



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

**Raising the Bar in Centenary Year**

# Invisible Goodness



Creation of a Historical Artifact: The time capsule by the honourable dignitaries

Goodness has the ability to touch lives and often change them for the better. It is a force that compels us to be compassionate and kind. It is thinking about others before ourselves and rewards us with a feeling of joy that can only be experienced by giving something to the world we take so much from. Goodness is also most powerful when it is invisible; just like a gesture from a stranger or an act of benevolence from someone whom you least expected.

From the beginning, Tata Power has silently pursued this 'invisible goodness' with an unflinching steadfastness. We have seen the nation rise, partnering it as it grows into an emerging superpower. Quietly, humbly, as the country has grown, we have made sure that electricity, the invisible force that can do so much good, has always been available to fuel the next great endeavour. This journey began in 1915 when we commissioned our first hydro-electric power stations at Khopoli and later, Bhivpuri. Keeping up with the demands of a growing nation, we set up a thermal power station at Trombay in 1956 with an initial capacity of 62.5 MW. This power station grew with the addition of a 500 MW unit and a second thermal unit was added in 1990 of the same capacity. In line with our commitment to provide the best service, we started a gas-based 180 MW plant at Trombay to provide uninterrupted power to Mumbai. In 2003, Tata Power entered into a Joint Venture with Power Grid Corporation of India Ltd., to develop a 1200 km long transmission line, bringing electricity from Bhutan to Mandola, near Delhi. In 2013, Tata Power implemented the first 4000 MW Ultra Mega Power Project at Mundra, Gujarat, based on super critical technology. In 2014, with increased impetus on our commitment towards renewable sources and on spreading Invisible Goodness, we acquired a 39.2 MW windfarm in Gujarat and commissioned a 30 MW solar power project in Maharashtra. And now, we want to give the nation something more than just power. We want to empower its most loyal sons and daughters. We want to fete those who spread goodness silently. We want to give a platform to those heroes who toil in the anonymity of their tool-sheds, working on the next big thing that will bring smiles to a billion faces. Every corner of India is filled with such stories, and throughout this year, we aim to ensure that these stories of 'invisible goodness' are celebrated for the world to see.



Book on Invisible Goodness-'The Story of Tata Power'



Coffee Table Book titled 'The Untold Tales of Tata Power'



Tata Power Centenary Postage Stamp

# Chairman's Message



Dear Shareholders,

Let me, at the outset, congratulate you on your Company having completed a century of successful operations. During this time, your Company has seen many challenges and successes. Your Company continues to show great resilience and promise in successfully navigating geo-political and economic challenges through its foresight, prudence, breadth of its value chain, operational expertise, growing international footprint and customer focus. Above all, your Company has stood by the values that exemplify a Tata company.

The domestic power sector is going through a tough, yet opportune, phase. The lack of timely reforms and regulations in the Indian power sector have led to weak financial condition of state Discoms, leading to curtailment of demand and has stunted the growth of the sector. However, recent initiatives like UDAY (Ujwal Discom Assurance Yojana) to relieve financial pressure is likely to support the demand side reforms. Similarly initiatives in the fuel sector are likely to usher in a new phase of growth in which your Company sees opportunity. Moreover, your Company is strengthening its presence in select international geographies through partnerships, investments and services for key projects.

The notable developments in FY 2015-16 include significant emphasis on renewable energy including India's Nationally Determined Contribution commitments, efforts to revive Discoms— through UDAY, promise of a possible growth spurt due to "Make in India" campaign and competitive tariffs in the solar markets. The year also witnessed persisting downturn in commodities. Your Company's strategy aims at sustainable profitable growth across generation, distribution, transmission and value added businesses such as Services, Trading, Open Access, Rooftop Solar, Solar EPC and Defence. Your Company continues to focus on renewables as a thrust area and targets an increased contribution in its portfolio from non-fossil sources. To support your Company's success, a fair and timely resolution of the Mundra UMPP compensatory tariff matter is critical and all efforts are being made by your Company to achieve this.

The objectives of Tata companies include long-term value creation for the industry and society at large. Tata Power continues to focus on pioneering developments in technology and standards to strengthen safety, productivity and customer focus. Further, your Company aims at sustainable growth through strict adherence to environment norms, progressive bio-diversity initiatives, responsible ash utilisation & disposal, encouraging diversity, promoting affirmative action and supporting community programs on primary education with a focus on the girl child, health & sanitation, livelihood & employability, social capital & infrastructure and inclusive growth.

In summation, Tata Power is positioning itself to take on challenges presented by a market reaching inflection point on several counts, while preserving its position as a respected and relevant player in the power sector.

The Board of Directors join me in expressing our deep appreciation to the employees, the Unions, the management team, all our partners, Governments at the Centre and States, regulators and also our international partners for their support, co-operation and understanding. I would also like to express our appreciation to you, our shareholders, for your support and understanding, both in good times and in challenging times.

Best Regards,

Cyrus P. Mistry  
Chairman – Tata Power



Dagachhu Hydro Power Corporation



Itezhi Tezhi Hydro Power Project



Tata Power Renewable Energy Ltd.

## Serving the Nation for over 100 years

### CARE FOR ENVIRONMENT AND NATION BUILDING THROUGH CLEAN, COMPETITIVE AND ABUNDANT POWER:

- Tata Power successfully commissioned the **126 MW Dagachhu Hydro Power Corporation (DHPC)** in Bhutan, fulfilling its centenary year's celebration commitment of **120 MW of Hydro Power**. Clean power generated by this plant is sold in India, thereby helping to reduce carbon emissions. The Dagachhu project is a Joint Venture between Tata Power, Druk Green Power Corporation, owned by Royal Government of Bhutan (RGoB), and National Pension & Provident Fund of Bhutan. It is a run of river hydro project, being the first Private Public Partnership (PPP) in infrastructure investment in Bhutan.

- Tata Power also commissioned its **120 MW Itezhi Tezhi Hydro Power Project in Zambia**, in which Tata Power has a 50 percent stake. The project is a first of its kind PPP in the Zambian power sector. The 120 MW Itezhi Tezhi Power Project is situated on the Itezhi Tezhi Dam.

- **Tata Power's Industrial Energy Limited (IEL) synchronised the second 67.5 MW Unit of its 3 x 67.5 MW IEL Kalinganagar project.** Kalinganagar is the second location of IEL after Jamshedpur where the company operates 2 units of 120

MW each. The plant at Kalinganagar is based on Blast Furnace Gas (BFG), Coke Oven Gas (COG) and LD Furnace Gas (LDG) which are waste gases from steel making process. These gases are utilized in power generation and therefore, are environmentally friendly.



IEL - Kalinganagar Project

- The Company **enhanced its focus on renewables by aggregating and carving out its renewable assets into its wholly-owned subsidiary, Tata Power Renewable Energy Ltd. (TPREL)** and TPREL's subsidiaries. The assets include 376.5 MW of wind assets in Gujarat, Maharashtra and Tamil Nadu, 3 MW solar asset in Mukhi and 120 MW of waste heat recovery based power plants at Haldia, West Bengal.

- TPREL signed an SPA with Indo Rama Renewables Limited (IRRL) to acquire its 100% subsidiary, Indo Rama Renewables Jath Limited, which owns

a 30 MW wind farm in Sangli District of Maharashtra.

- In line with its 'Leadership with Care' model, Tata Power has successfully implemented **several sustainable resolutions for the year in the area of Environment, Societal commitment, Bio-diversity as also Conservation of resources and values.** These initiatives were aimed at safeguarding the ecosystem & various species and has benefitted more than 500 people across 94 catchment area villages of operations.

- As a part of its Centenary year celebrations this year, the Company **launched 'Act for Mahseer'**, a call-to-action national public campaign aimed at spreading awareness and preserving this valuable fish. The breeding centre set up at Lonavala as part of its eco-restoration and eco-development project for the lakes in 1975, has bred more than 10 lakh fingerlings till date. The Company has also carried out cage culture and ranching programmes successfully and demonstrated the use of such research programmes for replication all over the country.

- Endeavouring to keep the ecological balance intact and promote more greenery and afforestation, Tata Power **carried out over 19 tree plantation drives across all its plant sites, planting over 10 lakh saplings.** In another such initiative towards the



Tree plantation by Club Enerji students

green movement, Tata Power built a beautiful Butterfly Garden at Tata Power's Trombay Thermal Power Station premises. The garden boasts of about 45 species of butterflies and, in order to attract more species of butterflies, several host plants like *Lime*, *Kadipatta*, *Bryophyta*, and *Calotropis*, and nectar plants like *Stachytarpetta*, *Ixora*, *Lantanas*, etc. have been planted.

- Club Enerji, Tata Power's nationwide movement, strengthened its programme by committing towards nation building. The programme is contributing towards nation building by creating responsible citizens who focus not only on conserving energy and natural resources (like fossil fuels & water), managing waste, afforestation but also imbibe civic and moral values.
- TPDDL Energy Club's 'Urja Mela-Umang, 2015' was held on 10th December, 2015 where over 1,200 school children and teachers from 163 Government and Public schools participated. On 11th November, 2015, TPDDL's Festival of Energy - Umang, 2015, was organised in Dr. Rajender Prasad School, in President Estate. Hon'ble President of India, Shri Pranab Mukherjee accompanied by Shri Praveer Sinha (CEO & MD, TPDDL) walked through all the stalls, complimenting and motivating the students on their efforts.

- Club Enerji has successfully achieved a significant milestone of conducting 423 awareness activities with the children across



The Hon'ble President of India Shri Pranab Mukherjee at Umang 2015

Mumbai, Delhi, Ahmedabad, Kolkata, Pune, Bangalore, Lonavala, Maithon, Belgaum, Jamshedpur and Ranchi. Inspiring children to be responsible citizens of tomorrow, the Club Enerji movement sensitised more than 12.8 million citizens across the country and saved more than 17.26 MUs of energy.

- Inspired by the Digital India programme, the Company scaled up the magnitude of this initiative by launching an online module of the Club Enerji programme.

#### CARE FOR CUSTOMERS:

- Tata Power has constantly striven towards and is proud to live up to its founder's dream of being able to provide affordable, abundant and uninterrupted power. Having successfully implemented its 'Islanding System' in Mumbai and Jamshedpur to protect customers and to equip them with reliable, uninterrupted power, the Company extended this innovative concept to the city of Haldia. In case of breakdowns in the grid, the Islanding System automatically isolates itself from the rest of the grid and ensures that generating units continue to function.

- The Company launched its 'Be Green' initiative under the aegis of Greenolution to unify consumers in the green movement. The initiative motivates them to associate with and contribute to ensuring a greener and



'Act for Mahseer', a call-to-action national public campaign

sustainable planet in a more integrated fashion. The Company has always set a standard in adopting sustainable practices in its business by using innovative technology, providing customers access to energy-efficient processes, increasing green generation capacity and partnering with institutions of scientific learning. 'Be Green', follows the mantra that green is the only way to evolve and has set new benchmarks by caring for the planet and its future.

- As another green milestone in the Company's Centenary Year celebrations, two of India's first



India's first Green, Safe and Compact Natural Ester based Pad Mount Substation

25 MVA Natural Ester filled transformers were installed in Mumbai. With this initiative, Tata Power showcased its priority in driving sustainability by implementing path breaking green technology.



Tata Power Skill Development Institute

• In the endeavour to constantly innovate to enhance safety, overcome the challenges of paucity of space and care for environment, the Company partnered with Toshiba and Cargill to design and develop **India's first Green, Safe and Compact Natural Ester based Pad Mount Substation.**

**CARE FOR COMMUNITIES:**

• In line with its nationalistic spirit, the Company **dedicated the Tata Power Skill Development Institute (TPSDI) for the development of the country** through the empowerment of the Indian workforce. **TPSDI has set up four Skill Development Training Hubs to empower India's future with holistic development.** The four training hubs set up are TPSDI-Shahad and TPSDI - Trombay (Maharashtra), TPSDI - Maithon (Jharkhand) and TPSDI-Mundra (Gujarat). These aim to bridge the skills gap that exists across the value chain and to help build a capable workforce.

• **The Company ramped up its CSR programs in its Centenary Year** with an aim to improve the quality of life and ensure holistic development of its surrounding communities. The Company brought in further robustness to systems and processes to align to the intended outcomes, thus **benefitting more than 250 villages across 7 states** through community development initiatives. The CSR outreach covered half a million people through various initiatives in education, health, livelihood, social capital, and nurturing sustainability **with a total CSR spend of ₹29.01 crore** as against the required 2 per cent (₹28.29 crore) as per the Companies Act.

• Responding to the need of the hour, **Tata Power distributed more than 3500 relief kits as part of the flood relief efforts in Jammu & Kashmir (J&K) and 2000 solar lamps helped**

**restore power network to those impacted by Cyclone Hud-Hud in Vishakhapatnam district.** Various educational initiatives undertaken by the Company had a **positive impact on more than 1 lakh students across 350 schools.** The Company also **extended Vocational Training and Employability programmes to 1000 youth from over 96 villages.**

**CARE FOR PEOPLE:**

• Tata Power employees culminated the celebration of 100 glorious years of the Company by **achieving the '100 trek' mission.** Employees, along with their families from Tata Power divisions across Mumbai, Khopoli, Bangalore, Mundra and Maithon, enthusiastically organized trekking expeditions in Himachal, Uttaran chal, Kutch and Devgiri in addition to many other places. The mission kick started with the first trek being organised to 'Tel-Baila' on April 22, 2015. The final and 100th trek milestone was achieved in 2016, where employees trekked to the Karnala fort on the Mumbai-Goa road. This mission also witnessed participation from the visually challenged sections of society in addition to individual families and the Mutual Aid Response Group.

• **'Invisible Goodness: The Story of Tata Power'** book by bestselling author **Mr. Anil Dharker,** celebrates the **100 years journey.** The book reflects upon the Tata Group Founder Shri Jamsetji Tata's dream of cheap, clean and abundant power and highlights Tata Power's work for different communities, people and its invisible goodness. Through anecdotes of three generations of workers, the book chronicles their unwavering loyalty, challenges and triumphs and celebrates the journey of India's oldest and most respected company's tribulations and its triumphant achievements.



Care for Community



Jammu & Kashmir Flood Relief



100 trek mission

# Centenary Year Celebration Events



## Inaugural ceremony of the Centenary Year

*February 9, 2015 - Venue: Old Power House, Location: Khopoli*

The historic day of 9th February 1915 witnessed the birth of an organization which led the entire power sector from the front. To honor this date, the inaugural event of the Centenary Year Celebrations for Tata Power was organized on 9th February 2015.



## CGPL Centenary Event

*June 22, 2015 - Venue: CGPL Premises, Location: Mundra*

The first Ultra Mega Power Plant of the country celebrated at Mundra.



## Centenary Event for Corporate Functions and celebrating the Incorporation Day

*September 28, 2015 - Venue: Tata Theatre NCPA, Location: Mumbai* Tata Power was incorporated on 18th September and this significant date along with the centennial event was celebrated for the corporate functions.



## Founder's Day celebrations at Jamshedpur

*March 3, 2015 - Venue: Tata Steel Premises, Location: Jamshedpur*

Tata Power's float received the 'Pride of the Place' position in the annual parade organized in Tata Steel premises in Jamshedpur.



## Centenary Event at Haldia

*August 8, 2015 - Venue: Golden Retreat resort, Haldia, Location: Haldia*

It was the date of commissioning of its first unit 8 years ago as Tata Power started merchant operations.



## Centenary Event for Maithon

*October 30, 2015 - Venue: DVC Training Institute, Location: Maithon*

MPL celebrated the Centennial and the 4th anniversary of COD of the first unit of Maithon power plant on this date.



## MEPL Centenary Event

*June 20, 2015 - Venue: VPR Convention Center, Location: Nellore*

This was the date when the first unit of MEPL was synchronised to the grid.



## Centenary Event in Kalinganagar

*September 25, 2015 - Venue: The Crown Hotel, Location: Bhubaneswar*

Tata Power signed an MoU with the Government of Odisha to establish a power plant in the state on this date 10 years ago.



## Centenary Event for Jojobera

*November 21, 2015 - Venue: Tata Motor Club, Location: Jamshedpur*

Tata Power's Jojobera plant started off a new chapter in the history of the Company as it was the first captive power plant for Tata Steel.



#### Centenary Event for Customers

*November 24, 2015 - Venue: Taj Lands End, Bandra, Location: Mumbai*  
Tata Power's growth story has been a joint effort with our customers. To celebrate this rewarding partnership, a special evening for the customers was organised to celebrate decades of successful association and mutual growth.



#### Centenary event for Trombay

*January 25, 2016 - Venue: Trombay Colony Grounds, Location: Mumbai*  
Tata Power installed the first 500 MW unit thermal power plant in the country which was synchronized with the grid on this date 32 years ago at Trombay, Mumbai.



#### Centenary Celebrations event for Hydros

*February 14, 2016 - Venue: Khopoli Grounds, Location: Khopoli*  
Tata Power started its journey in the year 1915 when it supplied the first unit of electricity to the city of Mumbai, which was produced in Khopoli.



#### Centenary Event for Transmission & Distribution

*December 7, 2015 - Venue: Trombay Colony Grounds, Location: Mumbai*  
Transmission & Distribution is the only other arm of Tata Power which celebrated its Centennial along with the hydro power plant at Khopoli.



#### Culmination Event for the Centenary Year

*February 9, 2016 - Venue: Taj Land's End Bandra, Location: Mumbai*  
On this day, Tata Power brought the Centenary Celebrations to a culmination with a gala event.



#### Time Capsule embedment ceremony

*March 19, 2016 - Venue: Old Power House Location: Khopoli*

A Time Capsule is an artifact which contains memorabilia from a certain time period for a future generation several decades later. Tata Power in its 100th year of operations assembled a Time Capsule of its own to be opened 25 years later by the employees of the future.



#### Centenary Celebrations Event for SED

*December 19, 2015 - Venue: SED premises, Location: Bangalore*  
Tata Power Strategic Engineering Division was formally incorporated on this date four decades ago.



#### Heritage Walk for Shareholders

*February 12-19, 2016 - Venue: Old Power House, Location: Khopoli*  
To commemorate the centenary year, shareholders were taken to the Khopoli Power House, from where the Company commenced its journey to realise the vision of its founder.



#### Tata Power Centenary Postage Stamp Launch

*June 10, 2016 - Venue: New Delhi*  
The stamp symbolises the Company's commitment and dedication to realise the vision of its founder, Mr. Jamshetji Tata, that 'clean, cheap & abundant power is one of the basic ingredients for the economic progress of a city, state or country'.



# 2015-16 Key Highlights

Tata Power Group's Consolidated Revenue stood at **₹36,461 crore**

Crossed **9100 MW** standalone generation capacity mark and has achieved a consolidated consumer base of over 2.6 million across the country, reinforcing its position as India's largest integrated player and private power producer.

The Company generated **47,016 MU s** from all its power plants and the generation sales stood at 43,964 MUJ.

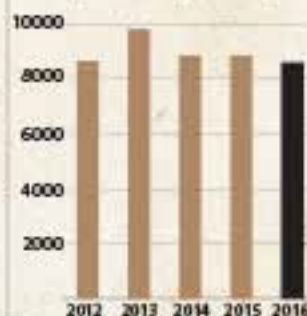
- Company strategy aims to **increase non-fossil sources to 30-40% of its capacity by 2025**, up from its earlier target of 20%; sets a target of 20,000 MW of total capacity.
- APTEL passed an **order granting relief to CGPL (Mundra UMPP)** under Force Majeure clause and directed CERC to compute the same which would mean under-recovery to be compensated.
- Tata Power Delhi Distribution achieved a **benchmark reduction in AT & C losses at 8.88%** as against 9.87% for the same period last year.
- Renewable energy assets being consolidated under its wholly-owned subsidiary, Tata Power Renewable Energy Ltd. (TPREL) to **enhance focus on clean energy**.
- TPREL acquired Indo Rama **wind assets of 30 MW** in Maharashtra.
- Successfully commissioned 120 MW Itzhi**
- Tezhi hydro Power Project in Zambia**, in which Tata Power has 50% stake and **44 MW Lahori wind farm** project, in Madhya Pradesh.
- Industrial Energy Limited (IEL), **synchronised two units of 67.5 MW** Unit of its 3 x 67.5 MW IEL Kalinganagar project.
- Introduced digital interface by **launching a universal mobile app** for all its stakeholders including employees as well as consumers in Mumbai and the national capital.
- SED became the **first ever Indian company to win a Night Vision order** for supply of Hand Held Thermal Imagers to BSF.
- Designed and developed the first Power Distribution Centre (PDC)** in India and implemented **India's First Natural Ester filled transformers**.
- TPIPL signs sale agreement for its stake in OTP Geothermal Project**, Indonesia. PLN and Ministry approached for approval of sale.

## FINANCIAL HIGHLIGHTS

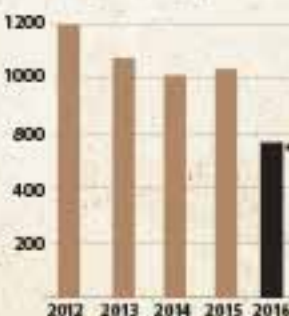
### CONSOLIDATED

- On a consolidated basis, Tata Power Group's FY16 Revenue stood at ₹36,461 crore (including regulatory income / expense), up by 6% as compared to ₹34,367 crore
- PAT was ₹873 crore, up by 420% as compared to ₹168 crore in FY15, mainly due to continued strong operational performance by Tata Power standalone and key Indian subsidiaries.

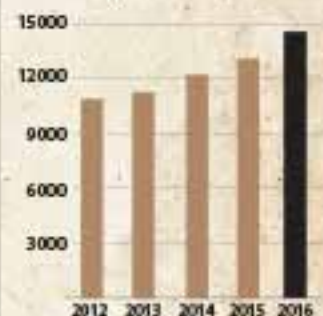
Standalone Revenue from Operations (In ₹crore)



Standalone Profit after Tax (In ₹crore)



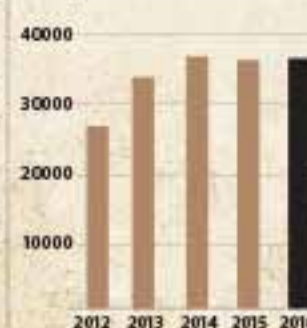
Consolidated Network (In ₹crore)



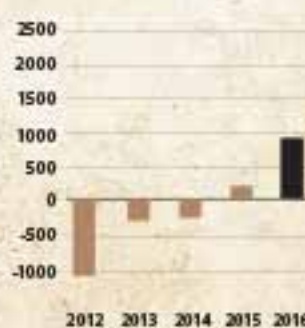
### STANDALONE

- For the Financial Year ended March 31, 2016, revenue stood at ₹8,438 crore (including regulatory income / expense) as compared to ₹8,678 crore (including regulatory income / expense) last year, mainly due to lower power purchase cost and lower cost of fuel.
- PAT stood at ₹998 crore (before exceptional loss of ₹226 crore) as against ₹1,010 crore in the corresponding period last year.

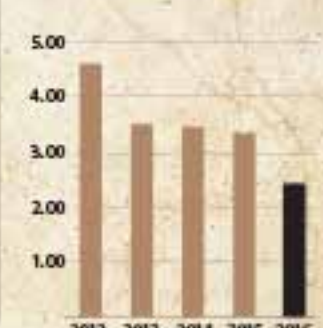
Consolidated Revenue from Operations (In ₹crore)



Consolidated Profit after Tax (In ₹crore)



Standalone Earning Per Share (In ₹crore)



# Awards and Recognition

- Tata Power named as the **World's Most Ethical Company** in 2016 by the Ethisphere Institute, for the third year in succession.
- Tata Power won the second prize in **National Energy Conservation Awards** for Discoms 2015.
- Tata Power was conferred with **Sustainable Plus Platinum** status by CII.
- Tata Power was conferred with the award in the category '**Best Performing Project of the Year - Dalot Wind Farm**' at the Indian Wind Energy Forum 2015.
- The Company won Silver Shield in the category of **Performance of Distribution Companies** for Tata Power distribution and Consolation award in the category of Performance of Thermal Power Stations for Trombay Thermal Power Station by CEA.
- The Company has won **three prestigious awards** at the Tata Affirmative Action Programme Annual Convention 2015.
- The Company was awarded the prestigious **Porter Prize for Excellence** in Corporate Integration & Governance.
- At the 16th CII National Award for Energy Management 2015, the Company won **Excellent Energy Efficient Unit and Most Useful Presentation** for Trombay Thermal Power Station and Energy Efficient Unit for Haldia Generating Station.
- Tata Power's Trombay Thermal Power has been honoured with the second prize in the 'Power Generation' group at the **Best Safety Practices Award Competition, 2015**.
- The Company won two prestigious communication awards at the **55th Association of Business Communicators of India (ABCI) Awards** - 'Special Column Award' for Enerji Talk and 'Civic & Moral Values' for Tata Power Club Enerji.
- Tata Power was awarded with '**CBIP Award for Overall Outstanding Performance in Power Sector**' at the Central Board of Irrigation & Power (CPIB) Day Celebration 2016.



World's Most Ethical Company



National Energy Conservation Award



CBIP Award for Overall Outstanding Performance in Power Sector



The prestigious SAP ACE Award



Most innovative Discom



Best Safety Practices Award Competition

## CORPORATE INFORMATION (as on 23.05.2016)

**CORPORATE IDENTITY NUMBER:** L28920MH1919PLC000567

### BOARD OF DIRECTORS

Chairman	Mr. Cyrus P. Mistry
Independent Directors	Dr. Homiar S. Vachha
	Mr. Nawshir H. Mirza
	Mr. Deepak M. Satwalekar
	Mr. Piyush G. Mankad, IAS (Retd.)
	Mr. Ashok K. Basu, IAS (Retd.)
LIC Nominee	Mr. Pravin H. Kutumbe
Woman Director	Ms. Sandhya S. Kudtarkar
CEO & Managing Director	Mr. Anil Sardana
COO & Executive Director	Mr. Ashok S. Sethi

**CHIEF FINANCIAL OFFICER** Mr. Ramesh N. Subramanyam

**COMPANY SECRETARY** Mr. Hanoz M. Mistry

**STATUTORY AUDITORS** Deloitte Haskins & Sells LLP

**SOLICITORS** Mulla & Mulla & Craigie Blunt & Caroe

### BANKERS

Axis Bank Limited  
 Bank of America  
 Deutsche Bank AG  
 HDFC Bank Limited  
 ICICI Bank Limited  
 IDBI Bank Limited  
 IndusInd Bank Limited  
 Kotak Mahindra Bank Limited  
 Standard Chartered Bank Limited  
 State Bank of India  
 The Hongkong and Shanghai Banking Corporation Limited

### REGISTERED OFFICE:

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 24, Homi Mody Street  
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 Fax. 022 6665 8801  
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 Website: [www.tatapower.com](http://www.tatapower.com)

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### SHARE REGISTRARS:

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 Tel. 022 6656 8484  
 Fax. 022 6656 8494  
 Email: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
 Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)



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

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### Annual General Meeting

Date : Wednesday, 21<sup>st</sup> September 2016  
 Time : 3 p.m.  
 Venue : Birla Matushri Sabhagar,  
 Sir Vithaldas Thackersey Marg,  
 19, New Marine Lines, Mumbai 400 020.

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETY-SEVENTH ANNUAL GENERAL MEETING OF THE TATA POWER COMPANY LIMITED will be held on Wednesday, the 21<sup>st</sup> day of September 2016 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020, to transact the following business:-

### Ordinary Business:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2016 together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March 2016.
4. To appoint a Director in place of Mr. Anil Sardana (DIN: 00006867), who retires by rotation and is eligible for re-appointment.

### 5. Ratification of appointment of Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Ninety-Eighth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at Mumbai and the Divisions for the financial year 2016-17, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified.”

### Special Business:

### 6. Appointment of Mr. Pravin H. Kutumbe as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED that Mr. Pravin H. Kutumbe (DIN: 01629256), who was appointed as an Additional Director of the Company with effect from 7<sup>th</sup> September 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

### 7. Appointment of Ms. Sandhya S. Kudtarkar as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED that Ms. Sandhya S. Kudtarkar (DIN: 00021947), who was appointed as an Additional Director of the Company with effect from 16<sup>th</sup> April 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company.”

### 8. Re-appointment of Mr. Anil Sardana as CEO and Managing Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Anil Sardana (DIN: 00006867) as the CEO and Managing Director of the Company for the period of five years from 1<sup>st</sup> February 2016 to 31<sup>st</sup> January 2021, 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 during the tenure of his appointment), with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Sardana.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

### 9. Private placement of Non-Convertible Debentures

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Prospectus and

Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, both as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures on private placement basis, in one or more tranches such that the total amount does not exceed ₹ 5,000 crore during a period of one year from the date of passing of this Resolution and that the said borrowing is within the overall borrowing limits of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

#### 10. Increase in limits of investments in other bodies corporate

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 10,000 crore, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

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

#### 11. Appointment of Branch Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorised to appoint as Branch Auditor(s) of any Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any persons, qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

#### 12. Ratification of Cost Auditor's Remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 6,50,000 plus Service tax, travel and actual out-of-pocket expenses payable to M/s. Sanjay Gupta and Associates, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2016-17."

#### NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos. 5 to 12 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos.4 and 6 to 8 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. **The Register of Members and the Transfer Books of the Company will remain closed from Friday, 9<sup>th</sup> September 2016 to Wednesday, 21<sup>st</sup> September 2016, both days inclusive.** If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after 23<sup>rd</sup> September 2016, as under :
  - i) To all Beneficial Owners in respect of shares held in electronic form as per the data as may be made available by National Securities Depository Limited and Central Depository Services (India) Limited (both collectively referred to as 'Depositories') as of the close of business hours on 8<sup>th</sup> September 2016;
  - 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 8<sup>th</sup> September 2016.
6. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (TSRD) for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their DPs.
8. Pursuant to Section 205 of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31<sup>st</sup> 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 under 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 Building, 'A' Wing, 2<sup>nd</sup> floor  
Next to Reserve Bank of India  
CBD Belapur – 400 614.  
  
