received	-	9.68	-	-	-	-	-	-	-
	-	*9.68*	*-*	*1.31*	*-*	*-*	*-*	*-*	*-*
Loan given	-	0.08	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Guarantee, collaterals etc. given	-	-	-	-	-	66.67	-	-	-
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Letter of comfort given	-	-	-	-	27.57	-	-	-	-
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Equity contribution	-	-	-	-	-	5.00	-	7.20	23.11
	100.00	*-*	*-*	*-*	*-*	*6.00*	*-*	*-*	*17.71*
Redemption of preference shares/debentures	-	9.37	-	-	-	-	-	-	-
	100.00	*9.38*	*-*	*-*	*-*	*-*	*-*	*-*	*-*

Note: Previous year's figures are in italics.

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 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. (Long-term)	Subsidiary	121.26	130.01	Nil
		71.25	*71.25*	*Nil*
Coastal Gujarat Power Ltd. (Long-term) ###	Subsidiary	400.00	1,167.41	Nil
		212.31	*212.31*	*Nil*
Bhira Investments Ltd. (Short-term)	Subsidiary	Nil	1,139.86	Nil
		1,023.60	*1,366.83*	*Nil*
Khopoli Investments Ltd. (Long-term) ***	Subsidiary	543.80	572.17	Nil
		Nil	*136.14*	*Nil*
Industrial Energy Ltd. (Short-term)	Subsidiary	171.75	171.75	Nil
		70.32	*70.32*	*Nil*
Maithon Power Ltd. (Long-term)	Subsidiary	123.50	123.50	Nil
		50.00	*50.00*	*Nil*
Chemical Terminal Trombay Ltd. (Long-term)	Subsidiary	1.00	1.00	4,00,580
		1.00	*1.00*	*4,00,580*
Tata Power Trading Company Ltd. (Short-term)	Subsidiary	50.00	165.00	Nil
		Nil	*Nil*	*Nil*
Tata Power Delhi Distribution Ltd. (Short-term)	Subsidiary	Nil	225.00	Nil
		Nil	*Nil*	*Nil*
Powerlinks Transmission Ltd. (Short-term)	Subsidiary	41.00	41.00	Nil
		Nil	*Nil*	*Nil*
Tata Power Jamshedpur Distribution Ltd. (Short-term)	Subsidiary	3.00	3.00	Nil
		Nil	*Nil*	*Nil*
NELCO Ltd. (Short-term)	Subsidiary	12.70	20.45	Nil
		Nil	*Nil*	*Nil*
Nelito Systems Ltd. (Long-term) &	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 1st April, 2012.
& Provided for.
Note: Previous year's figures are in italics.

Notes forming part of the Financial Statements

40. Derivative Instruments and Unhedged foreign currency exposures:

(i) Derivative Instruments :

The following derivative positions are open as at 31st March, 2013. 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.

Outstanding forward exchange contracts and currency option contracts entered into by the Company as on 31st March, 2013:

	Buy / Sell	31st March, 2013 Foreign Currency (in Millions)	31st March, 2013 ₹ crore	*31st March, 2012 Foreign Currency (in Millions)*	*31st March, 2012 ₹ crore*
Forward Contracts (Buyer's credit)	Buy	USD 203.74	1,108.14	*USD 147.68*	*755.95*
Currency Option	Buy	USD 62.00	337.22	*Nil*	*Nil*

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

	31st March, 2013 Foreign Currency (in Millions)	31st March, 2013 ₹ crore	*31st March, 2012 Foreign Currency (in Millions)*	*31st March, 2012 ₹ crore*
(a) Amounts receivable in foreign currency on account of the following:				
(i) Export of goods	USD 2.48	13.48	*USD 2.92*	*14.92*
(ii) Loan receivable from subsidiaries	USD 100.00	543.80	*USD 200.00*	*1,023.60*
(iii) Interest receivable	USD 3.92	21.34	*USD **	*0.12*
(iv) Other advances receivable from subsidiaries	USD 1.84	9.98	*USD 0.75*	*3.83*
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 29.78	161.99	*USD 74.86*	*383.19*
	EURO 0.18	1.28	*EURO 0.93*	*6.36*
	GBP 0.28	2.31	*GBP 0.36*	*2.93*
(ii) Capital imports	EURO 0.27	1.88	*EURO 4.30*	*29.38*
	JPY 141.60	8.21	*JPY 143.61*	*8.97*
	USD 0.08	0.43	*USD 0.23*	*1.20*
	GBP *	0.03	*GBP 0.10*	*0.81*
	CHF *	0.01	*CHF 0.42*	*2.41*
(iii) Interest payable	USD 3.72	20.23	*USD 3.20*	*16.37*
(iv) Loans payable	USD 310.31	1,687.76	*USD 362.21*	*1,854.16*
(v) Premium payable on borrowings	USD 28.41	154.52	*USD 28.41*	*145.43*
(c) Bank balances	SGD 0.98	4.32	*SGD 0.07*	*0.28*
	USD 0.83	4.53	*USD 2.78*	*14.24*
	TAKA 0.23	0.01	*TAKA 0.25*	*0.01*

Notes forming part of the Financial Statements

41. Segment Accounting:

The Company has identified business segments as its primary segment. Business segments are as below: **₹ crore**

	Power	Others	Eliminations	Total
REVENUE				
External Revenue	9,157.96	409.32	-	**9,567.28**
	8,131.78	*364.06*	-	***8,495.84***
RESULT				
Total Segment Results	1,681.13	44.89	-	1,726.02
	1,215.79	*32.39*	-	*1,248.18*
Finance Costs				(678.25)
				(514.87)
Unallocable Income net of Unallocable Expense				655.61
				949.56
Income Taxes				(678.69)
				(513.14)
Profit after Tax				**1,024.69**
				1,169.73
OTHER INFORMATION				
Segment Assets	13,590.30	704.36	-	14,294.66
	11,715.30	*634.45*	-	*12,349.75*
Unallocable Assets				13,798.20
				12,631.55
Total Assets				**28,092.86**
				24,981.30
Segment Liabilities	2,125.75	558.31	-	2,684.06
	2,044.74	*524.75*	-	*2,569.49*
Unallocable Liabilities				11,730.17
				9,154.82
Total Liabilities				**14,414.23**
				11,724.31
Capital Expenditure	774.56	40.98	-	815.54
	1,182.88	*45.69*	-	*1,228.57*
Non-cash Expenses other than Depreciation/Amortisation	14.49	13.48	-	27.97
	4.15	*7.44*	-	*11.59*
Depreciation/Amortisation	351.08	13.02	-	364.10
	562.69	*7.66*	-	*570.35*

Types of products and services in each business segment:
Power - Generation, Transmission and Distribution.
Others - Defence Engineering, Project Contracts/Infrastructure Management Services, Coal Bed Methane and Property Development.
Note: Previous year's figures are in italics.

42. Earnings Per Share:

	31st March, 2013	***31st March, 2012***
Basic		
Net profit for the year (₹ crore)	1,024.69	*1,169.73*
(Less)/Add : Contingencies Reserve (provided)/writeback for the year (₹ crore)	(7.00)	*6.00*
Add : Special Reserve writeback for the year (₹ crore)	Nil	*13.00*
	1,017.69	*1,188.73*
Less : Distribution on Unsecured Perpetual Securities (₹ crore)	199.62	*113.61*
Net profit for the year attributable to the equity shareholders (₹ crore)	818.07	*1,075.12*
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 ₹) - Refer Note 3(a)	1.00	*1.00*
Basic Earnings Per Share (in ₹)	3.44	*4.53*
Diluted		
Net profit for the year attributable to the equity shareholders (₹ crore)	818.07	*1,075.12*
Add : Interest Expense and Exchange Fluctuation on FCCB (Net) (₹ crore)	77.73	*47.30*
Profit attributable to equity shareholders on dilution (₹ crore)	895.80	*1,122.42*

Notes forming part of the Financial Statements

42. Earnings Per Share (*Contd.*)

	31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
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...	3.62	*4.54*
Diluted Earnings Per Share restricted to Basic Earnings Per Share (in ₹) ...	3.44	*4.53*

43. Disclosures as required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2013:

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 ...	12.90	16.83	(0.62)	(9.09)	20.02
	6.86	*12.11*	*(0.71)*	*(5.36)*	*12.90*
Provision for Premium on Redemption of FCCB ...	145.43	9.09 @	-	-	154.52
	126.94	*18.49 @*	-	-	*145.43*
Provision on Premium on Redemption of Debentures...	134.70	-	-	-	134.70
	134.70	-	-	-	*134.70*

@ On account of exchange loss.

Note : Previous year's figures are in italics.

44. Interest in Joint Ventures:

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

Name of the Company	Country of Incorporation	Principal activities	Percentage of Holding
Tubed Coal Mines Ltd.(TCML)	India	Coal Mining	40%
Tata Power Solar Systems Ltd. (TPSSL) [formerly known as Tata BP Solar India Ltd. (TBSIL)] Upto 27th June, 2012.	India	Solar Photovoltaic Systems and its components	49%
Mandakini Coal Company Ltd. (MCCL)	India	Coal Mining	33.33%
Dagachhu Hydro Power Corporation Ltd. (DHPCL)	Bhutan	Hydro Power Generation	26%

The Company's interest in these Joint Ventures is reported as Non Current Investments (Note 14) and stated at cost less provision for diminution other than temporary, if any, in the value of such investments. The Company's share of each of the assets, liabilities, incomes and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in these Joint Ventures (in case of MCCL and DHPCL based on unaudited accounts) are as under:

	31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
I. NON-CURRENT LIABILITIES		
a) Long-term Borrowings...	169.02	*145.16*
b) Deferred tax Liabilities (net)...	Nil	*13.68*
c) Other Long-term Liabilities...	Nil	*2.29*
d) Long-term Provisions...	0.18	*7.06*
(A)	169.20	*168.19*
II. CURRENT LIABILITIES		
a) Short-term Borrowings...	5.97	*46.97*
b) Trade Payables...	0.31	*55.88*
c) Other Current Liabilities...	10.74	*92.56*
d) Short-term Provisions...	0.03	*14.10*
(B)	17.05	*209.51*
(A+B)	186.25	*377.70*

Notes forming part of the Financial Statements

44. Interest in Joint Ventures (*Contd.*)

		31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
III.	**NON - CURRENT ASSETS**		
a)	Fixed Assets	259.77	*402.82*
b)	Long-term Loans and Advances	60.25	*26.84*
c)	Other Non-current Assets	Nil	*0.63*
	(C)	320.02	*430.29*
IV.	**CURRENT ASSETS**		
a)	Inventories	Nil	*59.96*
b)	Trade Receivables	Nil	*102.79*
c)	Cash and Bank Balances	11.87	*49.09*
d)	Short-term Loans and Advances	0.36	*7.01*
e)	Other Current Assets	Nil	*44.77*
	(D)	12.23	*263.62*
	(C+D)	332.25	*693.91*
V.	**REVENUE**		
a)	Revenue from Operations	42.17	*457.01*
b)	Other Income	3.48	*2.82*
		45.65	*459.83*
VI.	**EXPENSES**		
a)	Cost of Material	35.01	*362.51*
b)	Manufacturing and Other Expenses	21.64	*72.33*
c)	Depreciation/Amortisation	5.83	*24.06*
d)	Finance Costs	3.42	*14.85*
e)	Tax Expense	(6.99)	*(4.46)*
		58.91	*469.29*
VII.	**LOSS AFTER TAX**	**(13.26)**	***(9.46)***
VIII.	**OTHER MATTERS**		
a)	Contingent Liabilities	5.38	*7.40*
b)	Capital Commitments	81.48	*208.37*
		86.86	*215.77*

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 '*'

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

More than a century ago, our visionary founder, Mr. J. N. Tata laid the foundation for good governance and made it an integral part of our business culture. Corporate Governance is concerned with maintaining the balance between economic and social goals and between individual and community goals. As a Tata Company, righteous Corporate Governance is the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in the future.

This philosophy has been sought to be strengthened through the Tata Code of Conduct, the Tata Business Excellence Model and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". The Company 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, the disclosure requirements of which are given below:

Board of Directors

➢ **Composition:**

As on 30th May, 2013 the Company's Board of Directors constitutes 12 members, out of whom 3 are Executive Directors 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 specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

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

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2013	# No. of other Committee positions held as on 31.3.2013		No. of Board meetings attended during the year	Attendance at the 93rd Annual General Meeting held on 17.8.2012
			Chairman	Member		
Mr. Ratan N. Tata, Chairman [1]	Non-Independent, Non-Executive	-	-	-	4	Yes
Mr. Cyrus P. Mistry, Chairman [1]		9	-	1	7	Yes
Mr. R. Gopalakrishnan		11	-	3	5	Yes
Mr. Adi J. Engineer [1]		-	-	-	3	Yes
Dr. Homiar S. Vachha	Independent, Non-Executive	4	3	1	7	Yes
Mr. Nawshir H. Mirza		4	2	1	7	Yes
Mr. Deepak M. Satwalekar		5	2	1	7	Yes
Mr. Piyush G. Mankad		8	2	6	5	Yes
Mr. Ashok K. Basu		7	2	5	6	Yes
Mr. Thomas Mathew T., (Representative of LIC as Investor / Lender)		4	-	1	3	Yes
Ms. Vishakha V. Mulye [1]		6	-	4	1	NA

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2013	# No. of other Committee positions held as on 31.3.2013		No. of Board meetings attended during the year	Attendance at the 93rd Annual General Meeting held on 17.8.2012
			Chairman	Member		
Mr. Anil Sardana, Managing Director		5	-	1	7	Yes
Mr. S. Ramakrishnan, Executive Director	Executive	9	2	3	7	Yes
Mr. S. Padmanabhan, Executive Director		9	3	2	7	Yes

[1] Please see Table 2 below.

* 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.

Consequent upon the resignation of Dr. Ramchandra H. Patil, an Independent Director, on 20th March, 2012, the number of independent directors fell below the limit as prescribed under Clause 49 of the Listing Agreement. As per the Listing Agreement, Management has 180 days from the date of such resignation i.e. upto 16th September, 2012, to fulfill the Board composition requirements. With the stepping down from the Board of Mr. A. J. Engineer, Non-Executive Non-Independent Director, effective 27th August, 2012, consequent upon his completing 75 years of age, in line with the policy adopted by the Board for retirement of Directors, the composition of the Board was restored to be in line with that prescribed under Clause 49 of the Listing Agreement.

Table 2: Changes in Board composition during the year:

Name of the Director	Details of change	Date of change
Mr. Adi J. Engineer	Stepped down from the Board consequent upon his completing 75 years of age, in line with the policy adopted by the Board for retirement of Directors.	27th August, 2012
Mr. Ratan N. Tata	- Resignedas Chairman of the Board of Directors. - Stepped down from the Board consequent upon his completing 75 years of age, in line with the policy adopted by the Board for retirement of Directors.	8th November, 2012 28th December, 2012
Mr. Cyrus P. Mistry	Appointed as Chairman of the Board of Directors	8th November, 2012
Ms. Vishakha V. Mulye	Appointed as an Additional Director	28th February, 2013

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

22nd May 2012, 24th July 2012, 8th August 2012, 6th November 2012, 11th February 2013, 28th February 2013 and 25th March 2013.

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 the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.

Committees of the Board

The Committees of the Board of Directors 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.

➢ Mandatory Committees

The mandatory committees are:

1. Audit Committee of Directors
2. Shareholders' / Investors' Grievance Committee

❖ Audit Committee of Directors

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

Name of the Director	Category	No. of meetings attended	Remarks
Dr. H. S. Vachha, Chairman	Non-Executive, Independent	12	Dr. Vachha is a former executive of ICICI Limited and accordingly has the requisite business / accounting / related financial management expertise.
Mr. A. J. Engineer (Stepped down w.e.f. 27.08.2012)	Non-Executive, Non-Independent	5	Financially experienced and renowned practitioners.
Mr. D. M. Satwalekar	Non-Executive, Independent	12	
Mr. P. G. Mankad	Non-Executive, Independent	12	

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

19th May 2012, 21st May 2012, 5th July 2012, 23rd July 2012, 7th August 2012, 17th October 2012 (2 meetings held), 5th November 2012, 17th December 2012, 15th January 2013 (2 meetings held) and 8th February 2013.

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

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

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

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

❖ Shareholders' / Investors' Grievance Committee

Table 4: Composition of the Shareholders' / Investors' Grievance Committee (IGC) and details of meetings attended by the Directors during the year under review:

Name of the Director	Category	No. of meetings attended
Dr. H. S. Vachha, Chairman	Non-Executive, Independent	1
Mr. S. Ramakrishnan	Executive	-
Mr. S. Padmanabhan	Executive	1

The IGC met once during the year under review on 4th December, 2012.

In accordance with Clause 49(IV)(G)(iv) of the Listing Agreement with the Stock Exchanges, the Board has authorised Mr. H. M. Mistry, Company Secretary and Compliance Officer, and Mr. A. S. Bapat, Head – Corporate Legal, to severally approve share transfers / transmissions, in addition to the powers with the members of the IGC. 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 & Exchange Board of India (SEBI)	28	24	4
	Stock Exchanges	7	7	0
	Depositories (NSDL/CDSL)	2	2	0
B.	**Dividends**			
	Non-receipt of dividend/interest warrants (pending reconciliation at the time of receipt of letters)	0	0	0
	Total	**37**	**33**	**4**

The 4 unresolved complaints as on 31st March, 2013 have since been closed.

14 transfers and 37 demats, pending as on 31st March, 2013, have been subsequently processed and completed.

➢ Non-mandatory Committees

The non-mandatory Committees are:

1. Remuneration Committee of Directors
2. Executive Committee of the Board
3. Nominations Committee
4. Ethics and Compliance Committee.

❖ Remuneration Committee of Directors

Table 5: Composition of the Remuneration Committee of Directors (Remuneration Committee) and details of meetings attended by the Directors during the year under review:

Name of the Director	Category	No. of meetings attended
Mr. N. H. Mirza, Chairman	Non-Executive, Independent	4
Mr. R. N. Tata (Stepped down w.e.f. 28.12.2012)	Non-Executive, Non-Independent	1
Mr. C. P. Mistry (Appointed w.e.f. 24.7.2012)	Non-Executive, Non-Independent	2
Mr. R. Gopalakrishnan	Non-Executive, Non-Independent	3

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

21st June 2012, 20th July 2012, 8th November 2012 and 25th March 2013.

Remuneration Committee Charter

At its meeting held on 10th February, 2012, the Board adopted the Remuneration Committee Charter.

Objectives of the Remuneration Committee

The Remuneration Committee of the Company shall discharge the Board's responsibilities to shareholders, the investment community and other stakeholders with respect to –

i) recommending to the Board the remuneration to each Director;

ii) setting the performance standards, budgets and targets for the Executive team of the Company;

iii) setting the compensation and performance bonuses of the Company's executive officers;

iv) overseeing the Company's Human Resources and People strategy; and

v) performing such other duties and responsibilities, as may be consistent with the provisions of this charter.

Composition

- The Remuneration Committee shall comprise of a minimum three NEDs as members.
- The Chairman of the Remuneration Committee shall be an Independent Director, from amongst the members of the Committee.

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 10th September, 2008, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Act). The distribution of Commission amongst the NEDs is placed before the Remuneration Committee and the Board. The Commission payment for the year ended 31st March, 2012 was distributed broadly on the following basis:

i) Number of meetings of the Board and substantive Committees of the Board attended;

ii) Role and responsibility as Chairman / Member of the Board / Committee;

iii) Individual contributions at the meetings; and

iv) 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, Remuneration Committee and Nominations Committee. The fees paid for other Committee meetings was ₹ 5,000/- per meeting attended.

➢ **Executive Directors**

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

➢ **Management Staff**

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

Retirement Policy for Directors

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

Remuneration to Directors

Table 6: 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	1,40,000	52,00,000
Mr. C. P. Mistry	2,65,000	16,50,000
Mr. R. Gopalakrishnan	2,20,000	33,00,000
Dr. H. S. Vachha	4,15,000	28,00,000
Mr. A. J. Engineer $	2,00,000	41,50,000
Mr. N. H. Mirza	3,20,000	45,50,000
Mr. D. M. Satwalekar	4,35,000	42,50,000
Mr. P. G. Mankad	3,40,000	23,00,000
Mr. A. K. Basu	1,20,000	11,50,000
Mr. Thomas Mathew T. @	60,000	6,50,000
Ms. Vishakha Mulye	20,000	N.A.

* Excludes service tax.

** Commission relates to the financial year ended 31st March, 2012, which was paid during the financial year under review. Commission of ₹ 3.50 crore (excluding service tax) has been provided as payable to the eligible NEDs in the accounts for the year ended 31st March, 2013, the distribution of which is yet to be determined.

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

Pension	₹ 33,12,120
Residential accommodation	₹ 16,56,060
Medical	₹ 60,968

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

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

Table 7: Details of remuneration and perquisites paid and / or value calculated as per the Income-tax Act, 1961 to the Managing Director and Executive Directors:

Name	Salary (₹)	@ Commission paid in 2012-13 (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr. Anil Sardana, Managing Director	63,00,000	2,50,00,000	90,88,889	17,01,000	4,20,89,889

Name	Salary (₹)	@ Commission paid in 2012-13 (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr. S. Ramakrishnan, Executive Director	54,00,000	1,25,00,000	94,85,721	14,58,000	2,88,43,721
Mr. S. Padmanabhan, Executive Director	49,20,000	1,25,00,000	70,14,487	13,28,400	2,57,62,887
Mr. B. Agrawala, Executive Director (Resigned w.e.f. 30.11.2011)	-	83,00,000	-	-	83,00,000

@ Commission relates to the financial year ended 31st March, 2012, which was paid during the financial year under review. Commission of ₹ 7.50 crore has been provided as payable to the Managing Director and Executive Directors in the accounts for the year ended 31st March, 2013, the distribution of which is yet to be determined.

Table 8: Salient features of the agreements executed/to be executed by the Company with Mr. Anil Sardana, Managing Director and Mr. S. Ramakrishnan and Mr. S. Padmanabhan, Executive Directors, consequent upon obtaining Members' approval at the AGM:

Terms of Agreement	Mr. Anil Sardana Managing Director	Mr. S. Ramakrishnan Executive Director	Mr. S. Padmanabhan Executive Director
Period of appointment	1.2.2011 to 31.1.2016	1.10.2009 to 28.2.2014	6.2.2013 to 5.2.2018
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 9: Details of number of shares and convertible instruments held by Directors:

Name of the Director	No. of Equity Shares held	No. of convertible instruments held
Mr. S. Ramakrishnan		
- Individually	3,000	Nil
- Karta (HUF)	1,000	Nil

❖ Executive Committee of the Board

The Executive Committee of the Board comprises Mr. C. P. Mistry (Chairman), Mr. R. Gopalakrishnan, Mr. N. H. Mirza, Mr. D. M. Satwalekar, Mr. Anil Sardana (Managing Director) and Mr. S. Ramakrishnan and Mr. S. Padmanabhan (Executive Directors). This Committee covers a detailed review of the following items before being presented to the full Board:

- Business and strategy review
- Long-term financial projections and cash flows
- Capital and Revenue Budgets and capital expenditure programmes

- Acquisitions, divestments and business restructuring proposals
- Senior management succession planning
- Any other item as may be decided by the Board

❖ **Nominations Committee**

The Nominations Committee comprises Dr. H. S. Vachha (Chairman), Mr. C. P. Mistry and Mr. N. H. Mirza. This Committee makes recommendations regarding composition of the Board and would therefore identify Independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.

❖ **Ethics and Compliance Committee**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the 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 Dr. H. S. Vachha (Chairman) and Mr. S. Padmanabhan.

Mr. S. Ramakrishnan, Executive Director (Finance) is the Compliance Officer to ensure compliance and effective implementation of the Regulations and also this Code across the Company.

General Body Meetings

The last three AGMs were held as under:

Financial Year ended	Day & Date	Time	Venue
31st March, 2010	Wednesday, 8th September, 2010	3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.
31st March, 2011	Wednesday, 24th August, 2011		
31st March, 2012	Friday, 17th August, 2012		

Details of Special Resolutions passed in the previous three AGMs

Date of the AGM	Particulars of Special Resolutions passed thereat
8th September, 2010	No Special Resolutions were passed at this AGM
24th August, 2011	Alteration of Articles of Association of the Company
17th August, 2012	No Special Resolutions were passed at this AGM

None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

No Court-convened Meetings were held during the last three years.

Disclosures

1. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.

2. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

4. The Board of Directors of the Company has adopted a Whistle Blower Policy for establishing a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code

of Conduct or ethics policy. The said policy has been posted on the Company's intranet site. The Company affirms that no employee has been denied access to the Audit Committee.

5. All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

6. The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

7. In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Executive Director (Finance) made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

Means of Communication

Financial Results: Quarterly and half-yearly results 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 covering financial results were sent to Members at their registered postal/email address.

Annual Reports: The Annual Reports were 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 newly launched Online Portal - BSE Corporate Compliance & Listing Centre with effect from 8th February, 2013.

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.

Reminders to Members: Reminders for unclaimed dividend were sent in March, 2013 to the Members as per records.

General Shareholder Information

1. The AGM is scheduled to be held on Friday, 16th August, 2013 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 16th August, 2013.

2. **Financial Year** : 1st April, 2012 to 31st March, 2013

3. **Book Closure** : From 30th July, 2013 to 16th August, 2013 (both days inclusive).

4. **Dividend Payment Date** : On and from 19th August, 2013.

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.

In August, 2012, the Company issued 15,000 Unsecured, Subordinated, Listed, Rated Securities in the form of Non-Convertible Debentures issued on private placement basis of ₹ 10,00,000/- each. The said Debentures are listed on NSE.

In December, 2012, the Company issued 2,100 Secured, Non-Cumulative, Redeemable, Taxable, Listed, Rated Securities in the form of Non-Convertible Debentures issued on private placement basis of ₹ 10,00,000/- each. The said Debentures are listed on NSE.

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 31.3.2013 (₹ crore)
1.	7.1% Transferable Secured Redeemable Non-Convertible Debentures	600
2.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500
3.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500
4.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	300
5.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	218
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 2012-13.

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

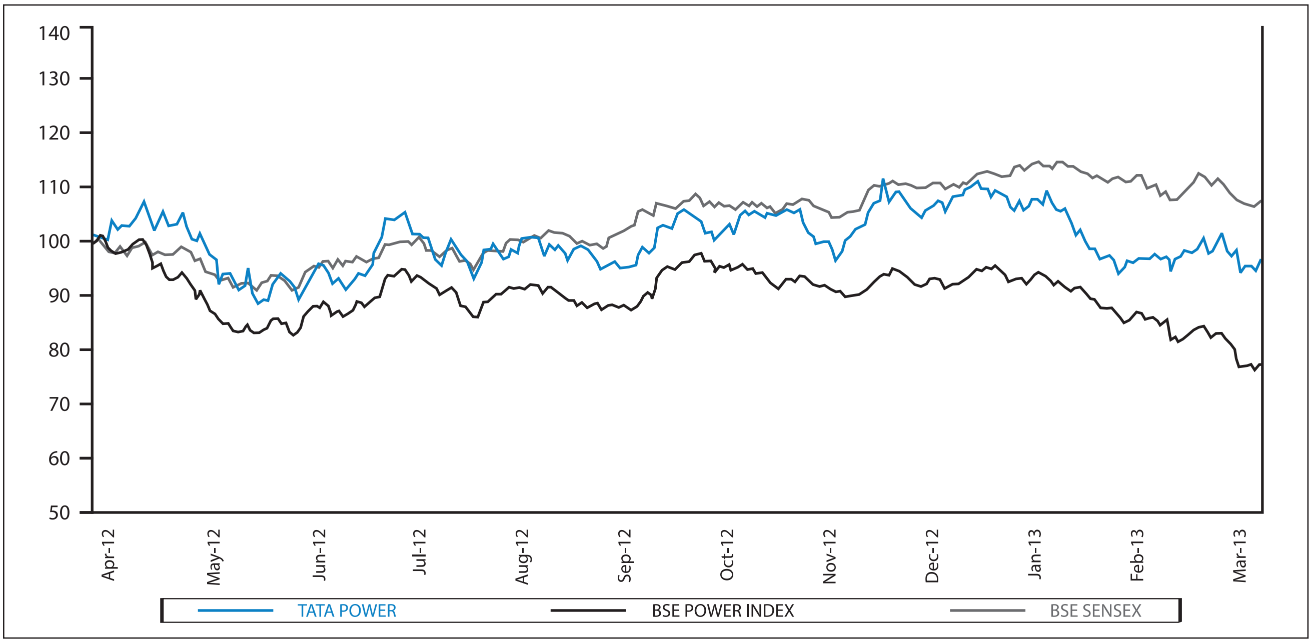
BSE Limited (physical form) (demat form)	400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

7. **Market Information:**

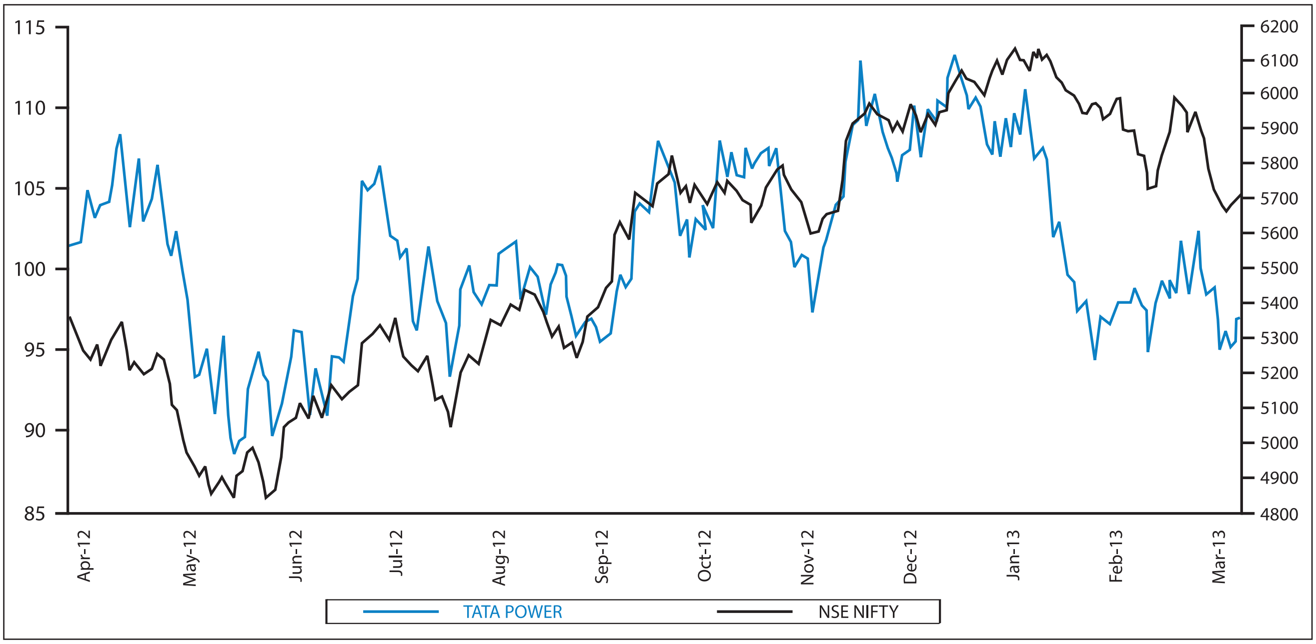
a) Market Price Data: High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below:

Stock Exchange	BSE			NSE		
Month	**High (₹)**	**Low (₹)**	**No. of shares traded during the month**	**High (₹)**	**Low (₹)**	**No. of shares traded during the month**
April, 2012	107.45	100.00	87,04,012	107.50	100.05	5,90,56,001
May, 2012	103.10	88.65	80,82,822	103.05	88.65	8,35,10,079
June, 2012	104.70	89.25	77,32,726	104.70	89.10	6,70,83,216
July, 2012	105.55	93.45	61,03,212	105.60	93.05	5,52,45,951
August, 2012	101.10	96.70	64,17,668	101.30	96.75	5,78,07,358
September, 2012	106.95	95.15	1,36,01,585	106.95	95.05	8,60,93,740
October, 2012	106.95	100.05	69,64,565	107.00	100.10	7,32,44,909
November, 2012	107.55	96.65	55,01,482	107.80	96.85	4,89,53,248
December, 2012	111.75	104.75	86,23,498	111.65	104.70	6,27,77,156
January, 2013	111.65	101.20	1,02,74,012	112.00	101.10	4,56,04,001
February, 2013	102.65	94.25	93,82,241	102.30	94.05	5,43,36,484
March, 2013	101.90	94.50	50,62,203	101.70	94.65	4,48,86,250

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 NSE 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 / agency 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
Agents : TSR Darashaw Private 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 Shareholders'/Investors' Grievance 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.

10. **Distribution of Shares as on 31st March, 2013:**

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 5000	3,91,07,414	10,42,71,377	14,33,78,791	6.04	30,089	90.85	1,67,916	92.85	1,98,005	92.54
5001 - 10000	1,50,00,730	4,98,21,720	6,48,22,450	2.73	2,205	6.66	6,961	3.85	9,166	4.28
10001 - 20000	74,89,690	4,74,43,543	5,49,33,233	2.32	538	1.62	3,385	1.87	3,923	1.83
20001 - 30000	37,10,412	2,39,23,894	2,76,34,306	1.16	153	0.46	972	0.54	1,125	0.53
30001 - 40000	24,33,120	1,62,07,067	1,86,40,187	0.79	69	0.21	463	0.25	532	0.25
40001 - 50000	10,84,960	1,10,39,974	1,21,24,934	0.51	24	0.07	246	0.14	270	0.13
50001 - 100000	18,78,760	3,10,35,076	3,29,13,836	1.39	29	0.09	449	0.25	478	0.22
100001 and above	32,04,920	2,01,54,19,703	2,01,86,24,623	85.06	14	0.04	449	0.25	463	0.22
Total	**7,39,10,006**	**2,29,91,62,354**	**★2,37,30,72,360**	**100.00**	**33,121**	**100.00**	**1,80,840**	**100.00**	**2,13,961**	**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, 2013:**

Particulars	Equity Shares of ₹ 1/- each	
	No. of Shares	%
Promoters	77,05,37,290	32.47
Directors and their relatives	4,000	0.00
Insurance Companies	51,23,48,016	21.59
Financial Institutions / Banks	97,05,823	0.41
Mutual Funds / UTI	4,08,65,257	1.72
Clearing Members	25,11,326	0.11
Corporate Bodies	1,60,28,904	0.68
Trusts	23,98,870	0.10
Resident Individuals & HUF	33,41,67,533	14.08
Central / State Governments	7,10,488	0.03
Foreign Institutional Investors	58,21,79,044	24.53
Foreign Banks	82,248	0.00

OCB's	10,400	0.00
Foreign Bodies	1,41,838	0.01
Foreign Nationals DR	22,760	0.00
Foreign Institutional Investors DR	1,70,700	0.01
Foreign Bodies DR	43,500	0.00
Global Depository Receipts	7,64,35,720	3.22
Non-Resident Indians	2,47,08,643	1.04
Total	**2,37,30,72,360**	**100.00**

12. **Top 10 Shareholders of the Company as on 31st March, 2013:**

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	30,60,52,963	12.90
3.	Matthews Pacific Tiger Fund	10,10,27,968	4.26
4.	The Bank of New York	7,50,46,920	3.16
5.	National Westminster Bank Plc as Depositary of First State Global Emerging Markets Leaders Fund a Sub Fund of First State Investments ICVC	6,50,97,597	2.74
6.	The New India Assurance Company Limited	6,40,26,620	2.70
7.	General Insurance Corporation of India	6,21,20,370	2.62
8.	National Westminster Bank Plc as Depositary of First State Asia Pacific Leaders Fund a Sub Fund of First State Investments ICVC	5,67,62,066	2.39
9.	Aberdeen Global Indian Equity (Mauritius) Limited	3,62,00,000	1.53
10.	Tata Steel Limited	3,43,18,180	1.45
	Total	**1,50,81,64,254**	**63.56**

13. **Dematerialisation of Shares as on 31st March, 2013 and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India viz. 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	2,17,93,55,730	91.84	1,33,846	62.56
CDSL	11,98,06,624	5.05	46,994	21.96
Sub-total	**2,29,91,62,354**	**96.89**	**1,80,840**	**84.52**
Physical form	7,39,10,006	3.11	33,121	15.48
Total	**2,37,30,72,360**	**100.00**	**2,13,961**	**100.00**

14. **E-voting:**

E-voting is a common internet infrastructure that enables the Investors to vote electronically on resolutions of companies. They can now vote on resolutions requiring voting through Postal Ballot as per the applicable rules and regulations without sending their votes through post. 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 2012-13 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, 2013** 1,543 (Issued in 1994 to Citibank NA)
7,50,46,920 (Issued in 2009 to The Bank of New York)

17. **Plant Locations:**

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 Sadawaghapur
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 and Visapur
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

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) Remuneration Committee

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

iii) Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in the 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 of 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

The Board of Directors of the Company, at present, comprises of 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 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'.