Consequent upon the amendment of Section 205A of the Companies Act, 1956 and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends for the subsequent years from the financial year ended 31<sup>st</sup> March 1996 to the financial year ended 31<sup>st</sup> March 2008, 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 (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by the IEPF.  
  
The Ministry of Corporate Affairs, on 10<sup>th</sup> May 2012, notified the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF upload Rules). The purpose of the IEPF upload Rules is to help Members ascertain the status of their unclaimed amounts. In accordance with the said IEPF upload Rules, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the previous AGM i.e. 5<sup>th</sup> August 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Company's website viz. [www.tatapower.com](http://www.tatapower.com) under the section 'Investor Relations'.  
  
Members who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March 2009 onwards, are requested to make their claims to the Company accordingly, without any delay.
9. Members holding shares in physical form and who have not registered their e-mail IDs are requested to register the same with TSRD.
10. The Notice of the AGM alongwith the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with TSRD/Depositories.
12. Process and manner for Members opting for e-voting are as under:-
  - i. In compliance with provisions of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed

to be considered at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL). Instructions for e-voting are given hereinbelow. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if it / they have been passed at the AGM.

- II. Members are provided with the facility for voting either through electronic voting system or ballot paper at the AGM and Members attending the meeting who have not already cast their vote by remote e-voting are eligible to exercise their right to vote at the meeting.
- III. Members who have cast their vote by remote e-voting prior to the AGM are also eligible to attend the meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 18<sup>th</sup> September 2016 (9:00 a.m. IST) and ends on Tuesday, 20<sup>th</sup> September 2016 (5:00 p.m. IST). Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 14<sup>th</sup> September 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose e-mail IDs are registered with the Company/DP):
    - (i) Open e-mail and open PDF file viz.: "Tata Power e-voting.pdf" with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - (iii) Click on Shareholder – Login
    - (iv) Select "EVEN" of "The Tata Power Company Limited", which is 104139.
    - (v) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
    - (vi) If you login for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
    - (vii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.
    - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - (xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.
    - (xii) On the voting page, you may cast your vote by selecting an appropriate option 'For' or 'Against' and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm or 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message 'Vote Cast Successfully' will be displayed.
    - (xiii) You can similarly vote in respect of all other Resolutions forming part of the Notice of the AGM. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
    - (xiv) If you wish to log out after voting on a few Resolutions and continue voting for the balance Resolutions later, you may click on 'RESET' for those Resolutions for which you have not cast the vote.
    - (xv) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/DP or requesting physical copy):
    - (i) Initial password is provided in the Attendance Slip (separate insert):  
EVEN (104139), USER ID PASSWORD/PIN
    - (ii) Please follow all steps from Sl. No.(ii) to Sl. No.(xv) above, to cast vote.



- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'downloads section' of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No.: 1800-222-990.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 14<sup>th</sup> September 2016.
- IX. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14<sup>th</sup> September 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/TSRD.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using 'Forgot User Details/Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free No.: 1800-222-990.

- X. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting.
- XI. Mr. P. N. Parikh (FCS 327) or failing him, Ms. Jigyasa Ved (FCS 6488) of M/s. Parikh and Associates, Company Secretaries have been appointed as Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'e-voting' or 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website [www.tatapower.com](http://www.tatapower.com) and on the website of NSDL, immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and National Stock Exchange of India Limited. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.
- XV. In case of grievances connected with facility for voting by electronic means, Members are requested to contact Mr. Amit Vishal, Senior Manager at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or on 022 2499 4360. Members may also write to him at NSDL, Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013.

### 13. Updation of Members Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/ Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for capturing additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective DP.

By Order of the Board of Directors,

**H. M. Mistry**  
**Company Secretary**  
 FCS No.: 3606

Mumbai, 11<sup>th</sup> July 2016

#### Registered Office:

Bombay House,  
 24, Homi Mody Street, Mumbai 400 001.  
 CIN: L28920MH1919PLC000567  
 Tel: 91 22 6665 8282 Fax: 91 22 6665 8801  
 E-mail: [tatapower@tatapower.com](mailto:tatapower@tatapower.com)  
 Website: [www.tatapower.com](http://www.tatapower.com)

## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 12 of the accompanying Notice dated 11<sup>th</sup> July 2016:

**Item No.5:** This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018) were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 13<sup>th</sup> August 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the Members at every AGM.

Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 5 of the accompanying Notice.

The Board commends the Resolution at Item No.5 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

**Item No.6:** Mr. Thomas Mathew T., Life Insurance Corporation of India's (LIC) Nominee on the Board of your Company, submitted his resignation as Director, which was effective 30<sup>th</sup> April 2015. In his place, LIC nominated their Managing Director, Mr. Vijay Kumar Sharma, who was appointed as Additional Director with effect from 19<sup>th</sup> May 2015. However, Mr. Sharma resigned from the Board of your Company on 2<sup>nd</sup> July 2015.

LIC then nominated, their Executive Director, Mr. Pravin H. Kutumbe, to represent LIC as Nominee Director on the Board of the Company. He was appointed as an Additional Director of the Company with effect from 7<sup>th</sup> September 2015 by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Kutumbe holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice along with requisite deposit under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Kutumbe's appointment as a Director.

Mr. Kutumbe, aged 55 years, is a Chartered Accountant. He joined LIC in 1985 and worked in LIC Branch and Divisional Offices in the functional areas of F&A, Marketing P&Gs and Investment. He headed LIC's Fiji operations from 1998 to 2002. He is also LIC's nominee on the Boards of Stock Holding Corporation of India Limited and SHCIL Services Limited.

The Board commends the Resolution at Item No.6 of the accompanying Notice for the approval by the Members of the Company.

Other than Mr. Kutumbe, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.6 of the accompanying Notice.

Mr. Kutumbe is not related to any other Director or KMP of the Company.

**Item No.7:** Ms. Vishakha V. Mulye, Independent (Woman) Director on the Board of your Company, submitted her resignation as Director, which was effective 18<sup>th</sup> January 2016. In her place, Ms. Sandhya S. Kudtarkar was appointed as an Additional (Woman) Director of the Company with effect from 16<sup>th</sup> April 2016 by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Ms. Kudtarkar holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice along with requisite deposit under Section 160(1) of the Act has been received from a Member signifying its intention to propose Ms. Kudtarkar's appointment as a Director.

Ms. Kudtarkar is a Commerce graduate, Chartered Accountant and Company Secretary and has been with the Tata Group since March 1982. Having held various positions in the Secretarial function with Tata Steel Limited, she was the Company Secretary of Tata Steel from June 1994 till October 2001. Thereafter, she moved to the Group Legal Department and is presently Vice President - Legal Services of Tata Services Ltd.

Her job profile includes providing support to the senior management team of the Tata Group, handling transactions of mergers, acquisitions, joint ventures, foreign collaborations, divestments and corporate restructuring and providing legal advice to all the Tata Companies on corporate laws. She has sound domain knowledge of Company Law, SEBI Regulations and Foreign Exchange Regulations.

She is a director of various Tata companies including Tata International Limited, Panatone Finvest Limited and TS Investments Limited. She is an ex-member of the Legal Affairs Committee of the Bombay Chamber of Commerce and Industry.

The Board commends the Resolution at Item No.7 of the accompanying Notice for the approval by the Members of the Company.

Other than Ms. Kudtarkar, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

Ms. Kudtarkar is not related to any other Director or KMP of the Company.

**Item No.8:** Mr. Anil Sardana was appointed as Managing Director of the Company for a period of 5 years from 1<sup>st</sup> February 2011 to 31<sup>st</sup> January 2016. The Board, has, vide Resolution passed on 9<sup>th</sup> November 2015, re-appointed Mr. Sardana as CEO and Managing Director of the Company for a further period of 5 years from 1<sup>st</sup> February 2016 to 31<sup>st</sup> January 2021, subject to approval of the Members. This appointment was made based on recommendation by the Nomination and Remuneration Committee (NRC) comprising Mr. N. H. Mirza (Chairman), Mr. C. P. Mistry, Mr. R. Gopalakrishnan and Dr. H. S. Vachha.

Mr. Sardana, aged 57 years, is an Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWAI) and holds a Post Graduate Diploma in Management from Delhi. Mr. Sardana has over three decades of proven experience in the power sector and has worked with companies like Tata Power Delhi Distribution Limited (TPDDL) (erstwhile North Delhi Power Limited, a subsidiary of Tata Power), National Thermal Power Corporation Limited and BSES Limited (prior to it becoming an ADAG group company).

Mr. Sardana was the Managing Director of Tata Teleservices Limited for over 3 years as well as Tata Teleservices (Maharashtra) Limited for about 6 months. Earlier, he had held the position of Executive Director (Strategy and Business Development) of the Company from 1<sup>st</sup> March 2007 to 3<sup>rd</sup> August 2007, he also served as Non-Executive Director from 9<sup>th</sup> August 2007 to 2<sup>nd</sup> July 2008. He was also CEO and Managing Director of TPDDL from July 2002 to February 2007.

Under Mr. Sardana's stewardship, the Company has executed and operationalised all five units of the Mundra UMPP, two units of the Maithon Power project, and also commissioned over 487 MW of wind power projects and 57 MW of solar power projects in India. The Company has successfully concluded international ventures by closing investments in Adjaristsqali hydro project in Georgia, Itzhi Tezhi hydro project in Zambia, and full commissioning of Dagachhu hydro project in Bhutan. The Company also achieved 9,184 MW capacity mark and a consumer base of over 2 Mn. across the country. Generation stood at above 47,000 MUs from all its power plants. The Company also successfully got new licenses for Power Distribution and Power Transmission in city of Mumbai for a period of 25 years.

Coastal Gujarat Power Limited's (CGPL) operational performance and follow through has reduced the under-recovery and CGPL registered a lower PAT loss of ₹ 306 crore during last year. Also, constant advocacy and legal follow through is being pursued to get a sustainable solution for CGPL. Appellate Tribunal of Electricity has recently pronounced its judgement granting relief to CGPL's Mundra UMPP under Force Majeure clause and directed Central Electricity Regulatory Commission to compute the same, which would mean under-recovery to be compensated.

Under his guidance, TPDDL initiated its journey to become a world class retail utility and has collaborated with more than 25 leading technology partners / institutions like IBM, Honeywell, 3M Technologies, Stanford University, Ryerson University etc. to find innovative solutions to electricity distribution. TPDDL achieved a benchmark reduction in AT&C losses which at present are about 8.88%. TPDDL has a comprehensive smart grid roadmap which includes setting up smart metering, data analytics, advanced metering infrastructure based auto demand response along with an integrated communication infrastructure.

Mr. Sardana enhanced the focus of Tata Power on clean energy by spearheading the carve out of renewable assets to Tata Power Renewable Energy Limited (TPREL) and its subsidiaries. TPREL signed a Share Purchase Agreement with Indo Rama Renewables Limited and acquired its 100% subsidiary Indo Rama Renewables Jath Limited which owns a 30 MW windfarm in Maharashtra. Under his Chairmanship, TPREL's overall capacity increased to 264 MW and posted higher revenue and PAT due to better operations in Mithapur project, commissioning of 50 MW Rojmal windfarm in Gujarat, amalgamation of NewGen Saurashtra Windfarms Limited and commissioning of 44 MW of wind capacity at Lahori.

The Company, through its Strategic Engineering Division, became the first ever Indian Company to win a Night Vision order for supply of Hand Held Thermal Imagers to BSF.

The Company besides consolidating in operational excellence; execution excellence and growth; has focused on process; governance and risk capabilities.

During his tenure, the Company received the prestigious National Award for Excellence in Corporate Governance for 2013 from The Institute of Company Secretaries of India. The Company has been named as World's Most Ethical Company in 2016 by the Ethisphere Institute, USA, for the third year in succession. The Company was also awarded ISO 31000:2009 Statement of Compliance for Enterprise Risk Management System from British Standards Institute for its Enterprise Risk Management System, making it the first company from amongst the Tata Group to receive this Statement of Compliance. The Company was conferred with Sustainability Plus Platinum status by CII. The Company was also awarded the prestigious Porter Prize for Excellence in Corporate Integration and Governance. The Company also won three prestigious awards at the Tata Affirmative Action Programme Annual Convention, 2015.

On a consolidated basis, Tata Power's operating revenues grew from ₹ 19,450 crore in FY11 to ₹ 36,461 crore in FY16 and operating profits from the existing assets have grown from ₹ 4,596 crore in FY11 to ₹ 7,991 crore in FY16.

The principal terms and conditions of Mr. Sardana's appointment as CEO and Managing Director (hereinafter referred to as 'Mr. Sardana' or the 'CEO and Managing Director') and the main clauses of the agreement to be executed between the Company and Mr. Sardana are as follows:

**1. Term and Termination:**

- 1.1 From 1<sup>st</sup> February 2016 to 31<sup>st</sup> January 2021.
- 1.2 The Agreement may be terminated earlier, without any cause, by Mr. Sardana or the Company by giving six months' notice of such termination to the other party or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

**2. Duties and Powers:**

- 2.1 The CEO and Managing Director shall devote his whole time and attention to the business of the Company and perform 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 the 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 one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the CEO and Managing Director 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.
- 2.2 The CEO and Managing Director shall not exceed the powers so delegated by the Board pursuant to clause 2.1 above.
- 2.3 The CEO and Managing Director undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- 2.4 Mr. Sardana shall undertake his duties from such location as may be directed by the Board.

**3. Remuneration:**

- 3.1 So long as the CEO and Managing Director performs his duties and conforms to the terms and conditions contained in the Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.
- a) Salary : Basic Salary ₹ 8,25,000 per month; upto a maximum of ₹ 9,50,000 per month, with authority to the Board to fix his salary within the said maximum amount from time to time. The annual increments which will be effective 1<sup>st</sup> April each year, will be decided by the Board based on recommendation of the NRC and will be merit-based and take into account the Company's performance as well.
- b) Benefits, Perquisites, Allowances :

In addition to the Salary referred to in (a) above, the CEO and Managing Director shall be entitled to:

- A. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the Salary (in case no accommodation is provided by the Company).

- B. Hospitalisation, Transport, Telecommunication and other facilities as per the Rules of the Company:
- (i) Hospitalisation and major medical expenses for self, spouse and dependent (minor) children;
  - (ii) Car, with driver provided, maintained by the Company for official and personal use.
  - (iii) Telecommunication facilities including broadband and internet.
  - (iv) Housing Loan facility.

- C. Other perquisites and allowances given below subject to a maximum of 55% of the Annual Salary:

The categorised perquisites and allowances to be included within the 55% limit shall be -

a) Allowances	33.34%
b) Leave Travel Concession/Allowance	8.33%
c) Medical Allowance	8.33%
	<u>50.00%</u>
d) Personal Accident Insurance ) @ actuals	
e) Club Membership fees ) subject to a cap of	5.00%
	<u>55.00%</u>

- D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- E. The CEO and Managing Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave not availed by the CEO and Managing Director is encashable in accordance with the Rules of the Company.
- c) **Commission** : Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 197 of the Act. The specific amount payable will be based on performance as evaluated by the Board or a Committee thereof duly authorised in this behalf and will be payable annually after the Annual Accounts have been adopted by the Board.
- d) **Incentive Remuneration** : Such incentive remuneration not exceeding 200% of Salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.
- An indicative list of factors that may be considered for determination of the extent of Commission / Incentive Remuneration by the Board (as recommended by the NRC) are:
- The Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time.
  - Industry benchmarks of remuneration.
  - Performance of the individual.
- 3.2 Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the CEO and Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the CEO and Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.
4. The terms and conditions of the appointment of the CEO and Managing Director and/or the Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO and Managing Director, subject to such approvals as may be required.
5. The CEO and Managing 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. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO and Managing Director, unless specifically provided otherwise.
7. The employment of the CEO and Managing Director may be terminated by the Company without notice or payment in lieu of notice:
- a. if the CEO and Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the CEO and Managing Director of any of the stipulations contained in the Agreement; or
  - c. in the event the Board expresses its loss of confidence in the CEO and Managing Director.
8. In the event the CEO and Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
9. Upon the termination by whatever means of his employment under the Agreement:
- a. the CEO and Managing Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - b. the CEO and Managing Director shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.
10. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Sardana will cease to be the CEO and Managing Director and also cease to be a Director of the Company. If at any time, the CEO and Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CEO and Managing Director and the Agreement shall forthwith terminate. If at any time, the CEO and Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and CEO and Managing Director of the Company.
11. The terms and conditions of the appointment of the CEO and Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, Intellectual Property, maintenance of confidentiality, non-competition and non-solicitation.

12. For all intents and purposes, Mr. Sardana's date of joining will be the date on which he joined the Group and he will also enjoy all benefits of continuity with regard to Gratuity and other benefits.
13. Remuneration paid/payable to the CEO and Managing Director for FY16 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them. The table below illustrates the comparative data:

(Amount in ₹ crore)

Market - CTC with Long term initiatives						
Benchmark Position	No. of Observations from Market	P10	P25	P50	P75	P90
CEO	13 Companies	2.79	5.39	8.11	12.39	13.80

Note:

- i) Based on Executive Compensation Study conducted by AON Hewitt in March/April 2016.
- ii) Market data is for companies with revenue size between >10,000 crore.
- iii) CTC includes Basic Salary, Benefits, Perquisites and Allowances, Commission/Performance Linked Bonus and Long term incentives and Housing.

The remuneration of Mr. Sardana for FY16 was ₹ 6.50 crore, including cost of house which is part of this value.

The Company is a player across the value chain of power business allowing it to capitalise on market opportunities in all segments. The key target areas for the Company at this point of time is for scaling up of generation capacity with a focus on renewables and value added businesses. The Directors are of the view that the appointment of Mr. Sardana as CEO and Managing Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience and, accordingly, commend 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 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Other than Mr. Sardana, none of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.8 of the accompanying Notice.

Mr. Sardana is not related to any other Director or KMP of the Company.

**Item No.9:** As per Section 42 of the Act, read with the Rules framed thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.

The total borrowings of the Company as on 31<sup>st</sup> March 2016 are approx. ₹ 9,740 crore. The Company estimates to borrow around ₹ 2,000 crore to finance its capex requirements till August 2017 as per its Annual Business Plan. Furthermore, since the Company is actively pursuing growth through inorganic routes (acquisition of renewable and thermal power assets), the Company estimates a substantial investment in excess of ₹ 3,000 crore to fuel its growth.

Among the various options for raising such funds, the Company may need to raise funds by way of NCDs of upto ₹ 5,000 crore to meet these requirements from August 2016 till August 2017.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No.9, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board commends the Resolution at Item No.9 of the accompanying Notice for the approval by Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.9 of the accompanying Notice.

**Item No.10:** The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of the Act. However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Based on its the financials as on 31<sup>st</sup> March 2016, 60% of the paid-up share capital plus free reserves and securities premium is approx. ₹ 8,546 crore and 100% of free reserves and securities premium is approx. ₹ 13,972 crore. As such, any investments in securities in excess of ₹ 13,972 crore would require a Special Resolution of the Members in its general meeting.

As on 31<sup>st</sup> March 2016, the Company had investment in securities of other companies amounting to ₹ 13,325 crore.

The Company has growth plans in the fields of domestic and overseas generation in thermal, hydro, renewable projects through subsidiaries and joint ventures; transmission for inter-connecting Company's own Generation and/or Distribution assets; electricity distribution; value-add business of solar modules and cells; EPC and O&M business; fuel securitization through its subsidiaries and joint ventures for which the Company plans to invest around ₹ 2,100 crore till August 2017. Furthermore, there are acquisition and investment opportunities in renewable and thermal space for inorganic growth which may require substantial investments to the tune of ₹ 4,400 crore. Further, the Company's wholly owned subsidiary, Coastal Gujarat Power Limited proposes to convert the existing shareholder's loan of ₹ 3,500 crore from the parent Company into Perpetual Debt which will be considered as a fresh investment in securities. Considering these requirements, the Company estimates the amount at ₹ 10,000 crore in the next approval period till August 2017.

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

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

None of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution at Item No.10 of the accompanying Notice.

**Item No.11:** 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 for the purpose of auditing the accounts of the Company's Branch Offices outside India (whether now existing or as may be established), the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 143 of the Act, in terms of the Resolution at Item No.11 of the accompanying Notice.

The Board commends the Resolution at Item No.11 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.11 of the accompanying Notice.

**Item No.12:** Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of M/s. Sanjay Gupta and Associates (SGA) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2016-17, at a remuneration of ₹ 6,50,000 plus Service tax and actual out-of-pocket expenses.

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

The Board commends the Resolution at Item No.12 of the accompanying Notice for ratification of the Cost Auditors' remuneration by the Members of the Company.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the Resolution at Item No.12 of the accompanying Notice.

By Order of the Board of Directors,

**H. M. Mistry**  
**Company Secretary**  
 FCS No.: 3606

Mumbai, 11<sup>th</sup> July 2016

**Registered Office:**

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

**Details of the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting  
(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)**

Name of the Director	Mr. Anil Sardana	Mr. Pravin H. Kutumbe	Ms. Sandhya S. Kudtarkar
Date of Birth (Age)	16 <sup>th</sup> April 1959 (57 years)	17 <sup>th</sup> June 1960 (56 years)	9 <sup>th</sup> April 1958 (58 years)
Date of Appointment	1 <sup>st</sup> February 2011	7 <sup>th</sup> September 2015	16 <sup>th</sup> April 2016
Expertise in specific functional areas	<p>Mr. Sardana brings with him over three decades of proven expertise in the power sector and has worked with companies like Tata Power Delhi Distribution Limited (TPDDL) (erstwhile North Delhi Power Limited, a subsidiary of Tata Power), National Thermal Power Corporation Limited and BSES Limited (prior to it becoming an ADAG group company).</p> <p>Mr. Sardana was the Managing Director of Tata Teleservices Limited for over 3 years as well as Tata Teleservices (Maharashtra) Limited for about 6 months.</p> <p>Earlier, he had held the position of Executive Director (Strategy and Business Development) of the Company from 1<sup>st</sup> March 2007 to 3<sup>rd</sup> August 2007, he also served as Non-Executive Director from 9<sup>th</sup> August 2007 to 2<sup>nd</sup> July 2008. He was also CEO and Managing Director of TPDDL from July 2002 to February 2007.</p>	<p>Mr. Kutumbe, joined Life Insurance Corporation of India (LIC) in 1985 and worked in LIC Branch and Divisional Offices in the functional areas of F&amp;A, Marketing P&amp;Gs and Investment. He headed LIC's Fiji operations from 1998 to 2002. Presently, Mr. Kutumbe is the Executive Director of LIC.</p>	<p>Ms. Kudtarkar is a Commerce graduate, Chartered Accountant and Company Secretary and has been with the Tata Group since March 1982. Having held various positions in the Secretarial function with Tata Steel Limited, she was the Company Secretary of Tata Steel from June 1994 till October 2001. Thereafter, she moved to the Group Legal Department and is presently Vice President - Legal Services of Tata Services Ltd.</p> <p>She is a director of various Tata companies including Tata International Limited, Panatone Finvest Limited and TS Investments Limited. She is an ex-member of the Legal Affairs Committee of the Bombay Chamber of Commerce and Industry.</p>
Qualifications	An Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWAI) and holds a Post Graduate Diploma in Management from Delhi.	Chartered Accountant	Commerce graduate, Chartered Accountant and Company Secretary
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>Tata Power Trading Co. Ltd.</li> <li>Tata Power Delhi Distribution Ltd.</li> <li>Coastal Gujarat Power Ltd.</li> <li>Tata Power Solar Systems Ltd.</li> <li>Tata Power Renewable Energy Ltd.</li> <li>Indian Energy Exchange Ltd. (Advisory Board)</li> </ul>	<ul style="list-style-type: none"> <li>Life Insurance Corporation of India</li> <li>Stock Holding Corporation of India Ltd.</li> <li>SHCIL Services Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>TS Investments Ltd.</li> <li>Tata International Ltd.</li> <li>Universal Comfort Products Ltd.</li> <li>Panatone Finvest Ltd.</li> <li>Indian Rotorcraft Ltd.</li> </ul>
Committee position held in other companies	<p><b>Audit Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>Coastal Gujarat Power Ltd.</li> </ul> <p><b>Nomination and Remuneration Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>Tata Power Delhi Distribution Ltd.</li> <li>Tata Power Renewable Energy Ltd.</li> </ul> <p><b>Capital Expenditure Review Committee</b> <i>Chairman</i></p> <ul style="list-style-type: none"> <li>Tata Power Delhi Distribution Ltd.</li> </ul> <p><b>Operations Review Committee</b> <i>Chairman</i></p> <ul style="list-style-type: none"> <li>Tata Power Delhi Distribution Ltd.</li> </ul>	<p><b>Audit Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>SHCIL Services Ltd.</li> </ul> <p><b>Nomination and Remuneration Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>Stock Holding Corporation of India Ltd.</li> <li>SHCIL Services Ltd.</li> </ul>	<p><b>Audit Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>Panatone Finvest Ltd.</li> <li>Indian Rotorcraft Ltd.</li> </ul> <p><b>Nomination and Remuneration Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>Panatone Finvest Ltd.</li> <li>Indian Rotorcraft Ltd.</li> </ul> <p><b>Corporate Social Responsibility Committee</b> <i>Member</i></p> <ul style="list-style-type: none"> <li>TS Investments Ltd.</li> </ul>
Remuneration	As mentioned in the Explanatory Statement to the Notice dated 11 <sup>th</sup> July 2016	N.A.	N.A.
No. of meetings of the Board attended during the year	6	3	N.A.
No. of shares held: (a) Own (b) For other persons on a beneficial basis	Nil Nil	Nil Nil	Nil Nil



## BOARD'S REPORT

To The Members,

The Directors are pleased to present the Ninety-Seventh Annual Report on the business, operations and the Statements of Account for the year ended 31<sup>st</sup> March 2016 of The Tata Power Company Limited (Company).

### 1. Financial Results

Figures in ₹ crore (Table 1)

	Consolidated		Standalone	
	FY16	FY15	FY16	FY15
(a) Net Sales/Income from Other Operations* .....	36,461	34,367	8,438	8,678
(b) Operating Expenditure .....	28,470	27,426	5,721	6,516
<b>(c) Operating Profit .....</b>	<b>7,991</b>	<b>6,941</b>	<b>2,717</b>	<b>2,162</b>
(d) Less/(Add): Forex Loss /(Gain).....	218	(64)	58	48
(e) Add: Other Income .....	297	352	555	1,025
(f) Less: Finance Cost .....	3,477	3,699	1,156	1,048
(g) Profit before Depreciation and Tax.....	4,593	3,658	2,058	2,091
(h) Less: Depreciation/Amortisation/Impairment .....	2,376	2,174	665	575
<b>(i) Profit Before Exceptional Item .....</b>	<b>2,217</b>	<b>1,484</b>	<b>1,393</b>	<b>1,516</b>
(j) Less: Exceptional Item .....	281	NIL	226	NIL
<b>(k) Profit before Tax .....</b>	<b>1,936</b>	<b>1,484</b>	<b>1,167</b>	<b>1,516</b>
(l) Tax Expenses.....	869	1,075	395	506
<b>(m) Net Profit/(Loss) after Tax .....</b>	<b>1,067</b>	<b>409</b>	<b>772</b>	<b>1,010</b>
(n) Less: Minority Interest .....	256	289	-	-
(o) Add: Share of Profit of Associates.....	62	48	-	-
<b>(p) Net Profit after Tax, Minority Interest and Share of Profit of Associates .....</b>	<b>873</b>	<b>168</b>	<b>772</b>	<b>1,010</b>

\*Including rate regulatory income/(expense)

### 2. Financial Performance and the state of the Company's affairs

#### 2.1. Consolidated

On a Consolidated basis, the Operating Revenue increased to ₹ 36,461 crore in FY16, from ₹ 34,367 crore in FY15. The increase was mainly due to higher volumes in power trading amounting to 6,737 MUs (refer section 5.8 of MD&A) and higher revenues from the solar equipment business (₹ 616 crore - refer section 5.11 of MD&A) offset by lower realisation in coal companies.

The Consolidated Profit after Tax in FY16 increased to ₹ 873 crore from ₹ 168 crore in the previous year mainly on account of improved operational performance and reversal of impairment loss amounting to ₹ 2,320 crore (refer section 5.2 of MD&A) in Coastal Gujarat Power Limited (CGPL) offset by lower realisations in coal companies and consequent impairment of goodwill amounting to ₹ 2,533 crore in these companies.

#### 2.2. Standalone

On a Standalone basis, the Operating Revenue reduced to ₹ 8,438 crore in FY16 from ₹ 8,678 crore in FY15, mainly due to lower fuel costs and power purchase cost being passed through for the regulated business.

The Profit after Tax in FY16 was lower at ₹ 772 crore as compared to ₹ 1,010 crore last year. This was mainly due to provision for diminution in the value of investments made by your Company to the tune of ₹ 226 crore. The Earnings per Share (Basic) in FY16 stood at ₹ 2.36. The operating profit was higher in standalone owing to all-round improvement in performance of the assets.

### 3. Dividend

The Directors of your Company recommend a dividend of 130% (₹ 1.30 per share of ₹ 1 each), subject to the approval of the Members.

### 4. Centenary Year

Your Company completed 100 years of its operations on 9<sup>th</sup> February 2015, having started its first Hydroelectric Power Generation Unit at Khopoli in the year 1915. Your Company is the third company amongst various Tata Companies to have achieved this rare milestone and has been contributing to the process of nation building for over a hundred years.

Our revered visionary founder, Mr. Jamsetji Tata conceptualized green and clean Power for the city of Mumbai way back in early 1900. Your Company pursued the founder’s vision by generating hydroelectric power at Khopoli, Maharashtra, harnessing the potential from the lakes located in the surroundings of Lonavala. The electricity, thus generated, was transmitted to the city of Mumbai. Your Company has been intrinsically linked with the economic growth and development of two of the most important cities of the country viz. Mumbai and Delhi.

Not only has your Company been the frontrunner in the power sector in India, it has also been pioneering new technologies in the country and has played a significant role in the economic progress of the country through its value chain of power generation, transmission, distribution, solar & wind energy and its defence related engineering systems & solutions.