20. **Company's Policies:**

➢ **Tata Code of Conduct**

The values and principles which have governed the manner in which the Tata 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 of the Listing Agreement between listed companies and the Stock Exchanges, *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 Harrassment of Employees which extends to all employees of the Company. The management has also constituted a Committee to consider and redress complaints of sexual harrassment.

➢ **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 Act, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Upto and including the Financial Year 1994-95	Transferred to General Revenue Account of the Central Government	Yes	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 2004-2005	Transferred to the IEPF of the Central Government	No	Not applicable
For the Financial Years 2005-06 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Private Ltd., Registrar and Transfer Agent

During the year, the Company sent a reminder to those Members and Depositors who had not claimed their dividend or interest or principal amount. The following unclaimed amounts were transferred to IEPF:

Particulars	Amount (₹)
Amounts transferred during Financial Year 2012-13:	
- Unclaimed dividend with the Company	52,38,720
- Unclaimed matured deposits with the Company	23,000
- Interest accrued on the unclaimed matured deposits	33,608
Total amount transferred during the year	**52,95,328**

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2005-06 are provided hereunder:

Date of dividend declaration	Unclaimed Dividend (₹) (As on 31.3.2013)	Last date for claiming payment from TSRD
01.08.2006	76,32,516	31.07.2013
08.08.2007	87,62,354	07.08.2014
10.09.2008	1,09,15,695	09.09.2015
06.08.2009	1,24,35,617	05.08.2016
08.09.2010	1,44,15,000	07.09.2017
24.08.2011	1,54,40,363	23.08.2018
17.08.2012	1,78,71,091	16.08.2019

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 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	• Periodic status reports and information available on internet
• Elimination of bad deliveries	• Ensures faster communication to investors
• Elimination of all risks associated with physical certificates	• Ease related to change of address
• No stamp duty is paid on transfer of shares	• Provides more acceptability and liquidity of securities
• Immediate transfer / trading of securities	• Postal delays and loss of shares in transit is prevented
• Faster settlement cycle	• Saves the shareholder from going through cumbersome legal processes to reclaim the lost / pilfered certificate
• Faster disbursement of non-cash corporate benefits like rights, bonus etc.	
HELP CONVERT BALANCE PHYSICAL SHARES TO DEMAT	

The Company, along with Geojit BNP Paribas Financial Services Limited (Geojit) and Kotak Securities Limited (Kotak), 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, 2014. Their Toll Free Numbers are 18004255501 (Geojit) and18002099191 (Kotak).

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
e-mail : 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
e-mail : investor@cdslindia.com
website : www.cdslindia.com

- **Nomination Facility**

Pursuant to the provisions of Section 109A of the Act, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. 2B to TSRD. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. 2B can be obtained from 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 Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

- **Secretarial Audit**

As a 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 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 or 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, 2013.

For The Tata Power Company Limited
Anil Sardana
Managing Director

Mumbai, 30th May, 2013

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration Number: 117366W)

R. A. BANGA
Partner
(Membership Number: 37915)

Mumbai, 30th May, 2013

Consolidated Financial Statements

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, 2013, 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 judgement, 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 and based on the consideration of the unaudited financial statements of the subsidiaries and jointly controlled entities which have been certified by the management, referred to below in the Other Matters 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, 2013;
(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 Matters

(a) We draw attention to Note 35(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 35(e) and (f)] for the years upto 31st March, 2013. The impact of the same on the results for the year ended 31st March, 2013 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) As stated in Note 32, which describes the key source of estimation uncertainties relating to the carrying amount of assets and compliance with debt covenants.

(c) As stated in Note 35 (a)(vi) and (vii) regarding recoverability of ₹ 6,834.20 crore (Group's share of ₹ 2,050.26 crore) of Value Added Tax balances and other contingent claims from third parties, the outcome of which cannot be presently determined.

(d) As stated in Note 35(h), wherein no adjustment has been made by the Company in respect of income estimated at ₹ 145.72 crore as at 31st March, 2013. The impact of the above as at 31st March, 2013 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) As stated in Note 38, regarding accrual of insurance claims receivable aggregating ₹ 18.24 crore (net) (Group's share of ₹ 13.50 crore) for the year ended 31st March, 2013, the final quantum of which is subject to determination by the insurance company.

Our opinion is not qualified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of 6 subsidiaries and 6 jointly controlled entities, whose financial statements reflect the Group's share of total assets (net) of ₹ 13,508.64 crore as at 31st March, 2013, the Group's share of total revenues of ₹ 8,699.44 crore and net cash outflows amounting to ₹ 1,038.26 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 ₹ 0.09 crore for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us.

These financial statements 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 3 subsidiaries and 20 jointly controlled entities, whose financial statements/financial information reflect the Group's share of total assets (net) of ₹ 1,877.35 crore as at 31st March, 2013, the Group's share of total revenue of ₹ 304.30 crore and net cash inflows amounting to ₹ 6.60 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 subsidiaries and 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
Chartered Accountants
(Firm Registration No. 117366W)

R. A. BANGA
Partner
(Membership Number: 37915)

Mumbai, 30th May, 2013

Consolidated Balance Sheet as at 31st March, 2013

	Notes	Page	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital	3	156	237.29	237.29
Reserves and Surplus	4	157	10,501.19	10,875.00
			10,738.48	11,112.29
UNSECURED PERPETUAL SECURITIES	5	158	1,500.00	1,500.00
STATUTORY CONSUMER RESERVES	6	158	604.23	617.77
MINORITY INTEREST			2,064.60	1,631.27
SPECIAL APPROPRIATION TOWARDS PROJECT COST			533.61	533.61
CAPITAL GRANT			8.91	9.39
SERVICE LINE CONTRIBUTIONS FROM CONSUMERS			450.56	401.32
NON-CURRENT LIABILITIES				
Long-term Borrowings	7	159	31,599.34	29,733.11
Deferred Tax Liabilities (Net)	8	159	1,025.41	647.05
Other Long-term Liabilities	9	160	949.11	1,181.30
Long-term Provisions	10	160	1,164.59	1,043.50
			34,738.45	32,604.96
CURRENT LIABILITIES				
Short-term Borrowings	11	161	3,547.18	2,186.74
Trade Payables			3,540.85	2,750.13
Other Current Liabilities	12	161	8,776.13	7,376.60
Short-term Provisions	10	160	778.41	888.01
			16,642.57	13,201.48
TOTAL			**67,281.41**	**61,612.09**
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	13(a)	162	35,395.28	22,585.11
Intangible Assets	13(b)	163	233.83	223.95
Capital Work-in-Progress			2,284.27	12,634.31
Intangible Assets under Development			73.34	24.90
			37,986.72	35,468.27
Goodwill on Consolidation			5,724.14	4,844.40
Non-current Investments	14	164	2,642.71	2,645.42
Deferred Tax Assets (Net)	8	159	24.88	8.31
Long-term Loans and Advances	15	165	1,603.85	1,355.04
Other Non-current Assets	16	166	7,148.99	5,820.56
			11,420.43	9,829.33
CURRENT ASSETS				
Current Investments	17	166	477.40	777.48
Inventories	18	167	2,026.51	1,684.69
Trade Receivables	19	167	3,305.01	2,271.35
Cash and Bank Balances	20	167	1,989.89	3,694.12
Short-term Loans and Advances	15	165	3,299.91	2,421.67
Other Current Assets	21	168	1,051.40	620.78
			12,150.12	11,470.09
TOTAL			**67,281.41**	**61,612.09**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

H. M. MISTRY
Company Secretary

S. RAMAKRISHNAN
Executive Director

Mumbai, 30th May, 2013.

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	Page	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
REVENUE				
Revenue from Operations (Gross)	22	168	33,042.10	*26,019.81*
Less: Excise Duty	22	168	16.67	*18.41*
Revenue from Operations (Net)	22	168	33,025.43	*26,001.40*
Other Income	23	169	369.20	*268.76*
TOTAL REVENUE			**33,394.63**	***26,270.16***
EXPENSES				
Cost of Power Purchased			7,875.02	*6,175.28*
Less: Cash Discount			56.36	*52.67*
			7,818.66	*6,122.61*
Cost of Coal Purchased			Nil	*76.74*
Cost of Fuel			9,661.60	*6,309.12*
Coal Processing Charges			2,544.99	*1,953.22*
Royalty towards Coal Mining			1,111.14	*1,101.12*
Deferred Stripping Cost			Nil	*659.44*
Raw Material Consumed	24	170	386.74	*358.87*
Purchase of Goods for Resale			37.47	*62.14*
Increase in Stock-in-Trade and Work-in-Progress	24	170	(275.12)	*(177.01)*
Employee Benefits Expense	25	170	1,322.95	*1,146.26*
Finance Costs	26	171	2,635.53	*1,527.09*
Depreciation and Amortisation	13	162	2,051.69	*1,334.64*
Other Expenses	27	171	3,972.30	*3,488.67*
TOTAL EXPENSES			**31,267.95**	***23,962.91***
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			**2,126.68**	***2,307.25***
Exceptional Item:				
Provision for Impairment			(850.00)	*(1,800.00)*
PROFIT BEFORE TAX			**1,276.68**	***507.25***
TAX EXPENSE				
Current Tax Expense for Current Year			912.69	*1,405.17*
MAT Credit			(29.91)	*(51.21)*
Current Tax Expense relating to Prior Years			(12.07)	*0.89*
Net Current Tax Expense			870.71	*1,354.85*
Deferred Tax Expense			307.25	*120.69*
			1,177.96	*1,475.54*
PROFIT/(LOSS) AFTER TAX AND BEFORE SHARE OF PROFIT OF ASSOCIATES AND MINORITY INTEREST			**98.72**	***(968.29)***
Share of Profit of Associates for the Year			23.92	*70.77*
Minority Interest			(208.07)	*(190.16)*
LOSS FOR THE YEAR			**(85.43)**	***(1,087.68)***
EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)				
Basic (₹)	45	183	(1.23)	*(4.98)*
Diluted (₹)	45	183	(1.23)	*(4.98)*

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

H. M. MISTRY
Company Secretary

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

S. RAMAKRISHNAN
Executive Director

Consolidated Cash Flow Statement for the year ended 31st March, 2013

			For the Year ended 31st March, 2013 ₹ crore		*For the Year ended 31st March, 2012 ₹ crore*
A. Cash Flow from Operating Activities					
Net Profit before Taxes			1,276.68		*507.25*
Adjustments for:					
Depreciation/Amortisation		2,051.69		*1,334.64*	
Finance Cost (Net of Capitalisation)		2,635.53		*1,527.09*	
Interest Income (Net of Interest Income Capitalised)		(245.71)		*(165.61)*	
Dividend income (Net of Dividend Income Capitalised)		(11.93)		*(12.14)*	
Provision for Doubtful Debts/Advances (Net)		49.09		*33.78*	
Provision for Contingencies (Net)		1.43		*Nil*	
Provision for diminution in value of investments (Net)		68.56		*19.92*	
Deferred Stripping Expenditure charged off		Nil		*659.44*	
Provision for future foreseeable losses etc.		Nil		*0.34*	
Provision for Warranties		14.07		*8.80*	
Discount accrued on Bonds (Net)		(0.14)		*(1.76)*	
Provision for Impairment		850.00		*1,800.00*	
Provision for Restoration and Rehabilitation		70.05		*48.48*	
Grants/Consumer Contributions transferred		(26.04)		*(23.72)*	
Loss on sale/retirement of assets (Net)		8.09		*7.29*	
Provision for Obsolete Stock/Fixed Assets		1.46		*Nil*	
Commission Earned		(6.18)		*(4.43)*	
Profit on sale of Investments (Net)		(73.61)		*(52.95)*	
Share Issue Expenses		0.92		*1.39*	
Exchange (Gain)/Loss on Investing/Financing Activity (Net)		(37.55)		*29.91*	
Unrealised Exchange Loss (Net)		87.03		*54.04*	
Bad Debts		0.61		*0.92*	
			5,437.37		*5,265.43*
Operating Profit before Working Capital Changes			6,714.05		*5,772.68*
Adjustments for:					
Trade Receivable		(935.60)		*(502.29)*	
Long-term Trade Receivable		(1,330.94)		*(2,476.38)*	
Inventories		(246.03)		*(518.29)*	
Loans and Advances		(544.86)		*(777.24)*	
Other Current Assets		(483.59)		*(185.87)*	
Trade Payables		562.25		*639.37*	
Other Liabilities and Provisions		617.69		*772.23*	
Purchase of Investments		(15.87)		*(32.78)*	
Sale of Investments		34.31		*57.79*	
Deposits given		(8.50)		*(8.50)*	
Deposits refunded (including interest)		Nil		*8.50*	
			(2,351.14)		*(3,023.46)*
Cash generated from Operations			4,362.91		*2,749.22*
Taxes Paid (Net)			(1,083.27)		*(1,602.58)*
Net Cash from Operating Activities	A		**3,279.64**		***1,146.64***
B. Cash flow from Investing Activities					
Capital Expenditure on Fixed Assets, including Capital Advances			(4,270.21)		*(5,350.70)*
Deferred Stripping Expenditure			(1.13)		*135.80*
Proceeds from Insurance on Assets Destroyed			52.76		*Nil*
Sale of Fixed Assets			77.15		*58.18*
Purchase consideration paid on aquisition of holding interest in Subsidiary and Joint Venture			(865.05)		*Nil*
Purchase of Investments			(23,068.52)		*(20,346.13)*
Sale of Investments			23,393.15		*19,842.72*
Interest Received			251.94		*166.16*
Inter-corporate Deposits (Net)			(287.75)		*(103.46)*
Commission Received			6.18		*4.40*
Dividend Received			23.32		*12.14*
Exchange Gain on Investing Activity			26.01		*5.08*
Bank Balance not considered as Cash and Cash Equivalents			375.90		*(552.08)*
Net Cash used in Investing Activities	B		**(4,286.25)**		***(6,127.89)***

Consolidated Cash Flow Statement for the year ended 31st March, 2013

		For the Year ended 31st March, 2013 ₹ crore	*For the Year ended 31st March, 2012 ₹ crore*
C. Cash Flow from Financing Activities			
Increase in Capital Contributions and Capital Grants		74.80	*42.70*
Proceeds from Issue of Shares to Minority Shareholders		285.84	*78.81*
Proceeds from Borrowings		8,570.20	*11,886.82*
Repayment of Borrowings		(5,692.32)	*(4,394.73)*
Exchange Loss on Financing Activity		(64.54)	*(34.99)*
Proceeds from Issue of Unsecured Perpetual Securities		Nil	*1,500.00*
Unsecured Perpetual Securities Issue Expenses		Nil	*(17.73)*
Distribution on Unsecured Perpetual Securities		(171.47)	*(70.55)*
Other Finance Cost paid		(57.34)	*(74.65)*
Derivative Premium Charges paid		(121.90)	*(123.76)*
Interest Paid		(2,991.21)	*(2,592.58)*
Debenture/share Issue Expenses		(18.68)	*(2.71)*
Dividend Paid		(344.62)	*(341.23)*
Additional Income-Tax on Dividend Paid		(55.43)	*(57.24)*
Net Cash (used in)/from Financing Activities	**C**	**(586.67)**	***5,798.16***
Net (Decrease)/Increase in Cash and Cash Equivalents	**(A+B+C)**	**(1,593.28)**	***816.91***
Cash and Cash Equivalents as at 1st April (Opening Balance)		**3,122.34**	***2,141.02***
Cash and Bank Balance acquired on aquisition of Subsidiary and Joint Ventures		**167.15**	***Nil***
Effect of Exchange Fluctuation on Cash and Cash Equivalents		**93.42**	***164.41***
Cash and Cash Equivalents as at 31st March (Closing Balance)		**1,789.63**	***3,122.34***

Notes:

1. Cash and Cash Equivalents include:

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Cash on Hand	1.55	*0.91*
(b) Cheques on Hand	64.55	*14.62*
(c) Balance with Banks		
(i) In Current Accounts	710.32	*790.14*
(ii) In Deposit Accounts	1,013.21	*2,316.67*
	1,789.63	***3,122.34***

2. Previous year's figures have been regrouped, wherever necessary, to conform to this year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. A. BANGA
Partner

Mumbai, 30th May, 2013.

For and on behalf of the Board,

CYRUS P. MISTRY
Chairman

ANIL SARDANA
Managing Director

H. M. MISTRY
Company Secretary

S. RAMAKRISHNAN
Executive Director

Mumbai, 30th May, 2013.

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 8521 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 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology which is fully commissioned now.

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 and in Bhutan through a hydro project in partnership with The Royal Government of Bhutan.

2.1. Significant Accounting Policies:

(a) Basis for Preparation of Accounts:

The financial statements have been prepared on accrual basis under the historical cost convention. The accounts 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 the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies adopted by the Group in the preparation of the financial statements are consistent with those followed in the previous year.

(b) Use of Estimates:

The preparation of the 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 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 have been prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), Accounting Standard 21 (AS-21) - "Consolidated Financial Statements", Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS-27) - " Financial Reporting of Interests in Joint Ventures".

(i) (a) The financial statements of the 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, 2013 and are audited except as stated in (c)(i)(b), (c)(ii) and (c)(iii)(b)(i) below.

The Consolidated financial statements have been prepared on the following basis:

(i) The Financial Statements of the Parent Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses unless cost cannot be recovered.

(ii) Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have

Notes forming part of the Consolidated Financial Statements

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.

(iii) 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.

(iv) 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. Alternatively, 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.

(v) Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies were and further movements in their share in the equity, subsequent to the dates of Investments.

(b) 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, 2013	% voting power held as at 31st March, 2012
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	*94.95*
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) (from 28th June, 2012) (erstwhile Tata BP Solar India Litd.)	India	100	*Nil*
Tata Power Jamshedpur Distribution Limited (TPJDL) (from 6th November, 2012)	India	100	*Nil*

* Based on Unaudited Financial Statements, certified by its Management for the year ended 31st March, 2013.