Today, Tata Power has spread its wings and established itself internationally too. Quietly, as the country has grown, your Company has made sure that electricity, the invisible force that powers a nation, has always been reliably available wherever our operations exist. Considering the values that Tata Power has been following, **‘Invisible Goodness’** was chosen as the theme of our Centenary Year Celebration.

In the Centenary Year, your Company held celebrations at all its key establishments along with our key stakeholders, culminating in a mega ceremony in Mumbai in the esteemed presence of Chief Minister of Maharashtra, Power Minister of Maharashtra and the Mayor of Mumbai. The event was also witnessed by some of the distinguished business leaders and the leadership of the Tata Group. Your Company also launched various initiatives for key stakeholders including the society at large. Tata Power engaged not just with the employees and their family members, but also with many external stakeholders.

The ceremonies and the initiatives undertaken in the Centenary Year were a way of showing your Company’s gratitude to all its stakeholders who have helped the Company in achieving this rare milestone and we believe that it has helped us strengthen relationships with all our stakeholders in our ongoing journey for the next several decades and centuries.

**5. Current Business**

The key businesses of the Company are in the area of Generation, Transmission, Distribution-cum-Retail, Power Trading, Power Services, Coal Mines and Logistics, Strategic Engineering for defence applications, Solar Photovoltaic (PV) manufacturing and Engineering, Procurement, Construction (EPC) services.

As on date of the report, the Tata Power Group of companies had an operational generation capacity of 9,184 MW based on various fuel sources - thermal (coal, gas and oil), hydroelectric power, renewable energy (wind and solar PV) and waste heat recovery.

The Company (including its subsidiaries) has about 20% of its capacity (in MW terms) in clean and green generation sources (Hydro, Wind, Solar and Waste Heat Recovery), while the target is to have 30-40% of its total generation capacity to be from non-fossil fuel based generation sources by 2025.

**Details of generation businesses in operations**

(Table 2)

Fuel Source	Location	State	Normative Capacity under management (MW)	Returns / Earnings Model	Category Total (MW)
Thermal – Coal / Oil / Gas	Mundra	Gujarat	4,150	Long term PPA based on UMPP Bid	7,436
	Trombay	Maharashtra	1,580	Long term PPA - Regulated Return on Equity	
	Maithon	Jharkhand	1,050	Long term PPA - Regulated Return on Equity	
	Jojobera	Jharkhand	428	Long term PPA - Regulated Return on Equity and Negotiated PPA	
	IEL – Jojobera	Jharkhand	120	Bilaterally negotiated Long Term PPA	
	TPDDL – Rithala (Gas based)	New Delhi	108	PPA is being pursued	
Thermal – Waste Heat Recovery	IEL – Jamshedpur	Jharkhand	120	Bilaterally negotiated Long Term PPA	375
	IEL – Kalinganagar	Odisha	135	Bilaterally negotiated Long Term PPA	
	Haldia	West Bengal	120	Merchant Sales (100 MW) and Bilateral sale to West Bengal (20 MW)	
Hydro	Bhira	Maharashtra	300	Long Term PPA - Regulated Return on Equity	693
	Khopoli	Maharashtra	72		
	Bhivpuri	Maharashtra	75		
	Dagachhu	Bhutan	126	Merchant Power Sale	
	Itezhi Tezhi	Zambia	120	Long Term Regulated Return based project	

(Table 2)

Fuel Source	Location	State	Normative Capacity under management (MW)	Returns / Earnings Model	Category Total (MW)
Renewables	Wind farms	Maharashtra, Gujarat, Madhya Pradesh, Karnataka, Tamil Nadu, Rajasthan	621	Long Term PPA based on Feed-in-tariff + REC Mechanism (includes 30 MW assets of Indo Rama Renewables)	681
	Solar Photovoltaic (PV)	Maharashtra, Gujarat, Tamil Nadu and Delhi	60	Long Term PPA based on Feed-in-tariff	
<b>Total</b>					<b>9,184</b>

The Company de-commissioned the 81 MW Belgaum Power Plant in June 2015 pursuant to conclusion of the PPA term. Sale of the equipment and establishment is under progress.

### Details of other businesses

(Table 3)

Business	Company/Entity	Location	Returns / Earnings Model	Key details
Transmission	Tata Power (TPC - T)	Mumbai	25 year license w.e.f August 2015 - Regulated Return on Equity	Over 1,200 Ckm of Transmission lines, connecting Generating Stations to 21 Receiving Stations.
	Powerlinks Transmission Limited (PTL)	Eastern/ Northern regions	Regulated Return on Equity	PTL - Installed 400 kV Transmission lines to evacuate and transmit surplus power from Eastern/North Eastern region (Siliguri) to Uttar Pradesh (Mandaula) covering a distance of 1,166 km.
Distribution	Tata Power (TPC - D)	Mumbai	25 year license w.e.f August 2015- Regulated Return on Equity	4,058 Ckm of Distribution lines. Over 6.5 lakh consumers.
	Tata Power Delhi Distribution Limited (TPDDL)	New Delhi	Regulated Return on Equity	TPDDL - Approximately 14,364 Ckm of Distribution lines Over 15 lakh consumers.
Coal Investments	Coal and Infrastructure Companies (KPC, Arutmin, BSSR)	Indonesia	Returns based on dynamics in International thermal coal market	Stake in Indonesian mines.
Solar PV manufacturing, EPC	Tata Power Solar Systems Limited	Bengaluru	Returns based on sector dynamics and market competition	Manufacturing and sale of C-Si solar PV cells and modules and EPC services.
Power Trading	Tata Power Trading Company Limited	Across India	Returns based on market dynamics in short term and bilateral power market subject to cap prescribed by CERC	Category I power trading license, which permits the company to trade any amount of power.
Shipping	Trust Energy Resources Pte Ltd.	Singapore	Returns based on sector dynamics and market competition	Operates long term charters to meet captive shipping requirements. Vessels operated are of cape size.
Strategic Engineering	Tata Power Strategic Engineering Division (SED)	Mumbai	Returns based on sector dynamics and market competition	Amongst the Indian private sector, SED is one of the leading suppliers of systems integration for defence equipment and provides creative solutions.

(Table 3)

Business	Company/Entity	Location	Returns / Earnings Model	Key details
Power Services	Tata Power	Mumbai	Returns based on sector dynamics and market competition	One of the leading service providers for Project Management, O&M and specialized services in the power sector such as for electrical testing, protection audits, energy conservation audits, inspection and quality assurance.

## 6. Subsidiaries/Joint Ventures/Associates

As on 31<sup>st</sup> March 2016, the Company had 28 Subsidiaries (18 of which were wholly-owned Subsidiaries), 35 Joint Ventures (JVs) and 8 Associates.

During the year, the following changes occurred in your Company's holding structure:

- Subsidiaries: Supa Windfarm Ltd., Nivade Windfarm Ltd. and Poolavadi Windfarm Ltd. were incorporated as wholly owned subsidiaries of Tata Power Renewable Energy Ltd. Tata Ceramics Ltd., an erstwhile Associate, became a subsidiary of the Company. NewGen Saurashtra Windfarms Ltd. was merged with Tata Power Renewable Energy Ltd.
- Joint Ventures: Your Company invested in Itezhi Tezhi Power Corporation, a hydro power project in Zambia.
- Associates: Your Company and Af-Taab Investment Company Ltd. (a wholly-owned subsidiary of your Company) sold their entire respective stakes in Rujuvalika Investments Ltd.

The report on the performance and financial position of each of the subsidiaries, JVs and associate companies has been provided in Form AOC-1.

The policy for determining material subsidiaries of the Company has been provided in the following link: <http://www.tatapower.com/aboutus/pdf/dms-policy-15.pdf> (scan the adjacent QR code on any mobile device smart phone/tablet to read the policy on the Company website. QR code scanner app can be downloaded free of cost for Android/iOS/Windows devices from respective app stores)



## 7. Reserves

The net movement in the various reserves of the Company for FY16 and the previous year are as follows:

Figures in ₹ crore (Table 4)

Particulars	FY16	FY15
Revaluation Reserve	NIL	(2.48)
Securities Premium Account	(1.67)	1,930.97
Debenture Redemption Reserve	110.58	(413.20)
Foreign Currency Translation Reserves (Net)	Nil	14.57
Foreign Currency Monetary Item Translation Difference Account	7.42	84.09
General Reserve	77.16	101.03
Surplus in Statement of Profit and Loss	71.85	832.42

## 8. Foreign Exchange - Earnings and Outgo

A summary of foreign exchange transactions of the Company for FY16 and the previous year are as follows:

Figures in ₹ crore (Table 5)

Particulars – Standalone	FY16	FY15
Foreign Exchange Earnings	200	419
Foreign Exchange Outflow mainly on account of:	1,283	1,112
• Fuel purchase	935	793
• Interest on foreign currency borrowings, NRI dividends	41	81
• Purchase of capital equipment, components and spares and other miscellaneous expenses	307	238

## 9. Regulatory and Legal Matters

The businesses of the Company are governed primarily by the Electricity Act, 2003 (EA, 2003). Mentioned below are the critical regulatory orders pertaining to the Company that were issued during FY16, none of which impact the “going concern” status of your Company.

### 9.1. Compensatory Tariff For CGPL - Mundra UMPP

Due to unforeseen changes in Indonesian law in 2012 and increase of coal prices relative to predicted/envisaged prices at the time of bidding, CGPL is unable to recover the full cost of fuel through the existing tariff. In view of this, CGPL had filed a petition before Central Electricity Regulatory Commission (CERC) seeking relief by way of an appropriate mechanism to offset this adverse impact. CERC passed an order on 21<sup>st</sup> February 2014, ruling that the Company will be entitled to compensatory tariff to offset additional fuel costs till the hardship continues on account of increase in coal prices.

The said Order was challenged by the Procurers before the Appellate Tribunal for Electricity (ATE). ATE, in its judgement on 7<sup>th</sup> April 2016, held that the increase in price of Indonesian coal is a “force majeure” event and has directed CERC to provide relief to CGPL as per the PPA. CGPL has approached CERC for appropriate relief. The matter is now with CERC, where hearings have commenced. The ATE has given 3 months’ time to CERC to determine the compensation.

Kindly refer to section 5.2 of MD&A of this Annual Report for further details on the matter.

### 9.2. Multi Year Tariff Orders of MERC

In August 2013, the Hon’ble Maharashtra Electricity Regulatory Commission (MERC) determined the Multi-Year Tariff (MYT) for all distribution licensees for FY14, FY15 and FY16. Subsequently, the Company had filed Mid Term Review (MTR) petitions for Tata Power - Generation, Transmission and Distribution Business with MERC. MERC passed its order in the said MTR Petitions on 26<sup>th</sup> June 2015.

Thereafter, the MYT Regulations, 2015 were notified on 8<sup>th</sup> December 2015 for determination of Aggregate Revenue Requirement and Tariff in all matters covered under the Regulations for the Control Period from 1<sup>st</sup> April 2016 up to 31<sup>st</sup> March 2020.

Accordingly, the Mumbai Generation, Transmission and Distribution Businesses of the Company have filed MYT Petitions on 10<sup>th</sup> February 2016, 1<sup>st</sup> February 2016 and 27<sup>th</sup> February 2016 respectively, which also include the Truing up of FY15 and the provisional Truing up of FY16 as per the requirements of the MYT Regulations 2011, applicable for these years. All the three matters are currently pending before MERC.

### 9.3. Key Judgements of the Hon’ble High Court of Bombay, Hon’ble ATE and MERC

In November 2014, the ATE had quashed all restrictions on movement of consumers between Distribution Licensees, but had directed the Distribution Licensees to limit creation of a parallel network. However, in places where the Company had made considerable investment in laying a network or the works were in advanced stages of completion, such network had been allowed to be commissioned and capitalised.

Subsequent to the aforesaid judgement, your Company submitted its revised Network Rollout Plan (Case No. 182 of 2014). MERC passed an interim Order in the said petition on 9<sup>th</sup> November 2015, whereby the Commission directed constitution of a Committee to examine and finalize the operational specific matters / physical rollout of network for the consideration of the Commission. On 28<sup>th</sup> March 2016, the Committee (so constituted by the Commission) provided its recommendation to the Commission for its consideration. MERC decided to constitute a public hearing to take the views of all stakeholders. The Network Rollout Plan of your Company is currently pending approval of the Commission.

Another landmark judgement has been passed by the High Court of Bombay on 2<sup>nd</sup> March 2016 in a Writ Petition filed by the Municipal Corporation of Greater Mumbai (MCGM) against MERC, challenging its right and power to modify the Standard of Performance (SOP) timelines in the MERC SOP Regulations, 2014. Tata Power was included as a Respondent in the said Writ Petition. The High Court has dismissed the petition for being without any merits and further passed certain strictures against MCGM in the said judgement.

### 9.4. Annual Performance Review (APR) Order for FY14 for Jojobera Units 2 and 3

Jojobera station of Tata Power Group has 5 units. While Unit 1 and 4 (both 67.5 MW) are tied as captive with Tata Steel plant, Units 2 and 3 (67.5 MW each) are regulated as these have PPAs with licensed Discom promoted by Tata Steel. Jharkhand State Electricity Regulatory Commission (JSERC), on 31<sup>st</sup> May 2015, passed the APR Order for FY14 including truing-up for FY13 and truing-up of energy charges for FY12 for Jojobera Units 2 and 3 wherein JSERC has approved certain additional capital expenditure schemes pertaining to safety of the units. Your Company has filed an Appeal with ATE challenging a few disallowances in the above APR Order.

### 9.5. Standby Charges

On an appeal filed by your Company, the Supreme Court had stayed the operation of the ATE order in 2007, subject to the condition that your Company deposit an amount of ₹ 227 crore and furnish a bank guarantee for an equal amount. The Company complied with both the conditions. Reliance Infrastructure Limited (R-Infra) also subsequently filed an appeal before the Supreme Court challenging the ATE order. Both the appeals were admitted in 2007. However, no hearings were held on the matter during the year.

### 9.6. Energy Charges and 'Take or Pay' Obligation

MERC directed R-Infra to pay ₹ 323.87 crore to the Company as 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 towards its 'Take or Pay' obligation for the years 1998-99 and 1999-2000. On an appeal filed by R-Infra, the ATE had upheld the Company's contention with regards 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 31<sup>st</sup> May 2008. As regards the 'Take or Pay' obligation, the ATE ordered that the issue be examined afresh by MERC after the decision of the Supreme Court in the appeals relating to the distribution license and rebates given by R-Infra. Tata Power and R-Infra filed appeals in the Supreme Court. Both the appeals were admitted and listed for hearing and final disposal. The Supreme Court, vide its order dated 14<sup>th</sup> December 2009, granted a stay against the ATE order and directed R-Infra 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, your 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. No hearings were held during the year on this matter.

### 9.7. Entry Tax

Your Company filed a writ in the High Court at Bombay (HC) challenging the constitutional validity of the Maharashtra Entry Tax Act. Hearings on the matter concluded and the HC reserved the order. No date is fixed for pronouncement of the order.

## 10. Risks and Concerns

Your Company is faced with risks of different types, all of which need different approaches for mitigation. Details of various risks faced by the Company are provided in section 4 of MD&A.

## 11. Risk Management Framework and Internal Financial Controls

### Risk Management Framework:

Based on the Risk Management Policy (<http://www.tatapower.com/aboutus/pdf/risk-management-policy.pdf>) (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website), a standardized Risk Management Process and System has been implemented across Tata Power Group. Risk plans have been framed for all identified risks and uploaded in the system with mitigation action, target dates and responsibility. This has enabled continuous tracking of status of mitigation action and monitoring of Risk Mitigation Completion Index (RMCI). The Risk Register contains the mitigation plans for eleven categories of risk. Eight Functional Risk Management Committees (FRMCs) closely monitor and review the risk plans.



All risks have been classified into strategic, tactical and operational risks. Apex Risk Management Committee (ARMC) meets every quarter to review major strategic and tactical risks, identify new risks and assess the status of mitigation initiatives. As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a Risk Management Committee (RMC) was constituted comprising of 3 Independent Directors, 1 Executive Director, Chief Financial Officer and Chief Risk Officer. The RMC meets regularly to review critical strategic risks and summary of top risks of each of the eleven categories and their status in terms of mitigation actions.

The Company has refined its risk quantification method which helps identify key risks of the organisation and reduce subjectivity in assessment of residual value of each risk. This will further help implement appropriate controls in business processes. Also, grouping of risks has been undertaken for better management control.

Last year, British Standards Institution (BSI) conferred the 'Statement of Compliance' on Tata Power for ISO 31000:2009 – a recognition that implies that the Company has strong processes for risk identification, management and mitigation. Tata Power is the first power company in India to get this recognition. In FY16, BSI has done the assessment of Tata Power and its eight major subsidiaries viz, CGPL, MPL, TPDDL, TPTCL, TPSSL, TPREL, PTL and IEL. This year, Tata Power Group has again been recommended for conferring the Statement of Compliance, basis BSI's recent assessment.

### Internal financial controls and systems:

The Company has its internal audit function which endeavours to make meaningful contributions to the organisation's overall governance, risk management and internal controls. The function reviews and ensures sustained effectiveness of Internal Financial Controls (IFC) by adopting a systematic approach to its work.

As per the provisions of Section 177 of the Companies Act, 2013 (the Act) and the Audit Committee Charter adopted by the Board of Directors, one of the roles and responsibility of the Audit Committee, is to review the effectiveness of the Company's internal control system, including financial controls, information technology security and its control.

Section 143(3) of the Act, provides that the Statutory Auditor's Report shall state whether the Company has an adequate IFC system in place and the operating effectiveness of such controls, for FY16 and beyond.

As per Section 134 of the Act, Directors of listed companies, based on the representations received from the management, are to confirm in the Directors Responsibility Statement that IFC are not only adequate, but are also operating effectively.

With this objective in mind and to fulfill the requirements of the Act, in FY16, the in-house internal audit team, with the support of two expert audit firms, performed the test of design and test of effectiveness of IFC. Scoping was done based on major classes of transactions, account balances. Seven key business cycles, general IT controls and Entity Level controls were considered for review.

The Internal Audit and Risk Management (IARM) function has generally adopted Committee of Sponsoring Organizations (COSO) framework. COSO is a leading framework which provides guidance on the design and evaluation of internal controls. This has been done for 5 elements and 17 principles, which provides assurance of financial controls in place at the level of functional heads and at top management level. This has helped in assessing the effectiveness and efficiency of operational controls, enhanced governance and consideration of anti-fraud expectations, reliability of financial reporting and statutory compliances. Attributes with internal control deficiencies are identified with action plans to be pursued, responsibility centres and target dates for compliances.

For the Business Process level, controls are evaluated through internal audits and Control Self-Assessment (CSA). These CSAs have also been rolled out across other Tata Power group companies too. The effectiveness of the IFC was then tested by an external consultant who found no significant deficiencies. Further, the statutory auditor through their independent testing of IFC, has also issued an unmodified opinion.

The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems, and mitigation of the operational risks perceived for each area under audit. Internal Audit Policy and Manual has been framed, based on which a flexible risk based audit plan has been formulated that aligns with the organizational strategy and impact on business objectives. Internal audits are classified into Process Audits, Spot Audits, etc. depending on the past performance and also the risk perception. All processes of the Company have been classified under vital, essential and desirable, based on the analysis of process impact on Company's Strategic Objectives. Post the audit, process is rated through the Risk Control Index and Process Robustness Index given by the Internal Auditors. Also, theme based audits are carried out for certain areas impacted by changing external environment. Significant observations including recommendations for improvement of the business processes are reviewed by the Management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. Post recognition of 'General conformance to international audit standards' from Institute of Internal Auditors (IIA Global) in 2013, quality review of audit reports is carried out as per IIA global guidelines before the report is issued. Internal audit process has been standardized across the Tata Power Group.

Internal audit plan is executed by and in-house audit team with support of an expert Internal Audit firm. This risk based audit plan has been used for subsidiaries and other group companies as well.

During the previous years, standardisation and automation of Risk Control Matrix (RCM) project was undertaken and completed with the support of an expert audit firm. RCM is of prime importance as it will form the basis of testing effectiveness and assess compliances to the IFC. This project involved control documentation, identification of common controls, which has facilitated standardisation of control ratings, sample size and testing methodology. This project has resulted in better control and improved quality of audit. Your Company has also started its journey towards digitalization through enhanced data analysis on audits which will result in improved quality and focused audits. This standardisation process continued during in the current year for subsidiaries and certain group companies.

As a step towards achievement of excellence in audit methodology, data analytics software has been developed which assists in scientific sampling and exception reporting after scanning large databases, facilitates automation, builds

reliability in analysis of transactions, assists in effective/focussed field work which will improve the quality and give value added results. The by-product of use of this tool is reduction in man weeks and cost of audits of up to 24 man-weeks for FY17.

Changes to the Internal Audit Process in anticipation of the Act were started in the year gone by. These included creation of a comprehensive framework for fraud, moving towards increased reviews and/or internal audits of group companies for greater comfort on the investments in the group companies, increasingly focused on theme audits and greater automation of the internal audit systems.

Assessment mechanism for measuring the existence and effectiveness of controls are established by the fact that the Value Added Index, which is a measure of effectiveness and contribution of the internal audit to top management and Audit Committee, has improved over the years and so has the Risk Control Index (RCI), thereby giving assurance to management of efficiency and effectiveness of the Internal Financial Controls. The action taken statistics emerging out of internal audit reports for last three years reflect an increase in implementation percentage achieved through rigorous and systematic follow up. Further, the total number of action points has decreased over the last three years, thereby reflecting an improvement in the system and processes.

On review of the internal audit observations and action taken on audit observations, we can state that there are no adverse observations having material impact on financials or commercial implications or material non-compliances which have not been acted upon.

**Control Self-Assessment:** The Company continued the CSA process this year, whereby responses of all process owners are used to assess internal controls in each process. It was also extended to seven other Tata Power group companies. This helps the Company to identify focus audit areas, design the audit plan and support CEO/CFO certification for internal controls. The CSA questionnaire is designed to test effectiveness of deployment of existing controls for processes which are not to be audited as per the audit plan. The responses received from process owners on the questionnaire are analysed and validated through spot audits. This ensures optimum coverage of audit universe to provide assurance on the operating effectiveness based on results of evaluation across all processes.

**Process Robustness Index (PRI):** The processes are examined to assess their robustness primarily from the perspective of system driven controls (SAP, CRM, Documentum, etc.), which ensures 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. Your Company has obtained a copyright for this PRI scoring methodology. While the objective of this measure is to bring about the use of IT and Automation/Digitalization intervention, it is not the intention to have the outcome achieved through embedded computer & IT systems. Therefore, appropriate flexibility for decision making on last mile, basis the outcomes aspired, is allowed.

The following paragraphs bring out the differentiation between IFC and Process Robustness Controls.

Process Robustness Index (PRI): The processes being audited are examined to assess their robustness in terms of control automation, outcome orientation, benchmarking, integration and data/record management. The scope of PRI is not limited to providing assurance on effectiveness of IFC and process controls, rather it is worked out by considering end-to-end process from inputs to outputs, digitalization, improvements and outcome orientation.

There are eight elements based on which the process robustness is assessed - (1) documentation - process, workflow, training manual; (2) controls - manual or system driven; (3) mechanism for obtaining customer inputs; (4) performance measurement tracking; (5) traceability of records; (6) initiatives taken for process improvements; (7) integration of process being audited with other processes and (8) data management. Based on the system maturity, each of the elements is rated.

As an additional support to establish efficiency and effectiveness of IFC, in addition to internal audits, the Company also submits declarations to various regulatory authorities like MERC, SEBI, RBI etc. The statutory auditors carry out an audit at quarterly intervals and these reports have not reported any adverse findings. The Company's Secretarial Audit carried out in the current year has not indicated any reportable lapses.

## 12. Safety

Safety has been a core value and always is the top priority in your Company. The Company has a structured safety organization for monitoring, implementing and taking corrective actions for safety improvements. There are approximately 12,500 employees and contract workers at various locations of Tata Power Group.



**Safety Statistics FY16**

(Table 6)

Sl. No.	Safety Parameters in your Company's work jurisdiction (Tata Power, CGPL, MPL, IEL, CCTL, Powerlinks, TPDDL and TPSSL)	FY16	FY15
1	Fatality (Number)	3*	3*
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.2	0.15
3	Total Injury Frequency Rate (No of injuries per million man hours)	5.19	5.64
4	First Aid Cases (Number)	325	592

\* - Company's contractor's employees

The Company is deeply aggrieved by the fatalities and accidents. It treats any fatality in any of its premises, of any of its employees, contractor/associate's employees or any third party with equal gravity and is committed to taking the entire working environment and behaviour to the highest safety standards.

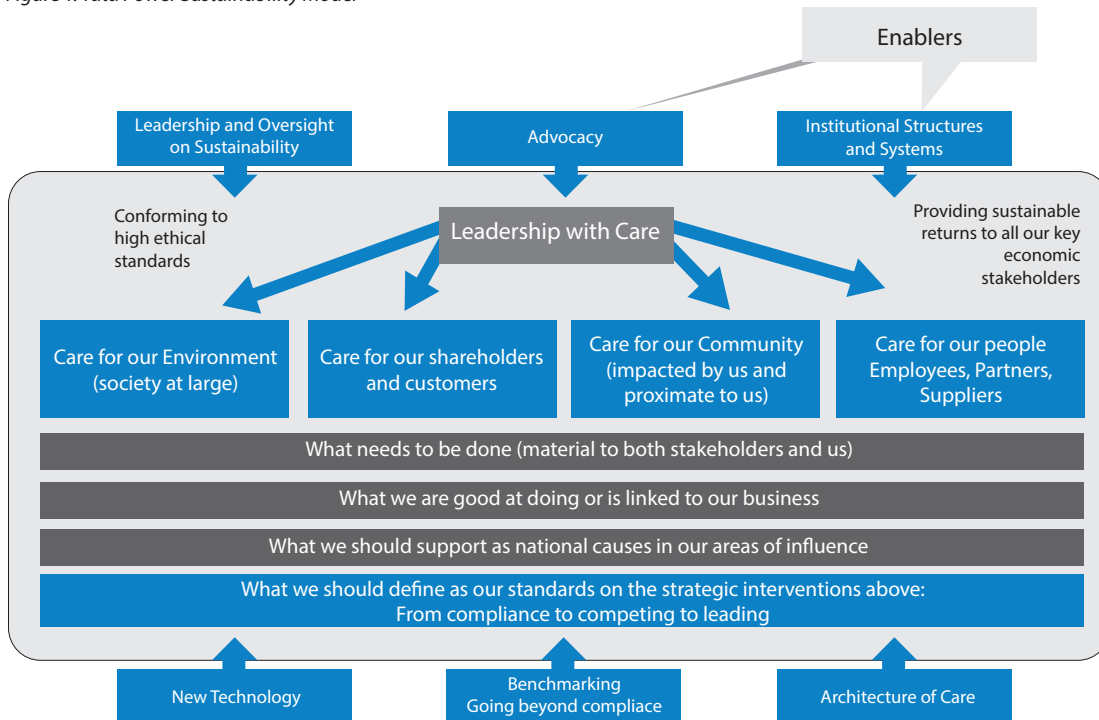
Your Company increased its efforts on safety during the year and took the following additional steps in FY16 to improve safety:

- Revised the contractors' safety code of conduct
- Included consequences and rewards in General Conditions of Contracts (GCC) for associates and contractors
- Enhanced training of contractors' workers as well as for the family members
- Launched a mobile application on safety for incident reporting
- Nominated departmental engineers on rotation basis to be safety incharge
- Capability building for high risk roles
- High visibility safety tours by leadership and safety observations; audits by safety experts

**13. Sustainability**

Your Company successfully completed 100 years of its operation and remains committed to the legacy of being a responsible corporate citizen. It has practiced Sustainability over these 100 years and thus reinforced the core value of Leadership with Care. For your Company, sustainability is care for the environment, care for the customers and shareholders, care for the community and care for our people.

Figure 1: Tata Power Sustainability Model



NOTICE  
BOARD'S REPORT  
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The Company's efforts on sustainability were recognized at various platforms and a testimony of this were the various awards bestowed upon your Company, the latest being Sustainable Plus Platinum Label for FY15 by CII's Centre of Excellence for Sustainable Development (CESD). It is based on a comprehensive assessment of environmental, social and governance analysis of companies which helps them to measure performance as well as identify risks that challenge sustainability of their business.

The year also saw the launch of the Company's 6<sup>th</sup> Sustainability Report for FY15, and the first one to be prepared in accordance with the latest G4 Guidelines of the Global Reporting Initiative (GRI).

**13.1. Care for our Community, Community Relations (Social and Relationship Capital)**

Your Company has actively worked on five thrust areas in Corporate Social Responsibility (CSR) - Primary Education with focus on girl child, Health & Drinking Water, Livelihood & Employability, Social Capital & Infrastructure and Inclusive Growth.

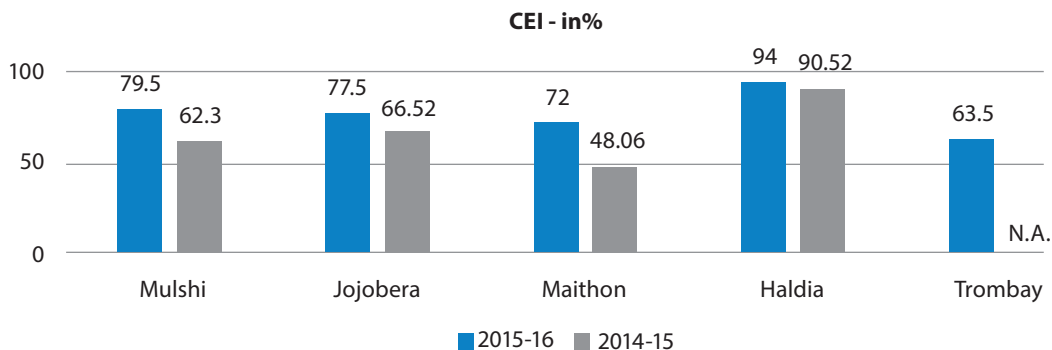
In FY16, the CSR policy for different Tata Power Group companies was aligned to the five thrust areas and programs were rolled out across locations and mapped with Schedule -VII to the Act with timelines and outcome indicators. The same was approved by the CSR Committees of the respective Tata Power Group companies.

In FY16, Tata Power Group companies reached out to more than 250 villages/urban pockets across 7 states. The year saw your Company ramp-up CSR capabilities and operations across all locations by bringing robustness to systems and processes to ensure effective programs which deliver long-term impact and bring changes to the community. This also marked a shift in bringing focus and institutionalisation of 80:20 paradigm of CSR, with 80% allocation of resources on long-term sustainable and thematic programs and 20% resources on location specific programs. Tata Power Community Development Trust (TPCDT), being the developmental vehicle for CSR programs, was assigned to undertake CSR Programs for Tata Power and its Group companies.

Tata Power Skill Development Institute (TPSDI) launched four key centres and training hubs at Trombay and Shahad (Mumbai), Maithon (Jharkhand) and Mundra (Gujarat). TPSDI undertook modular power skills training and positively impacted 1700 persons in FY16.

The total CSR spend for the Company in FY16 stood at ₹ 29.01 crore as against the requirement of ₹ 28.29 crore as per the Act. Additionally, as a part of disaster relief operations, the Company contributed towards relief efforts in Nepal, Georgia and Tamil Nadu.

Independent monitoring, effectiveness of implementation, impact assessment were undertaken to provide feedback and to refine, realign the programs so that the extent and effectiveness of the initiatives could be improved in pursuance of Tata Power's objective to improve the quality of life of the community and to get community's tacit or implied acceptance of the Company's co-existence with them. One such measure which helped in the purpose is Community Engagement Index (CEI).



Note: Overall Tata Power CEI score (2015-16): 77.3; Trombay included only in the FY16

Your Company encouraged employee volunteering through its Arpan initiative. Volunteering programs were also organized at Jawhar (a district in Maharashtra), where Tata Power runs Affirmative Action (AA) programs. This program provided the employees an opportunity to understand the concerns of the deprived community and disparity in the living standards of a community which is in close proximity to developed cities like Mumbai and Nashik. To promote employee volunteering across all locations of Tata Power, ARPAN Awards were constituted with the aim of institutionalizing efforts through employee volunteering and recognition of divisions for exemplary work in volunteering. Mulshi (Bhira) division of Hydros bagged the award last year.

Major highlights of programs in FY16 (Standalone) are as follows:

- Reached out to more than 5 lakh beneficiaries through CSR initiatives in Education, Health, Livelihood, Social Capital and Nurturing Sustainability.
- Reached out to more than 230 schools covering more than 1 lakh students, through various educational initiatives resulting in substantial attendance improvement and reduction in dropout rates.
- Helped provide 6,700 households with access to sanitation/toilet facility covering over 36,700 children.
- Maithon hosted the Life Line Express (first hospital on train) serving nearly 6,000 patients providing medical care for the needy, attending to ENT, dental, cleft lip surgery, orthopaedic, epilepsy, gynaecology and eye issues.
- Reached out to 167 villages under vocational training/employability program covering over 1,500 youth.
- 136 villages were covered under Social Capital & Infrastructure creating 363 Self Help Groups across locations.
- 114 villages were covered under Rural Energy program reaching out to over 5,800 households.
- Over 7.5 lakh trees were planted across locations.
- 1,039 employee volunteers contributed towards 10,854 volunteering hours.
- 1,400 Solar Lamps were distributed during Tamil Nadu Flood Relief.
- Tata Power supported treatment of cancer patients through Tata Medical Centre Trust.

Annual report of CSR activities is provided in Annexure - I.

### 13.2. Affirmative Action

Under its Affirmative Action (AA) program, your Company has implemented several initiatives for Employment, Entrepreneurship, Employability, Education and Essential Amenities for the communities around its operating sites and adopted community.

The major programs carried out in the neighbourhood of the operating plants and projects include skill development programs for youth (Industrial Training Institutes, Business Process Outsourcing training and vocational trainings), entrepreneurial programs like fly ash brick making/supporting Self Help Groups, assistance in obtaining caste certificate through dedicated drives and support for educational initiatives for school children like scholarships and coaching classes in the evenings along with assistance in the development of adequate infrastructure.

Your Company continued its work in areas beyond its areas of operations, such as in Jawhar taluka, Palghar district of Maharashtra, which has a tribal population of over 90% of the total population, with a vast majority of them below the poverty line. The activities here included new initiatives like livelihood generation – kitchen garden and poultry farming and setting up of the Village Development Committee (VDC). The VDC has elected members from the village as well as Tata Power and are responsible for the sustainable development of the village.

Some major AA program details are:

- Promoted 240 community entrepreneurship ventures like fly ash brick making, poultry farming, garment manufacturing, etc. with an investment of ₹ 139 lakh, which helped to increase family incomes upto ₹ 60,000 to ₹ 80,000 per year.
- Outsourced ₹ 17.65 crore of products and services from 36 vendors / contractors.
- Provided technical and monetary support for various agricultural interventions to enhance the income of about 730 SC/ST farmers.
- Supported 731 SC/ST persons across various Industrial Training Institutes (ITIs), skill development programs.
- Built a full-fledged hostel for outstation SC/ST youth at Industrial Training Institutes (ITIs) at Mulshi.
- Enabled access to computer education and spoken education to 2,422 SC/ST students across locations.
- Provided scholarships to 53 SC/ST students amounting to ₹ 13.17 lakh.
- Extra / night coaching classes benefited about 318 SC/ST students appearing class X and XII board examination.
- Facilitated access to basic essential amenities like safe drinking water, healthcare, solar lights etc. to over 41,000 SC/ST population across locations.
- Helped in obtaining 953 caste certificates at Hydros and Jawhar. The process of obtaining certificate is going on for SC/ST community across divisions.

### 13.3. Care For Our Environment (Natural Capital)

The Company, during the year, addressed various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, biodiversity and green buildings. Details of initiatives undertaken are given in MD&A Section 9.1.3

### Natural Capital

Acknowledging the adverse impact on climate change caused by the global industrialization as also by power sector and to ensure a minimal impact on the environment, your Company drew up plans to limit carbon emissions and move towards a portfolio with a significant proportion of clean and green generation. Tata Power Strategic Intent for the year 2025 is to achieve 30-40% generation capacity from non-fossil fuel based generating sources.

Your Company instituted a process of due diligence to consider all its development proposals (Indian/ International) based on some internal criteria considering assessment of land parcel, water source, treatment and disposal of water effluents and solid waste and likely implications on communities around the proposed development. Tata Power continued to implement activities which focus majorly on resource conservation, waste minimisation, energy and water conservation, and reduction in auxiliary power. These initiatives were tracked through its Green Manufacturing Index (GMI).

The Company is proud of the fact that none of its major Indian operations were in close proximity to any nationally or internationally designated Protected Areas (PA) such as national parks, wildlife sanctuaries, World Heritage Sites, etc. and all such areas (if any) were situated further than laid out requirements, from its operations.

Afforestation activities were on-going across the Company to improve greenery. On a local scale, tree cover is needed within the operating stations to maintain ambient microclimatic conditions by reducing the heat island effect. They are also essential in the catchment areas of the Company's water reservoirs to ensure steady precipitation to fill the reservoirs. The Company thus, indirectly relies on good quality fertile soil, to sustain the tree cover and control the soil erosion. Additionally, mangrove restoration was carried out at Bharuch, Gujarat covering an area of 1000 hectares. The Company relies on mangrove stretches for providing a barrier against natural hazards from the sea since some of the major operating stations as well as transmission lines run in close proximity to the coast.

Highlights of some Biodiversity initiatives:

**Mahseer Breeding program-** Since 1971, your Company has been involved in the species conservation project with state fisheries department that included setting a Mahseer hatchery at Walwhan, Lonavala. In the last 40 years of the execution of the project, more than 1.85 crore fertilized eggs have been obtained from the hatchery and over 10.4 lakh Mahseer fingerlings have been produced. For creating awareness on Mahseer, an International Conference on Conservation of Mahseer was hosted by Tata Power and attended by fisheries scientists from across the country which culminated in the adoption of 'Lonavala Declaration' on Mahseer Conservation. Additionally, an awareness campaign, *Act for Mahseer* was launched for the Company's internal as well as external stakeholders. The campaign included various components such as Pledging to save the Mahseer, a Mahseer manual, creation of a mascot, Tor and such other activities.

**Natural Capital Valuation at Hydros in Western Ghats-** Your Company piloted a unique project on the Natural Capital Valuation for its Hydro operations in Lonavala. This is being carried out to understand the impacts and dependencies between the business operations and the ecosystem services and create a tool that helps the business take decisions considering impact on ecology. This initiative is spearheaded by the *Natural Capital Coalition*. Tata Power has actively tried to develop a methodology through which ecosystem services can be valued and make it a replicable and consistent one which can be integrated into decision making at the managerial level. The scope of the study included operations focusing on all business activities which result in the setting up and running of a Hydro power plant. Tata Power has seven reservoirs spread in and around the Lonavala-Mulshi area in Maharashtra nestled in the Western Ghats which are rich in biodiversity. There are three Hydro power plants which use the water from these reservoirs.

### 13.4. Club Enerji

Tata Power's Club Enerji is focused on school students to champion the noble cause of conservation of resources and moral and civic values. This, in turn, supplements the cause of nation building. The Club has been ceaselessly working towards creating responsible citizens of tomorrow who focus not only on conserving energy and natural resources (like fossil fuel - coal, oil, gas; water; managing waste; afforestation), but also conserve civic, ethical and moral values in society at large.

The Company has further scaled up the magnitude of this initiative by launching an online module of the Club Enerji programme in 2015. The objective of this initiative was to reach out to a larger audience and impact a larger group of IT skilled children with a vision to transform by adopting a holistic and robust approach towards conservation. Tata Power Club Enerji also reaches out to school children through various interactive mediums and sensitizes them on the need to conserve power and resources.

Recognizing the immense value that schools and school children can bring to the initiative and taking due consideration of the social need, Tata Power started "Tata Power Club Enerji" in 2007 to propagate efficient usage of energy and to educate the society on climate change issues. Club Enerji covers 500 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur, Lonavala and five more cities. It has reached out to more than 12.8 million citizens, collectively saved 17.26 million units of electricity - equivalent to saving 17,000 tons of CO<sub>2</sub>. 1,337 Mini Clubs have also been formed all over India under the Club Enerji initiative.

Tata Power Club Enerji also launched its comprehensive Online Module in November 2015 with an aim to reach out to a larger audience with a vision of transformation and adoption of a holistic and robust approach towards conservation. The module, since its launch, has also reached out to audiences in new international geographies like Philippines, UAE, USA, UK and South Africa and newer national geographies like Chandigarh, Hyderabad and Chennai.

### 13.5. Demand Side Management

The Company has been at the forefront of propagating energy conservation and efficiency.

Demand-side management (DSM) refers to cooperative activities between the utility and its customers to implement options for increasing the efficiency of energy utilization, with resulting benefits to the customer, utility and society as a whole.

Industrial, commercial and residential consumers in the city have unique usage patterns. Your Company has developed different programmes for each of these categories and has launched a unique consumer initiative called “Be Green”. This initiative gives an opportunity to Mumbai consumers to exchange their old, inefficient electrical appliances for new, 5 star rated energy efficient appliances at a discounted price. The Company has partnered with leading consumer appliance manufacturers for energy efficient equipment. The consumers appreciate these initiatives as it helps to reduce their energy cost by 30% to 50% without compromising on their comfort and convenience.

During this financial year, your Company provided to its customers in Mumbai and Delhi 15.5 lakh LED bulbs and also facilitated the replacement of nearly 20,000 inefficient appliances such as old fans, air conditioners etc. with new star rated energy efficient ones.

Large industrial and commercial consumers need detailed analysis of their energy use to identify the saving potential. Your Company carried out energy audits for such consumers at a large discount. The experts mapped their unique power consumption pattern and offered specific recommendations to improve the processes and equipment efficiency. Several large consumers took the benefit of this programme. In FY16, TPDDL became the only power utility to be empanelled with Bureau of Energy Efficiency as Grade 1 ESCO and provided value added energy efficiency services like comprehensive energy audit and implementation of energy performance improvement projects to its consumers.

Along with different programmes and schemes, Tata Power organized consumer awareness programmes to develop a culture of energy efficiency and conservation.

Your Company received the National Energy Conservation Award under the Discom sector from the Ministry of Power, Government of India for the year 2015.

### 13.6. Sustainability Reporting

Your Company has adopted the latest Global Reporting Initiative (GRI) G4 guidelines to report on its sustainability performance for FY16. The report, prepared in accordance with the comprehensive criteria, is specific to the Indian operations of your Company viz. generation, transmission and distribution of power and highlights the sustainability performance of your Company. Your Company has been recognized as one of India's most sustainable companies with the Sustainable Plus Platinum Label for FY 2015 by CII. The Company's Sustainability Report is hosted on its website: <http://www.tatapower.com/sustainability/sustainability-communications.aspx> (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website).



### 13.7. Business Responsibility Report (BRR)

The Business Responsibility Reporting was in line with the SEBI requirement based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' notified by Ministry of Corporate Affairs (MCA), Government of India, in July 2011. Your Company reported its performance for FY16 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective. The BRR is hosted on the Company website: <http://www.tatapower.com/investor-relations/pdf/business-responsibility-report-fy16.pdf> (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website).



### 13.8. Integrated Reporting (IR)

Your Company prides itself in making voluntary disclosures to keep its stakeholders fully informed on all aspects of its business. Your Company decided to take steps to further enhance the disclosures and information provided in its annual report in alignment with the Integrated Reporting <IR> framework by International Integrated Reporting Council (IIRC). This year, in addition to the Financial and Manufactured capitals, your Company has included sections on Natural, Intellectual, Human and Social & Relationship Capitals. Over the next few years, your Company will endeavour to cover more aspects in consultation with various stakeholders.

### 13.9. United Nations Global Compact

Your Company reports on United Nations Global Compact's (UNGC) ten principles in the areas of Human Rights, Labour standards, Environment and Anti-corruption since 2006. The Company had submitted the 10th Communication on Progress (CoP) to UNGC for FY16.

### 13.10. Transition to Indian Accounting Standards (IndAS)

With effect from April 1, 2016, your Company is required to align its accounting policies and disclosures with new Indian Accounting Standards or IndAS. Consequently, the financial statements to be issued hereafter will be different from those issued from the current set. Apart from differences in the way assets, liabilities, income, expenses and losses are measured, even the disclosure requirements, as also the various statements comprising the financial report, will substantially change.

In the case of the Company, a number of changes are expected. The most significant change that will affect the net worth as also future profit and loss amounts, will be on account of:

- a. The recognition of a fair value gain or loss through profit and loss statement of outstanding derivative contracts that the Company holds at each balance sheet date
- b. The recognition of unrealized gain or loss when fair valuing the investments that the Company holds at each balance sheet date

## 14. Directors and Key Managerial Personnel

Mr. Thomas Mathew T, nominee of Life Insurance Corporation of India (LIC) on the Company's Board, resigned as a Director of your Company effective 30<sup>th</sup> April 2015. The Board has placed on record its appreciation of the valuable contribution made to the Company by Mr. Mathew during his tenure. Mr. Vijay Kumar Sharma, Managing Director of LIC, was nominated by LIC as Director on the Board effective 19<sup>th</sup> May 2015. He resigned as Director effective 2<sup>nd</sup> July 2015. Mr. Pravin H. Kutumbe, Executive Director of LIC, was thereafter nominated by LIC as Director on the Board. Mr. Kutumbe was appointed as an Additional Director with effect from 7<sup>th</sup> September 2015, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. Mr. Kutumbe holds office only upto the date of the forthcoming Annual General Meeting (AGM) and a Notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose his appointment as Director.

Mr. R. Gopalakrishnan, Non-Executive Non-Independent Director on your Company's Board, stepped down as Director of the Company effective close of business hours on 24<sup>th</sup> December 2015, consequent upon his completing 70 years of age, as required by the guidelines adopted by the Company for retirement of Non-Executive Directors. The Board has placed on record its deep sense of appreciation of the immense contribution made to the Company by Mr. Gopalakrishnan during his tenure with the Company since January 1999.

Ms. Vishakha V. Mulye, Independent Director on your Company's Board, resigned effective close of business on 18<sup>th</sup> January 2016. The Board has placed on record its appreciation of the valuable contribution made to the Company by Ms. Mulye during her tenure.

Mr. Anil Sardana was re-appointed as CEO and Managing Director of the Company for a period of 5 years from 1<sup>st</sup> February 2016. His re-appointment and the remuneration payable to him require approval of the Members at the ensuing AGM.

Ms. Sandhya S. Kudtarkar was appointed as an Additional Director with effect from 16<sup>th</sup> April 2016, in accordance with Article 132 of the Company's Articles of Association and Section 161 of the Act. Ms. Kudtarkar holds office only upto the date of the forthcoming AGM and a Notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose her appointment as Director.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. Anil Sardana retires by rotation and is eligible for re-appointment.

Six Board Meetings were held during the year. For further details, please refer to Report on Corporate Governance, which forms a part of this Report.

In terms of Section 149 of the Act, Dr. H. S. Vachha, Mr. N. H. Mirza, Mr. D. M. Satwalekar, Mr. P. G. Mankad and Mr. A. K. Basu are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Anil Sardana, CEO and Managing Director
- Mr. Ashok S. Sethi, COO and Executive Director
- Mr. Ramesh N. Subramanyam, Chief Financial Officer
- Mr. Hanoz M. Mistry, Company Secretary

## 15. Annual Evaluation of Board Performance and Performance of its Committees and Individual Directors

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

The following process was adopted for Board evaluation:

- i) Feedback was sought from each Director about their views on the performance of the Board covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discussed the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also made a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman was also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) was discussed by the Chairman of the NRC with the Chairman of the Board. It was also presented to the Board and a plan for improvement was agreed upon and is being pursued.
- v) Every statutorily mandated committee of the Board conducted a self-assessment of its performance and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback was provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation were presented to the Board and action plans drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

## 16. Remuneration Policy for the Directors, Key Managerial Personnel and other Employees

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes, which is reproduced in Annexure-II and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure-III to this Report.

## 17. Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website at <https://www.tatapower.com/aboutus/pdf/Code-of-Conduct-NEDs.pdf> (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website). All Senior Management personnel have affirmed compliance with the Tata Code of Conduct (TCOC). The CEO & Managing Director, and key managerial personnel have also confirmed and certified the same. The certification is enclosed at the end of the Report on Corporate Governance.



## 18. Conservation of Energy, Technology Absorption

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as Annexure - IV.

### 18.1. Intellectual Capital

Your Company has been a pioneer in the Indian power industry for bringing in new, innovative and efficient technologies in its core business areas. Technology plays an important role in overall success of business to support our geographical spread, product portfolio, customer reach and future aspirations. Its Mission “Being the Lead Adopter of Technology with a spirit of pioneering and calculated risk taking” enabled it to adopt advanced / disruptive technologies as well as develop some products and technological processes (value added fly ash products, blending of coal, ZLD, network management / restoration techniques in T & D, etc.) through a structured Short / Medium & Long term technological roadmap in order to:

1. Earn affection of our customers by delivering superior experience and value
2. Drive competitiveness by operating our businesses at benchmark levels
3. Practice “Leadership with Care” by pursuing best practices on Care for Environment, Community, Customers, Shareholders, people and creating a culture that will reinforce our values.

One of the notable examples to show your Company commitment to technology is its investment in the first super critical ultra - mega thermal power plant in Mundra which reduces the CO<sub>2</sub> impact on the environment as compared to a subcritical plant of the same size. Your Company also achieved increased efficiencies of solar photovoltaic panels (13% to 16.8%). Since 75% of generation portfolio is through thermal power plants, the Company put in place a dedicated group (Clean Tech & Applied Research) in association with plant operating teams and CTTL to develop value added products from the solid waste i.e. ash which is generated from the thermal power plants. Some of the examples included making bricks, plaster from bottom ash and using fly ash in ultra thin white topping roads and replacement of sand by bottom ash. Clean Tech & Applied research group also developed products and schemes for Decentralised Distributed Generation and commissions demo plants with the help of Hydros. These products were in the early stages of commercialization. The technology and innovation activities were encouraged at Divisional level and the outcomes were showcased in your Company Knowledge and Innovation Fair and rewarded. There is also a Technology Advisory Council (TACT) consisting of experts, which helps in providing expert guidance in developing projects.

Your Company also participated in international exhibitions, conferences, seminars and workshops for capability building as well as for networking. It also collaborated with institutions such as IIT Mumbai, BITS (Pilani), MIT, VIT, IISc, etc. to keep a tab on the technological innovations being developed at these premier institutes as also provide internship to students who carry out work in the related fields. Your Company has a dedicated group which scans various technology related developments in the power generation space through forums such as clean tech, i3, trade and investment forums.

There were various Knowledge Sharing Sessions regularly conducted across the divisions to facilitate the transfer of knowledge and sharing of best practices, which were in addition to business level knowledge sharing sessions organised by the business heads. Company wide webinars were conducted, through ‘Tarang’ – a software tool and communication meets for dissemination of information and knowledge across the Company. K-Hub, a web based knowledge repository, captured internal and external, explicit knowledge. There was a bi-annual Knowledge and Innovation Fair which was used to facilitate sharing of best practices and innovations across the organisation.

Your Company collaborated with its OEMs (Original Equipment Manufacturers), suppliers and technology providers to develop customised solutions for its customers. OEMs and technology suppliers were also invited to the Knowledge Sharing Workshops organised by Tata Power to share knowledge and Best Practices with the participants from across locations and divisions of the organisation.

Your Company learnt and adopted best practices from other Tata group companies by actively participating in the various forums like Learning Missions and Tata EDGE. In addition to the above initiatives, Tata Power also encouraged its employees to actively participate in the forums created at the Tata Group level like Tata Innoverse and Tata Innovista. Tata Power was one of the early companies to join Tata Innoverse and leveraged the resource available by consistently posting some of its critical challenges in this group forum.

## 19. Particulars of Employees and Remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - V.

The information required under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first proviso to Section



136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

Officers of the organization are divided across five work levels i.e. MA, MB, MC, MD and ME. The work levels are further divided into grades. Blue Collared employees are across different grades but have been classified as unskilled, semi-skilled, skilled and highly skilled.

For the officers, a benchmarking exercise was undertaken in FY16 with the help of a global consultancy firm specializing in remuneration & compensation. The benchmarking was to understand the comparative position of remuneration of Tata Power officers vis-à-vis officers in equivalent grades in five key players in the energy and power sector. As per this report, the median salary of officers at Tata Power in different grades was aligned to the market compensation.

The Company also benchmarked remunerations of 9 key positions below CEO & MD level based on the CXO Compensation Study 2016 carried by Tata Group HR.

### 19.1. Human Capital

Your Company recognises that its people are a key resource and endeavours to enable its employees to deliver on business requirements while meeting their career aspirations. Human resources plays a pivotal role in enabling smooth implementation of key strategic decisions through aligned capability development, leadership development, diversity and industry relations practices.

- **Capability Development** - Your Company takes pride in the technical and functional excellence of its employees. It aims at providing an environment where continuous learning takes place to meet the changing demands and priorities of the business including emerging businesses and geographies. It developed a structured mechanism to support people development as described below:
  1. Competency/Learning levels for various roles are regularly evaluated and established
  2. Individual level gaps were identified through an assessment mechanism or PMS cycle (Training Need Identification)
  3. Training needs were fulfilled through relevant and best in class interventions
  4. Job rotation opportunities discussed and enabled where relevant

Also, your Company established Tata Power Skill Development Institute (TPSDI) for addressing the skill gap in power and allied sectors by training incumbents in the community as part of its Corporate Social Responsibility endeavour. TPSDI provided modular training and certification across a wide range of employable skills, including electrical, mechanical and solar power skills. The skilled manpower from this institute were available not only to Tata Power, but also contributed to power sector companies across the country. The institute has 4 centres in Shahad, Trombay, Maithon & Mundra.

- **Leadership Development** - The current business environment requires a balance between business acumen, strategic thinking, result orientation and people management which are key leadership skills. Your Company has a Leadership Development Framework which caters to the developmental needs of senior leaders and key employees in its talent pool to meet these needs. Leaders undergo various programs like the Tata Group Induction for Business Leaders (new joinees), Tata Group Strategic Leadership Seminar (TGSLs), Tata Group Executive Leadership Seminar (TGELS), Tata Group emerging Leaders Seminar (TGeLS) and Tata Group Management Development Program (TGMDP). For senior leaders, nominations were made last year to Cambridge Sustainability Leadership Program, Spokesperson Media Training, Market segmentation, Safety conference, Enterprise Risk management, Tata Group Learning Mission and the World Utility Summit. Periodic nominations were made to best in class external leadership programs offered by TMTc, IIMs, XLRI, ASCI, and CII as also to the 3 module in-house flagship programs - STEP (Strategic Training for Employees' Progress), EDP (Employee Development Program) and MDP (Management Development Program).
- **Talent Retention** - Your Company believes that retaining talent gives a competitive advantage in a fast evolving and challenging business environment. Meritocracy is the central theme for all employee life cycle processes like Recruitment, Performance Management, Rewards & Recognition, Career Growth and Exit Management. Planned interventions were carried out across all levels of management to identify and retain the right talent. Some of these interventions included, Accelerated Career Enhancement (ACE) - a fast track talent management programme, identification of High Potential officers for further development, succession management, Myfeedback - a developmental tool for senior and top management to enable them to obtain developmental feedback whereby learning and development can be initiated by self or aided by the organization and Management Planning Discussion – a career planning exercise for senior management. Your Company has held its attrition rate below 4% for the past four years.

- **Diversity** - Your Company is an Equal Opportunity Employer in all practice areas. Around 35 senior leaders underwent Diversity & Inclusion workshops to ensure that the organizational agenda percolates from the apex leadership and pervades smoothly throughout the organization. In FY16, 19 workshops were organized covering around 400 employees for sensitization of employees towards promotion of workplace diversity in addition to cultural sensitivity trainings, mutual respect for affinity groups, community outreach and cultural celebrations at work.

Also, in line with Tata Group's vision to create 1000 women leaders by 2020, your Company has been promoting gender diversity within the Tata Power Group of companies through focused interventions like International assignments for women, specially designed LDPs for women colleagues, MD's Dialogue with women employees to encourage women participation in various forums and to address their concerns and challenges and International Women's Day Celebrations. Additionally, the induction and on boarding of new joinees included direct communication on key themes such as Tata Code of Conduct, Prevention of Sexual Harassment at Work and mutual respect towards colleagues irrespective of their cultural and social background.

- **Industrial Relations** - Cordial relations exist between Management and Union based on mutual respect and understanding which allows for smooth and uninterrupted functioning of your Company. Meetings were held periodically between Management and Union to discuss various issues and the Union was consulted on all significant changes. For all operational changes, your Company in consultation with the person concerned, gave a minimum notice period and followed legal requirements. Agreements with the Union have been signed for four years covering aspects related to health and safety, salary, allowances, benefits and productivity clauses, in line with the business requirements.

Your Company has a robust legal compliance monitoring system for labour laws which is reviewed by top Management. It also has benchmark and forward looking practices related to allied workforce wherein all manpower contracts in the Company have been abolished and its entire allied workforce.

## 20. Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same is uploaded on the Company's website: <http://www.tatapower.com/aboutus/pdf/policy-on-related-party-transactions.pdf> (scan the adjacent QR Code to read the details on the Company website). Details of Related Party Transactions as per AOC-2 are provided in Annexure-VI.



## 21. Deposits

(Table 7)

Sl. No.	Particulars	Amount in ₹
1.	Accepted during the year	Nil
2.	Remained unpaid or unclaimed at the end of the year *	2,58,105
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	
	• At the beginning of the year	Nil
	• Maximum during the year	Nil
	• At the end of the year	Nil
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	Not Applicable

\* This relates to deposits accepted under the Companies Act, 1956.

## 22. Loans, Guarantees, Securities and Investments

The Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. The details of investments are provided in the schedules to the financial statements.

## 23. Extract of Annual Return

Pursuant to Section 92 of the Act and Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure-VII.

## 24. Auditors

M/s Deloitte Haskins & Sells LLP (DHS LLP), who is the statutory auditor of your Company, hold office until the conclusion of the Ninety-eighth AGM to be held in the year 2017, subject to ratification of its appointment at every AGM. The Members, year on year, will be requested, to ratify its appointment as Auditor and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No. 5 of the Notice.

Members will also be requested to pass a resolution (vide Item No.11 of the Notice) authorizing the Board of Directors to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company abroad.

## 25. Auditors' Report

The Auditor's Report does not contain any qualifications, reservations or adverse remarks. The consolidated financial statements of the Company have been prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements, Accounting Standard 23 on Accounting of Investments in Associates and Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, issued by the Council of The Institute of Chartered Accountants of India.

## 26. Cost Auditor and Cost Audit Report

M/s Sanjay Gupta and Associates, Cost Accountant, was appointed Cost Auditor of your Company for FY16.

In accordance with the requirement of the Central Government and pursuant to Section 148 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 FY15, was filed on 11<sup>th</sup> September, 2015 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s Sanjay Gupta and Associates, Cost Accountants, before the due date of 30<sup>th</sup> September 2015.

## 27. Secretarial Audit Report

M/s. Parikh & Associates, Company Secretaries, was appointed as Secretarial Auditor to conduct a Secretarial Audit of records and documents of the Company for FY16. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines.

The Secretarial Audit Report is provided in Annexure-VIII.

## 28. Corporate Governance

Pursuant to Regulation 34 of the Listing Regulations and relevant sections of the Act, a Management Discussion & Analysis Statement, Report on Corporate Governance and Auditors' Certificate are included in the Annual Report.

## 29. Vigil Mechanism

Your 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 Tata Code of Conduct (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.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and 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. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC) / Chairman of the Audit Committee of the Company.