(ii) Interest in Joint Ventures:

The Group's interest in Jointly Controlled Entities are:

Name	Country of Incorporation	% of Ownership interest as at 31st March, 2013	*% of Ownership interest as at 31st March, 2012*
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*
Tata BP Solar India Ltd. (TBSIL) (Upto 27th June, 2012)	India	Nil	*49*
Mandakini Coal Company Ltd. (MCCL) *	India	33.33	*33.33*
Dagachhu Hydro Power Corporation Ltd. (DHPCL) *	Bhutan	26	*26*
Candice Investments Pte. Ltd. (CIL) *	Indonesia	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) (from 16th August, 2012)	Indonesia	28.38	*Nil*
PT Baramulti Sukessarana Tbk. (BSSR) (from 9th November, 2012) *	Indonesia	26	*Nil*

* Based on Unaudited Financial Statements, certified by its Management for the year ended 31st March, 2013.

(iii) (a) Investment in Associates:

The Group's Associates are:

Name	Country of Incorporation	% of Ownership interest as at 31st March, 2013	*% of Ownership interest as at 31st March, 2012*
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	50	*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

(b) (i) 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*	*9,600*	*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, 2012	14.70	51.12	1.40	241.40	Nil
		14.06	*47.16*	*0.68*	*184.37*	*Nil*
(vi)	Share of profit/(loss) for the year	0.52	(0.43)	0.29	23.54	Nil
	Less: Dividend received during the year	0.10	Nil	0.05	9.68	Nil
	Add : Other adjustments	Nil	Nil	Nil	4.87	Nil
	Share of profit/(loss) net of dividends received during the year/other adjustments	0.42	(0.43)	0.24	18.73	Nil
		0.64	*3.96*	*0.72*	*57.03*	*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	19.46	650.69	1.65	326.91	Nil
		19.04	*651.12*	*1.41*	*308.18*	*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, 2013.

Note: Previous year's figures are in italics.

(ii) The Associates not considered for consolidation being not material to the Group have been stated at cost as under:

₹ 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.)	25,000	3,350	5,55,000	1,825	3,66,667
		25,000	*3,350*	*5,55,000*	*1,825*	*3,66,667*
(ii)	Percentage holding	50.00	33.50	37.00	33.14	27.59
		50.00	*33.50*	*37.00*	*33.14*	*27.59*
(iii)	Cost of Investment (Equity Shares)	0.03	0.01	0.56	0.17	0.60
		0.03	*0.01*	*0.56*	*0.17*	*0.60*
(iv)	Provision for diminution in value of investments (Equity Shares)	Nil	Nil	$ (0.56)	Nil	Nil
		Nil	*Nil*	*Nil*	*Nil*	*Nil*
(v)	Carrying cost	0.03	0.01	Nil	0.17	0.60
		0.03	*0.01*	*0.56*	*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 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.

(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 in the Balance Sheet.

(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 eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

(v) In the 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.

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 has 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.

Notes forming part of the Consolidated Financial Statements

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) 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 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.

(h) Impairment:

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.

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units.

(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.

(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, shares, fuel and loose tools are valued at lower of cost (on weighted average basis) and net realisable value. 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.

Notes forming part of the Consolidated Financial Statements

(l) Taxes on Income:

Current Income tax expense comprises taxes on income from operations in India and Foreign jurisdiction. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with the tax laws applicable in the countries where such operations are domiciled.

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 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 substantially 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 equity are recognised in equity 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 fixed assets and intangible assets.

(n) Warranty Expenses:

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

(o) Foreign Exchange Transactions:

Initial recognition:

Transactions in foreign currencies entered into by the Group and its 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.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items (other than derivative contracts) of the Group and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement/settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign exchange translation reserve" until disposal/recovery of the net investment.

The exchange differences arising on revaluation of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining balance life of such assets and in other cases amortised over the balance period of such long-term foreign currency monetary items. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation account" net of the tax effect thereon.

Notes forming part of the Consolidated Financial Statements

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. Derivative 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.

(q) Employee Benefits:

Employee benefits consist of Provident Fund, Pension, Superannuation Fund, Gratuity Scheme, Compensated Absences, Long Service Awards, Post Retirement Benefits and Directors Retirement Obligations.

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.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, post retirement benefits and Director's pension scheme, 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.

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. 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 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 under the aforesaid Tariff Regulations/Tariff Orders will be made after the completion of such review.

Notes forming part of the Consolidated Financial Statements

(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 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) The amount received from consumers on account of Service Line charges are treated as Income on installation of connection.

(ix) 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 Euro Notes is amortised over the tenure of the Notes.

(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.

(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".

Notes forming part of the Consolidated Financial Statements

(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. A Contingent asset is 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 been providing depreciation on assets at rates and methodology relating to the electricity business in accordance with the Central Government notification under the Electricity (Supply) Act, 1948 (repealed).

Vide its notification dated 31st May, 2011, the Ministry of Corporate Affairs (MCA) has clarified that companies engaged in the generation and supply of electricity can provide for depreciation at rates and methodology notified by Central Electricity Regulatory Commission (CERC). The CERC, under the provisions of The Electricity Act, 2003, notified the rates and methodology effective 1st April, 2009, under the Terms and Conditions of Tariff Regulations, 2009. These rates would be applicable for purposes of tariff determination and accounting in terms of the provisions of National Tariff Policy notified by Government of India.

Management had sought clarifications and guidance from the MCA on the applicability of the CERC rates as the Parent Company has both regulated and non-regulated generating capacity.

The Parent Company has, during the year ended 31st March, 2013, based on a legal opinion, provided for depreciation in respect of its electricity business following the rates and methodology notified by the CERC w.e.f. 1st April, 2009 and at the rates as per the Power Purchase Agreements (PPA) for capacities covered under PPAs, if higher than those notified by CERC. 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. Further, the depreciation charge for the year ended 31st March, 2013 is lower by ₹ 48.02 crore. As a result, the current tax for the year ended 31st March, 2013, is higher by ₹ 53.58 crore and the deferred tax charge for the year ended 31st March, 2013 is higher by ₹ 204.28 crore.

2.3 **(a)** During the previous 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, 2013 is ₹ 109.29 crore (*31st March, 2012 - ₹ 39.65 crore*). The unamortised portion carried forward as at 31st March, 2013 is ₹ 998.15 crore (*31st March, 2012 - ₹ 1,128.18 crore*).

(b) During the previous year, the Parent Company had changed its accounting policy pertaining to accounting for expenditure incurred on purchase/implemenation of application software which hitherto was being charged off in the year of accrual and is now being capitalised and amortised over the useful economic life or 5 years whichever is lower. This results in a more appropriate presentation. As a result of this change, the depreciation and amortisation for the previous year was lower by ₹ 10.07 crore and the profit before tax was higher by ₹ 10.07 crore.

(c) During the previous year, as per the notification of the Ministry of Corporate Affairs (MCA) dated 31st May, 2011, CGPL has with effect from 1st April, 2011 changed its accounting policy relating to charging depreciation on generating assets. Depreciation which was hitherto charged on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 is now being charged at straight line method at the rates and methodology notified by Central Electricity Regulatory Commission (CERC).

Had CGPL continued with the earlier policy, the depreciation charge (Gross) for the previous year would have been higher by ₹ 41.80 crore, the depreciation capitalised would have been higher by ₹ 8.64 crore and accordingly, the depreciation charge (net of depreciation capitalised) for the previous year would have been higher by ₹ 39.31 crore, loss for the previous year would have been higher by ₹ 39.31 crore and capital work-in-progress would have been higher by ₹ 2.49 crore.

Notes forming part of the Consolidated Financial Statements

3. Shareholders' Funds - Share Capital

	As at 31st March, 2013 Number	₹ crore	*As at 31st March, 2012 Number*	*₹ 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, 2012 - ₹ 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, 2013 Number	₹ crore	*As at 31st March, 2012 Number*	*₹ 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, 2013, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.15 per share of Face Value of ₹ 1/- each (*31st March 2012 - ₹ 1.25 per share of Face Value ₹ 1/- each).*

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

	As at 31st March, 2013 Number	% Holding	*As at 31st March, 2012 Number*	*% Holding*
Equity Shares of ₹ 1/- each fully paid				
Tata Sons Limited	70,75,11,570	29.81	*70,75,11,570*	*29.81*
Life Insurance Corporation of India	30,60,52,963	12.90	*31,18,23,233*	*13.14*

(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 percent of their principal amount together with accrued and unpaid interest.

Notes forming part of the Consolidated Financial Statements

4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Special Reserve		
Opening Balance	Nil	*13.00*
Less : Amount transferred to Surplus in Statement of Profit and Loss as no longer required	Nil	*13.00*
Closing Balance	Nil	*Nil*
Capital Reserve	61.66	*61.66*
Capital Redemption Reserve		
Opening Balance	15.12	*2.61*
Add : Amount transferred from Surplus in Statement of Profit and Loss	0.64	*12.26*
Add : Amount transferred from General Reserve	Nil	*0.25*
Closing Balance	15.76	*15.12*
Capital Reserve on Consolidation		
Opening Balance	4.58	*4.58*
Add : On Acquisition of a Subsidiary Company	147.44	*Nil*
Closing Balance	152.02	*4.58*
Self Insurance Reserve		
Opening Balance	8.00	*8.00*
Add : Amount transferred from Surplus in Statement of Profit and Loss	0.58	*Nil*
Closing Balance	8.58	*8.00*
Securities Premium Account		
Opening Balance	3,674.85	*3,692.58*
Less : Issue Expenses pertaining to Unsecured Perpetual Securities	Nil	*17.73*
Less : Issue Expenses pertaining to Debentures	18.63	*Nil*
Closing Balance	3,656.22	*3,674.85*
Debenture Redemption Reserve		
Opening Balance	557.74	*246.95*
Add : Amount transferred from Surplus in Statement of Profit and Loss	157.27	*310.79*
Closing Balance	715.01	*557.74*
Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)		
Opening Balance	61.00	*59.98*
Add : Amount transferred from Surplus in Statement of Profit and Loss	1.49	*1.02*
Closing Balance	62.49	*61.00*
Foreign Exchange Translation Reserves (Net)		
Opening Balance	179.07	*(155.73)*
Add/(Less) : Effect of foreign exchange rate variations during the year	119.81	*334.80*
Closing Balance	298.88	*179.07*
Foreign Currency Monetary Item Translation Account		
Opening Balance	(136.41)	*Nil*
Add : Effect of foreign exchange rate variations during the year	(85.49)	*(170.82)*
Less : Amortised during the year	74.41	*34.41*
Closing Balance	(147.49)	*(136.41)*
General Reserve		
Opening Balance	3,690.24	*3,432.27*
Add : Amount transferred from Surplus in Statement of Profit and Loss	124.37	*258.22*
Less : Amount transferred to Capital Redemption Reserve	Nil	*0.25*
Closing Balance	3,814.61	*3,690.24*

Notes forming part of the Consolidated Financial Statements

4. Shareholders' Funds - Reserves and Surplus (*Contd.*)

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Surplus in Statement of Profit and Loss		
Opening Balance	2,759.15	*4,876.63*
Add : Transfer from Contingencies Reserve Fund (Net)	Nil	*6.00*
Transfer from Special Reserve (Net)	Nil	*13.00*
Less : Loss for the year	85.43	*1,087.68*
Distribution on Unsecured Perpetual Securities [net of tax ₹ Nil *(31st March, 2012 - ₹ 28.42 crore)*]	171.20	*113.61*
Income-tax reversal on distribution on Unsecured Perpetual Securities in respect of earlier year	28.42	*Nil*
Proposed Dividend [amount ₹ 1.15 per share *(31st March, 2012 - ₹ 1.25 per share)*]	273.17	*296.92*
Additional Income-tax on Dividend	46.13	*55.98*
Transfer to Self Insurance Reserve (Net)	0.58	*Nil*
Transfer to Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)	1.49	*1.02*
Transfer to Contingencies Reserve Fund (Net)	7.00	*Nil*
Transfer to Debenture Redemption Reserve	157.27	*310.79*
Transfer to Capital Redemption Reserve	0.64	*12.26*
Transfer to General Reserve	124.37	*258.22*
	(895.70)	*(2,117.48)*
Closing Balance	1,863.45	*2,759.15*
Total	**10,501.19**	***10,875.00***

5. Unsecured Perpetual Securities

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Opening Balance	1,500.00	*Nil*
Add : Issued during the year	Nil	*1,500.00*
Closing Balance	**1,500.00**	***1,500.00***

6. Statutory Consumer Reserves

[Under the repealed Electricity (Supply) Act,1948 and Tariff Regulations]

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Tariffs and Dividends Control Reserve	22.43	*22.43*
Contingencies Reserve Fund		
Opening Balance	80.54	*86.54*
Add : Amount transferred from Surplus in Statement of Profit and Loss	7.00	*Nil*
Less : Amount transferred to Surplus in Statement of Profit and Loss as no longer required	Nil	*6.00*
Less : Adjustment against Tariff Recoverable	20.54	*Nil*
Closing Balance	67.00	*80.54*
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	**604.23**	***617.77***

Notes forming part of the Consolidated Financial Statements

7. Long-term Borrowings

	As at 31st March, 2013 Non-current ₹ crore	As at 31st March, 2013 Current ₹ crore	As at 31st March, 2012 Non-current ₹ crore	As at 31st March, 2012 Current ₹ crore
Secured				
Redeemable Non-Convertible Debentures	2,107.00	221.00	2,118.00	41.00
Term Loans				
From Banks	12,661.83	1,081.14	12,450.93	882.69
From Others	8,048.44	468.80	7,853.40	378.66
Finance Lease Obligations	382.89	161.27	157.63	153.63
	23,200.16	1,932.21	22,579.96	1,455.98
Unsecured				
Redeemable Non-Convertible Debentures	1,500.00	Nil	Nil	Nil
Convertible Debentures	2.89	Nil	Nil	Nil
Bonds				
8.50% Euro Notes	323.93	Nil	304.87	Nil
1.75% Foreign Currency Convertible Bonds	1,631.70	Nil	1,535.70	Nil
8.50% Subordinate Notes	2,447.10	Nil	2,303.55	Nil
Term Loans				
From Banks	2,242.76	682.06	2,814.03	294.24
From Others	173.20	113.97	109.87	189.28
Deferred Payment Liabilities - Sales Tax Deferral	77.60	7.53	85.13	0.47
	8,399.18	803.56	7,153.15	483.99
Total	**31,599.34**	**2,735.77**	**29,733.11**	**1,939.97**

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 moveable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, receivables, intangibles and rights of the respective entities.

8. Deferred Tax Liability (Net)

	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
Deferred Tax Liability on account of:		
Relating to Fixed Assets	4,006.31	1,320.92
Balance in Deferred Tax Liability Fund	(279.76)	(279.76)
Lease Transactions	171.79	138.36
Exchange Losses on Loans to Subsidiaries	27.58	5.24
Deferred Tax Liability	3,925.92	1,184.76
Deferred Tax Asset on account of:		
Provision for Doubtful Debts and Advances	41.60	19.78
Provision for Tax, Duty, Cess, Fee etc.	17.00	21.50
Provision for Employee Benefits	137.95	122.96
Carry Forward Losses - Unabsorbed Depreciation	2,270.05	11.14
Carry Forward Business Losses	16.22	Nil
Exchange Losses on Loans to Subsidiaries	Nil	17.65
Others	8.99	6.24
Deferred Tax Asset	2,491.81	199.27
	1,434.11	985.49
Less : Tax to be recovered in Future Tariff Determination	433.58	346.75
Deferred Tax Liability (Net)	**1,000.53**	**638.74**

Notes forming part of the Consolidated Financial Statements

9. Other Long-term Liabilities

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Trade Payables	28.66	*29.44*
Payables on Purchase of Fixed Assets	16.21	*305.19*
Consumers' Benefit Account	21.94	*21.94*
Regulatory Liabilities	20.53	*Nil*
Security Deposits from Customers/Consumers	440.95	*397.83*
Advances from Customers	321.89	*328.17*
Advance against Depreciation	98.73	*98.73*
Interest accrued but not due on Borrowings	0.20	*Nil*
Total	**949.11**	***1,181.30***

10. Provisions

	Long-term		Short-term	
	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Provision for Employee Benefits	372.71	*348.13*	86.07	*68.51*
Provision - Others				
Provision for Warranties	17.22	*10.51*	24.75	*13.17*
Provision for Premium on Redemption of Foreign Currency Convertible Bonds	154.52	*145.43*	Nil	*Nil*
Provision for Premium on Redemption of Debentures	94.20	*134.70*	40.50	*Nil*
Provision for Contingencies	Nil	*Nil*	7.02	*9.80*
Provision for Future Forseeable Losses	2.41	*2.70*	0.41	*1.61*
Provision for Tax (Net)	4.65	*2.28*	273.40	*399.72*
Provision for Wealth Tax	Nil	*Nil*	2.39	*1.97*
Provision for Proposed Dividend	Nil	*Nil*	273.17	*296.92*
Provision for Additional Income-tax on Dividend	Nil	*Nil*	45.38	*45.75*
Provision for Restoration and Rehabilitation	518.88	*394.77*	25.32	*50.56*
Provisions - Others	Nil	*4.98*	Nil	*Nil*
Total	**1,164.59**	***1,043.50***	**778.41**	***888.01***

Notes forming part of the Consolidated Financial Statements

11. Short-term Borrowings

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Secured		
From Banks		
(a) Short-term Loans	343.79	*179.38*
(b) Buyers' Line of Credit	638.51	*20.67*
	982.30	*200.05*
Unsecured		
From Banks		
(c) Short-term Loans	1,037.32	*926.05*
(d) Buyers' Line of Credit	1,363.66	*922.54*
(e) Commercial Paper	Nil	*100.00*
From Others		
(f) Inter-corporate Deposit	163.90	*38.10*
	2,564.88	*1,986.69*
Total	**3,547.18**	***2,186.74***

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, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Payables towards Purchase of Fixed Assets	1,746.11	*1,937.06*
(b) Current Maturities of Long-term Debt (Refer Note 7)	2,735.77	*1,939.97*
(c) Interest accrued but not due on Borrowings	490.04	*392.82*
(d) Interest accrued and due on Borrowings	26.22	*23.61*
(e) Investor Education and Protection Fund shall be credited by the following amounts namely:		
Unpaid Dividend	12.52	*11.52*
Unpaid Matured Deposits	0.03	*0.04*
Unpaid Matured Debentures	0.09	*0.09*
(f) Book Overdraft	34.99	*10.77*
(g) Other Payables		
Statutory Liabilities	259.70	*196.25*
Advance and Progress payments received from Customers / Public Utilities	457.57	*398.38*
Royalty	2,277.74	*1,923.16*
Security Deposits from Consumers	192.02	*163.16*
Security Deposits from Customers	66.39	*72.27*
Tender Deposits from Vendors	3.26	*4.89*
Regulatory Liabilities	334.36	*188.36*
Other Liabilities	139.32	*114.25*
Total	**8,776.13**	***7,376.60***