## 30. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

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

- b) The Directors selected such accounting policies and 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;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 31. 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, communities in the neighbourhood of our operations, Corporation and Municipal authorities of Mumbai and local authorities in areas where we are operational.

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

On behalf of the Board of Directors,

**Cyrus P. Mistry**  
**Chairman**  
(DIN: 00010178)

Mumbai, 23<sup>rd</sup> May 2016

### Annexure – I : Annual Report on CSR Activities

(Ref.: Board's Report, Section 13.1)

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Tata Power has been actively working in five thrust areas in CSR:</p> <ul style="list-style-type: none"> <li>• Primary education with focus on girl child</li> <li>• Health and Drinking Water</li> <li>• Livelihood and Employability</li> <li>• Social Capital and Infrastructure</li> <li>• Inclusive Growth</li> </ul> <p>The Company has ramped-up CSR capabilities and operations across all locations by bringing robustness to systems and processes to ensure effective programs which deliver long term impact and change to the community.</p> <p>Tata Power Community Development Trust (TPCDT) has internal capability to execute CSR programs effectively and efficiently</p> <p>The Company's CSR policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company website: <a href="http://www.tatapower.com/aboutus/pdf/csr-policy-14.pdf">http://www.tatapower.com/aboutus/pdf/csr-policy-14.pdf</a></p>
2.	The composition of the CSR Committee	Mr. Deepak M. Satwalekar, Chairman Mr. Anil Sardana Mr. Ashok S. Sethi
3.	Average net profit of the company for last three financial years.	₹ 1,414.74 crore (as per Section 198 of Companies Act, 2013)
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 28.29 crore.
5.	Details of CSR spend during the financial year.	₹ 29.01 crore.
(a)	Total amount to be spent for the financial year	₹ 28.29 crore.
(b)	Amount unspent, if any	Nil
(c)	Manner in which the amount spent during the financial year is detailed below	

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads (₹ in lakh)	Cumulative expenditure upto the reporting period (as on 31.03.2016) (₹ in lakh)	Amount spent: Direct or through implementing agency
i	Augmenting Primary Education System with emphasis on Girl Child Education (Focus Areas: E-Learning, Adult Literacy, Scholarships, Special Coaching, School Infrastructure, Mainstreaming drop-out students)	Promotion of Education	<b>Local Areas</b> <ul style="list-style-type: none"> <li>• Maval, Mulshi (Hydros)</li> <li>• Trombay, T&amp;D License Area</li> <li>• Jojobera</li> <li>• Tiruldih, Naraj Marthapur</li> <li>• Haldia</li> <li>• Dehrand</li> <li>• Gadag, Khandke</li> <li>• Supa, Agaswadi</li> <li>• Poolawadi</li> <li>• Samana</li> </ul>	419	458	844	Direct : Tata Power  <b>Implementation Agency Internal:</b> <ul style="list-style-type: none"> <li>• Tata Power Community Development Trust (TPCDT)</li> <li>• Employee Volunteers</li> </ul>

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads (₹ in lakh)	Cumulative expenditure upto the reporting period (as on 31.03.2016) (₹ in lakh)	Amount spent: Direct or through implementing agency
ii	Building and Strengthening Health Care Facilities including Safe Drinking Water (Focus Areas: Mobile Health program, Behaviour Change Communication, Safe Drinking Water and Hygiene, Health Infrastructure, Women & Child Health Awareness)	Promoting preventive healthcare and sanitation and making available safe drinking water	<b>State :</b> • Maharashtra • Jharkhand • Odisha • West Bengal • Karnataka • Tamil Nadu • Gujarat  <b>District :</b> • Pune • Mumbai	585	556	775	<b>Implementation Agency External:</b> • Government Agencies • Local Panchayats • Zilla Parishad • NGOs • Skill Development Agencies • Other Resource Agencies
iii	Enhancing Program on Livelihood and Employability (Focus Areas: Skill Development, Vocational Training, Promote Livelihood practices among farmers/ fishermen, Income Generation activities for Women Self Help Groups)	Livelihood enhancement projects; promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups	• Singhbhum East • Saraikela-Kharsawan • Cuttack • Haldia • Raigad • Gadag • Ahmednagar • Satara • Udumalpet • Jamnagar	670	739	1,834	
iv	Building Social Capital and Infrastructure (Focus Areas: Institution Building, Participatory Rural Development Works, Women Empowerment Training programs)	Rural development projects; empowering women		298	229	1,257	
v	Nurturing Sustainability for Inclusive Growth (Focus Areas: Rural Energy, Promoting Sports/Games, Support to Natural Calamity, Tree Plantation, Employee Volunteering)	Training to promote rural sports, nationally recognized sports; socio-economic development; Club Enerji		508	549	707	
vi	Community Welfare- Others	Rural development projects		350	370	597	
<b>Total</b>				<b>2,829</b>	<b>2,901</b>	<b>6,014</b>	

The details of major programs undertaken under the above thrust areas are as follows:

**Augmenting Primary Education System with emphasis on Girl Child Education** (Focus Areas: E-Learning, Adult Literacy, Scholarships, Special Coaching, School Infrastructure, Mainstreaming drop-out students)

- Reached out to more than 230 schools covering more than 1 lakh school students through various educational initiatives
- The initiatives brought about improvement in attendance rates of upto 51% and reduction in dropout numbers.

**Building and Strengthening Health Care Facilities including Safe Drinking Water** (Focus Areas: Mobile Health program, Behaviour Change Communication, Safe Drinking Water and Hygiene, Health Infrastructure, Women & Child Health Awareness)

- 16% improvement seen towards positive health behaviour
- Nearly 6700 households provided access to Sanitation/Toilet facility, benefitting over 36,700 children
- Behaviour Change Communication campaigns led to building of more than 2200 sanitation blocks at Jojobera in line with Swachh Bharat Abhiyan.

**Enhancing Program on Livelihood and Employability** (Focus Areas: Skill Development, Vocational Training, Promote Livelihood practices among farmers/fishermen, Income Generation activities for Women Self Help Groups)

- Reached out 167 villages under vocational training/employability program
- Over 1500 youth covered under income generation programs offering average monthly income of over ₹ 7,300
- Recorded 55% rise in farmers covered under sustainable agricultural program compared to last year.

**Building Social Capital and Infrastructure** (Focus Areas: Institution Building, Participatory Rural Development Works, Women Empowerment Training programs)

- Under Social Capital and Infrastructure, 136 villages were covered
- Over 36 self-help groups formed across locations covering more than 4,500 women with a total fund base of ₹ 90.21 lakh.

**Nurturing Sustainability for Inclusive Growth** (Focus Areas: Rural Energy, Promoting Sports/Games, Support to Natural Calamity, Tree Plantation, Employee Volunteering)

- Club Enerji covered 280 schools across 12 cities and sensitized 2.5 million citizens on energy and resource conservation, saving more than 3.5 million units
- 114 villages covered under rural energy program with more than 200 solar streetlights and 250 solar home lights installed
- Micro Grid Solar Solutions for Rural Energy have been carried out in 5 villages
- Over 7.5 lakh trees planted across locations
- 1400 Solar Lamps were distributed for households during Tamil Nadu Flood Relief
- 1039 employee volunteers contributed towards 10854 volunteering hours
- Tata Power supported Tata Medical Centre Trust by providing treatment to unfortunate Cancer patients.

6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	Tata Power has met the spend requirement on CSR activities.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Anil Sardana**  
**CEO & Managing Director**  
 (DIN: 00006867)

**Deepak M. Satwalekar**  
**Chairman, CSR Committee**  
 (DIN: 00009627)

NOTICE  
 BOARD'S REPORT  
 MD&A  
 CG REPORT  
 STANDALONE  
 CONSOLIDATED

## Annexure – II : Policy on Board Diversity and Director Attributes

(Ref.: Board's Report, Section 16)

### 1. Objective

- 1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of The Tata Power Company Limited ('the company').
- 1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

### 2. Attributes of directors

- 2.1 The following attributes need to be considered in considering optimum board composition:

i) **Gender diversity:**

Having at least one woman director on the Board with an aspiration to reach three women directors.

ii) **Age**

The average age of board members should be in the range of 60 - 65 years.

iii) **Competency**

The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.

iv) **Independence**

The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 in respect of the 'independence' criterion.

#### **Additional Attributes**

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

### 3. Role of the Nomination and Remuneration Committee

- 3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

### 4. Review of the Policy

- 4.1 The NRC will review this policy periodically and recommend revisions to the board for consideration.



## Annexure – III : Remuneration Policy for Directors, Key Managerial Personnel and other employees

(Ref.: Board's Report, Section 16)

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of The Tata Power Company Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals."

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non- executive directors**
  - o Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
  - o Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - o Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - o Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
  - o Overall remuneration practices should be consistent with recognized best practices.
  - o Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - o The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
  - o The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - o In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- **Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees<sup>1</sup>**
  - o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent).
- Driven by the role played by the individual.
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay.
- Consistent with recognized best practices.
- Aligned to any regulatory requirements.
- o In terms of remuneration mix or composition:
  - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
  - The company provides retirement benefits as applicable.
  - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.
- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

  - a) The services rendered are of a professional nature; and
  - b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.
- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

## Annexure – IV : Conservation of Energy and Technology Absorption

(Ref.: Board's Report, Section 18)

### A. Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

Your Company considers it important to manage the continuously rising demand by creating an environment for efficient use of power.

Your Company developed programmes for different types of consumers. For residential consumers in Mumbai, your Company launched a unique consumer initiative called "Be Green". This initiative gave an opportunity to the Company's consumers to exchange their inefficient electrical appliances for new energy efficient appliances. In Delhi and Mumbai, where the Company has its distribution business, approximately 20,000 old power guzzling appliances, like air conditioners, refrigerators and ceiling fans were replaced with energy efficient star rated appliances at a discount. The Company has partnered with leading consumer appliance manufacturers for energy efficient equipment.

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

Rising peak loads have been another challenge in a commercial city like Mumbai. Your Company launched initiatives such as Demand Response and Thermal Energy Storage incentive, with the aim of motivating the consumers to shift load from peak to off peak.

Your Company replaced 70W sodium vapour street light fittings with 40W LED lamps and installed solar water heaters in housing colonies and offices to conserve energy. Along with different programs and schemes, Tata Power also organized consumer awareness programs to develop a culture of energy efficiency and conservation.

Your Company has been awarded the 'National Energy Conservation' award under Discom sector from Ministry of Power in 2015-16 and "Silver Shield" in the category of 'Performance of Distribution Companies' by CEA.

Further, following specific items are being pursued:

- Installation of clamp-on device on Wind Turbine Generators (WTG) for fine tuning orientation to wind direction to enhance power generation for the given set of parameters
- Higher capacity WTGs to increase the total generation potential for a given site
- Installation of Remote Monitoring System for WTG and solar assets for efficient operation and maintenance to increase generation for a given set of conditions
- Installation of VFD for Condensate Extraction Pumps at Mundra on pilot basis to reduce power consumption
- Installation of control valve in deaerator extraction line at Haldia to increase generation for given steam flow.

Also, to ensure optimum power use in new plants, the process of technical evaluation includes review of energy consumption which forces energy efficient equipment to be offered by bidders.

- (ii) The steps taken by the company for utilising alternate sources of energy:

Your Company (including its subsidiaries) has about 20% of capacity (in MW Terms) through clean and green sources (Hydro, Wind, Solar and Waste Heat Recovery). Capacity addition in renewable generation as well as increasing efficiency and availability of existing renewable assets continue to be a focus area of your Company.

Your Company has developed KW Scale DDG Solutions such as

- Cost effective 2 KW DC based micro grid system with one day autonomy using solar as primary source of energy generation and biomass gasification as secondary source of energy generation
- Solar based back up power for single, double and triple BTS sites of telecom towers to offset DG power and to bring DG operation into high efficiency zone
- Installation and commissioning of an optimized cost effective floating Solar Solution
- Ash Utilization - Use of chemically and mechanically activated cement roads & roof slabs on trial basis.

- (iii) The capital investment on energy conservation equipment:

- Use of superior thermal technology like supercritical boilers at CGPL

- Installation of 60 kW micro hydro turbines in tail channel of hydro power stations
- Replacement of reciprocating compressors with rotary screw compressor having Variable Frequency Drive (VDF) in Unit 5 and installation of energy efficient motor at Coal Mill 5A at Trombay for optimizing energy consumption
- Installation of 10 multifunction meters at lighting distribution boards in Jojobera to optimise power consumption and load
- Hybrid solar-wind (1 kW) mill commissioned at Trombay
- Replacement of old LRB (Light Resin Bonded) type insulation of turbine casing with ceramic bag (blanket) insulation to reduce surface heat loss from turbine casing at Haldia.

**B. Technology Absorption**

1	Efforts, in brief, made towards Technology Absorption, adaptation and innovation	Filed patents on <ul style="list-style-type: none"> <li>• “Raft of floating solar”</li> <li>• “Multi fuel reformer for fuel cell application”</li> <li>• Use of GIS based software for patrolling</li> <li>• Tata Power SED filed three patents in FY16 for technologies with dual use</li> </ul>
2	Benefits derived as a result of the above efforts	<ul style="list-style-type: none"> <li>• Help achieving goal of 100% ash utilisation.</li> <li>• Indigenous secure and trustworthy solutions for BMS, tactical communication system etc.</li> <li>• Products for clean energy market</li> </ul>
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: <ul style="list-style-type: none"> <li>a) Technology Imported</li> <li>b) Year of Import</li> <li>c) Has technology been fully absorbed</li> <li>d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action</li> </ul>	<ul style="list-style-type: none"> <li>a) Inertial Navigation System (INS) from Honeywell, USA</li> <li>b) FY15</li> <li>c) Technology was validated in pilot projects during FY16</li> <li>d) Will go for manufacturing in FY17</li> </ul>
4	Expenditure on R & D (in ₹ crore) <ul style="list-style-type: none"> <li>a) Capital</li> <li>b) Recurring</li> <li>Total</li> </ul>	<ul style="list-style-type: none"> <li>a) Clean Tech ₹ 1.49 crore</li> <li>SED ₹ 101.84 crore</li> <li>b) Clean Tech ₹ 1.62 crore</li> <li>SED -</li> <li>Total ₹ 104.95 crore</li> </ul>

**Generation Business**

- Implementation of advanced pattern recognition and diagnostic system (ADORE) in CGPL for early fault detection and performance improvement
- Remote controlled high pressure jet washing of air pre-heater at CGPL for safe and speedy work, resulting in outage time reduction and safe work environment
- Robotic welding of turbine in Unit 7 at Trombay without opening it for reduction in down time
- Phased array testing of turbine blades for testing the full blade in-situ at Trombay
- Station transformer gas formation detection techniques such as radio frequency infrared detection (RFID), high frequency current transformer (HFCT) and acoustic sensor used at MPL for detecting partial discharge inside the station transformer
- Tracking of coal logistics system by integrating RFID, GPS, traffic light, WB and SAP systems resulting in effective tracking & plugging the pilferage of coal due to the high level of automation at Maithon
- Online condenser tube leak detection system was introduced in Haldia to identify the condenser leak tubes without stopping units. This technology adoption would reduce the forced outages of units.
- Replacement of all lightning arrester base insulators in 132 kV system with new stack type base insulator at Haldia to improve the reliability of insulators as well as lightning arresters.
- Introduction of positive material identification (PMI) testing at Haldia during overhauling of turbine. This will improve the stability and reliability of turbine bolts
- Installation of High frequency injection base stator and rotor earth fault protection system for Unit-1 generator at Jojobera
- Introduction of Voltage Reduction Device (VRD) in welding machines for safe operations in Jojobera
- Belt tear switch for conveyor belt protection from damage due to metal objects or due to bulk flow of coal in Jojobera

- Stator replacement at Bhira Pump Storage Unit; capacity upgraded to 200 MVA from 179 MVA
- String modification of solar modules at Mithapur solar plant to avoid losses due to shadow effect
- Progressive tilting of solar PV modules to improve generation.

### Transmission and Distribution Business

#### Safety

- Commissioned India's first natural ester filled power transformer (20/28MVA) and 13 natural ester filled distribution transformer at various locations. Natural esters have high flash and fire point compared to mineral oil, thus enhancing safety
- Retro filling of 29 Distribution transformers with ester oil completed thus enhancing the life expectancy of transformers
- Use of Nitrogen based fire protection system at Mankhurd to protect transformer from fire hazards. As no water is used for fire quenching, there is less damage to transformer.

#### Customer

- Tata Power's mobile application launched
- Push-Pull SMS functionality was rolled out for TPC-D consumers. SMS service for consumers, to know their current outstanding amount has been launched
- Spot billing commenced for 5000 consumers
- Maharashtra's first solar rooftop net metering solution operationalized for Tata Power consumer, Vardhan Industries at Andheri
- Successful operation of single point delivery model for one year at Ambojwadi slum ensuring 100% collection efficiency.

#### Operations

- Successful implementation of Self-Healing Grid - a decentralized system with advanced functionalities like FLISR (Fault location, identification, isolation and restoration)
- Commissioned India's first self-protected pad-mount substation
- Android based mobile GIS application implemented for 8 important customer facing processes, thus reducing cycle time
- India's first power distribution centre i.e. E-house commissioned. It is compact, pre-tested, plug and play solution, an alternative to conventional distribution substations
- Indigenous innovative method and system developed and implemented for automatic identification of unpatrolled routes of cable network using GIS. Patent for the same is in final stage of submission
- Use of RFID for asset management and tracking successfully piloted in Dharavi. The solution is now being deployed for all T&D locations
- Use of PSEE software for load flow analysis. The software is more user friendly and has advanced features compared to earlier software
- Geo membrane technology to avoid grass growth in switchyard as it doesn't allow water accumulation in the yard
- Use of NKT make 110 kV, 3 core, 400 Sq. mm oil filled cable joints - first time NKT made 110 kV, 3 core, 630 sq. mm straight joints are used. These joints use tapes which are hand applied and are easier to wrap around the cores as compared to the pre-shaped rolls in the earlier joints which used to take a lot of time for taping
- Remote monitoring of oil pressure alarms for EHV cables at Sewri fort from PSCC through unified SCADA system
- Adoption of parallel redundant path (PRP) protocol in BCPUs and gateways to obtain seamless switchover and recovery in case of failure of real-time communication
- Adoption of IEC 61850 in BCPUs and RTUs - In this system, the feeder, bay control and transformer relays communicate using peer-to-peer IEC 61850 generic object oriented substation event (GOOSE) messages for protection and control schemes. This is a cost-efficient solution for bus fault protection, as hardwired signal paths (separate CTs, hard wiring and relays) of normal bus fault scheme are not required.

On behalf of the Board of Directors,

**Cyrus P. Mistry**  
**Chairman**  
 (DIN: 00010178)

Mumbai, 23<sup>rd</sup> May 2016

**Annexure – V : Disclosure of Managerial Remuneration**

(Ref.: Board's Report, Section 19)

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

<b>Name of Director</b>	<b>Ratio of Director's remuneration to the median remuneration of the employees of the Company for the financial year</b>
Mr. Cyrus P. Mistry	0.55
Dr. Homiar S. Vachha	11.57
Mr. Nawshir H. Mirza	9.89
Mr. Deepak M. Satwalekar	11.10
Mr. Piyush G. Mankad	4.77
Mr. Ashok K. Basu	3.54
Mr. Pravin H. Kutumbe (w.e.f. 07.09.2015)	0.95
Mr. Anil Sardana, CEO and Managing Director	69.65
Mr. Ashok S. Sethi, COO and Executive Director	29.20
Mr. R. Gopalakrishnan (upto 24.12.2015)	12.71
Ms. Vishakha V. Mulye (upto 18.01.2016)	N.A.
Mr. Thomas Mathew T. (upto 30.04.2015)	N.A.
Mr. Vijay Kumar Sharma (w.e.f. 19.05.2015 upto 02.07.2015)	N.A.

- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

<b>Name of Director and Key Managerial Personnel</b>	<b>Percentage increase in remuneration in the financial year</b>
Mr. Cyrus P. Mistry	34
Dr. Homiar S. Vachha	26
Mr. Nawshir H. Mirza	18
Mr. Deepak M. Satwalekar	30
Mr. Piyush G. Mankad	22
Mr. Ashok K. Basu	28
Mr. Pravin H. Kutumbe (w.e.f. 07.09.2015)	N.A.
Mr. Anil Sardana, CEO and Managing Director	18
Mr. Ashok S. Sethi, COO and Executive Director	23
Mr. R. Gopalakrishnan (upto 24.12.2015)	123
Ms. Vishakha V. Mulye (upto 18.01.2016)	N.A.
Mr. Thomas Mathew T. (upto 30.04.2015)	N.A.
Mr. Vijay Kumar Sharma (w.e.f. 19.05.2015 upto 02.07.2015)	N.A.
Mr. Ramesh N. Subramanyam, Chief Financial Officer (KMP)	38
Mr. Hanoz M. Mistry, Company Secretary (KMP)	12

- c) The percentage increase in the median remuneration of employees in the financial year: 6.50%
- d) The number of permanent employees on the rolls of the company: 4,254
- e) The explanation on the relationship between average increase in remuneration and company performance:

<b>Sl. No.</b>	<b>Particulars</b>	<b>Explanation</b>
1.	Increase in median remuneration of employees has been 6.50%	The increase in remuneration has been done after analysing the relevant external and internal factors. External factors include the market survey of companies in similar business segment, inflation, salary increase forecast and internal factors include the all round performance of the Company, Salaries and Wages Cost and current salary level of the employees.
2.	Company performance has dropped from PAT of ₹ 1,010.29 crore in FY15 to ₹ 771.62 crore in FY16	

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Sl. No.	Particulars of remuneration for Key Managerial Personnel	Percentage of Standalone Operating Profit
1.	Mr. Anil Sardana, CEO and MD	0.24
2.	Mr. Ashok S. Sethi, COO and ED	0.10
3.	Mr. Ramesh N. Subramanyam, CFO	0.10
4.	Mr. Hanoz M. Mistry, CS	0.03

- g) Market and financial performance related information:

- Variations in the market capitalization of the company (31<sup>st</sup> March 2016 vs. 31<sup>st</sup> March 2015):  
16.15% decrease in market capitalization. The Company focuses on long-term value creation and not on maximization of market capitalization in the short term as it would motivate unhealthy behaviour.
- Variations in price earnings ratio (31<sup>st</sup> March 2016 vs. 31<sup>st</sup> March 2015):  
17.25% increase in price earnings ratio.
- Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:  
6,365% increase between price on 31<sup>st</sup> March 2016 (Share Price: ₹ 64.65) and price of last public offer in 1981 (Offer Price: ₹ 100 for Face Value of ₹ 100, adjusted to ₹ 1 for ₹ 1 Face Value)

- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of Managers (defined as MD and ED on the Board of your Company) was 19.1%. For employees of Tata Power, the median increase was 6.5%. For a set of employees which are part of the union, Wage increase is covered under the Long-Term Settlement. The Long-Term settlement has been signed and will be implemented w.e.f. 1<sup>st</sup> January 2014. The salary increase on account of the Long-Term Settlement will be paid in FY17 along with arrears effective 1<sup>st</sup> January 2014.

- i) The key parameters for any variable component of remuneration availed by the directors:

#### Non-Executive Directors

Based on the Company's performance, profits, returns to investors, shareholder value creation etc., the aggregate commission recommended for all the Non-Executive Directors in FY16, was distributed broadly on the following basis:

- Number of meetings of the Board and substantive committees of the Board attended
- Role and responsibility as Chairman/member of the Board/Committee
- Individual contribution at meetings and
- Time spent other than in meetings relating to the operations of the Company

#### Executive Directors

Based on the Company's performance, profits, returns to investors, shareholder value creation etc., the aggregate commission recommended for all the Executive Directors in FY16, was distributed broadly on the basis of the achievement of their Short Term and Strategic Long Term Goals, which were determined in consultation with the Nomination and Remuneration Committee.

- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: There is no employee who received remuneration in excess of highest paid Director.

- k) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

On behalf of the Board of Directors,

**Cyrus P. Mistry**  
Chairman  
(DIN: 00010178)

Mumbai, 23<sup>rd</sup> May 2016

**Annexure – VI : Related Party Transactions**

(Ref.: Board's Report, Section 20)

**FORM No. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)]

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Tata Power International Pte. Limited (TPIPL)	Corporate Guarantee (CG)	One year	To fund the working capital requirements, the Company has provided CG of USD 11 Mn. to Standard Chartered Bank for non-fund working capital limits of USD 10 Mn. in TPIPL.	CG was given to enable TPIPL to avail working capital facilities which TPIPL utilises for non-fund based limits.	24.06.2015	Nil	N.A.
Coastal Gujarat Power Limited (CGPL)	Corporate Guarantee (CG)	One year	Waiver from charging any Interest / Commission on Shareholder Loan / Sub-debt and CG extended / to be extended by the Company to CGPL for availing debt facilities.	CGPL had been continuously making losses for the last three years since commencement of operations. This has eroded its net worth. CGPL was also in no position to bear this additional burden of interest / commission to Tata Power.	13.08.2015	Nil	N.A.
Mandakini Coal Company Limited	Shareholder's loan	Long term	Final repayments of the long term loan of ₹ 140 crore from IFCI (₹ 48 crore) and accrued interest.	Promoters funding Obligation.	13.08.2015	Nil	N.A.
Tata Power Solar Systems Limited (TPSSL)	Corporate Guarantee (CG)	Yet to be issued	CG for ₹ 257 crore to issue guaranteed Non-Convertible Debentures of ₹ 200 crore.	CG was given to enable TPSSL to tap into Debt capital market to issue debentures. However, this is so far not issued.	13.08.2015	Nil	N.A.
Forbes Technosys Limited	Annual Maintenance Contract (AMC) of Kiosks	One year	AMC of Kiosks together with upgradation of its hardware and software amounting to ₹ 17.06 lakh (including taxes).	With a view to maintain the machines embedded in Consumer Interface Kiosks, AMC was required to be placed on OEM.	13.08.2015	Nil	N.A.



Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Forbes Technosys Limited	AMC of 25 i-Ball Tablets	One year	AMC of 25 i-Ball Tablets amounting to ₹ 65,000 (including taxes).	The user division was highly satisfied with the upkeep of these tablets.	13.08.2015	Nil	N.A.
Industrial Energy Limited (IEL)	Operation and Maintenance contract	One year	Adoption of CERC rates as an arm's length pricing for annual escalation of Operations and Maintenance Services Agreement with IEL for operating and maintaining Unit 5 & Power House No.6 for an annual fee of ₹ 13.14 crore and ₹ 12.38 crore (excluding taxes) respectively for FY16 (escalation as per CERC rates).	Signed agreement.	29.03.2016	Nil	N.A.
Mandakini Coal Company Limited (MCCL)	Shareholder Loan	One year	Waiver from charging any interest on the shareholder loan infused by the Company in MCCL.	Consequent to deallocation and subsequent cancellation of Coal Block, MCCL did not have any funds to pay this interest and so far had not paid any interest to the Company. Since MCCL had no funds, the JV partners would have to infuse funds in MCCL to enable MCCL to deposit the TDS amount on the interest portion, which would result in further infusion of Shareholder Loan from the Company and JV partners.	29.03.2016	Nil	N.A.

## 2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
<b>There are no material contracts or arrangements or transactions at arm's length basis</b>					

On behalf of the Board of Directors,

**Cyrus P. Mistry**  
Chairman  
(DIN: 00010178)

Mumbai, 23<sup>rd</sup> May 2016

**Annexure – VII : Extract of Annual Return**

(Ref.: Board's Report, Section 23)

**FORM No.MGT-9**

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L28920MH1919PLC000567
- ii) Registration Date: 18<sup>th</sup> September 1919
- iii) Name of the Company: The Tata Power Company Limited
- iv) Category / Sub-Category of the Company: Public Company limited by shares
- v) Address of the Registered office and contact details: 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
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
TSR Darashaw 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. E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Supply & Transmission charges	3510	89%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held *	Applicable Section
1	Chemical Terminal Trombay Ltd. Pir Pav Installation, Near MbPT Pump House, Behind Tata Power Company Unit 5, Chembur, Mumbai 400 074	U63020MH1970PLC014572	Subsidiary	100	Section 2(87)
2	Af-Taab Investment Co. Ltd. Corporate Centre, B Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U65990MH1979PLC021037	Subsidiary	100	Section 2(87)
3.	Tata Power Trading Co. Ltd. Carnac Receiving Station, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40100MH2003PLC143770	Subsidiary	100	Section 2(87)
4	Powerlinks Transmission Ltd. 10 <sup>th</sup> Floor, DLF Tower-A, District Center-Jasola, New Delhi 110 025	U40105DL2001PLC110714	Subsidiary	51	Section 2(87)
5	Maithon Power Ltd. Corporate Center, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009.	U74899MH2000PLC267297	Subsidiary	74	Section 2(87)
6	NELCO Ltd. MIDC, Plot No. EL 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai 400 710	L32200MH1940PLC003164	Subsidiary	50.04	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held *	Applicable Section
7	Tatanet Services Ltd. MIDC, Plot No. EL 6, TTC Industrial Area, Electronics Zone, Mahape, Navi Mumbai 400 710	U67120MH1987PLC044351	Subsidiary	50.04	Section 2(87)
8	Industrial Energy Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U74999MH2007PLC167623	Subsidiary	74	Section 2(87)
9	Industrial Power Utility Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U74999MH2007PLC168291	Subsidiary	100	Section 2(87)
10	Tata Power Delhi Distribution Ltd. NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	U40109DL2001PLC111526	Subsidiary	51	Section 2(87)
11	Coastal Gujarat Power Ltd. 34, Sant Tukaram Road, Carnac Bunder, Mumbai 400 009	U40102MH2006PLC182213	Subsidiary	100	Section 2(87)
12	Tata Power Renewable Energy Ltd. c/o The Tata Power Co. Ltd., Corporate, Centre, A Block, 34, Sant Tukaram, Road, Carnac Bunder, Mumbai 400 009	U40108MH2007PLC168314	Subsidiary	100	Section 2(87)
13	Tata Power Green Energy Ltd. B Block, Corporate Centre, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40108MH2011PLC211851	Subsidiary	100	Section 2(87)
14	Dugar Hydro Power Ltd. Santosh Bhavan, 1 <sup>st</sup> Floor, Near Govt. Middle School, Mehli, PO Kasumpti, Shimla 171 009	U40101HP2011PLC031626	Subsidiary	50.001	Section 2(87)
15	NDPL Infra Ltd. Jeevan Bharati Tower #1, 10 <sup>th</sup> Floor, 124, Connaught Circus, New Delhi 110 001	U40106DL2011PLC223982	Subsidiary	51	Section 2(87)
16	Tata Power Solar Systems Ltd. Plot No.78, Electronic City, Hosur Road, Bengaluru 560 100	U40106KA1989PLC034989	Subsidiary	100	Section 2(87)
17	Tata Power Jamshedpur Distribution Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2012PLC237581	Subsidiary	100	Section 2(87)
18	Tata Ceramics Ltd. 26 Cochin Special Economic Zone, Kakkanaad, Ernakulam 682 037	U26933KL1991PLC006018	Subsidiary	57.07	Section 2(87)
19	Supa Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2015PLC270878	Subsidiary	100	Section 2(87)
20	Nivade Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2015PLC271114	Subsidiary	100	Section 2(87)
21	Poolavadi Windfarm Ltd. c/o The Tata Power Co. Ltd., Corporate Centre, A Block, 34, Sant, Tukaram Road, Carnac Bunder, Mumbai 400 009	U40300MH2016PLC271899	Subsidiary	100	Section 2(87)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held *	Applicable Section
22	Bhira Investments Ltd. IFS Court, Twenty Eight, Cybercity Ebene, Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
23	Bhivpuri Investments Ltd. IFS Court, Twenty Eight, Cybercity Ebene, Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
24	Khopoli Investments Ltd. IFS Court, Twenty Eight, Cybercity Ebene, Mauritius	Not applicable, foreign company	Subsidiary	100	Section 2(87)
25	Trust Energy Resources Pte. Ltd. 143 Cecil Street, # 25-01, GB Building, Singapore 069542	Not applicable, foreign company	Subsidiary	100	Section 2(87)
26	Energy Eastern Pte. Ltd. 143 Cecil Street, # 25-01, GB Building, Singapore 069542	Not applicable, foreign company	Subsidiary	100	Section 2(87)
27	PT Sumber Energi Andalan Tbk. Prince Centre 8 <sup>th</sup> Floor, Jl. Jend.Sudirman Kav 3-4, Jakarta 10220, Indonesia	Not applicable, foreign company	Subsidiary	94.61	Section 2(87)
28	Tata Power International Pte. Ltd. 143, Cecil Street, #25-01, GB Building, Singapore 069542	Not applicable, foreign company	Subsidiary	100	Section 2(87)
29	Tubed Coal Mines Ltd. Century Bhavan, 3 <sup>rd</sup> Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030	U10100MH2007PLC174466	Associate	40	Section 2(6)
30	Mandakini Coal Company Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U10100DL2008PLC175417	Associate	33.33	Section 2(6)
31	Solace Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC242177	Associate	33.33	Section 2(6)
32	Gamma Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC242303	Associate	33.33	Section 2(6)
33	Beta Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70100DL2012PLC245127	Associate	33.33	Section 2(6)
34	Ginger Land Holding Ltd. Plot No.12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi 110 070	U70109DL2012PLC245128	Associate	33.33	Section 2(6)
35	Yashmun Engineers Ltd. Dharavi Road, Next to MSEB, Matunga, Mumbai 400 019	U29100MH1966PLC006109	Associate	27.27	Section 2(6)
36	Panatone Finvest Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U67120MH1992PLC066160	Associate	39.98	Section 2(6)
37	Tata Projects Ltd. Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad, Hyderabad 500 003	U45203AP1979PLC057431	Associate	47.78	Section 2(6)
38	ASL Advanced Systems Pvt. Ltd. Pragathi, 70/1 Miller Road, Bengaluru 560 052	U72900KA1992PTC033624	Associate	32.90	Section 2(6)
39	The Associated Building Co. Ltd. Bombay House, 24, Homi Mody Street, Mumbai 400 001	U45200MH1921PLC000866	Associate	33.14	Section 2(6)
40	Brihat Trading Private Ltd. Bank of Baroda Building, Bombay Samachar Marg, Mumbai 400 001	U51900MH1988PTC049926	Associate	33.21	Section 2(6)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held *	Applicable Section
41	Nelito Systems Ltd. 205-208, Millennium Business Park, Building 2, Sector 1, Mahape, Navi Mumbai 400 701	U72900MH1995PLC088816	Associate	49.89	Section 2(6)
42	Cennergi Pty. Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
43	Tsitsikamma Community Wind Farm (Pty.) Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
44	Amakhala Emoyeni RE Project 1 (Pty.) Ltd. Block A, Ground Floor, Lakefield Office Park, 272 West Avenue, Centurion 0157, South Africa	Not applicable, foreign company	Associate	50	Section 2(6)
45	PT Mitratama Perkasa Gedung Gelael – Jl. Falatehan No. 35-36, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)
46	PT Mitratama Usaha Gedung Gelael – Jl. Falatehan No. 35-36, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	28.38	Section 2(6)
47	PT Arutmin Indonesia 14 <sup>th</sup> Floor, Bakrie Tower Complex, Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta 12940, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
48	PT Kaltim Prima Coal 14 <sup>th</sup> Floor, Bakrie Tower Complex, Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta 12940, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
49	Indocoal Resources (Cayman) Ltd. M&C Corporate Services Ltd., P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands	Not applicable, foreign company	Associate	30	Section 2(6)
50	Indocoal KPC Resources (Cayman) Ltd. C/o Citco Trustees (Cayman) Limited, 89 Nexus Way, Camana Bay, P.O. Box 31106, Grand Cayman KY1-1205, Cayman Islands	Not applicable, foreign company	Associate	30	Section 2(6)
51	PT Indocoal Kalsel Resources 12 <sup>th</sup> Floor, Bakrie Tower Complex, Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta 12940, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
52	PT Indocoal Kaltim Resources 12 <sup>th</sup> Floor, Bakrie Tower Complex, Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta 12940, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
53	Dagachhu Hydro Power Corporation Ltd. Khebisa, Dzongkhong: Dagana, Bhutan	Not applicable, foreign company	Associate	26	Section 2(6)
54	Candice Investments Pte. Ltd. 80, Raffles Place, #16-20 UOB Plaza 2, Singapore 048624	Not applicable, foreign company	Associate	30	Section 2(6)
55	PT Nusa Tambang Pratama Menara Anugrah, 12 <sup>th</sup> Floor Kantor Taman E3.3, Lot. 8.6-8.7, Jl. DR Ide Anak Agung Gde Agung, Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)

Sl. No.	Name and Address of the Company *	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held *	Applicable Section
56	PT Marvel Capital Indonesia Menara Anugrah, 12 <sup>th</sup> Floor Kantor Taman E3.3, Lot. 8.6-8.7, Jl. DR Ide Anak Agung Gde Agung, Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
57	PT Dwikarya Prima Abadi Menara Anugrah, 12 <sup>th</sup> Floor Kantor Taman E3.3, Lot. 8.6-8.7, Jl. DR Ide Anak Agung Gde Agung, Kawasan Mega Kuningan, Jakarta 12950, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
58	PT Kalimantan Prima Power Menara Duta Building, 2 <sup>nd</sup> floor Jl. H.R. Rasuna Said Kav. B-9 Jakarta 12910, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
59	PT Guruh Agung 2 <sup>nd</sup> Floor, Gedung Graha Kapital, Jl. Kemang Raya no. 4, Jakarta 12730, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
60	PT Citra Prima Buana 2 <sup>nd</sup> Floor Wing A Menara Duta Building, Jl. H.R. Rasuna Said Kav. B-9, Jakarta 12910, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
61	PT Citra Kusuma Perdana 2 <sup>nd</sup> Floor Wing A Menara Duta Building, Jl. H.R. Rasuna Said Kav. B-9, Jakarta 12910, Indonesia	Not applicable, foreign company	Associate	30	Section 2(6)
62	OTP Geothermal Pte. Ltd. 8 Marina Boulevard #05-02, Marina Bay Financial Centre Tower 1, Singapore 018981	Not applicable, foreign company	Associate	50	Section 2(6)
63	PT Sorik Marapi Geothermal Power Level 5, Recapital Building, Jl. Adityawarman Kav. 55, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	47.50	Section 2(6)
64	PT OTP Geothermal Services Indonesia Level 5, Recapital Building, Jl. Adityawarman Kav. 55, Kebayoran Baru, Jakarta 12160, Indonesia	Not applicable, foreign company	Associate	47.50	Section 2(6)
65	PT Baramulti Sukessarana Tbk Sahid Sudirman Center, 56C, Jl. Jendral Sudirman Kav. 86, Jakarta 10220, Indonesia	Not applicable, foreign company	Associate	26	Section 2(6)
66	PT Antang Gunung Meratus Sahid Sudirman Center, 56C, Jl. Jendral Sudirman Kav. 86, Jakarta 10220, Indonesia	Not applicable, foreign company	Associate	26	Section 2(6)
67	Adjaristsqali Netherlands B.V. Westblaak 89, 3012 KG Rotterdam, The Netherlands	Not applicable, foreign company	Associate	40	Section 2(6)
68	Adjaristsqali Georgia LLC 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
69	Koromkheti Netherlands B.V. Westblaak 89, 3012 KG Rotterdam, The Netherlands	Not applicable, foreign company	Associate	40	Section 2(6)
70	Koromkheti Georgia L.L.C 6, I. Abashidze Str., Ap 2-3, Batumi, 6010, Georgia	Not applicable, foreign company	Associate	40	Section 2(6)
71	Itezhi Tezhi Power Corporation Plot 3039, Makishi Road, Fairview Area, Lusaka, Zambia	Not applicable, foreign company	Associate	50	Section 2(6)

\* Includes direct and indirect subsidiaries, joint ventures and associates.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2015)				No. of Shares held at the end of the year (as on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (including Promoter Group)</b>									
<b>(1) Indian</b>									
a) Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	89,25,44,226	0	89,25,44,226	33.00	89,25,44,226	0	89,25,44,226	33.00	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (Trust)	6,56,240	0	6,56,240	0.02	6,56,240	0	6,56,240	0.02	0.00
<b>Sub-Total (A) (1):</b>	<b>89,32,00,466</b>	<b>0</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>89,32,00,466</b>	<b>0</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A) =(A) (1)+(A)(2)</b>	<b>89,32,00,466</b>	<b>0</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>89,32,00,466</b>	<b>0</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	2,98,46,381	1,74,420	3,00,20,801	1.11	7,80,54,598	1,74,420	7,82,29,018	2.89	1.78
b) Banks/FI	1,37,01,117	4,86,862	1,41,87,979	0.52	1,57,48,271	4,86,062	1,62,34,333	0.60	0.08
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	3,90,485	2,52,560	6,43,045	0.02	33,96,609	2,52,560	36,49,169	0.13	0.11
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	55,82,95,159	30,400	55,83,25,559	20.64	56,43,26,627	30,400	56,43,57,027	20.87	0.22
g) FIs	70,02,71,478	68,980	70,03,40,458	25.89	44,84,03,498	68,980	44,84,72,478	16.58	-9.31
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
i-i) Foreign Portfolio Investors (Corporate)	7,61,27,437	0	7,61,27,437	2.81	26,03,21,434	0	26,03,21,434	9.63	6.81
i-ii) Foreign Nationals - DR	22,760	0	22,760	0.00	2,82,200	0	2,82,200	0.01	0.01
i-iii) Foreign Bodies - DR	12,94,567	0	12,94,567	0.05	9,09,437	0	9,09,437	0.03	-0.01
<b>Sub-Total (B) (1):</b>	<b>1,37,99,49,384</b>	<b>10,13,222</b>	<b>1,38,09,62,606</b>	<b>51.06</b>	<b>1,37,14,42,674</b>	<b>10,12,422</b>	<b>1,37,24,55,096</b>	<b>50.74</b>	<b>-0.31</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	2,08,55,189	17,48,607	2,26,03,796	0.84	2,11,98,951	17,22,947	2,29,21,898	0.85	0.01
ii) Overseas	4,000	6,400	10,400	0.00	4,000	6,400	10,400	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	30,84,22,536	6,29,84,606	37,14,07,142	13.73	31,94,67,977	5,99,81,549	37,94,49,526	14.03	0.30
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,52,35,929	14,91,480	2,67,27,409	0.99	2,63,44,169	14,91,480	2,78,35,649	1.03	0.04
<b>c) Others (specify)</b>									
Trust	52,21,312	11,100	52,32,412	0.19	47,30,203	11,100	47,41,303	0.18	-0.02
Directors & their relatives	93,574	0	93,574	0.00	93,560	0	93,560	0.00	0.00
Foreign Bodies	4,949	0	4,949	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (2):</b>	<b>35,98,37,489</b>	<b>6,62,42,193</b>	<b>42,60,79,682</b>	<b>15.75</b>	<b>37,18,38,860</b>	<b>6,32,13,476</b>	<b>43,50,52,336</b>	<b>16.09</b>	<b>0.33</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,73,97,86,873</b>	<b>6,72,55,415</b>	<b>1,80,70,42,288</b>	<b>66.81</b>	<b>1,74,32,81,534</b>	<b>6,42,25,898</b>	<b>1,80,75,07,432</b>	<b>66.83</b>	<b>0.02</b>
<b>TOTAL (A)+(B)</b>	<b>2,63,29,87,339</b>	<b>6,72,55,415</b>	<b>2,70,02,42,754</b>	<b>99.84</b>	<b>2,63,64,82,000</b>	<b>6,42,25,898</b>	<b>2,70,07,07,898</b>	<b>99.86</b>	<b>0.02</b>
C. Shares held by Custodians for GDRs & ADRs	43,81,200	1,300	43,82,500	0.16	39,20,200	1,300	39,21,500	0.14	-0.02
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,63,73,68,539</b>	<b>6,72,56,715</b>	<b>2,70,46,25,254</b>	<b>100.00</b>	<b>2,64,04,02,200</b>	<b>6,42,27,198</b>	<b>2,70,46,29,398</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters (including Promoter Group)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Limited (Promoter)	82,18,99,682	30.39	1.68	83,97,99,682	31.05	1.68	0.66
2	Tata Steel Limited *	3,91,22,725	1.45	0.00	3,91,22,725	1.45	0.00	0.00
3	Tata Investment Corporation Limited *	68,47,842	0.25	0.00	68,47,842	0.25	0.00	0.00
4	Tata Industries Limited *	2,24,35,200	0.83	0.00	45,35,200	0.17	0.00	-0.66
5	Ewart Investments Limited *	22,29,657	0.08	0.00	22,29,657	0.08	0.00	0.00
6	Sheba Properties Limited *	9,120	0.00	0.00	9,120	0.00	0.00	0.00
7	Sir Dorabji Tata Trust *	5,72,880	0.02	0.00	5,72,880	0.02	0.00	0.00
8	Sir Ratan Tata Trust *	70,160	0.00	0.00	70,160	0.00	0.00	0.00
9	JRD Tata Trust *	13,200	0.00	0.00	13,200	0.00	0.00	0.00
	<b>Total</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>1.68</b>	<b>89,32,00,466</b>	<b>33.02</b>	<b>1.68</b>	<b>0.00</b>

\* Part of Promoter Group

**iii) Changes in Promoter's (including Promoter Group) Shareholding (please specify, if there is no change)**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tata Sons Limited (Promoter)	82,18,99,682	30.39					82,18,99,682	30.39
				04.03.2016	Purchase of Shares	1,79,00,000	0.66	83,97,99,682	31.05
				31.03.2016	At the end of the year	-	-	83,97,99,682	31.05
2	Tata Steel Limited *	3,91,22,725	1.45					3,91,22,725	1.45
				-	No change	0	0.00	3,91,22,725	1.45
				31.03.2016	At the end of the year	-	-	3,91,22,725	1.45
3	Tata Investment Corporation Limited *	68,47,842	0.25					68,47,842	0.25
				-	No change	0	0.00	68,47,842	0.25
				31.03.2016	At the end of the year	-	-	68,47,842	0.25
4	Tata Industries Limited *	2,24,35,200	0.83					2,24,35,200	0.83
				04.03.2016	Sale of Shares	-1,79,00,000	-0.66	45,35,200	0.17
				31.03.2016	At the end of the year	-	-	45,35,200	0.17
5	Ewart Investments Limited *	22,29,657	0.08					22,29,657	0.08
				-	No change	0	0.00	22,29,657	0.08
				31.03.2016	At the end of the year	-	-	22,29,657	0.08



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Sheba Properties Limited *	9,120	0.00					9,120	0.00
				-	No change	0	0.00	9,120	0.00
				31.03.2016	At the end of the year	-	-	9,120	0.00
7	Sir Dorabji Tata Trust *	5,72,880	0.02					5,72,880	0.02
				-	No change	0	0.00	5,72,880	0.02
				31.03.2016	At the end of the year	-	-	5,72,880	0.02
8	Sir Ratan Tata Trust *	70,160	0.00					70,160	0.00
				-	No change	0	0.00	70,160	0.00
				31.03.2016	At the end of the year	-	-	70,160	0.00
9	JRD Tata Trust *	13,200	0.00					13,200	0.00
				-	No change	0	0.00	13,200	0.00
				31.03.2016	At the end of the year	-	-	13,200	0.00

\* Part of Promoter Group

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	35,48,05,781	13.12					35,48,05,781	13.12
				10.04.2015	Sale of Shares	-1,000	0.00	35,48,04,781	13.12
				10.04.2015	Purchase of Shares	1,000	0.00	35,48,05,781	13.12
				17.04.2015	Sale of Shares	-1,25,361	0.00	35,46,80,420	13.11
				17.04.2015	Purchase of Shares	1,25,361	0.00	35,48,05,781	13.12
				22.05.2015	Purchase of Shares	16,65,663	0.06	35,64,71,444	13.18
				29.05.2015	Purchase of Shares	16,54,670	0.06	35,81,26,114	13.24
				05.06.2015	Purchase of Shares	53,70,546	0.20	36,34,96,660	13.44
				12.06.2015	Purchase of Shares	34,20,704	0.13	36,69,17,364	13.57
				19.06.2015	Purchase of Shares	28,88,416	0.11	36,98,05,780	13.67
				25.09.2015	Purchase of Shares	1,000	0.00	36,98,06,780	13.67
				31.12.2015	Purchase of Shares	11,500	0.00	36,98,18,280	13.67
				22.01.2016	Purchase of Shares	11,500	0.00	36,98,29,780	13.67
				29.01.2016	Purchase of Shares	11,500	0.00	36,98,41,280	13.67
				12.02.2016	Purchase of Shares	23,500	0.00	36,98,64,780	13.68
04.03.2016	Purchase of Shares	2,000	0.00	36,98,66,780	13.68				
31.03.2016	At the end of the year	-	-	36,98,66,780	13.68				

SI. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Matthews Pacific Tiger Fund	16,75,45,436	6.19					16,75,45,436	6.19
				10.04.2015	Purchase of Shares	26,65,808	0.10	17,02,11,244	6.29
				24.04.2015	Purchase of Shares	11,46,363	0.04	17,13,57,607	6.34
				01.05.2015	Purchase of Shares	97,829	0.00	17,14,55,436	6.34
				08.05.2015	Purchase of Shares	90,000	0.00	17,15,45,436	6.34
				19.06.2015	Purchase of Shares	22,11,141	0.08	17,37,56,577	6.42
				26.06.2015	Purchase of Shares	24,790	0.00	17,37,81,367	6.43
				17.07.2015	Purchase of Shares	1,19,501	0.00	17,39,00,868	6.43
				24.07.2015	Purchase of Shares	28,068	0.00	17,39,28,936	6.43
				29.07.2015	Purchase of Shares	13,59,472	0.05	17,52,88,408	6.48
				31.07.2015	Purchase of Shares	2,57,028	0.01	17,55,45,436	6.49
				28.08.2015	Sale of Shares	-45,91,667	-0.17	17,09,53,769	6.32
				04.09.2015	Sale of Shares	-33,33,333	-0.12	16,76,20,436	6.20
11.09.2015	Sale of Shares	-20,00,000	-0.07	16,56,20,436	6.12				
31.03.2016	At the end of the year	-	-	16,56,20,436	6.12				
3	National Westminster Bank Plc as Depository of First State Global Emerging Markets Leaders Fund a Sub Fund of First State Investments ICVC	8,78,45,474	3.25					8,78,45,474	3.25
				-	No Change	0	0.00	8,78,45,474	3.25
				31.03.2016	At the end of the year	-	-	8,78,45,474	3.25
4	The New India Assurance Company Limited	6,91,27,805	2.56					6,91,27,805	2.56
				05.06.2015	Sale of Shares	-30,000	0.00	6,90,97,805	2.55
				26.06.2015	Sale of Shares	-16,624	0.00	6,90,81,181	2.55
				03.07.2015	Sale of Shares	-1,228	0.00	6,90,79,953	2.55
				17.07.2015	Sale of Shares	-25,000	0.00	6,90,54,953	2.55
				21.07.2015	Sale of Shares	-1,00,000	0.00	6,89,54,953	2.55
31.03.2016	At the end of the year	-	-	6,89,54,953	2.55				
5	General Insurance Corporation of India	6,81,76,404	2.52					6,81,76,404	2.52
				-	No Change	0	0.00	6,81,76,404	2.52
				31.03.2016	At the end of the year	-	-	6,81,76,404	2.52
6	Aberdeen Global Indian Equity (Mauritius) Limited	3,65,98,000	1.35					3,65,98,000	1.35
				-	No Change	0	0.00	3,65,98,000	1.35
31.03.2016	At the end of the year	-	-	3,65,98,000	1.35				
7	SBI Mutual Funds	31,87,573	0.12					31,87,573	0.12
				10.04.2015	Purchase of Shares	2,871	0.00	31,90,444	0.12
				10.04.2015	Sale of Shares	-5,311	0.00	31,85,133	0.12
				17.04.2015	Sale of Shares	-3,115	0.00	31,82,018	0.12
				24.04.2015	Purchase of Shares	30	0.00	31,82,048	0.12
				24.04.2015	Sale of Shares	-454	0.00	31,81,594	0.12
				08.05.2015	Purchase of Shares	1,35,132	0.00	33,16,726	0.12
				08.05.2015	Sale of Shares	-45	0.00	33,16,681	0.12
				15.05.2015	Purchase of Shares	23,75,395	0.09	56,92,076	0.21
				22.05.2015	Sale of Shares	-137	0.00	56,91,939	0.21
				22.05.2015	Purchase of Shares	52,675	0.00	57,44,614	0.21
				05.06.2015	Purchase of Shares	5,00,000	0.02	62,44,614	0.23
				12.06.2015	Purchase of Shares	2,05,503	0.01	64,50,117	0.24
				19.06.2015	Purchase of Shares	20,44,349	0.08	84,94,466	0.31
				26.06.2015	Sale of Shares	-3,096	0.00	84,91,370	0.31
26.06.2015	Purchase of Shares	4,31,330	0.02	89,22,700	0.33				
26.06.2015	Sale of Shares	-8	0.00	89,22,692	0.33				

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				03.07.2015	Purchase of Shares	44	0.00	89,22,736	0.33
				10.07.2015	Sale of Shares	-55,115	0.00	88,67,621	0.33
				17.07.2015	Purchase of Shares	2,911	0.00	88,70,532	0.33
				21.07.2015	Sale of Shares	-8,400	0.00	88,62,132	0.33
				24.07.2015	Sale of Shares	-26,80,000	-0.10	61,82,132	0.23
				24.07.2015	Purchase of Shares	6,389	0.00	61,88,521	0.23
				29.07.2015	Purchase of Shares	24,30,454	0.09	86,18,975	0.32
				31.07.2015	Purchase of Shares	4,00,000	0.01	90,18,975	0.33
				31.07.2015	Sale of Shares	-459	0.00	90,18,516	0.33
				07.08.2015	Purchase of Shares	5,888	0.00	90,24,404	0.33
				14.08.2015	Purchase of Shares	14,075	0.00	90,38,479	0.33
				21.08.2015	Purchase of Shares	32,768	0.00	90,71,247	0.34
				28.08.2015	Purchase of Shares	75,46,076	0.28	1,66,17,323	0.61
				04.09.2015	Sale of Shares	-17,28,623	-0.06	1,48,88,700	0.55
				04.09.2015	Purchase of Shares	37,46,400	0.14	1,86,35,100	0.69
				11.09.2015	Purchase of Shares	6,656	0.00	1,86,41,756	0.69
				18.09.2015	Purchase of Shares	66,560	0.00	1,87,08,316	0.69
				25.09.2015	Sale of Shares	-55,444	0.00	1,86,52,872	0.69
				25.09.2015	Purchase of Shares	2,39,360	0.01	1,88,92,232	0.70
				30.09.2015	Sale of Shares	-848	0.00	1,88,91,384	0.70
				30.09.2015	Purchase of Shares	7,65,941	0.03	1,96,57,325	0.73
				02.10.2015	Purchase of Shares	11,42,322	0.04	2,07,99,647	0.77
				09.10.2015	Sale of Shares	-11,28,000	-0.04	1,96,71,647	0.73
				09.10.2015	Purchase of Shares	15,28,890	0.06	2,12,00,537	0.78
				16.10.2015	Sale of Shares	-1,409	0.00	2,11,99,128	0.78
				16.10.2015	Purchase of Shares	10,49,434	0.04	2,22,48,562	0.82
				23.10.2015	Sale of Shares	-13,110	0.00	2,22,35,452	0.82
				23.10.2015	Purchase of Shares	1,50,368	0.01	2,23,85,820	0.83
				30.10.2015	Sale of Shares	-24,913	0.00	2,23,60,907	0.83
				30.10.2015	Purchase of Shares	1,83,620	0.01	2,25,44,527	0.83
				06.11.2015	Purchase of Shares	8,10,716	0.03	2,33,55,243	0.86
				13.11.2015	Purchase of Shares	20,909	0.00	2,33,76,152	0.86
				20.11.2015	Purchase of Shares	8,23,058	0.03	2,41,99,210	0.89
				27.11.2015	Purchase of Shares	1,37,230	0.01	2,43,36,440	0.90
				04.12.2015	Purchase of Shares	6,05,522	0.02	2,49,41,962	0.92
				11.12.2015	Purchase of Shares	14,758	0.00	2,49,56,720	0.92
				18.12.2015	Purchase of Shares	90,247	0.00	2,50,46,967	0.93
				25.12.2015	Sale of Shares	-11	0.00	2,50,46,956	0.93
				25.12.2015	Purchase of Shares	1,34,874	0.00	2,51,81,830	0.93
				31.12.2015	Sale of Shares	-8,927	0.00	2,51,72,903	0.93
				31.12.2015	Purchase of Shares	1,53,832	0.01	2,53,26,735	0.94
				01.01.2016	Purchase of Shares	46,228	0.00	2,53,72,963	0.94
				08.01.2016	Purchase of Shares	1,32,733	0.00	2,55,05,696	0.94
				15.01.2016	Purchase of Shares	6,11,676	0.02	2,61,17,372	0.97
				22.01.2016	Purchase of Shares	7,85,025	0.03	2,69,02,397	0.99
				29.01.2016	Sale of Shares	-2,495	0.00	2,68,99,902	0.99
				29.01.2016	Purchase of Shares	1,75,518	0.01	2,70,75,420	1.00
				05.02.2016	Purchase of Shares	4,85,368	0.02	2,75,60,788	1.02
				12.02.2016	Sale of Shares	-21,748	0.00	2,75,39,040	1.02
				12.02.2016	Purchase of Shares	3,33,061	0.01	2,78,72,101	1.03
				19.02.2016	Purchase of Shares	13,05,385	0.05	2,91,77,486	1.08
				26.02.2016	Purchase of Shares	2,84,546	0.01	2,94,62,032	1.09

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				04.03.2016	Sale of Shares	-4,041	0.00	2,94,57,991	1.09
				04.03.2016	Purchase of Shares	2,40,740	0.01	2,96,98,731	1.10
				11.03.2016	Sale of Shares	-6,350	0.00	2,96,92,381	1.10
				11.03.2016	Purchase of Shares	10,416	0.00	2,97,02,797	1.10
				18.03.2016	Sale of Shares	-13,21,883	-0.05	2,83,80,914	1.05
				18.03.2016	Purchase of Shares	54,494	0.00	2,84,35,408	1.05
				25.03.2016	Sale of Shares	-9,28,117	-0.03	2,75,07,291	1.02
				25.03.2016	Purchase of Shares	71,906	0.00	2,75,79,197	1.02
				31.03.2016	Purchase of Shares	4,46,711	0.02	2,80,25,908	1.04
				31.03.2016	At the end of the year	-	-	2,80,25,908	1.04
8	Abu Dhabi Investment Authority	2,97,95,128	1.10					2,97,95,128	1.10
				17.04.2015	Purchase of Shares	9,20,543	0.03	3,07,15,671	1.14
				17.04.2015	Sale of Shares	-9,20,543	-0.03	2,97,95,128	1.10
				24.04.2015	Sale of Shares	-9,20,543	-0.03	2,88,74,585	1.07
				01.05.2015	Purchase of Shares	1,14,450	0.00	2,89,89,035	1.07
				01.05.2015	Sale of Shares	-1,14,450	0.00	2,88,74,585	1.07
				22.05.2015	Sale of Shares	-1,46,200	-0.01	2,87,28,385	1.06
				29.05.2015	Sale of Shares	-15,97,492	-0.06	2,71,30,893	1.00
				05.06.2015	Sale of Shares	-5,70,733	-0.02	2,65,60,160	0.98
				12.06.2015	Sale of Shares	-5,978	0.00	2,65,54,182	0.98
				21.07.2015	Purchase of Shares	1,88,175	0.01	2,67,42,357	0.99
				14.08.2015	Purchase of Shares	54,656	0.00	2,67,97,013	0.99
				04.09.2015	Sale of Shares	-1,30,630	0.00	2,66,66,383	0.99
				25.09.2015	Sale of Shares	-5,43,339	-0.02	2,61,23,044	0.97
				23.10.2015	Purchase of Shares	10,98,140	0.04	2,72,21,184	1.01
				23.10.2015	Sale of Shares	-10,98,140	-0.04	2,61,23,044	0.97
				30.10.2015	Sale of Shares	-10,98,140	-0.04	2,50,24,904	0.93
				13.11.2015	Purchase of Shares	25,87,884	0.10	2,76,12,788	1.02
				13.11.2015	Sale of Shares	-25,87,884	-0.10	2,50,24,904	0.93
				27.11.2015	Sale of Shares	-1,88,903	-0.01	2,48,36,001	0.92
				04.12.2015	Sale of Shares	-10,20,413	-0.04	2,38,15,588	0.88
				18.03.2016	Sale of Shares	-19,62,223	-0.07	2,18,53,365	0.81
				18.03.2016	Purchase of Shares	14,22,622	0.05	2,32,75,987	0.86
				31.03.2016	At the end of the year	-	-	2,32,75,987	0.86
9	First State Investments (Hong Kong) Limited A/C First State Global Emerging Markets Leaders Fund	1,63,32,049	0.60					1,63,32,049	0.60
				28.08.2015	Purchase of Shares	4,56,714	0.02	1,67,88,763	0.62
				04.09.2015	Purchase of Shares	30,60,330	0.11	1,98,49,093	0.73
				11.09.2015	Purchase of Shares	9,11,454	0.03	2,07,60,547	0.77
				18.09.2015	Purchase of Shares	7,56,021	0.03	2,15,16,568	0.80
				25.09.2015	Purchase of Shares	14,69,166	0.05	2,29,85,734	0.85
				31.03.2016	At the end of the year	-	-	2,29,85,734	0.85
10	Government of Singapore	1,60,48,516	0.59					1,60,48,516	0.59
				10.04.2015	Purchase of Shares	1,60,948	0.01	1,62,09,464	0.60
				17.04.2015	Purchase of Shares	9,24,529	0.03	1,71,33,993	0.63