Notes forming part of the Consolidated Financial Statements

13. Fixed Assets

₹ crore

	GROSS BLOCK								DEPRECIATION AND IMPAIRMENT										NET BLOCK
	As at 1st April, 2012	Acquired during the year #	Additions	Re-classification	Borrowing cost capitalised	Effect of foreign currency exchange difference/ Translation Adjustments	Deductions	As at 31st March, 2013	As at 1st April, 2012	Acquired during the year #	For the year	Re-classification	Impairment losses recognised: Transfer from Capital Work-in-Progress	Impairment losses recognised: Recognised in the Statement of Profit and Loss	Other adjustment @@	Translation Adjustments	Deductions	As at 31st March, 2013	As at 31st March, 2013
(a) TANGIBLE ASSETS																			
(i) Owned Assets																			
Freehold Land	275.14	1.68	48.27	Nil	Nil	0.05	1.33	323.81	15.10	Nil	Nil	Nil	Nil	6.54	Nil	Nil	Nil	21.64	302.17
	203.91	*Nil*	*71.11*	*Nil*	*Nil*	*0.12*	*Nil*	*275.14*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*15.10*	*Nil*	*Nil*	*Nil*	*15.10*	*260.04*
Hydraulic Works	497.17	Nil	34.35	Nil	Nil	Nil	Nil	531.52	165.97	Nil	18.62	Nil	Nil	Nil	21.25	Nil	Nil	205.84	325.68
	478.86	*Nil*	*18.31*	*Nil*	*Nil*	*Nil*	*Nil*	*497.17*	*151.63*	*Nil*	*14.34*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*165.97*	*331.20*
Buildings - Plant	1,553.17	Nil	308.03	14.13	5.86	2.61	12.70	1,871.10	392.85	Nil	74.09	4.13	15.07	18.47	(3.33)	0.45	3.97	497.76	1,373.34
	1,055.33	*Nil*	*463.47*	*Nil*	*33.72*	*0.65*	*Nil*	*1,553.17*	*313.14*	*Nil*	*55.41*	*Nil*	*Nil*	*23.99*	*Nil*	*0.31*	*Nil*	*392.85*	*1,160.32*
Buildings - Others	268.25	Nil	190.00	Nil	2.15	0.57	(8.03)	469.00 $	75.06	6.02	13.65	Nil	12.40	6.95	0.32	Nil	0.04	114.36	354.64
	242.32	*Nil*	*25.08*	*Nil*	*1.20*	*Nil*	*0.35*	*268.25 $*	*65.02*	*Nil*	*7.78*	*Nil*	*Nil*	*2.30*	*Nil*	*Nil*	*0.04*	*75.06*	*193.19*
Coal Jetty	106.10	Nil	Nil	Nil	Nil	Nil	Nil	106.10	17.15	Nil	5.60	Nil	Nil	Nil	(0.36)	Nil	Nil	22.39	83.71
	106.10	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*106.10*	*12.11*	*Nil*	*5.04*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*17.15*	*88.95*
Railway Sidings, Roads, Crossings, etc.	86.85	0.39	11.70	Nil	Nil	Nil	Nil	98.94	18.39	Nil	3.25	Nil	Nil	1.38	2.38	Nil	Nil	25.40	73.54
	82.78	*Nil*	*4.06*	*Nil*	*0.01*	*Nil*	*Nil*	*86.85*	*13.28*	*Nil*	*2.11*	*Nil*	*Nil*	*3.00*	*Nil*	*Nil*	*Nil*	*18.39*	*68.46*
Plant and Machinery	21,942.48	219.92	11,993.71	356.81	1,531.46	693.96	74.16	36,664.18	7,113.58	92.39	1,388.94	205.33	1,130.12	807.04	(200.20)	92.67	59.98	10,569.89	26,094.29
	12,018.24	*Nil*	*8,496.30*	*Nil*	*942.84*	*516.60*	*31.50*	*21,942.48*	*5,550.58*	*Nil*	*825.61*	*Nil*	*Nil*	*576.95*	*Nil*	*186.69*	*26.25*	*7,113.58*	*14,828.90*
Transmission Lines, Cable Network, etc.	4,595.71	Nil	415.08	Nil	1.52	Nil	1.83	5,010.48	1,633.93	Nil	204.15	Nil	Nil	0.02	(24.35)	Nil	0.83	1,812.92	3,197.56
	4,183.98	*Nil*	*410.82*	*Nil*	*1.35*	*Nil*	*0.44*	*4,595.71*	*1,448.17*	*Nil*	*185.85*	*Nil*	*Nil*	*0.04*	*Nil*	*Nil*	*0.13*	*1,633.93*	*2,961.78*
Furniture and Fixtures	76.62	3.81	18.55	Nil	Nil	(0.05)	1.79	97.14	38.02	1.62	7.70	Nil	Nil	0.25	(5.27)	(0.07)	1.74	40.51	56.63
	62.29	*Nil*	*14.77*	*Nil*	*Nil*	*0.15*	*0.59*	*76.62*	*32.14*	*Nil*	*5.95*	*Nil*	*Nil*	*0.35*	*Nil*	*0.11*	*0.53*	*38.02*	*38.60*
Office Equipment	108.60	6.71	11.55	Nil	Nil	0.20	3.87	123.19	53.06	5.72	10.24	Nil	Nil	0.25	(1.71)	0.03	2.85	64.74	58.45
	92.98	*Nil*	*16.32*	*Nil*	*0.01*	*0.20*	*0.91*	*108.60*	*44.25*	*Nil*	*8.98*	*Nil*	*Nil*	*0.39*	*Nil*	*0.01*	*0.57*	*53.06*	*55.54*
Motor Vehicles, Launches, Barges, etc.	98.66	3.01	16.59	Nil	Nil	0.01	15.55	102.72	53.79	1.27	9.94	Nil	Nil	0.96	(8.53)	0.04	10.67	46.80	55.92
	81.13	*Nil*	*23.95*	*Nil*	*0.78*	*0.03*	*7.23*	*98.66*	*46.22*	*Nil*	*10.05*	*Nil*	*Nil*	*1.70*	*Nil*	*Nil*	*4.18*	*53.79*	*44.87*
Ships	991.64	Nil	Nil	Nil	Nil	61.81	Nil	1,053.45	34.73	Nil	44.58	Nil	Nil	Nil	Nil	2.11	Nil	81.42	972.03
	Nil	*Nil*	*928.86*	*Nil*	*Nil*	*62.78*	*Nil*	*991.64*	*Nil*	*Nil*	*32.53*	*Nil*	*Nil*	*Nil*	*Nil*	*2.20*	*Nil*	*34.73*	*956.91*
Helicopters	36.73	Nil	0.13	Nil	Nil	Nil	Nil	36.86	11.34	Nil	3.19	Nil	Nil	Nil	Nil	Nil	Nil	14.53	22.33
	36.73	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*36.73*	*8.08*	*Nil*	*3.26*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*11.34*	*25.39*
Mine Property	131.64	31.68	327.43	910.05	Nil	64.62	95.35	1,370.07	88.76	4.52	260.11	311.64	Nil	Nil	Nil	24.66	32.82	656.87	713.20
	107.32	*Nil*	*8.11*	*Nil*	*Nil*	*16.21*	*Nil*	*131.64*	*69.20*	*Nil*	*8.86*	*Nil*	*Nil*	*Nil*	*Nil*	*10.70*	*Nil*	*88.76*	*42.88*
Deferred Exploration Cost.	910.05	Nil	Nil	(910.05)	Nil	Nil	Nil	Nil	311.64	Nil	Nil	(311.64)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	212.97	*Nil*	*386.24*	*237.60*	*Nil*	*73.24*	*Nil*	*910.05*	*114.92*	*Nil*	*66.80*	*101.76*	*Nil*	*Nil*	*Nil*	*28.16*	*Nil*	*311.64*	*598.41*
Infrastucture Facilities	370.86	0.92	491.93	Nil	Nil	21.76	Nil	885.47	235.73	0.41	30.69	Nil	Nil	Nil	Nil	14.49	0.61	280.71	604.76
	309.47	*Nil*	*15.19*	*Nil*	*Nil*	*46.20*	*Nil*	*370.86*	*189.88*	*Nil*	*16.98*	*Nil*	*Nil*	*Nil*	*Nil*	*28.87*	*Nil*	*235.73*	*135.13*
Ports	Nil	159.18	19.48	Nil	Nil	(8.43)	Nil	170.23	Nil	25.58	5.72	Nil	Nil	Nil	Nil	(2.12)	Nil	29.18	141.05
	Nil	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
(ii) Assets taken on lease																			
Leasehold Land	264.40	0.91	40.93	Nil	Nil	0.02	0.50	305.76	9.65	0.50	4.27	Nil	Nil	0.72	Nil	(0.03)	0.33	14.78	290.98
	128.14	*Nil*	*136.21*	*Nil*	*0.01*	*0.04*	*Nil*	*264.40*	*5.03*	*Nil*	*3.10*	*Nil*	*Nil*	*1.49*	*Nil*	*0.03*	*Nil*	*9.65*	*254.75*
Leased Plant and Machinery	812.90	Nil	426.41	(370.94)	Nil	50.54	1.05	917.86	273.23	Nil	167.55	(209.46)	Nil	Nil	Nil	17.02	Nil	248.34	669.52
	681.62	*Nil*	*141.78*	*Nil*	*Nil*	*101.50*	*112.00*	*812.90*	*231.36*	*Nil*	*91.61*	*Nil*	*Nil*	*Nil*	*Nil*	*39.96*	*89.70*	*273.23*	*539.67*
Leased Motor Vehicles	1.29	6.30	0.18	Nil	Nil	(0.01)	Nil	7.76	1.17	0.86	0.25	Nil	Nil	Nil	Nil	*	Nil	2.28	5.48
	1.29	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*1.29*	*1.10*	*Nil*	*0.07*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*1.17*	*0.12*
TOTAL TANGIBLE ASSETS	**33,128.26**	**434.51**	**14,354.32**	**Nil**	**1,540.99**	**887.66**	**200.10**	**50,145.64**	**10,543.15**	**138.89**	**2,252.54**	**Nil**	**1,157.59**	**842.58**	**(219.80)**	**149.25**	**113.84**	**14,750.36**	**35,395.28**
2011-2012	*20,085.46*	*Nil*	*11,160.58*	*237.60 ***	*979.92*	*817.72*	*153.02*	*33,128.26*	*8,296.11*	*Nil*	*1,344.33*	*101.76 ***	*Nil*	*625.31*	*Nil*	*297.04*	*121.40*	*10,543.15*	*22,585.11*

Notes:

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

\# Consequent to acquisition of Subsidiary - Tata Power Solar Systems Limited and Joint Ventures - PT Mitratama Perkasa and PT Baramulti Suksessarana Tbk.

** On account of reclassification of deferred stripping cost to deferred exploration cost.

@@ Pertains to depreciation written back in respect of earlier years. Refer Note 2.2.

* Denotes figures below ₹ 50,000/-.

Notes forming part of the Consolidated Financial Statements

13. Fixed Assets (*Contd.*)

₹ crore

	GROSS BLOCK								AMORTISATION AND IMPAIRMENT							NET BLOCK
	As at 1st April, 2012	Acquired during the year #	Additions	Re-classi-fication	Borrowing cost capitalised	Effect of foreign currency exchange difference/ Translation Adjustments	Deduc-tions	As at 31st March, 2013	As at 1st April, 2012	Acquired during the year #	For the year	Impairment losses recognised	Translation Adjustments	Deductions	As at 31st March, 2013	As at 31st March, 2013
(b) INTANGIBLE ASSETS																
Technical Know-How and Prototypes !	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
	16.24	*Nil*	*9.73*	*Nil*	*Nil*	*Nil*	*Nil*	*25.97*	*16.24*	*Nil*	*1.22*	*Nil*	*Nil*	*Nil*	*17.46*	*8.51*
Right to Use Assets	193.38	Nil	8.05	Nil	Nil	Nil	Nil	201.43	18.49	Nil	7.72	7.42	Nil	Nil	33.63	167.80
	Nil	*Nil*	*177.74*	*Nil*	*15.30*	*0.34*	*Nil*	*193.38*	*Nil*	*Nil*	*1.39*	*17.10*	*Nil*	*Nil*	*18.49*	*174.89*
Licences	1.16	Nil	Nil	Nil	Nil	Nil	Nil	1.16	0.50	Nil	0.05	Nil	Nil	Nil	0.55	0.61
	0.76	*Nil*	*0.40*	*Nil*	*Nil*	*Nil*	*Nil*	*1.16*	*0.44*	*Nil*	*0.06*	*Nil*	*Nil*	*Nil*	*0.50*	*0.66*
Computer Software	63.06	1.04	26.00	Nil	0.33	(0.01)	3.29	87.13	23.17	0.79	9.63	Nil	*	2.75	30.84	56.29
	36.35	*Nil*	*26.59*	*Nil*	*0.12*	*Nil*	*Nil*	*63.06*	*16.72*	*Nil*	*6.45*	*Nil*	*Nil*	*Nil*	*23.17*	*39.89*
TOTAL INTANGIBLE ASSETS	**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**
2011-2012	*53.35*	*Nil*	*214.46*	*Nil*	*15.42*	*0.34*	*Nil*	*283.57*	*33.40*	*Nil*	*9.12*	*17.10*	*Nil*	*Nil*	*59.62*	*223.95*

Notes:

! Internally generated intangible assets.

\# Consequent to acquisition of Subsidiary - Tata Power Solar Systems Limited and Joint Ventures - PT Mitratama Perkasa and PT Baramulti Suksessarana Tbk.

* Denotes figures below ₹ 50,000/-.

Depreciation/Amortisation for the year:

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Depreciation for the year before adjustments	2,252.54	*1,344.33*
Less: Adjustment - written back of previous years (Refer Note 2.2)	219.80	*Nil*
Amortisation for the year.	19.57	*9.12*
Less: Depreciation charged off to Capital Work-in-Progress and Inventories	0.62	*18.81*
Total	**2,051.69**	***1,334.64***

Impairment for the year:

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Impairment on Tangible Assets	842.58	*625.31*
Impairment on Intangible Assets	7.42	*17.10*
Add: Impairment accounted in Capital Work-in-Progress	Nil	*1,157.59*
Total	**850.00**	***1,800.00***

Notes forming part of the Consolidated Financial Statements

14. Non-current Investments

	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ 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)	194.42	183.01
(ii) Investment in Associates (Unquoted)	348.02	328.63
(iii) Investment in Others (Unquoted)	55.82	52.64
	598.26	564.28
Less : Provision for diminution in value of Investments other than temporary	193.82	118.50
	404.44	445.78
B. Other Investments		
1. Statutory Investments		
a. Contingencies Reserve Fund Investments		
Government Securities (Unquoted)	60.03	60.49
b. Deferred Taxation Liability Fund Investments		
Government Securities (Unquoted)	269.83	220.43
	329.86	280.92
2. Other investments		
a. Equity Shares fully Paid-up (unless otherwise stated)		
(i) Investment in Others (Quoted)	472.17	468.17
(ii) Investment in Others (Unquoted) #	786.52	785.84
	1,258.69	1,254.01
Less : Provision for diminution in value of Investments other than temporary	1.81	1.81
	1,256.88	1,252.20
(iii) Investment in Associates (Unquoted)	665.23	665.66
Less : Provision for diminution in value of Investments other than temporary	13.73	13.17
	651.50	652.49
b. Preference Shares fully Paid-up		
(i) Investment in Others (Quoted)	Nil	4.00
(ii) Investment in Others (Unquoted)	0.05	0.05
	0.05	4.05
Less : Provision for diminution in value of Investments other than temporary	0.05	0.05
	Nil	4.00
c. Government Securities (Unquoted)	0.03	10.03
	1,908.41	1,918.72
Total	**2,642.71**	**2,645.42**
Notes :		
1. Aggregate of Quoted Investments		
Cost	666.59	655.18
Less: Provision for diminution in value of Investments other than temporary	168.25	118.50
Aggregate amount of Quoted Investments - Net of provision for diminution in value of Investments other than temporary	**498.34**	**536.68**
Market Value	651.58	714.31
2. Aggregate of Unquoted Investments		
Cost	2,185.53	2,123.77
Less: Provision for diminution in value of Investments other than temporary	41.16	15.03
Aggregate amount of Unquoted Investments - Net of provision for diminution in value of Investments other than temporary	**2,144.37**	**2,108.74**

Refer Note 35(c)

Notes forming part of the Consolidated Financial Statements

15. Loans and Advances

	Long -term As at 31st March, 2013 ₹ crore	Long -term *As at 31st March, 2012 ₹ crore*	Short-term As at 31st March, 2013 ₹ crore	Short-term *As at 31st March, 2012 ₹ crore*
(a) Capital Advances				
Unsecured, considered good	485.11	*514.31*	Nil	*Nil*
Doubtful	0.64	*0.74*	Nil	*Nil*
	485.75	*515.05*	Nil	*Nil*
Less: Provision for Doubtful Advances	0.64	*0.74*	Nil	*Nil*
	485.11	*514.31*	Nil	*Nil*
(b) Security Deposits				
Unsecured, considered good	558.00	*375.98*	26.75	*35.43*
Doubtful	15.15	*9.26*	2.25	*1.34*
	573.15	*385.24*	29.00	*36.77*
Less: Provision for Doubtful Deposits	15.15	*9.26*	2.25	*1.34*
	558.00	*375.98*	26.75	*35.43*
(c) Other Loans and Advances - Associates				
Unsecured, considered good	Nil	*Nil*	8.50	*Nil*
Doubtful	1.27	*1.27*	Nil	*Nil*
	1.27	*1.27*	8.50	*Nil*
Less: Provision for Doubtful Advances	1.27	*1.27*	Nil	*Nil*
	Nil	*Nil*	8.50	*Nil*
(d) Advance Income-tax (Net)				
Unsecured, considered good	113.72	*116.64*	0.02	*Nil*
(e) MAT Credit entitlement				
Unsecured, considered good	134.82	*105.00*	Nil	*Nil*
(f) Balance with Government Authorities				
Unsecured, considered good				
Advances	Nil	*Nil*	9.81	*7.29*
VAT / Sales Tax Receivable	35.89	*Nil*	2,155.07	*1,802.21*
	35.89	*Nil*	2,164.88	*1,809.50*
(g) Inter-corporate Deposits with HDFC Limited				
Unsecured, considered good	Nil	*Nil*	337.75	*50.00*
(h) Other Loans and Advances				
Unsecured, considered good				
Loans to Employees	18.11	*17.54*	7.53	*7.10*
Prepaid Expenses	3.51	*1.91*	113.99	*84.94*
Unamortised Option Premium	47.72	*39.92*	73.30	*68.47*
Advances to Vendors	206.97	*183.74*	185.62	*119.79*
Insurance Claim Receivable	Nil	*Nil*	13.92	*21.97*
Other Advances	Nil	*Nil*	367.65	*224.47*
Doubtful	2.11	*0.74*	7.04	*4.03*
	278.42	*243.85*	769.05	*530.77*
Less: Provision for Doubtful Advances	2.11	*0.74*	7.04	*4.03*
	276.31	*243.11*	762.01	*526.74*
Total	**1,603.85**	***1,355.04***	**3,299.91**	***2,421.67***