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				24.04.2015	Sale of Shares	-13,624	0.00	1,71,20,369	0.63
				01.05.2015	Sale of Shares	-4,51,082	-0.02	1,66,69,287	0.62
				08.05.2015	Sale of Shares	-3,23,630	-0.01	1,63,45,657	0.60
				05.06.2015	Purchase of Shares	42,993	0.00	1,63,88,650	0.61
				12.06.2015	Sale of Shares	-22,495	0.00	1,63,66,155	0.61
				03.07.2015	Purchase of Shares	4,09,666	0.02	1,67,75,821	0.62
				10.07.2015	Purchase of Shares	2,65,896	0.01	1,70,41,717	0.63
				29.07.2015	Sale of Shares	-15,337	0.00	1,70,26,380	0.63
				31.07.2015	Purchase of Shares	1,76,391	0.01	1,72,02,771	0.64
				05.08.2015	Purchase of Shares	3,99,231	0.01	1,76,02,002	0.65
				21.08.2015	Sale of Shares	-50,346	0.00	1,75,51,656	0.65
				28.08.2015	Purchase of Shares	8,08,490	0.03	1,83,60,146	0.68
				04.09.2015	Purchase of Shares	11,47,016	0.04	1,95,07,162	0.72
				11.09.2015	Sale of Shares	-4,78,902	-0.02	1,90,28,260	0.70
				30.09.2015	Sale of Shares	-4,81,738	-0.02	1,85,46,522	0.69
				02.10.2015	Sale of Shares	-2,14,022	-0.01	1,83,32,500	0.68
				09.10.2015	Purchase of Shares	6,01,719	0.02	1,89,34,219	0.70
				23.10.2015	Sale of Shares	-16,890	0.00	1,89,17,329	0.70
				30.10.2015	Sale of Shares	-2,44,676	-0.01	1,86,72,653	0.69
				06.11.2015	Sale of Shares	-37,450	0.00	1,86,35,203	0.69
				20.11.2015	Sale of Shares	-26,701	0.00	1,86,08,502	0.69
				27.11.2015	Sale of Shares	-1,09,289	0.00	1,84,99,213	0.68
				04.12.2015	Sale of Shares	-9,68,832	-0.04	1,75,30,381	0.65
				11.12.2015	Sale of Shares	-73,922	0.00	1,74,56,459	0.65
				31.12.2015	Sale of Shares	-76,905	0.00	1,73,79,554	0.64
				08.01.2016	Purchase of Shares	2,79,496	0.01	1,76,59,050	0.65
				15.01.2016	Sale of Shares	-16,301	0.00	1,76,42,749	0.65
				22.01.2016	Sale of Shares	-8,07,452	-0.03	1,68,35,297	0.62
				29.01.2016	Purchase of Shares	5,56,418	0.02	1,73,91,715	0.64
				05.02.2016	Purchase of Shares	11,58,574	0.04	1,85,50,289	0.69
				12.02.2016	Purchase of Shares	2,94,154	0.01	1,88,44,443	0.70
				04.03.2016	Purchase of Shares	8,98,464	0.03	1,97,42,907	0.73
				11.03.2016	Sale of Shares	-8,074	0.00	1,97,34,833	0.73
				31.03.2016	At the end of the year	-	-	1,97,34,833	0.73
11	National Insurance Company Limited	1,87,63,159	0.69					1,87,63,159	0.69
				17.04.2015	Purchase of Shares	2,00,000	0.01	1,89,63,159	0.70
				25.09.2015	Sale of Shares	-3,00,000	-0.01	1,86,63,159	0.69
				27.11.2015	Sale of Shares	-3,00,000	-0.01	1,83,63,159	0.68
				31.03.2016	At the end of the year	-	-	1,83,63,159	0.68
12	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Fund	1,82,95,997	0.68					1,82,95,997	0.68
				01.05.2015	Purchase of Shares	46,046	0.00	1,83,42,043	0.68
				08.05.2015	Purchase of Shares	52,325	0.00	1,83,94,368	0.68
				26.06.2015	Sale of Shares	-7,44,874	-0.03	1,76,49,494	0.65

SI. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				14.08.2015	Sale of Shares	-52,325	0.00	1,75,97,169	0.65
				21.08.2015	Sale of Shares	-1,25,580	0.00	1,74,71,589	0.65
				28.08.2015	Sale of Shares	-2,44,881	-0.01	1,72,26,708	0.64
				04.09.2015	Sale of Shares	-3,34,880	-0.01	1,68,91,828	0.62
				11.09.2015	Sale of Shares	-1,75,812	-0.01	1,67,16,016	0.62
				25.09.2015	Sale of Shares	-46,046	0.00	1,66,69,970	0.62
				30.09.2015	Sale of Shares	-1,38,138	-0.01	1,65,31,832	0.61
				18.12.2015	Sale of Shares	-80,964	0.00	1,64,50,868	0.61
				25.12.2015	Sale of Shares	-38,520	0.00	1,64,12,348	0.61
				15.01.2016	Sale of Shares	-1,00,695	0.00	1,63,11,653	0.60
				22.01.2016	Sale of Shares	-51,192	0.00	1,62,60,461	0.60
				05.02.2016	Sale of Shares	-1,89,975	-0.01	1,60,70,486	0.59
				12.02.2016	Sale of Shares	-79,030	0.00	1,59,91,456	0.59
				11.03.2016	Purchase of Shares	43,120	0.00	1,60,34,576	0.59
				18.03.2016	Sale of Shares	-47,593	0.00	1,59,86,983	0.59
				25.03.2016	Sale of Shares	-77,235	0.00	1,59,09,748	0.59
				31.03.2016	At the end of the year	-	-	1,59,09,748	0.59
13	National Westminster Bank Plc as Depository of First State Asia Pacific Leaders Fund a Sub Fund of First State Investments ICVC	6,39,99,639	2.37					6,39,99,639	2.37
				21.07.2015	Sale of Shares	-9,76,980	-0.04	6,30,22,659	2.33
				24.07.2015	Sale of Shares	-9,89,147	-0.04	6,20,33,512	2.29
				29.07.2015	Sale of Shares	-1,45,965	-0.01	6,18,87,547	2.29
				31.07.2015	Sale of Shares	-7,234	0.00	6,18,80,313	2.29
				05.08.2015	Sale of Shares	-1,69,064	-0.01	6,17,11,249	2.28
				07.08.2015	Sale of Shares	-5,30,552	-0.02	6,11,80,697	2.26
				14.08.2015	Sale of Shares	-4,12,799	-0.02	6,07,67,898	2.25
				21.08.2015	Sale of Shares	-94,323	0.00	6,06,73,575	2.24
				28.08.2015	Sale of Shares	-6,73,987	-0.02	5,99,99,588	2.22
				09.10.2015	Sale of Shares	-3,94,406	-0.01	5,96,05,182	2.20
				16.10.2015	Sale of Shares	-43,03,750	-0.16	5,53,01,432	2.04
				23.10.2015	Sale of Shares	-37,95,980	-0.14	5,15,05,452	1.90
				30.10.2015	Sale of Shares	-41,36,025	-0.15	4,73,69,427	1.75
				06.11.2015	Sale of Shares	-20,81,948	-0.08	4,52,87,479	1.67
				13.11.2015	Sale of Shares	-9,74,789	-0.04	4,43,12,690	1.64
				29.01.2016	Sale of Shares	-37,13,970	-0.14	4,05,98,720	1.50
				05.02.2016	Sale of Shares	-28,67,772	-0.11	3,77,30,948	1.40
				12.02.2016	Sale of Shares	-13,11,351	-0.05	3,64,19,597	1.35
				19.02.2016	Sale of Shares	-1,15,24,010	-0.43	2,48,95,587	0.92
				26.02.2016	Sale of Shares	-50,84,702	-0.19	1,98,10,885	0.73
				04.03.2016	Sale of Shares	-35,02,900	-0.13	1,63,07,985	0.60
				11.03.2016	Sale of Shares	-83,34,590	-0.31	79,73,395	0.29
				18.03.2016	Sale of Shares	-42,79,679	-0.16	36,93,716	0.14
				25.03.2016	Sale of Shares	-36,93,716	-0.14	0	0.00
				31.03.2016	At the end of the year	-	-	0	0.00

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (as on 01.04.2015)		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Cyrus P. Mistry	72,960	0.00					72,960	0.00
				-	No change	0	0.00	72,960	0.00
				31.03.2016	At the end of the year	-	-	72,960	0.00
2	Dr. Homiar S. Vachha	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the end of the year	-	-	0	0.00
3	Mr. Nawshir H. Mirza	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the end of the year	-	-	0	0.00
4	Mr. Deepak M. Satwalekar	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the end of the year	-	-	0	0.00
5	Mr. Piyush G. Mankad	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the End of the year	-	-	0	0.00
6	Mr. Ashok K. Basu	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the End of the year	-	-	0	0.00
7	Mr. Pravin H. Kutumbe (w.e.f. 07.09.2015)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the End of the year	-	-	0	0.00
8	Mr. Anil Sardana, CEO & Managing Director	14	0.00					14	0.00
				21.08.2015	Sale of Shares	-14	0.00	0	0.00
				31.03.2016	At the End of the year	-	-	0	0.00
9	Mr. Ashok S. Sethi, COO & Executive Director	20,600	0.00					20,600	0.00
				-	No change	0	0.00	20,600	0.00
				31.03.2016	At the End of the year	-	-	20,600	0.00
10	Mr. Ramesh N. Subramanyam, Chief Financial Officer	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				31.03.2016	At the end of the year	-	-	0	0.00
11	Mr. Hanoz M. Mistry, Company Secretary	18,445	0.00					18,445	0.00
				-	No Change	0	0.00	18,445	0.00
				31.03.2016	At the end of the year	-	-	18,445	0.00
12	Mr. R. Gopalakrishnan (upto 24.12.2015)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				24.12.2015	At the end of the period	-	-	0	0.00
13	Ms. Vishakha V. Mulye (upto 18.01.2016)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				18.01.2016	At the end of the period	-	-	0	0.00
14	Mr. Thomas Mathew T. (upto 30.04.2015)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				30.04.2015	At the end of the period	-	-	0	0.00
15	Mr. Vijay Kumar Sharma (w.e.f. 19.05.2015 upto 02.07.2015)	0	0.00					0	0.00
				-	No change	0	0.00	0	0.00
				02.07.2015	At the end of the period	-	-	0	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Figures in ₹ crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,506.24	5,530.83	0.03	11,037.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	99.57	123.09	-	222.66
<b>Total (i+ii+iii)</b>	<b>5,605.81</b>	<b>5,653.92</b>	<b>0.03</b>	<b>11,259.76</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	962.12	9,395.88	-	10,358.00
• Reduction	(1,100.26)	(9,032.48)	-	(10,132.74)
<b>Net Change</b>	<b>(138.14)</b>	<b>363.40</b>	<b>-</b>	<b>225.26</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,374.77	5,833.42	0.03	11,258.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	92.90	133.90	-	226.80
<b>Total (i + ii + iii)</b>	<b>5,467.67</b>	<b>6,017.32</b>	<b>0.03</b>	<b>11,485.02</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Anil Sardana, CEO & Managing Director	Mr. Ashok S. Sethi, COO & Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,37,00,000	1,35,77,440	2,72,77,440
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	79,23,480	59,339	79,82,819
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	• as % of profit			
	• others, specify... (performance based)	*4,10,00,000	*1,30,00,000	*5,40,00,000
5.	Others, Retirement Benefits	24,30,000	6,33,600	30,63,600
	<b>Total (A)</b>	<b>6,50,53,480</b>	<b>2,72,70,379</b>	<b>9,23,23,859</b>
	Ceiling as per Act (@ 10% of profit calculated under Section 198 of the Companies Act, 2013)			131.24 crore

\* Commission relates to the financial year ended 31<sup>st</sup> March 2016, which will be paid during FY17.**B. Remuneration to other directors:**

(₹)

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee meetings*	Commission payable for FY16*	Others, please specify	
<b>I.</b>	<b>Independent Directors</b>				
1.	Dr. H. S. Vachha	8,10,000	1,00,00,000	Nil	1,08,10,000
2.	Mr. N. H. Mirza	5,40,000	87,00,000	Nil	92,40,000
3.	Mr. D. M. Satwalekar	8,70,000	95,00,000	Nil	1,03,70,000
4.	Mr. P. G. Mankad	5,10,000	39,50,000	Nil	44,60,000
5.	Mr. A. K. Basu	2,10,000	31,00,000	Nil	33,10,000
6.	Ms. V. V. Mulye (upto 18.01.2016) †	Nil	Nil	Nil	Nil
	<b>Total (I)</b>	<b>29,40,000</b>	<b>3,52,50,000</b>	<b>Nil</b>	<b>3,81,90,000</b>



Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount
		Fee for attending board / committee meetings*	Commission payable for FY16*	Others, please specify	
<b>II.</b>	<b>Other Non-Executive Directors</b>				
1.	Mr. C. P. Mistry	5,10,000	Nil #	Nil	5,10,000
2.	Mr. R. Gopalakrishnan (upto 24.12.2015)	4,20,000	1,14,50,000	Nil	1,18,70,000
3.	Mr. P. H. Kutumbe (w.e.f. 07.09.2015) ®	90,000	8,00,000	Nil	8,90,000
4.	Mr. Thomas Mathew T. (upto 30.04.2015) ^	Nil	Nil	Nil	Nil
5.	Mr. Vijay Kumar Sharma (w.e.f. 19.05.2015 upto 02.07.2015) ^	Nil	Nil	Nil	Nil
	<b>Total (II)</b>	<b>10,20,000</b>	<b>1,22,50,000</b>	<b>Nil</b>	<b>1,32,70,000</b>
	<b>Total Managerial Remuneration (I + II)</b>	<b>39,60,000</b>	<b>4,75,00,000</b>	<b>Nil</b>	<b>5,14,60,000</b>
	Ceiling as per Act (@ 1% of profit calculated under Section 198 of the Companies Act, 2013)				13.12 crore

\* Excludes service tax

& Commission relates to the financial year ended 31<sup>st</sup> March 2016, which will be paid to the eligible Directors during FY17.

§ Ms. V. V. Mulye has not accepted any Sitting Fees or Commission.

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

® The Sitting Fees for attending meetings and the Commission was paid to LIC.

^ No meetings were held during the limited tenure of Mr. Mathew and Mr. Sharma.

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Ramesh Subramanyam, Chief Financial Officer	Mr. H. M. Mistry, Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,33,42,211	74,60,768	3,08,02,979
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	36,86,534	1,35,040	38,21,574
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	• as % of profit			
	• others			
5.	Others, Retirement Benefits	6,19,229	6,51,467	12,70,696
	<b>Total</b>	<b>2,76,47,974</b>	<b>82,47,275</b>	<b>3,58,95,249</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board of Directors,

**Cyrus P. Mistry**  
Chairman  
(DIN: 00010178)

Mumbai, 23<sup>rd</sup> May 2016

**Annexure – VIII : Secretarial Audit Report**

(Ref.: Board's Report, Section 27)

**FORM No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
The Tata Power Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Tata Power Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).
- (vi) Other industry specific laws applicable to the Company are as follows:
  - (a) The Electricity Act, 2003
  - (b) The Indian Electricity Rules, 1956
  - (c) The Rules, Regulations and applicable order(s) under Central and State Electricity Regulatory Commissions/Authority
  - (d) The Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Issue of privately placed debentures aggregating ₹ 500 crore, under Section 42 and 71 of the Act.
2. Redemption of 1 Series of Non-convertible Debentures aggregating ₹ 180 crore during the year and part redemption of 2 series aggregating ₹ 41 crore.
3. The Scheme of Amalgamation of Chemical Terminal Trombay Limited with the Company is pending in the Hon'ble High Court of Judicature at Bombay.
4. The Company's application for renewable carve out of its assets to its wholly owned subsidiary Tata Power Renewable Energy Limited and its step down subsidiaries is submitted to the Stock Exchanges.

**For Parikh & Associates**  
Company Secretaries

P. N. Parikh  
Partner  
FCS No: 327 CP No: 1228

Place: Mumbai

Date: 13<sup>th</sup> May 2016

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

### 'Annexure A'

To,  
The Members  
The Tata Power Company Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

**P. N. Parikh**  
Partner  
FCS No: 327 CP No: 1228

Place: Mumbai

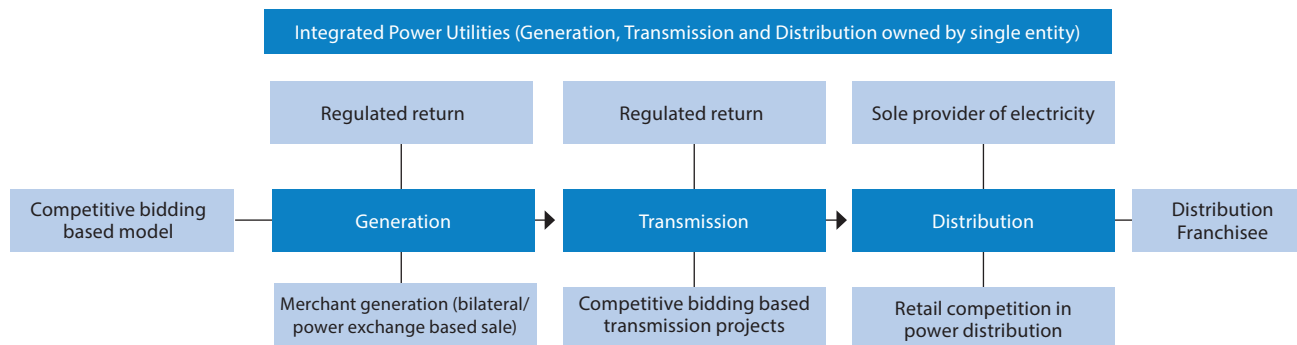
Date: 13<sup>th</sup> May 2016

MANAGEMENT DISCUSSION & ANALYSIS

1. Industry Structure And Developments

1.1. Market Structure

The Power market in India has multiple business models for sale and purchase of bulk power as illustrated below:

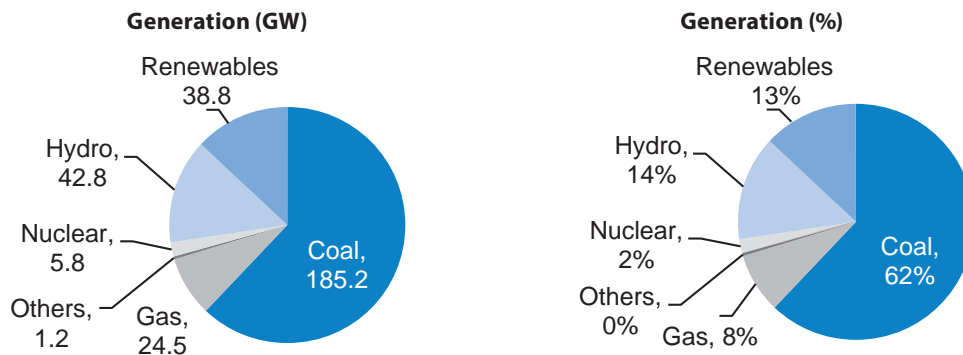


The market structure may alter significantly in the long-term with the proposed amendments to the Electricity Act, 2003 (EA, 2003).

1.2. Generation

The installed generation capacity in the country as on 31<sup>st</sup> March 2016, was 298 GW. Grid capacity addition, in the country during this financial year was 26 GW as compared to capacity addition of 25 GW during the previous financial year. While the generation portfolio mix saw an increase in renewables based capacities, the share of hydro based generation fell to an all time low.

India Generation Mix (in GW) and Share by Generation Source, as of 31<sup>st</sup> March 2016 (Source: MoP, GoI, CEA)



1.3. Fuel

Coal produced by Coal India Limited (CIL) and its subsidiaries was 537 MT in FY16 against 494 MT in FY15, reflecting an 8.6% growth year on year. This higher production by CIL led to a drop in coal imports by 34 MT. Domestic natural gas production was at 24.7 BCM for the period of April to December in FY16 against 25.4 BCM for the same period in FY15. (Source: www.coalindia.in, www.petroleum.nic.in)

1.4. Transmission

The backbone transmission system in India is mainly through 400 kV AC and 220 kV AC networks with the highest transmission voltage level being 765 kV. Transmission lines capacity increased to over 3.4 lakh Ckm in FY16, reflecting an increase of 7.5% over the previous year. (Source: CEA Executive Summary, Power Sector, March 2016)

The inter-regional capacity as on April 2016 was 59,550 MW. (Source: www.powermin.nic.in)

### 1.5. Distribution

The recently issued Report on the Performance of State Power Utilities for the years 2011-12 to 2013-14 compiled by Power Finance Corporation (PFC) indicates that the Aggregate Technical & Commercial (AT&C) losses of distribution utilities reduced from 25.45% in FY13 to 22.70% in FY14. Financial health of state electricity utilities in retail distribution continues to remain the most critical issue for the sector's viability. To resolve the challenge in the distribution business, the Government of India launched the Ujwal DISCOM Assurance Yojna (UDAY). The scheme aims to reduce the financial burden on state DISCOMs by transferring 75% of accumulated losses/debts of the DISCOM to the state in a 2 step phased manner over financial years 2016-2018. It also targets the reduction of AT&C losses thereby reducing leakages in the system.

As part of the proposed amendments to the EA 2003, separation of the wires and supply businesses is envisaged. This is expected to increase competition in the supply sector, though reliability of wires and network remaining with the incumbent distribution company could continue to pose challenges.

### 1.6. Power Trading

Around 116 BUs of electricity were traded in the short-term power market during FY16 (as compared to 99 BUs in FY15), accounting for around 10.58% of the total generation. Out of this, about 3% of absolute trading took place using power exchange platforms.

With increased opportunities, the challenges in the power trading sector have also grown. The competition grew fierce due to an increase in the number of CERC licensed traders from 11 in FY05 to 43 in FY16. Due to this, trading margins were also under immense pressure.

Power trading is also adversely affected by continued corridor constraints for power flow from predominant generating regions in East and West to consumption centres in the South, leading to prevalence of high prices for the customers in the southern states as compared to that in unified northern, north-eastern, eastern and western (NEW) grid. Transmission constraints were also seen on import of power in Northern region during their summer peaks, leading to higher prices in Northern region.

### 1.7. Power Services Business

With the opening up of the Electricity Sector, several private players started establishing power plants in India to meet the demand supply gap. Due to this development, the market for outsourcing of O&M of Power Plants also opened up in India.

Further, in the transmission sector, with the entry of private players in last few years, there has been an opportunity for O&M services and project management consultancy services.

### 1.8. Changes to Regulatory Environment

Regulatory reforms in the power sector are critical given the current challenges across the value chain. The following are some of the important regulatory changes in FY16:

- **Electricity (Amendment) Bill, 2014**

The Electricity (Amendment) Bill, 2014 was introduced in Lok Sabha on 19<sup>th</sup> December 2014. The Bill seeks to segregate the distribution network from the electricity supply business and to introduce multiple supply licensees in the market, amongst other changes. The Bill was referred to Parliamentary Standing Committee on Energy which has submitted its report. It was expected that the Bill will be placed in the Parliament in the winter session but considering the present situation, the Bill is likely to be delayed. Your Company is actively participating in the public consultation process directly and through industry associations.

- **Revised Standard Bidding Documents (SBDs)**

Ministry of Power came out with the SBD for imported coal based projects. The revision of SBDs for other projects under both Case-1 and Case-2 routes were at advanced stages of finalisation. Concerns with respect to SBDs have been highlighted and taken up independently as well as through industry associations to get the documents amended and make them more balanced in terms of risks to be shared between developers and procurers.

- **Draft Renewable Energy Act 2015**

Ministry of New and Renewable Energy (MNRE) issued a draft National Renewable Energy Act aiming to promote renewable energy in the country. The Act is considered relevant after India increased its renewable energy target to 175 GW by 2022, including an ambitious 100 GW target for solar. As per the draft, Central Government will formulate a National Renewable Energy Policy and National Renewable Energy Plan. The policy will include national targets over a five-year period and provide incentives framework. The Central government will also run a National Renewable Energy Committee (NREC) and a National Renewable Energy Advisory Group to advise it on implementing the new law.

MNRE will also establish a 'National Renewable Energy Fund' to be operated by the Central Government. The renamed Renewable Energy Corporation of India (RECI) will act as a national-level renewable energy procurement entity and support the development of Renewable Energy Investment Zones across the country. The State Governments will also formulate renewable energy policies and plans at state level. They may also establish a state 'green fund' for the promotion of renewables. Other recommendations include setting up renewable energy parks and setting renewable energy targets. Furthermore, Central and State Governments will promote the use of decentralised and stand-alone renewable energy applications in rural and urban areas. Your Company participated in the public consultation process and submitted its observations on the Draft RE Act.

- **Other Developments in Renewable Sector**

MNRE, during this year, came out with new policies such as Offshore Wind Energy Policy and Repowering of Wind Power Plants Policy to boost the wind energy sector in the country. Apart from this, CERC has mandated scheduling and forecasting of power from wind and solar power projects at the interstate level. Several State Electricity Commissions have also come out with the draft regulations for introduction of the said regulation at the State level. Comments on the drafts were submitted in all those key states where your Company has operational projects or has proposed projects.

- **National Tariff Policy Amended**

Ministry of Power had come out with a proposal to amend the National Tariff Policy in April 2015 and subsequently notified the final amended Policy on 28<sup>th</sup> January 2016. Your Company actively participated in the public consultation process directly and through industry associations and submitted its comments after several brainstorming sessions. Some of the key amendments are:

- i. Optimum utilization of land and other resources targetted by increasing procurement of power from expansion of existing private power plants on regulated tariff from 50% to 100% of existing capacity.
- ii. States may allow setting up of generating plants including those from renewable sources, and upto 35% of its power may be procured by distribution companies on regulated tariff basis.
- iii. Hydro projects exempted from competitive bidding till 15<sup>th</sup> August 2022.
- iv. 8% of total consumption of electricity, excluding hydro power, shall be from solar energy by March 2022.
- v. New coal/lignite based thermal plants after specified date to also establish/procure/purchase renewable capacity as prescribed by Government of India.
- vi. No inter-State transmission charges and losses to be levied for renewable power (solar/wind) till such period as notified by Government of India.
- vii. Intra-State Transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit, which shall be decided by the State Regulator.
- viii. Regulator to devise power supply trajectory so that 24x7 supply is ensured to all consumers latest by 2021-22 or earlier.
- ix. Cross subsidy surcharge formula was revised and Regulators have been given flexibility to review it.
- x. Railways may be exempted from Cross Subsidy surcharge in consultation with State Government.

- **UDAY Scheme – Ujwal DISCOM Assurance Yojana, of Government of India (GoI)**

The scheme was announced in November 2015. UDAY aims to be the financial turnaround and revival package for electricity distribution companies of India (Discoms) initiated by the GoI with the intent to find a permanent solution to the financial mess that the power distribution companies have been in. The scheme comprises four initiatives - improving operational efficiencies of Discoms, reduction of cost of power, reduction in interest cost of Discoms and enforcing financial discipline on Discoms through alignment with state finances. It allows State Governments, which own the Discoms, to take over 75 percent of losses/debt as of 30<sup>th</sup> September 2015 during the FY16, and pay back lenders by selling bonds. Discoms are expected to issue bonds for the remaining 25 percent of their accumulated losses and their debt, during the FY17. The scheme is optional for the states to join and many states have already joined the scheme.

- **Revised norms of Emission Standards for Coal based thermal power plants by Ministry of Environment, Forest and Climate Change (MoEF-CC)**

MoEF-CC notified revised norms of emission standards for coal based thermal power plants. It came as an endeavour to move towards stricter emission norms to minimise pollution. Your Company welcomes such an initiative. These standards have been proposed to be implemented in a phased manner. Thermal power plants were categorised into 3 categories, viz those (i) Installed before 31<sup>st</sup> December 2003 (ii) Installed after 2003 up to 31<sup>st</sup> December 2016 and (iii) to be installed. The time period given for implementation of these rules is 2 years from the date of issue i. e. by 7<sup>th</sup> December 2017. Your

Company would be required to comply with the new norms as applicable to individual units/plants. Assessment of individual units has been done. Your Company is protected against the cost implications as the changes to be effected shall be treated as a Change in Law and the cost can be recovered from consumers. To ensure this, necessary petitions have been filed with Regulators to allow additional costs. In few cases where there are difficulties owing to layout, land availability, water etc., it has been suitably escalated with MoEF-CC and CEA/MoP, Gol.