Notes forming part of the Consolidated Financial Statements

16. Other Non-current Assets

	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
(a) Long-term Trade Receivables - Unsecured, considered good		
Regulatory Assets	6,816.54	5,492.58
Trade Receivables from Contracts	7.54	7.50
Trade Receivables from Others	193.98	186.39
	7,018.06	5,686.47
(b) Others		
Ancillary Borrowing Cost	116.54	134.09
Deferred Stripping Costs	14.39	Nil
	130.93	134.09
Total	**7,148.99**	**5,820.56**

17. Current Investments

	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
A. Current Portion of Long-term Investments		
Trade Investments (valued at cost less diminution other than temporary, if any)		
Debentures (Unquoted)		
Investment in Associates	Nil	9.37
Other Investments		
1. Statutory Investments		
(i) Contingencies Reserve Fund Investments		
Government Securities (Unquoted)	10.00	11.57
(ii) Deferred Taxation Liability Fund Investments		
a. Government Securities (Unquoted)	10.00	40.91
b. Other Securities - Bonds (Unquoted)	Nil	40.00
	10.00	80.91
2. Other Investments		
Government Securities (Unquoted)	Nil	9.09
Total - Current Portion of Long-term Investments	20.00	110.94
B. Other Current Investment (valued at lower of cost and fair value)		
Mutual Funds (Unquoted)	457.40	666.54
Total	**477.40**	**777.48**
Aggregate amount of Unquoted Investments	477.40	777.48

Reconciliation for disclosure as per Accounting Standard 13

	As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
Long-term Investments		
Non-current Investments (Refer Note 14)	2,642.71	2,645.42
Current Portion of Long-term Investments (Refer Note 17)	20.00	110.94
	2,662.71	2,756.36
Current Investments		
Other Current Investments (Refer Note 17)	457.40	666.54
Total	**3,120.11**	**3,422.90**

Notes forming part of the Consolidated Financial Statements

18. Inventories (valued at lower of cost and net realisable value)

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Raw Materials	57.76	*42.98*
Work-in-Progress	3.33	*8.34*
Finished Goods	558.01	*360.75*
Stock-in-Trade - Shares	13.64	*14.59*
Stores and Spare Parts	431.04	*302.64*
Fuel - Stores	838.53	*779.44*
Fuel in Transit	87.70	*142.16*
Loose Tools	0.98	*1.11*
Property under Development	35.52	*32.68*
Total	**2,026.51**	***1,684.69***

19. Trade Receivables

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
Trade Receivables outstanding for period exceeding six months from the date they were due for payment		
Considered good	160.45	*63.52*
Considered doubtful	208.04	*159.33*
	368.49	*222.85*
Less: Provision for Doubtful Trade Receivables	208.04	*159.33*
	160.45	*63.52*
Other Trade Receivables		
Considered good	3,144.56	*2,207.83*
Considered doubtful	17.21	*14.42*
	3,161.77	*2,222.25*
Less: Provision for Doubtful Trade Receivables	17.21	*14.42*
	3,144.56	*2,207.83*
Total	**3,305.01**	***2,271.35***

20. Cash and Bank Balances

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(A) Cash and Cash Equivalents:		
(i) Cash on Hand	1.55	*0.91*
(ii) Cheques on Hand	64.55	*14.62*
(iii) Balances with Banks:		
(a) In Current Accounts	710.32	*790.14*
(b) In Deposit Accounts (remaining maturity of three months or less)	1,013.21	*2,316.67*
Cash and Cash equivalents as per AS-3 Cash Flow Statements	1,789.63	*3,122.34*
(B) Other Balances with Banks:		
(i) In Unpaid Dividend Account	10.03	*9.36*
(ii) In Deposit Accounts (remaining maturity of more than three months but less than twelve months)	23.26	*496.33*
(iii) In Deposit Accounts as security for guarantees' issued/loan availed	166.97	66.09
	200.26	*571.78*
Total	**1,989.89**	***3,694.12***

Notes forming part of the Consolidated Financial Statements

21. Other Current Assets

		As at 31st March, 2013 ₹ crore	As at 31st March, 2012 ₹ crore
(a)	**Unbilled Revenue**	416.37	*480.61*
(b)	**Regulatory Assets**	548.16	*7.90*
(c)	**Accruals**		
	Interest accrued on Fixed Deposits	25.88	*29.35*
	Interest accrued on Investments	6.29	*9.53*
(d)	**Others**		
	Receivable on sale of Current Investments	Nil	*9.00*
	Receivable on sale of Fixed Assets	0.62	*Nil*
	Assets held for disposal	2.55	*Nil*
	Ancillary Borrowing Cost	17.29	*18.78*
	Foreign Exchange Premium	Nil	*10.81*
	Mark-to-Market (MTM) Forward Contracts	3.36	*2.94*
	Insurance Claim Receivable	30.88	*33.97*
	Other Receivables	Nil	*17.89*
Total		**1,051.40**	***620.78***

22. Revenue from Operations

		For the year ended 31st March, 2013 ₹ crore	For the year ended 31st March, 2012 ₹ crore
(a)	**Revenue from Power Supply and Transmission Charges**	21,260.25	*13,580.45*
	Less : Cash Discount	110.60	*83.57*
	Add : Income to be recovered in future tariff determination (Net)	1,856.05	*2,519.06*
	Add : Income to be recovered in future tariff determination (Net) in respect of earlier years	104.72	*38.83*
		23,110.42	*16,054.77*
	Less : Revenue Capitalised	87.77	*67.92*
		23,022.65	*15,986.85*
(b)	**Sale of Coal**	8,636.37	*8,937.75*
(c)	**Revenue from Contracts**		
	Project / Operation Management Services	23.15	*18.30*
	Solar Products	459.59	*346.27*
	Electronic Products	371.50	*356.29*
		854.24	*720.86*
(d)	**Other Operating Revenue**		
	Rental of Land, Buildings, Plant and Equipment, etc.	10.79	*14.73*
	Charter Hire	113.27	*45.43*
	Income in respect of Services Rendered	153.16	*142.49*
	Transfer from Capital Grants / Consumers Contribution	26.04	23.72
	Sale of REC Certificates	9.13	*Nil*
	Income from Storage and Terminalling	12.95	*12.46*
	Sale of Stock of Shares	0.15	*0.15*
	Dividend from Investments	4.51	*3.31*
	Interest on Inter-corporate Deposits	0.68	*0.52*
	Dividend from Shares treated as Stock-in-Trade	0.39	*0.34*
	Profit on sale of Current Investments	2.17	*4.42*
	Compensation (Net)	24.72	*Nil*
	Miscellaneous Revenue and Sundry Credits	140.84	*87.67*
	Sale of Fly Ash	6.03	*3.94*
	Delayed Payment Charges	31.72	*26.19*
	Sale of Carbon Credits	Nil	*8.98*
		536.55	*374.35*
	Less: Revenue Capitalised	7.71	*Nil*
		528.84	*374.35*
		33,042.10	*26,019.81*
	Less : Excise Duty	16.67	*18.41*
Total		**33,025.43**	***26,001.40***

Notes forming part of the Consolidated Financial Statements

23. Other Income

	As at 31st March, 2013 ₹ crore	*As at 31st March, 2012 ₹ crore*
(a) Interest Income		
Interest on Bank Deposits	104.89	*109.93*
Interest from Inter-corporate Deposits	49.50	*29.00*
Interest on Fuel Adjustment Charges Recoverable from Consumers	20.53	*15.25*
Interest on Overdue Trade Receivables	40.91	*0.79*
Interest on Income-tax Refund	5.75	*0.92*
Interest on Contingencies Reserve Fund Investments	6.76	*3.48*
Interest on Deferred Tax Liability Fund Investments	19.60	*21.73*
Interest on Non-current Trade Investments - Associates	0.16	*0.58*
Other Interest	10.32	*4.34*
	258.42	*186.02*
Less : Interest Income Capitalised	12.71	*20.41*
	245.71	*165.61*
(b) Dividend Income		
From Current Investments - Others	5.19	*5.26*
From Long-term Investments - Others	8.35	*9.53*
	13.54	*14.79*
Less: Dividend Income Capitalised	1.61	*2.65*
	11.93	*12.14*
(c) Profit on Sale of Investments		
Current Investments	69.29	*48.53*
Long-term Investments	2.15	*Nil*
	71.44	*48.53*
(d) Other Non-operating Income		
Discount amortised/accrued on Bonds (Net)	0.14	*1.76*
Miscellaneous Income	32.97	*36.29*
Commission Earned	6.18	*4.43*
Leave and License Fees	0.83	*Nil*
	40.12	*42.48*
Total	**369.20**	***268.76***

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, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
Raw Materials Consumed		
Opening Stock	42.98	*86.51*
Add : Purchases	363.36	*315.34*
Add : On acquisition of a subsidiary	38.16	*Nil*
	444.50	*401.85*
Less : Closing Stock	57.76	*42.98*
Total	**386.74**	***358.87***
(Increase)/Decrease in Work-in-Progress / Finished Goods / Stock-in-Trade		
Work-in-Progress		
Inventory at the beginning of the year	8.34	*10.83*
Add: On acquisition of a subsidiary	1.49	*Nil*
	9.83	*10.83*
Less : Inventory at the end of the year	3.33	*8.34*
	6.50	*2.49*
Finished Goods		
Inventory at the beginning of the year	360.75	*162.01*
Add: On acquisition of a subsidiary and joint venture	37.38	*Nil*
(*Less)/Add* : Exchange Fluctuation	(122.69)	*16.34*
	275.44	*178.35*
Less : Inventory at the end of the year	558.01	*360.75*
	(282.57)	*(182.40)*
Stock-in-Trade - Shares		
Inventory at the beginning of the year	14.59	*17.49*
Less : Inventory at the end of the year	13.64	*14.59*
	0.95	*2.90*
Total	**(275.12)**	***(177.01)***

25. Employee Benefits Expense

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
Salaries and Wages	1,137.78	*996.45*
Contribution to Provident Fund	39.63	*32.28*
Contribution to Superannuation Fund	10.14	*11.02*
Retiring Gratuities	37.63	*42.85*
Leave Encashment Scheme	38.79	*29.06*
Pension Scheme	59.36	*67.79*
Staff Welfare Expenses	150.47	*128.25*
	1,473.80	*1,307.70*
Less :		
Employee Cost Capitalised	136.56	*149.88*
Employee Cost Inventorised	14.29	*11.56*
	150.85	*161.44*
Total	**1,322.95**	***1,146.26***

Notes forming part of the Consolidated Financial Statements

26. Finance Costs

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
(a) Interest Expense on:		
Borrowings		
Interest on Debentures	291.09	*191.55*
Interest on - Euro Notes and FCCB	60.75	*53.80*
Interest on Fixed Period Loans - Others	2,646.61	*2,186.49*
Others		
Interest on Consumer Security Deposits	42.18	*28.37*
Other Interest and Commitment Charges	57.40	*41.08*
	3,098.03	*2,501.29*
Less : Interest Capitalised	586.30	*1,035.03*
	2,511.73	*1,466.26*
(b) Other Borrowing Costs		
Derivative Premium	109.27	*123.76*
Other Finance Costs	77.11	*81.24*
	186.38	*205.00*
Less : Other Borrowing Costs Capitalised	62.58	*144.17*
	123.80	*60.83*
Total	**2,635.53**	***1,527.09***

27. Other Expenses

	For the year ended 31st March, 2013 ₹ crore	*For the year ended 31st March, 2012 ₹ crore*
Stores, Oil, etc. consumed (excluding ₹ 88.93 crore on repairs and maintenance - *Previous Year ₹ 75.21 crore*)	134.26	*127.82*
Rental of Land, Buildings, Plant and Equipment, etc.	146.26	*124.12*
Repairs and Maintenance -		
(i) To Buildings and Civil Works	91.69	*74.31*
(ii) To Machinery and Hydraulic Works	829.41	*692.51*
(iii) To Furniture, Vehicles, etc.	76.15	*58.13*
	997.25	*824.95*
Rates and Taxes	76.73	*39.03*
Insurance	83.95	*63.45*
Travelling Expenses	62.03	*49.25*
Compensation (Net)	Nil	*7.67*
Transmission Charges	286.50	*105.23*
Other Operation Expenses	385.28	*423.33*
Cost of Components Consumed	150.75	*154.77*
Freight and Handling Charges	59.40	*201.00*
Auditors' Remuneration	9.93	*8.32*
Cost of Services Procured	166.58	*79.25*
Warranty Charges	15.13	*10.30*
Ash Disposal Expenses	30.28	*11.97*
Agency Commission	Nil	*1.26*
Bad Debts	0.61	*0.92*
Provision for diminution in value of Investments (Net)	68.56	*19.92*
Provision for Doubtful Debts and Advances (Net)	49.09	*33.78*
Provision for Contingencies	1.43	*Nil*
Provision for Future Forseeable Losses	Nil	*0.34*
Loss on Sale/Retirement of Assets (Net)	8.09	*7.29*
Miscellaneous Expenses	315.15	*216.74*
Consultants' Fees	59.16	*87.13*
Donations	1.84	*9.19*
Loss on Foreign Currency Transaction and Translation (Net)	187.64	*425.05*
Legal Charges	33.79	*17.49*
Marketing Expenses	748.10	*640.88*
Transfer of Revenue Expenses to Capital	(105.49)	*(201.78)*
Total	**3,972.30**	***3,488.67***

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 receipt 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 ₹ 106.70 crore *(31st March, 2012 - ₹ 104.75 crore)* upto 31st March, 2013. Out of total payment of excise duty to vendors ₹ 106.39 crore (net of receipts) had been capitalised and the balance amount of ₹ 0.31 crore is included in capital work-in-progress as at 31st March, 2013.

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

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 Agreement:

In the case of PAI and PKPC the Companies entered into a Coal Contract Work ("Coal Agreement") for the exploration and exploitation of coal. Under the term of the Coal Agreement, the Companies commenced its 30-year operating period on 1st October, 1989 and 1st January, 1992 respectively.

In the case of BSSR, the Company obtained Mining Authorisation of Coal Exploitation for 12 years, which is valid from 11th April, 2006 to 11th April, 2018. Thereafter the Company obtained approval for the change of its Mining Authorisation of Exploitation to become Mining Right ("Izin Usaha Pertambangan" or the "IUP") of Operation Production for 8 years, commencing from 13th April, 2010 upto 11th April, 2018.

32. Coastal Gujarat Power Limited (CGPL) has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP") and declared commercial operations for its all five units of 800 MW each at its plant in Mundra.

In terms of the 25 year Power Purchase Agreement (PPA), CGPL is entitled to charge 45% of escalation of the cost of coal from the procurers of its power.

As at 31st March, 2013, CGPL has in pursuance of Accounting Standard 28 (AS-28) - "Impairment of Assets", reassessed the recoverbility of the carrying amount of its assets at Mundra UMPP, having regard to the upward revision in the fuel prices and exchange rates and operating parameters. Based on assessment as at 31st March, 2012, CGPL had accounted an impairment loss of ₹ 1,800 crore in respect of its Mundra UMPP, which has been recognised as an exceptional item-Impairment loss in the Statement of Profit and Loss. Based on reassessment of recoverable amount as at 31st March, 2013, CGPL has accounted for an additional impairment of ₹ 850 crore. 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 and the previous year is 10.57 percent per annum.

For estimating the Mundra UMPP value in use it is necessary to project the future cash flow of Mundra UMPP over its estimated useful life. In making these projections, CGPL's Management has relied on external estimates of market participants for the future price of coal and foreign exchange rates and made certain assumptions relating to estimates of operating performance. However, if these assumptions change consequent to changes in future conditions, there could be further adverse or favorable effect on the recoverable amount of the asset. In view of the estimation uncertainties the assumptions will be monitored periodically by the CGPL's Management and adjustments will be made to the amount of impairment, if conditions relating to the assumptions indicate that such adjustments are appropriate.

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 as at 31st March, 2013. No notice has been served by the lenders, declaring the loans taken as immediately due and payable. Meanwhile, CGPL has approached the lenders seeking waiver from compliance with covenants. CGPL has subsequent to the year end, received waiver from compliance of the covenance upto 30th June, 2013. Further, CGPL has sought revision in certain terms of financing agreements and expect to execute such revision. Accordingly, loans aggregating to ₹ 11,512.55 crore are considered to be long-term borrowings (including current maturities of long-term borrowings of ₹ 686.32 crore).

33. (a) The Group has an investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crore *(31st March, 2012 - ₹ 735.48 crore)*. Based on the accounts as certified by the TTSL Management for the period ended 31st December, 2012, TTSL has accumulated losses which have significantly eroded its net worth. In the opinion of the Management, having regard to the long-term nature of the business, there is no diminution other than temporary, in the value of the investment also considering the Hon'ble Supreme Court judgement cancelling the three (3) CDMA licenses pertaining to Jammu & Kashmir, Assam and North East Circles of TTSL.

Notes forming part of the Consolidated Financial Statements

(b) The Group has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore *(31st March, 2012 - ₹ 22.50 crore)*. Based on the accounts for the year ended 31st March, 2012, 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, 2012 - ₹ 4.20 crore)*, TAL has accumulated losses as at 31st March, 2012, based on audited accounts for March, 2012, 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.

34. Commitments:

(a) Capital commitments:

(i) Capital commitments not provided for are estimated at ₹ 2,799.31 crore *(31st March, 2012 - ₹ 2,499.92 crore)*.

(ii) In the case of Associates, capital commitments not provided for are estimated at ₹ 0.33 crore *(31st March, 2012 - ₹ 2.38 crore)*.

(b) Uncalled liability on Shares and Other Investment partly paid:

(i) The uncalled liability on partly paid up shares - ₹ 13.42 crore *(31st March, 2012 - ₹ 13.33 crore)*.

(ii) In case of TERL, commitment for purchase of investment ₹ 0.36 crore in Sunenergy Pty. Ltd *(31st March, 2012 - ₹ 0.69 crore)*.

(c) Other commitments:

(i) (a) In the case of Panatone Finvest Limited (PFL), an associate of the Group, upon the demerger of surplus land by Tata Communications Limited 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 Limited as on 31st March, 2013, 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 Limited (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 amounting to ₹ 721.22 crore *(31st March, 2012 - ₹ 931.28 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 ₹ 97.71 crore *(31st March, 2012 - ₹ 18.87 crore)* and contracts pertaining to future post sale services ₹ 79.57 crore *(31st March, 2012 - ₹ 39.27 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, 2013 amounting to ₹ 17.06 crore *(31st March, 2012 - ₹ 16.03 crore)* against this letter of undertaking.

Notes forming part of the Consolidated Financial Statements

35. Contingent Liabilities (to the extent not provided for):

(a) Claims against the Group not acknowledged as debts aggregating to ₹ 3,250.77 crore *(31st March, 2012 - ₹ 2,047.68 crore)* consist mainly of the following :

(i) Octroi claims disputed by the Parent Company aggregating to ₹ 5.03 crore (*31st March, 2012 - ₹ 5.03 crore)*, in respect of octroi exemption claimed by the Parent Company.

(ii) A Suit has been filed against the Parent Company claiming compensation of ₹ 20.51 crore *(31st March, 2012 - ₹ 20.51 crore)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ 111.99 crore *(31st March, 2012 - ₹ 107.68 crore)*.

(iii) (a) Rates and Taxes, Cess, Way Leave Fees, Property Tax and Duty claims disputed by the Group aggregating ₹ 261.45 crore *(31st March, 2012 - ₹ 120.47 crore)*. In respect of certain dues as per the terms of an agreement, the Parent Company has the right to claim reimbursement from a third party.

(b) Custom duty claims of ₹ 209.13 crore disputed by the Group relating to issue of applicability and classification (Payment made by the Group under protest against these claims of ₹ 192.27 crore).

(c) In the case of the Group claims of power purchase vendors ₹ 408.38 crore *(31st March, 2012 - ₹ Nil)*.

(d) Other claims against the Group, not acknowledged as debts ₹ 168.51 crore *(31st March, 2012 - ₹ 66.32 crore)*.

(iv) In the case of the Group, amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

(v) In the case of Associates, other claims not acknowledged as debts ₹ 15.51 crore *(31st March, 2012 - ₹ 25.21 crore)* and liquidated damges amounts is indeterminable.

(vi) 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 ₹ 6,834.20 crore - Group's share ₹ 2, 050.26 *(31st March, 2012 - ₹ 5,674.87 crore - Group's share ₹ 1,702.46 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 Managements of the Coal Companies, based on the various legal judgments, are of the view that the said amounts would be allowable as set-off.

(vii) In the case of certain jointly controlled entities, in respect of other matters (viz; land dispute, illegal mining, mining service fees etc.) amount 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) ₹ 145.36 crore (including interest demanded ₹ 22.90 crore) [*(31st March, 2012 - ₹ 228.01 crore (including interest demanded ₹ 34.72 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) ₹ 1.30 crore *(31st March, 2012 - ₹ 2.10 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, 2012 - 21,98,18,101 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,

Notes forming part of the Consolidated Financial Statements

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.

(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, 2012 - ₹ 77.74 crore)* to the SVRS Trust for payment of retiral dues to separated employees. Against this, the Company had recovered ₹ 29.71 crore *(31st March, 2012 - ₹ 29.71 crore)* and adjusted an amount of ₹ 40.36 crore *(31st March, 2012 - ₹ 28.37 crore)* from pension, leave salary and other contribution totaling to ₹ 70.07 crore *(31st March, 2012 - ₹ 58.08 crore)*, against a claim of ₹ 68.18 crore *(31st March, 2012 - ₹ 64.42 crore)* from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31st March, 2013.

In addition to the payment of terminal benefits/residual pension to the Trust, the Hon'ble Delhi High Court in its above Order has held that the Discoms are liable to pay interest @ 8% per annum on the amount of terminal benefits for the period from the date of voluntary retirement to the date of disbursement. Consequently, the Company has paid ₹ 8.01 crore in FY 2008-09 as interest to VSS optees.

The Company is of the opinion that the total liability for payment of terminal benefits to the trust based on actuarial valuation including payment of interest to VSS optees, would be less than the amount of retiral pensions already paid to the VSS optees and charged to 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 interest of ₹ 8.01 crore *(31st March, 2012 - ₹ 8.01 crore)* paid to VSS optees, in addition to retiral dues of ₹ 7.67 crore *(31st March, 2012 - ₹ 19.67 crore)*, as recoverable, net of pension contribution payable of ₹ 0.26 crore *(31st March, 2012 - ₹ Nil)* as on 31st March, 2013. Recoverable from SVRS trust as at 31st March, 2013 aggregate to ₹ 15.43 crore *(31st March, 2012 - ₹ 27.68 crore)* and includes current portion of ₹ 8.28 crore *(31st March, 2012 - ₹ 16.29 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 Limited (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, 2013 the accumulated interest was ₹ 184.76 crore *(31st March, 2012 - ₹ 173.56 crore)* (₹ 11.20 crore for the year ended 31st March, 2013). 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

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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% per annum 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) During the year 2008-09, in terms of the agreements entered into between Tata Teleservices Limited ("TTSL"), Tata Sons Limited ("TSL") and NTT DoCoMo, Inc. of Japan (Strategic Partner - SP), TSL gave an option to the Parent Company to sell 2,72,82,177 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP.

If certain performance parameters and other conditions are not met by TTSL by 31st March, 2014 and should the SP decide to divest its entire shareholding in TTSL and TSL is unable to find a buyer for such shares, the Parent Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price in proportion of the number of shares sold by the Parent Company to the aggregate of the secondary shares sold to the SP, subject to compliance with applicable exchange control regulations, or should the SP decide to divest its entire shareholding in TTSL and TSL is unable to find a buyer for such shares and the SP divests the shares at a lower price, subject to compliance with applicable exchange control regulations, the Parent Company is obliged to pay a compensation representing the difference between such lower sale price and the price referred to above in proportion of the number of shares sold by the Parent Company to the aggregate of the secondary shares sold to the SP.

Under the above mentioned agreements with SP, TSL and TTSL have jointly and severally agreed to indemnify SP within the agreed limits against claims arising on account of any failure of certain warranties provided by TSL and TTSL to be true and correct in all respects (amount not determinable) and in respect of specified contingent liabilities (Parent Company's share ₹ 31.10 crore). The Parent Company is liable to reimburse TSL, on a pro-rata basis.

(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 UI 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. The Company has, however, not made any adjustments for disallowance 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 which amount is included in income recoverable from future tariff as at 31st March, 2013. With effect from 1st October, 2012, the scheduling of power generation at Rithala plant is being done at the instructions of State Load Dispatch Center.

The Company has filed an appeal on 22nd August, 2012 before the Appellate Tribunal for Electricity and is of the view, supported by legal opinion that the Order can be successfully challenged and has accordingly not made any adjustments in the financial statements as at 31st March, 2013. 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 the previous year, the Company had provisionally determined the Statutory Appropriations and the adjustments to be made on Annual Performance Review as stipulated under the Multi Year Tariff Regulations, 2011 (MYT Regulation) for its operations in respect of the Mumbai Licensed Area. During the year ended 31st March, 2013, Maharashtra Electricity

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Regulatory Commission (MERC) has approved the Multi Year Tariff Business Plan of the Company's Mumbai Licensed Area for the Second Control Period from FY 2012-13 to FY 2015-16 and directed the Company to submit its Annual Revenue Requirement (ARR) for FY 2011-12 as per old regulations i.e. MERC (Terms and Conditions of Tariff) Regulations, 2005.

In view of the above, during the year, the Company has reversed revenue amounting to ₹ 155.00 crore accrued in the previous year in respect of its Mumbai Licensed Area as per the MYT Regulation.

(b) The Appellate Tribunal for Electricity (ATE) in its Order dated 31st August, 2012, has 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 year, the Company has treated such expenses as recoverable and has recognised revenue of ₹ 142.00 crore.

(c) During the 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 has 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 the previous 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, has disallowed the Company's claim. Accordingly, during the year, the Company has reversed revenue of ₹ 43.61 crore including ₹ 34.16 crore accrued upto 31st March, 2012.

(e) During the previous year, the Maharashtra Electricity Regulatory Commission (MERC) had completed truing-up for the financial years 2009-10 and 2010-11 and issued Tariff Orders. In these Tariff Orders, it had disallowed certain claims made by the Company amounting to ₹ 86.00 crore and ₹ 55.00 crore respectively. The Company has filed an appeal to the Appellate Tribunal for Electricity (ATE) against these disallowances. Based on the earlier favourable ATE Order on similar matters, the Company is confident of ATE allowing its claims and accordingly, the above disallowances have not been recognised in the financial results.

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. In respect of Maithon Power Limited, the Company based on estimates/expert opinion has accrued insurance claims receivable, aggregating to ₹ 18.24 crore (net) for the year ended 31st March, 2013 - Group's share ₹ 13.50 crore. Any difference between the claims receivable/recorded and the amount that would finally be determined by the insurance companies will be accounted for on settlement of the claims by the insurance companies.

39. During the previous year, PT Kaltim Prima Coal, an Indonesian Joint Venture Coal Company reported that in view of the uncertainty involved in estimating the average stripping ratio for the life of its mine, it had charged the entire deferred stripping costs accumulated in prior years to the Statement of Profit and Loss. This had resulted in a charge for the Group of ₹ 659.44 crore for the year ended 31st March, 2012.

40. 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 ₹ 49.77 crore *(31st March, 2012 - ₹ 43.30 crore)* has been charged to the Consolidated Statement of Profit and Loss.

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(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

(c) The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2013. The following tables set out the amounts recognised in the financial statements as at 31st March, 2013 for the above mentioned defined benefit plans:

(i) Net employee benefits expense (recognised in employee cost) for the year ended 31st March, 2013:

	31st March, 2013 ₹ crore (Funded)#	**31st March, 2013 ₹ crore (Unfunded)**	***31st March, 2012 ₹ crore (Funded)#***	***31st March, 2012 ₹ crore (Unfunded)***
Current Service Cost	29.78	5.58	*20.33*	*4.49*
Interest	29.36	5.81	*23.21*	*5.26*
Actuarial Loss/(Gain)	54.27	5.66	*53.52*	*(4.96)*
Past Service Cost	Nil	0.35	*0.06*	*4.38*
1/5th of Transitional Liability	Nil	Nil	*(0.61)*	*1.82*
Transfer to Capital Work-in-Progress	Nil	Nil	*Nil*	*(0.04)*
Plan Amendment	1.05	0.94	*Nil*	*Nil*
Amount paid to Employees	Nil	Nil	*Nil*	*(0.02)*
Expected Return on Plan Assets	(14.23)	Nil	*(6.12)*	*Nil*
Total Expense	100.23	18.34	*90.39*	*10.93*

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, 2013:

	31st March, 2013 ₹ crore (Funded)#	**31st March, 2013 ₹ crore (Unfunded)**	***31st March, 2012 ₹ crore (Funded)#***	***31st March, 2012 ₹ crore (Unfunded)***
Present value of Defined Benefit Obligation as at 1st April as per books	373.02	74.80	*256.71*	*66.86*
Increase in Present value of Defined Benefit Obligation on account of acquisition	2.92	2.71	*Nil*	*Nil*
Unrecognised Transitional Liability as at 1st April	Nil	Nil	*(0.61)*	*1.82*
Employee Benefit Expenses (Excluding Transitional Liability and Capital Work-in-Progress)	115.08	17.40	*108.49*	*9.17*
Acqusition Costs	1.87	2.03	*Nil*	*Nil*
Actuarial Loss/(Gain) on Defined Benefit Obligation	Nil	Nil	*(0.18)*	*Nil*
Benefits Paid (Net)	(22.49)	(6.81)	*(15.43)*	*(5.43)*
Exchange (Gain)/Loss	(5.03)	(0.51)	*24.04*	*2.08*
Plan Amendment	Nil	0.94	*Nil*	*Nil*
Liabilities assumed on Acquisition	Nil	Nil	*Nil*	*0.30*
Present value of Defined Benefit Obligation as at 31st March	465.37	90.56	*373.02*	*74.80*
Less: Fair Value of plan assets at the end of the year	228.52	Nil	*150.27*	*Nil*
Provision for Defined Benefit Obligation as at 31st March as per books	236.85	90.56	*222.75*	*74.80*

Post Retirement Gratuity funded in case of Parent Company, TPDDL, CTTL, PTL, TPSSL and PKPC.

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(iii) Plan Assets:

	31st March, 2013 ₹ crore	*31st March, 2012 ₹ crore*
Fair value of Plan Assets as on 1st April	150.27	*70.50*
Increase in fair value of plan assets on account of acquisition	0.52	*Nil*
Expected Return on Plan Assets	14.23	*6.12*
Contribution	69.30	*56.87*
Benefits Paid	(5.72)	*(3.94)*
Actuarial Gain	0.62	*11.37*
Exchange (Loss)/Gain	(0.70)	*9.35*
Closing balance as on 31st March	228.52	*150.27*

The Parent Company has paid ₹ 49.60 crore to Tata Power Grautity Fund *(31st March, 2012 - ₹ 40.00 crore)*. Of the payment of ₹ 49.60 crore, ₹ 24.60 crore towards the current year liability *(31st March, 2012 - ₹ 15.00 crore)* and ₹ 25.00 crore towards the Opening Liability *(31st March, 2012 - ₹ 25.00 crore)*. The balance of the Opening Liability to be funded over a period of 3 years.

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

	31st March, 2013	*31st March, 2012*
Discount Rate	6.09% to 8.25%	*6.30% to 8.75%*
Salary Growth Rate	6% to 12 % p.a.	*6% to 12 % p.a.*
Turnover Rate - Age 21 to 44 years	0.50% to 8% 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)	LIC (1994-96) and Indian Assured Lives Mortality (2006-08) Ult	*LIC (1994-96)*
Expected Return on Scheme Assets	7% to 9.30% 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 2013-14 has not been ascertained.

41. 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 ₹ 298.66 crore *(31st March, 2012 - ₹ 283.69 crore)*.

(b) In respect of contracts in progress –

(i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2013 - ₹ 279.73 crore *(31st March, 2012 - ₹ 192.88 crore)*.

(ii) Advances and progress payments received as at 31st March, 2013 - ₹ 567.93 crore *(31st March, 2012 - ₹ 313.01 crore)*.

(iii) Retention money included as at 31st March, 2013 in Sundry Debtors - ₹ 12.53 crore (*31st March, 2012 - ₹ 4.96 crore*).

(c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2013 - ₹ 327.46 crore *(31st March, 2012 - ₹ 219.45 crore)*.

(ii) Gross amount due from customers for contract work as an asset as at 31st March, 2013 - ₹ 39.26 crore *(31st March, 2012 - ₹ 99.32 crore)*.

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42. 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) Panatone Finvest Ltd.
2) Tata Projects Ltd.
3) Nelito Systems Ltd.
4) Yashmun Engineers Ltd.
5) Tata Ceramics Ltd.
6) Rujuvalika Investments Ltd.

(ii) Joint Ventures (where transactions have taken place during the year)
1) Indocoal Resources (Cayman) Ltd.
2) PT Arutmin Indonesia
3) OTP Geothermal Pte Ltd.
4) PT Kalimantan Prima Power
5) Cennergi Pty. Ltd.

(iii) Promoters holding together with its Subsidiary more than 20% — Tata Sons Ltd.

(b) Key Management Personnel — Anil Sardana, S. Ramakrishnan, S. Padmanabhan

(c) Details of Transactions:

₹ crore

Particulars	Associates	Joint Ventures	Key Management Personnel	Promoters
Purchase of goods	-	1,120.75	-	-
	-	*314.52*	*-*	*-*
Management fees paid	-	-	-	-
	-	*0.66*	*-*	*-*
Purchase of fixed assets (including capital advance)	126.23	-	-	-
	49.27	*114.18*	*-*	*-*
Rendering of services	0.10	30.13	-	0.11
	0.10	*-*	*-*	*0.24*
Receiving of services	12.57	-	-	0.50
	13.83	*0.19*	*-*	*0.54*
Brand equity contribution	-	-	-	25.80
	-	*-*	*-*	*22.37*
Remuneration paid	-	-	10.50	-
	-	*-*	*11.98*	*-*
Interest income	0.84	-	-	-
	1.11	*-*	*-*	*-*
Dividend received	9.85	-	-	5.34
	12.41	*-*	*-*	*5.34*
Dividend paid	-	-	-	88.44
	-	*-*	*-*	*88.44*
Inter corporate deposit given	8.50	-	-	-
	8.50	*-*	*-*	*-*
Security deposits given	-	-	-	-
	-	*-*	*-*	*0.50*
Equity contribution (including advance towards equity contribution)	-	-	-	-
	100.00	*-*	*-*	*-*
Redemption of preference shares/debentures	9.37	-	-	-
	109.38	*-*	*-*	*-*

Notes forming part of the Consolidated Financial Statements

42. Related Party Disclosures: (*Contd.*)

₹ crore

Particulars	Associates	Joint Ventures	Key Management Personnel	Promoters
Inter corporate deposit repaid	-	-	-	-
	8.50	-	-	-
Letter of undertaking	17.06	-	-	-
	16.02	-	-	-
Balances outstanding				
Inter corporate deposit given	8.50	-	-	-
	-	-	-	-
Security deposit given	-	-	-	0.50
	-	-	-	*0.50*
Other receivables (net of provisions)	108.27	16.12	-	-
	0.03	*33.00*	-	*0.02*
Loans given (including interest thereon)	1.27	-	-	-
	11.09	-	-	-
Preference shares/debentures outstanding	-	-	-	-
	9.37	-	-	-
Loans provided for as doubtful advances	1.27	-	-	-
	1.27	-	-	
Guarantees, collaterals etc. outstanding	-	-	-	31.10
	-	-	-	*409.51*
Letter of undertaking	17.06	-	-	-
	16.02	-	-	-
Other payables	31.44	95.58	-	26.26
	27.22	*10.40*	-	*22.80*

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.	Tata BP Solar India Ltd.
Purchase of goods	-	1,120.75	-
	-	*314.52*	-
Purchase of fixed assets	-	-	-
	-	-	*114.18*
Receiving of services	-	-	-
	-	-	*0.19*
Rendering of services	23.25	-	-
	-	-	-

(b) Associates:

₹ crore

Particulars	Tata Ceramics Ltd.	Panatone Finvest Ltd.	Tata Projects Ltd.	Yashmun Engineers Ltd.	Rujuvalika Investments Ltd.
Purchase of fixed assets	-	-	126.23	-	-
	-	-	*49.27*	-	-
Equity contribution (including advance towards equity contribution)	-	-	-	-	-
	-	*100.00*	-	-	-
Rendering of services	-	-	-	0.10	-
	-	-	-	*0.10*	-
Receiving of services	-	-	-	12.57	-
	-	-	-	*13.81*	-
Interest income	0.68	-	0.16	-	-
	0.52	-	*0.54*	-	-
Dividend received	-	-	9.68	-	-
	-	-	*9.68*	-	*2.62*
Inter corporate deposit given	8.50	-	-	-	-
	8.50	-	-	-	-
Redemption of preference shares/ debentures	-	-	9.37	-	-
	-	*100.00*	*9.38*	-	-

Note: Previous year's figures are in italics.

Notes forming part of the Consolidated Financial Statements

43. Derivative Instruments and Unhedged foreign currency exposures:

(i) Derivative Instruments:

The following derivative positions are open as at 31st March, 2013. 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, 2013:

	31st March, 2013		*31st March, 2012*	
	Foreign Currency (in Millions)	₹ crore	*Foreign Currency (in Millions)*	*₹ crore*
Forward Contracts	USD 386.65	2,080.00	*USD 234.49*	*1,177.64*
	EURO 3.68	25.61	*EURO 1.83*	*12.54*
	JPY 3,363.62	195.09	*JPY 4,394.70*	*274.62*
Currency Option Contracts	USD 642.88	3,496.63	*USD 472.46*	*2,418.51*
	Nil	Nil	*JPY 1,856.25*	*116.00*
Interest Rate Swaps	USD 1,650.52	8,977.18	*USD 1,723.75*	*8,823.86*
Unrecognised Gain in respect of above Forward Contracts and Currency Option Contracts	Nil	297.81	*Nil*	*390.54*

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

	31st March, 2013		*31st March, 2012*	
	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 4.40	23.83	*USD 3.20*	*16.32*
	EURO *	0.12	*EURO **	*0.06*
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	USD 109.45	595.01	*USD 76.42*	*391.23*
	EURO 0.35	2.45	*EURO 0.93*	*6.36*
	GBP 0.28	2.33	*GBP 0.36*	*2.93*
	JPY 0.34	0.02	*Nil*	*Nil*
	NOK 0.07	0.06	*Nil*	*Nil*
(Ii) Capital imports	EURO 0.98	7.07	*EURO 7.58*	*51.85*
	JPY 141.60	8.21	*JPY 199.20*	*12.44*
	USD 33.02	179.63	*USD 7.20*	*36.90*
	GBP 0.06	0.51	*GBP 0.12*	*1.00*
	CHF *	0.01	*CHF 0.42*	*2.41*
(Iii) Interest payable	USD 3.72	20.23	*USD 3.20*	*16.37*
(Iv) Loans payable	USD 1,085.03	5,901.46	*USD 1,252.80*	*6,413.10*
(v) Premium payable on borrowings	USD 28.41	154.52	*USD 28.41*	*145.43*
(c) Bank balances	SGD 0.98	4.32	*SGD 0.07*	*0.28*
	USD 1.05	5.73	*USD 3.36*	*17.19*
	TAKA 0.23	0.01	*TAKA 0.25*	*0.01*

Notes forming part of the Consolidated Financial Statements

44. Disclosures as required by Accounting Standard 29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" as at 31 st March, 2013:

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	Acquistion made during the year *	Payments/ Adjustments made during the year	Reversal/ Regrouped during the year	Closing Balance
Provision for Warranties and Contingencies ...	33.48	26.51	15.75	(2.62)	(31.15)	41.97
	24.68	*16.33*	-	*(2.17)*	*(5.36)*	*33.48*
Provision for Premium on Redemption of FCCB............	145.43	9.09 @	-	-	-	154.52
	126.94	*18.49* @	-	-	-	*145.43*
Provision on Premium on Redemption of Debentures	134.70	-	-	-	-	134.70
	134.70	-	-	-	-	*134.70*
Provision for Future foreseeable losses on Contracts etc............	4.31	-	-	-	(1.49)	2.82
	-	*4.31*	-	-	-	*4.31*
Provision for Restoration and Rehabilitation ..	445.33	128.76	-	(29.89) #	-	544.21
	343.44	*124.63*	-	*(22.74)* #	-	*445.33*

@ On account of exchange loss.
# includes exchange fluctuation.
* On account of TPSSL becoming a Subsidiary.
Note: Previous year's figures are in italics.

45. Earnings per Share:

	31st March, 2013	***31st March, 2012***
Basic		
Net loss for the year (₹ crore)	(85.43)	*(1,087.68)*
(Less)/Add : Contingencies Reserve (provided)/writeback for the year (₹ crore)	(7.00)	*6.00*
Add : Special Reserve writeback for the year (₹ crore)............	Nil	*13.00*
	(92.43)	*(1,068.68)*
Less : Distribution on Unsecured Perpetual Securities (₹ crore)............	199.62	*113.61*
Net loss for the year attributable to the equity shareholders (₹ crore)............	(292.05)	*(1,182.29)*
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 ₹) - Refer Note 3 (a)	1.00	*1.00*
Basic Earnings Per Share (in ₹)	(1.23)	*(4.98)*
Diluted		
Net loss for the year attributable to the equity shareholders (₹ crore)............	(292.05)	*(1,182.29)*
Add : Interest Expense and Exchange Fluctuation on FCCB (Net) (₹ crore)	77.73	*47.30*
Loss attributable to equity shareholders on dilution (₹ crore)	(214.32)	*(1,134.99)*
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)............	(0.87)	*(4.59)*
Diluted Earnings Per Share restricted to Basic Earnings Per Share (in ₹)............	(1.23)	*(4.98)*

Notes forming part of the Consolidated Financial Statements

46. Segment Accounting

(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	23,216.08	9,004.92	1,148.30	343.87	**33,025.43**
	16,169.59	*9,196.52*	*855.78*	*220.49*	***26,001.40***
RESULT					
Total Segment Results	3,608.66	1,029.44	(33.59)	-	4,604.51
	2,159.75	*1,988.05*	*(69.42)*	-	*4,078.38*
Finance Costs					(2,635.53)
					(1,527.09)
Exceptional Item	(850.00)	-	-	-	(850.00)
	(1,800.00)	-	-	-	*(1,800.00)*
Unallocable Income net of Unallocable Expense					157.70
					(244.04)
Income Taxes					(1,177.96)
					(1,475.54)
Profit/(Loss) after Tax and before Share of Profit of Associates and Minority Interest					**98.72**
					(968.29)
Share of Profit of Associates					23.92
					70.77
Minority Interest					(208.07)
					(190.16)
(Loss) for the year					**(85.43)**
					(1,087.68)
OTHER INFORMATION					
Segment Assets	46,291.86	13,060.40	2,601.52	-	61,953.78
	41,620.23	*10,728.14*	*2,297.46*	-	*54,645.83*
Unallocable Assets					5,327.63
					6,966.26
Total Assets					**67,281.41**
					61,612.09
Segment Liabilities	6,396.59	4,235.16	860.03	-	11,491.78
	6,105.27	*3,456.42*	*704.55*	-	*10,266.24*
Unallocable Liabilities					40,348.71
					35,950.91
Total Liabilities					**51,840.49**
					46,217.15
Capital Expenditure	2,920.11	1,297.91	52.19	-	4,270.21
	3,588.77	*1,327.85*	*434.08*	-	*5,350.70*
Non-cash Expenses other than Depreciation/Amortisation	40.64	76.84	87.18	-	204.66
	16.67	*54.45*	*40.20*	-	*111.32*
Depreciation/Amortisation (to the extent allocable to segment)	1,370.64	569.60	111.45	-	2,051.69
	988.42	*283.84*	*62.38*	-	*1,334.64*

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

46. Segment Accounting (*Contd.*)

(b) Secondary Segment Information:

₹ crore

Particulars	Domestic	Overseas	Total
Revenue from External Customers	24,163.23	8,862.20	33,025.43
	16,980.28	*9,021.12*	*26,001.40*
Segment Assets	47,568.43	14,385.35	61,953.78
	42,684.21	*11,961.62*	*54,645.83*
Capital Expenditure	2,889.07	1,381.14	4,270.21
	3,546.62	*1,804.08*	*5,350.70*

Note : Previous year's figures are in italics

47. Interest in Joint Ventures:

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, 2013 ₹ crore	*31st March, 2012 ₹ crore*
I.	**NON-CURRENT LIABILITIES**		
a)	Long-term Borrowings	890.23	*578.16*
b)	Deferred tax Liabilities	219.16	*226.44*
c)	Other Long-term Liabilities	Nil	*0.03*
d)	Long-term Provisions	684.22	*530.35*
	(A)	1,793.61	*1,334.98*
II.	**CURRENT LIABILITIES**		
a)	Short-term Borrowings	80.20	*46.96*
b)	Trade Payables	1,166.43	*886.91*
c)	Other Current Liabilities	2,582.55	*2,231.80*
d)	Short-term Provisions	248.20	*458.91*
	(B)	4,077.38	*3,624.58*
	(A+B)	5,870.99	4,959.56
III.	**NON-CURRENT ASSETS**		
a)	Fixed Assets	3,657.28	*2,726.41*
b)	Long-term Loans and Advances	280.82	*217.10*
c)	Other Non-current Assets	14.39	*1.47*
d)	Deferred Tax Assets	17.86	*Nil*
	(C)	3,970.35	*2,944.98*
IV.	**CURRENT ASSETS**		
a)	Inventories	654.81	*445.14*
b)	Trade Receivables	614.03	*854.26*
c)	Cash and Bank Balances	538.00	*589.33*
d)	Short-term Loans and Advances	2,298.75	*1,981.86*
e)	Other Current Assets	0.92	*44.79*
	(D)	4,106.51	*3,915.38*
	(C+D)	8,076.86	6,860.36

Notes forming part of the Consolidated Financial Statements

47. Interest in Joint Ventures: (*Contd.*)

			31st March, 2013 ₹ **crore**	***31st March, 2012*** ₹ ***crore***
V.	**REVENUE**			
	a)	Revenue from Operations	8,661.06	*9,190.91*
	b)	Other Income	7.08	*6.79*
			8,668.14	*9,197.70*
VI.	**EXPENSES**			
	a)	Royalty towards Coal Mining	1,111.14	*1,101.12*
	b)	Cost of Fuel	1,460.00	*1,232.28*
	c)	Coal Processing Charges	2,544.99	*1,953.22*
	d)	Raw Material Consumed	Nil	*347.37*
	e)	Increase in Stock-in-trade and Work-in-progress	(270.27)	*(170.57)*
	f)	Employee Benefits Expense	362.48	*302.53*
	g)	Other Expenses	1,963.32	*2,188.93*
	h)	Depreciation/Amortisation	570.23	*308.01*
	i)	Finance Costs	59.01	*41.82*
	j)	Tax Expense	340.63	*718.35*
			8,141.53	*8,023.06*
VII.	**PROFIT AFTER TAX**		**526.61**	***1,174.64***
VIII.	**OTHER MATTERS**			
	a)	Contingent Liabilities	2,050.64	*1,709.86*
	b)	Capital Commitments	134.33	*275.03*
			2,189.97	*1,984.89*

48. 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 2012-13 of 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	(0.51)	148.43	7.91	134.03	141.73	(10.95)	(0.27)	(10.68)	1.14
2	Chemical Terminal Trombay Limited	1.86	37.42	14.61	32.58	7.91	23.56	7.45	1.63	5.82	1.86
3	Af-Taab Investment Company Limited	10.73	104.92	26.92	93.01	7.28	10.02	8.12	0.68	7.44	3.22
4	Tata Power Trading Company Limited	16.00	74.49	472.48	-	381.99	3,794.42	37.11	12.63	24.48	4.80
5	Maithon Power Limited	1,434.92	(268.52)	4,895.79	-	3,729.39	1,662.06	(86.31)	-	(86.31)	-
6	Powerlinks Transmission Limited	468.00	55.93	1,278.20	20.60	774.87	259.88	104.32	(14.75)	119.07	93.60
7	Coastal Gujarat Power Limited	5,103.61	(3,809.92)	16,376.71	-	15,086.42	2,811.21	(1,602.02)	-	(1,602.02)	-
8	Industrial Energy Limited	333.00	115.25	1,234.11	142.67	928.53	520.33	101.04	20.22	80.82	66.60
9	Bhivpuri Investments Limited ^	4.08	1,036.09	69.04	2,350.96	1,379.83	109.29	73.39	12.47	60.92	299.47
10	Bhira Investments Limited ^	4.10	(108.31)	1,715.18	3,573.12	5,392.51	523.46	183.64	32.85	150.79	-
11	Khopoli Investments Limited ^	255.20	32.05	1,862.23	901.31	2,500.20	263.93	121.36	21.78	99.58	-
12	Tata Power Renewable Energy Limited	84.49	1.98	565.54	21.95	501.02	65.14	0.78	(0.33)	1.11	-
13	Industrial Power Utility Limited	0.11	(0.09)	0.02	-	-	-	-	-	-	-
14	Tata Power Delhi Distribution Limited	1,052.00	1,634.30	8,636.58	-	5,950.33	5,656.00	390.20	80.51	309.69	-
15	Trust Energy Resources Pte. Limited ^	598.89	0.14	1,178.89	181.00	760.86	692.53	43.80	8.31	35.49	-
16	Energy Eastern Pte. Limited ^	3.40	4.33	223.04	-	215.31	284.59	7.54	-	7.54	-
17	PT Sumber Energi Andalan Tbk ^	22.11	(18.03)	8.44	-	4.36	12.69	4.71	3.81	0.90	-
18	Tata Power Green Energy Limited	0.05	(0.02)	0.04	-	0.01	-	-	-	-	-
19	NDPL Infra Limited	0.05	(0.05)	0.49	-	0.49	0.60	(0.04)	0.01	(0.05)	-
20	Dugar Hydro Power Limited	56.60	(0.57)	57.99	-	1.96	0.04	(0.32)	-	(0.32)	-
21	Tata Power Solar Systems Limited	89.83	236.61	782.61	-	456.17	465.91	(90.12)	(20.59)	(69.53)	-
22	Tata Power Jamshedpur Distribution Limited	0.05	(1.92)	3.04	-	4.91	-	(1.92)	-	(1.92)	-

! 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 31.03.2013- ₹ 54.38/$.

Gist prepared as per Individual Subsidiary Company's Final Accounts. For Consolidated results, please refer to Consolidated Financial Statements and Notes appearing thereon.

Notes

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TATA

TATA POWER

The Tata Power Company Limited

Regd. Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall.

I hereby record my presence at the NINETY-FOURTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020 at 3.00 p.m. on Friday, 16th August, 2013.

....

Full name of the Member Signature

(in block capitals)

Folio No.: .... / DP ID No.* .... & Client ID No.* ....

*Applicable for Member holding shares in electronic form.

....

Full name of the proxy Signature

(in block capitals)

NOTE: Member / Proxyholder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.

TATA

TATA POWER

The Tata Power Company Limited

Regd. Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Proxy

I / We ....

of .... in the district of .... being

a Member / Members of the above named Company, hereby appoint .... of

.... in the district of .... or failing him

.... of .... in the district of

.... as my / our Proxy to attend and vote for me / us and on my / our behalf at the NINETY-FOURTH ANNUAL GENERAL MEETING of the Company, to be held on Friday, 16th August, 2013 and at any adjournment thereof.

Signed this .... day of .... 2013.

Folio No.: .... / DP ID No.* .... & Client ID No.* ....

* Applicable for Member holding shares in electronic form.

Affix 15 Paise Revenue Stamp

No. of Shares Signature

This form is to be used @ in favour of / @ against the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

@ Strike out whichever is not desired.

Notes (i) The Proxy must be returned so as to reach the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai 400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid Meeting.

(ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip / Proxy.

Awards and Recognition

- Tata Power adjudged as **'Most Admired Infrastructure Company - Power'** at the **5th KPMG Infrastructure Today Awards.**
- Tata Power bestowed **'CII ITC Sustainability Award 2012'** for its strong commitment towords environment.
- India Power Awards 2012 conferred **Mr. Anil Sardana, Managing Director Tata Power with 'Leading Energy Personality'** Award (Power Generation).
- **'Best Fast Track Completed Power Transmission Projects'** award for timely completion of 2 Transmission Projects. For Installation and commissioning of 1) **250 MVA Transformer** at Dharavi and 2) **90 MVA Transformer** at Borivali.
- Tata Power won the **'Special Jury Award' in Thermal Power Generation Category for its Ultra Mega Power Project in Mundra, Gujarat.**
- The Company was awarded **'Best Wind Power Producer'** conferred by **IPPAI (Independent Power Producers Association of India).**
- Tata Power's **Unit 6 at Trombay Thermal Power Station** was awarded the **Energy Efficient Unit** in the **13th National Award for Energy Management.**
- **The Most Innovative Energy Service** Award -2012 for **Thermal Storage Incentive DSM Programme'** at the **13th National Award for Energy Management.**
- **Innovative Energy Service** Award-2012 for **Demand Response DSM Programme** at the **13th National Award for Energy Management.**
- The Company bagged **11th Annual Greentech Safety Award 2012.**
- **Transmission arm of Tata Power** conferred the **Silver Award for Outstanding Achievement in Safety Management.**
- Tata Power's **Jojobera Thermal Power Station** conferred **Golden Peacock Environment Management Award for 2012.**
- Tata Power's **2 Quality Circle teams,** Jojobera and Bhira, won **Gold at ICQCC 2012, at Kuala Lumpur.**
- Tata Power's **15 Quality Circle** teams **excel at NCQC,** Kanpur.
- **Tata Power's quality control teams** won several State-level Accolades, bestowed with **31 awards, i.e. 14 gold, 16 silver and 1 bronze by Quality Circle Forum of India.**

Customer Delight

Aspire to Serve

Responsible Leader

Environment Conscious

TATA

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

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