- **MERC MYT Regulations, 2015**

The MERC notified the MYT Regulations, 2015 on 8<sup>th</sup> December 2015 for determination of Aggregate Revenue Requirement and Tariff in all matters covered under the Regulations and defined the Control Period from 1<sup>st</sup> April 2016 upto 31<sup>st</sup> March 2020.

The key changes are tightening of norms related to O&M for the distribution business, for components of working capital while calculating interest on working capital for interest rates applicable for Carrying Cost, RoE in capitalisation year for Generation Business, stricter heat rate and auxiliary norms, no recovery of penalties and compensation payable by the Licensee to any party for failure to meet any Standards of Performance in the ARR, changes in the sharing of gains / losses between Utility and consumers, increase in Norm for Transmission Availability.

- **MERC (Distribution Open Access) Regulations, 2016**

MERC notified the Distribution Open Access (DOA) Regulations, 2016 on 30<sup>th</sup> March 2016 for the state of Maharashtra. The key changes in this Regulations are:

- I. Open Access is now allowed from multiple sources including Power Exchanges;
- II. The provision of banking for RE Generators is reintroduced which had been restricted earlier;
- III. The quantum of surplus power purchased is now restricted to 10% of the annual generation of the RE Generator;
- IV. If the Consumer chose to reduce the contracted demand, then any consumption beyond Open Access generation which is in excess of contract demand will be charged at temporary tariff. However, if such excess consumption is within contract demand then the charges shall be at the tariff applicable to the respective tariff category;
- V. Addition of a provision to facilitate the Distribution Licensee established a communication interface in the future;
- VI. The provision of Day-Ahead Open Access is reintroduced as it provides a platform for meeting the diverse needs of Open Access Consumers in the State.

- **MERC (Renewable Purchase Obligation (RPO), its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016**

Maharashtra Electricity Regulatory Commission issued its (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2016 which were notified on 30<sup>th</sup> March 2016 whereby MERC had increased the percentage Renewable Purchase Obligation Target from Solar and Non Solar (other RE) in the current review period over the last review period. The notification has raised the renewable purchase obligation to 11% for FY17, 12.50% for FY18, 13.75% for FY19 and 15% for FY20. It also specified that each Distribution Licensee shall meet 0.2% per year of its non-solar (Other RE) renewable purchase obligation target percentage for the period FY17 to FY20 by way of purchase from Mini Hydro or Micro Hydro Power Projects.

- **JSERC Generation Tariff Regulation, 2015**

JSERC, on 20<sup>th</sup> January 2016 notified the "Terms and Conditions for Determination of Generation Tariff" Regulations, 2015 which would form the basis of regulations for generating stations for a period of five years with effect from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2021.

The key changes were with regards calculation of incentives and computation of Energy Charges which shall be computed based on "As received basis" for thermal power plants. The operational parameters for Jojobera Units 2 and 3 have been retained as were in the previous Control Period. However, as per the new Regulations, the incentive for thermal power plants would be calculated based on the Plant Load Factor (PLF) instead of Plant Availability Factor (PAF) and would be paid at the rate of 50 paise/kWh for every unit generated above 85% normative annual PLF.

In the present situation and with the country's average PLF hovering around 60%, plus power exchange prices remaining largely suppressed, it is unlikely that power stations was to achieve PLF's of 85% and above. Your Company has control on the availability factor of units only, while PLF is a function of drawl which is in the control of procurers.

## 1.9. Industry Developments in International Focus Geographies

The power sector landscape across different focus geographies such as ASEAN countries, Middle East, Georgia, Turkey and sub Saharan Africa region has been evolving rapidly.

The global coal prices have remained under pressure throughout last year, like for all other commodities. This has impacted the attractiveness of the coal mining business in Indonesia.

Georgia and Turkey are exposed to regional conflict but continue to remain politically stable. Georgia has good hydro potential and continues to attract foreign investments. The country is a net exporter of power to neighbouring countries, so any new investment opportunities will require substantial domestic offtake to establish bankability. Turkey held general elections twice in the last year and now has a stable government at the moment. Turkey has surplus generation but the competitive market offers stable but low to moderate returns for energy efficient and low cost plants. The situation is expected to improve in next 3 to 4 years when the demand is expected to grow and supply would be affected as old plants would be retired.

The South Africa energy sector remains affected due to paucity of generation capacities and delayed projects. The country has strong regulatory framework and set bidding processes to induct new IPP projects.

In the sub Saharan Africa region, Ghana, Kenya and Zambia offer politically stable environment but are economically supported by World Bank under its Millennium Challenge Corporation (MCC). MCC forms partnerships with poor countries that show they are committed to good governance, economic freedom, and investing in their citizens. The grants are extended to restructure sectors like education, energy, health, water, sanitation and irrigation etc.

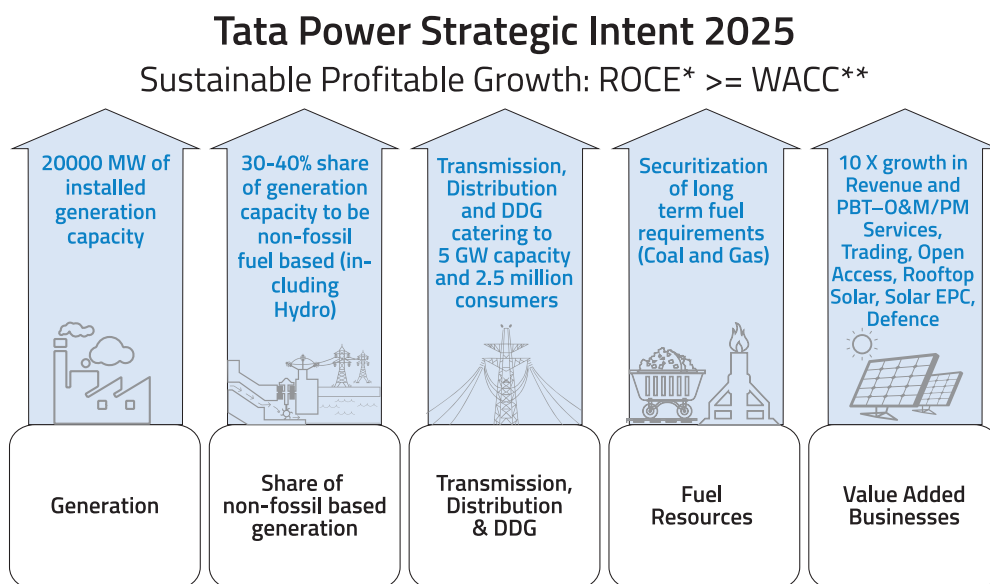
The economic outlook for Vietnam seems to be that it will remain stable, it continues to be an attractive destination due to the opportunities it offers in the conventional and renewable generation market.

Myanmar held its general election last year and the elected government has assumed office from April 2016. The new government is reviewing the existing policies and is expected to come up with revised policies on use of fossil fuels and renewables. The power situation in the country remains weak and augmentation of the sector is expected to revive the economy.

Your Company has established a Representative Office in Hanoi to develop and pursue the opportunities in Vietnam and also continues to engage with stakeholders in the country to evolve policies supportive of large investments in the power sector. We also continue to keep a close watch on the developments in Myanmar and will be keenly evaluating it as an option in the generation market. Your Company remains optimistic on both Georgia and Turkey and continues to evaluate opportunities in these geographies to further enhance its footprint. Your Company's joint venture with Exxaro remains bullish on the opportunities in the South African market. We intend to participate selectively in private participation opportunities offered in the sub-Saharan countries.

**2. Strategic Focus of Tata Power**

Your Company is a player across the value chain of power business allowing it to capitalize on market opportunities in all segments. The key target areas for the Company at this point of time is for scaling up of Generation capacity with a focus on renewables and value added businesses viz. services, trading etc.



\*ROCE- Return on Capital employed  
\*\*WACC- Weighted Average cost of capital



There has been a growing shift away from coal based generation in the developed economies of the world, which has drastically brought down the global coal prices. Since a significant percentage of the population in India is still awaiting power supply and coal being an abundant resource in India, coal is expected to remain the dominant fuel in the country's quest for providing power to all its citizens. About 35% of the population doesn't have access to power, as also India's per capita consumption is just about 1,000 kWh/year - it is important to improve both these aspects. Competitive as well as distributed format of generation therefore, are critical to the success of Indian power sector. On the world stage, at the recent COP21 Climate Change Conference held at Paris in December 2015, 196 countries decided to limit the global warming to well below 2°C over pre industrial revolution levels. To ensure this, more than 150 countries submitted "Intended Nationally Determined Contribution" (INDCs) to United Nations Framework Convention on Climate Change. India although remaining largely dependent on coal, gave its INDC commitments with the aim of achieving about 40% cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030. These INDCs have now been formally adopted.

With a proactive view on the India's national commitments and keeping in mind the founder's vision of reliable, affordable and clean power, Tata Power revised its strategic intent this year. The Board of Directors of Tata Power, as part of its Strategic Intent 2025, plan to maintain a portfolio of options spread across its focus geographies for its generation mix and also plan to have 30-40% of its generation capacity from non-fossil based sources (renewable and hydropower) by 2025, thus going beyond the national goals for clean power generation.

While the Indian market continues to remain the primary focus of business, your Company has made significant investments in projects in select international geographies to diversify its portfolio. In line with the international strategy, the Company continues to evaluate investment opportunities in Africa, Turkey and Middle East, South East Asia and the SAARC region. The current power sector business in these geographies has been facing challenging times due to reduced investment opportunities in coal based generation, currency volatilities due to developing market status and political risks. In order to minimize the possible impacts due to these risks, your Company has followed a strategy of having local partners, undertaking government backed contracts, etc. Your Company has been conscious about the capital allocation to international projects thereby limiting exposure to aforementioned risks. Currently, 2.5% (246 MW) of your Company's generation capacity is based in international geographies with another 417 MW under execution. Your Company continues to evaluate various opportunities with low capital requirements such as providing management and technical advisory services in Generation and Distribution businesses. Of the total Capital Employed at the consolidated level 18.8% is deployed overseas. Out of the total capital deployed outside India, about 60% is the share of investment in coal assets in Indonesia essentially for captive use.

The Company has been focusing on the consumer end of the value chain through distribution network development and power supply business. The Company has also been looking at scaling up its value added businesses, i.e., businesses with little or no capital investment (power trading, O&M services, solar EPC), substantially over the next few years.

Considering the fact that the Company is looking for significant growth in the years ahead, mobilization of resources is a critical activity. One such source is divestment of such investments that are not core to the power and allied areas of your Company's operations. The Company would continue to evaluate its investments in the non-core businesses and depending on market situation and opportunity, divest them at an appropriate juncture.

### 3. Opportunities and Outlook

The growth in domestic market in the last few years has been constrained given the uncertainties around fuel supply, financial condition of discoms, challenges of land acquisition, water linkages and various statutory clearances. As the power sector is seen as a key driver supporting the growth of the nation at large, the Government at the Center has been pursuing reforms which are expected to ease some of the known constraints. Coal block auctions were conducted in a transparent manner to improve the efficiency in coal supply while Ujwal Discom Assurance Yojana (UDAY) has been introduced to find a permanent resolution to Discom issues. There has been an increased focus on promoting clean and renewable energy by taking ambitious targets for installation of solar and wind capacities. Your Company keeps a close watch on opportunities arising out of the above initiatives by the Government.

The opportunities and outlook that exist for your Company are as follows:

- **Generation**
  - o Greenfield projects in India and international geographies of focus.
  - o Expansion at existing sites where the Company is operating.
  - o Due to the current financial stress in the power sector in India, there are assets which may be available for acquisition. The Company is evaluating and will continue to evaluate opportunities to acquire projects in various stages of development across the country.
  - o Renewables: The Company is exploring multiple options, both Greenfield and through possible acquisitions. This is expected to help enhance the market share for both solar and wind based generation.

- **Distribution**

With growing focus on improving the state of distribution business, several business models have been evaluated in the past. While the PPP route has been successfully demonstrated in 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.

Some states have adopted a simplistic model i.e. input based Distribution Franchisee model. Currently, other than in Rajasthan (Kota, Bharatpur and Ajmer) and Jharkhand, there are not many urban centres which have been notified under the Franchisee opportunity. The Company constantly evaluates such opportunities and will pursue them partnering with States/Union Territories that have the institutional will and conviction to reform and drive operational improvement.

The Company is also actively tracking developments with respect to amendments to EA, 2003, which might create opportunities in electricity supply business.

- **Transmission**

Over the next few years, the demand for transmission capacity is expected to increase significantly, driven primarily by increase in generation capacity and also due to requirements of open access, inter-regional transfers and integration of infirm renewable power in the system.

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

- **Fuel**

The initial round of coal block allocations through auctions resulted in aggressive competition from IPPs who had lost their earlier coal allocations subsequent to the judgement of the Hon'ble Supreme Court of India. This resulted in many of the winning bids becoming uneconomical. Your Company will continue to evaluate coal blocks available in future rounds of auction.

The Company also continues to evaluate sourcing/ investments opportunities in international thermal coal mines to meet the current and future generation growth needs.

#### 4. Risks and Concerns

Tata Power is faced with risks of different varieties, all of which need different approaches for mitigation:

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

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

- India's domestic capacity is heavily skewed towards fossil fuels which negatively impact environment. Regulatory orders to address climate change can adversely affect valuations of coal based power stations.
- Pace of economic growth can slow down leading to lower growth in demand for power in India.
- Slowdown in the pace of regulatory reforms in the country can affect renewables scale-up, revision of Standard Bidding Documents, amendments to Electricity Act, etc.
- Domestic coal supply may continue to remain inadequate to meet the growth in generation capacity.
- Infrastructure constraints such as railways and port capacity may affect the transportation of coal.
- The imposition of export restrictions or levy of taxes by energy exporting countries could make the cost of imported energy into India more expensive and unattractive for discoms.
- The poor financial health of state Discoms continues to be a factor that impedes the growth of the sector.
- Shortage of domestic gas and expensive LNG imports affects the financial viability of gas-based power plants.
- Delays in land acquisition, environmental clearances and other approvals remain an area of concern. Lack of water is another threat to the capacity addition plans.
- The availability of cost-effective capital for funding of new projects could be a cause of concern given banks current exposure to power sector and the stranded assets, which can result in NPAs. This is compounded by the aversion of multilateral agencies such as ADB, World Bank etc. for funding coal based power plants.

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

- Timely Resolution and implementation of CGPL's Compensatory Tariff matter
- Risks in Mumbai business due to frequently changing regulatory directions in respect of the distribution business
- Volatility in exchange rates and coal prices
- Volatility in coal prices and recent steep fall in international coal prices adversely impacting the profitability of coal mines, thereby affecting their valuations
- Civil society's concern regarding emissions and water, thus putting pressure on existing generating assets

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

British Standards Institution (BSI) had done the audit and awarded ISO 22301:2012 - Societal Security and Business Continuity Management System to Tata Power and its major subsidiaries viz CGPL, MPL, TPDDL, TPTCL, TPSL, TPREL, PTL, CCTL and IEL. This year, your Company has further combined its Business Continuity and Disaster Management Plans which have been audited by BSI and recommended for recertification.

## 5. Operational Performance

Consolidated operations of Tata Power were categorized into three segments: Power, Coal and Others. Report on the performance and financial position of each of the subsidiaries, joint ventures and associate companies has been provided in Form AOC-1.

Highlights of operational performance of key entities are listed below.

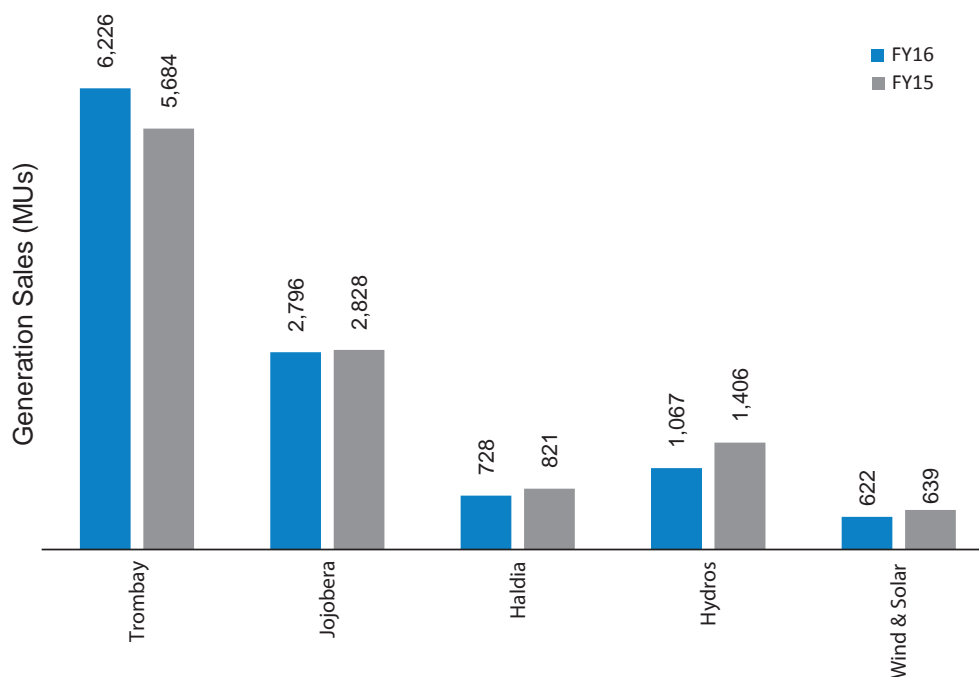
### 5.1. The Tata Power Company Limited

Figures in ₹ crore (Table 1)

Particulars	FY16	FY15
Net sales	8,438	8,678
PAT	772	1,010

PAT was lower mainly due to provision for diminution in the value of investment in Tata Teleservices Limited by ₹ 226 crore (refer section 10.10 of MD&A).

#### 5.1.1. Generation



- **Trombay:** Generation was better in FY16 compared to FY15 mainly due to improved plant availability and higher drawl by Procurers. It has undertaken several improvement measures such as replacement of motors of the coal mills with energy efficient ones, replacement of reciprocating compressors to rotary screw compressor with variable frequency device (VFD) in Unit-5 etc., resulting in improvement in auxiliary power consumption in some of these drives.
- **Jobbera:** Generation was marginally lower than previous year on account of low demand. The plant has undertaken improvement measures such as optimization of primary air flow in mills and maintaining main steam temperatures from boiler outlet to turbine inlet which led to improvements in efficiency. Due to improved performance in operations and maintenance, the plant had no boiler tube leakage and successfully reduced the LDO consumption from 1 KL/Hr to 0.75 KL/Hrs during the year.
- **Haldia:** Generation from Haldia was lower in FY16 mainly because of lower supply of flue gas from the process plant from the coke ovens. The plant has undertaken several measures for operational improvement, including implementation of Islanding scheme for reliable operations and installation of online condenser tube leak detection system.
- **Hydro:** The decrease in generation was on account of lower rainfall and therefore water the in lakes (60% of 10 years average), water draw down scheduled to meet peaking power and drinking water requirements till next monsoon (i.e. till June-July 2016).
- **Renewables (Wind and Solar)** – Generation from wind and solar includes that from TPREL assets; solar generation was higher than previous year due to better maintenance practices like Progressive tilting, Upper and Lower String separation for 17 MW block at Mithapur to nullify the shadow effect, additional tilt arrangements between +35° and -5° at Mithapur and Palaswadi to reduce the pointing error.

### 5.1.2. Transmission

The Transmission assets, which were part of the Mumbai License Area, had a grid availability of 99.45% as against the MERC norm of 98%. Availability was maintained at high level by proactive actions taken based on preventive maintenance practices, effective condition monitoring and judicious planning and execution of planned outages.

- During the year, the Company added 500 MVA of Transformation Capacity and added/augmented 18.15 ckms. of network. It includes the following major projects:
  - o 220 kV up-rating of Kalwa-Salsette-4 line (it has been completed in a benchmark time of 28 days to enable import of 300 MW additional power to Mumbai)
  - o 220 kV Salsette - Saki Transmission line to strengthen network in North Mumbai
  - o 220 kV Mahalaxmi GIS to cater to load growth
  - o 110 kV Dharavi-BKC Line for enhanced reliability
- The Company organized special awareness programs during pre-monsoon, Ganapati Festival and Sankranti season in the vicinity of High Tension lines in Mumbai, under its Jan Jagruti Abhiyaan initiative. The objective is to reduce electrical accidents that can be caused by un-authorizedly living in areas which are close to high voltage Transmission lines. This is third year of success where no line tripping or human suffering was there due to kites during Sankranti season. Over 34,000 people were sensitized in various sessions throughout the year.
- To spread awareness on safety across the state of Maharashtra, Tata Power has actively participated in “Electrical Safety Week” organized by Chief Electrical Inspector as per direction of Government of Maharashtra. Tata Power team has arranged street plays / skits in various villages across the state.

### 5.1.3. Distribution

The highlights of the Mumbai Distribution business are as follows:

- Total consumer base increased to 6,64,407 by adding of 18,511 consumers to the Company’s network (direct) and 42,157 consumers transferring from R-Infra on R-Infra’s network (welcome consumers), during FY16.
- Annual distribution sale was 5,783 MUs in FY16 as against 5969 MUs in FY15.
- In FY16, 266 kms of network was added in Mumbai license area, which comprised of 102 kms HT and 164 kms LT network. In addition, 75 consumer substation (capacity addition - 98 MVA) and 2 distribution substations (capacity addition - 240 MVA) were commissioned. Thus, Tata Power has 4058 kms of distribution network with 844 customer substations and 32 distribution substations across Mumbai Distribution License Area
- Maharashtra’s first solar rooftop net metering solution was operationalized for a Tata Power consumer, Vardhan Industries, at Andheri.
- To enhance safety, to care for the environment and to overcome the challenges of paucity of space, Tata Power has commissioned:
  - o India’s first Natural Ester filled power transformer (20/28 MVA) and 13 distribution transformers at various locations

- o 29 distribution transformers were retro filled with Natural Ester for life and capacity enhancement
- o India's first compact, Natural Ester based self-protected Pad Mounted substation was commissioned at Mira Road.
- o India's first compact, pre-fabricated, plug and play 33/11 kV substation, E-house (Electrical House) was commissioned.
- Distribution Projects have been certified under the Integrated Management System (IMS) (ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007), a globally accepted and recognized system.
- Tata Power Distribution has been conferred 'National Energy Conservation' award under Discom sector from Ministry of Power and "Silver Shield" in the category of 'Performance of Distribution Companies' by CEA (Central Electricity Authority).
- The Company launched customers' mobile application for providing end-to-end service to customers.



#### 5.1.4. Services

- In FY16, the Services division provided Project Management Services for about 2,775 MW and O&M services for an aggregate 914 MW capacity.
- In addition, the division provided services such as GIS mapping, electrical testing, Design & Quality Audit etc., for various clients.
- The divisions received commendations from respective customers for safe and sustained performance.

#### 5.1.5 Strategic Engineering Division (SED)

The progress on various orders and outlook on growth for the defence industry in FY16 continued to remain sluggish, though long term outlook remained positive. Your Company's SED delivered significant growth in revenues compared to FY15 through operational excellence and execution against existing order backlog. Tata Power SED had a turnover of ₹ 552.65 crore in FY16 with an order backlog in excess of ₹ 1, 400 crore as on 31<sup>st</sup> March 2016.

Some of the noteworthy achievements of SED during FY16 are:

- Investing ₹ 500 crore in a state-of-the-art manufacturing plant in Vemagal, Karnataka spread over 75 acres dedicated to Defence, in addition to the 10 acre facility for Prototyping and Production in Electronic City, Bengaluru.
- Signed MoUs with Secusmart (Blackberry Subsidiary) for secure mobile communication systems and with Cranfield University (U.K) for R&D. It has also kicked off a collaboration with Saab (Sweden) to manufacture Self-Protection systems by signing off a Teaming Agreement.
- Design to Manufacturing-3D design tools, suite of analysis tools, PLM for artefacts management and Industry 4.0 manufacturing were in place and being practiced at SED. For software development, SED established MDE (Model Driven Engineering) with tools such as Rhapsody and Enterprise Architect. With the tools, mature processes and use of Digital prototypes, SED has been able to improve design productivity and achieve "First time right" standards.
- A recent successful test trial of 155 mm howitzer developed by DRDO and private sector partners was achieved.

- Design to Manufacturing: 3D design tools, suite of analysis tools, PLM for artefacts management etc. are in place and being used at SED. For software development, SED has established Model Driven Engineering (MDE with tools such as Rhapsody and Enterprise Architect. With the tool, mature processes and use of digital prototypes, SED has been able to improve design productivity and achieve 'first time right' standards.
- Tata Power SED has also successfully developed Rugged Power & Battery Solution with operating range of -30°C to +60°C.
- Initial prototype of Dual Axis Solar tracker was also commissioned at Company's Electronic City factory in Bengaluru.
- Tata Power SED has successfully completed Re-Certification of CMMI Dev v1.3 Level 5.
- Tata Power SED won the Silver Award for "India Green Manufacturing Challenge 2015" organised by International Research Institute for Manufacturing, India on 12<sup>th</sup> March 2016.

## 5.2. Coastal Gujarat Power Limited (4,000 MW)

Type of entity: Wholly owned subsidiary

Figures in ₹ crore (Table 2)

Particulars	FY16	FY15
Generation Sales (MUs)	23,679	24,502
Net sales	6,000	5,982
PAT	2,014	(898)

Loss in FY15 has turned into a profit mainly due to better operational performance, lower coal prices resulting in reversal of impairment and lower depreciation.

Lower coal price has reduced under-recovery of fuel costs and has improved EBITDA:

(Table 3)

Particulars	FY16	FY15	FY14
Total Revenue*	6,030	6,005	5,754
EBITDA	1,274	1,036	755
Fuel under-recovery**			
₹ crore	(719)	(1,053)	(1,268)
₹ per kWh	(0.30)	(0.43)	(0.58)

\*Total Revenue consists of Revenue from Operations and Other Income

\*\*Consists of total coal cost under recovery (revenue net of coal costs), revenue includes UI revenue & supplementary revenue

Consequent to the sustained low coal prices over the past year and predictions of it continuing at substantially lower levels than the past few years, the management reviewed and reassessed the recoverability of the carrying amount of the assets at Mundra value in use. This resulted in improvement of predicted future cash flows, requiring a reversal of the impairment loss of ₹ 2,320 crore (net of depreciation of ₹ 330 crore). The company has not taken into account the compensatory tariff order of CERC/APTEL while reporting financial performance.

Also, due to low coal prices, the under-recovery reduced to an extent but still continued. In addition, CGPL had to be funded by Tata Power for repaying the loans.

### Regulatory matters

CGPL petitioned the CERC (Central Commission) for evolving a mechanism to be compensated for the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia.

CERC had, after considering the recommendations of a Committee appointed for the aforesaid purpose (which comprised of experts from various disciplines like Legal, Banking, Finance, Technical and Procurers) vide its order dated 21<sup>st</sup> February 2014, decided that the company was entitled to compensatory tariff from 1<sup>st</sup> April 2012 over and above the tariff agreed under the PPA with the Procurers, till the hardship on account of Indonesian regulations persisted.

Subsequent to the above Order, the Procurers challenged the Order and filed an appeal with ATE for grant of stay on the enforcement of the Central Commission's order. The ATE, vide its Interim Order dated 21<sup>st</sup> July 2014, directed the Procurers to pay a compensatory tariff from March, 2014 onwards as per the Order of the CERC, but had granted a partial stay on the Order, directing that the payment of arrears from 1<sup>st</sup> April 2012 to 28<sup>th</sup> February 2014 need not be paid pending disposal of the Appeal filed with ATE.

The above referred Interim Order dated 21<sup>st</sup> July 2014 was challenged by the Procurers before the Supreme Court. Supreme Court recorded the statements made by counsel of the company and rendered the Order passed by the Central Commission, and the Order passed by the ATE dated 21<sup>st</sup> July 2014, as inoperative. It further requested ATE to hear the above matter and dispose it expeditiously.

The Compensatory Tariff batch matters were heard by the Full Bench of this ATE from 1<sup>st</sup> December 2015 and the hearing concluded on 11<sup>th</sup> January 2016 - the Order was reserved.

On 7<sup>th</sup> April 2016, ATE (Full Bench) pronounced its Judgement and the following were the salient points:

- Change in Law provided under Article 13 of the PPA or under Clause 4.7 of the said Guidelines issued by the Central Government as per Section 63 of the said Act should not be construed to include laws other than Indian Laws such as the Indonesian Law/Regulations prescribing the benchmark price for export of coal.
- Decided that the Central Commission has no regulatory powers to vary or modify the tariff or otherwise grant compensatory tariff to the generating companies in the case of a tariff determined under a tariff based competitive bid process as per Section 63 of the EA 2003.
- Held that the increase in price of coal on account of the intervention by the Indonesian Regulation constituted a Force Majeure event, in terms of the PPA. Central Commission is to assess the extent of impact of Force Majeure event on the company and give the company such relief as may be available under PPA.
- Held that non-default in debt servicing cannot be construed as non-Force Majeure event. It stated that a generator may continue to supply electricity in spite of a Force Majeure situation so that its assets are not stranded. The fact that it fulfils its debt service obligations and that consumers get uninterrupted power supply cannot mean that there is no Force Majeure situation that has materially impaired the economic viability of its contract. The generator may do so with a hope that the Force Majeure clause in the PPA would take care of such a situation. If such a view is not taken, then the Force Majeure provision in the PPA would be a dead letter.
- CERC has been directed to quantify the relief or compensation within a period of three months from the date of the Order.

Hon'ble CERC has commenced hearing w.e.f 26<sup>th</sup> April 2016 for the purpose of calculation of relief under Force Majeure.

### 5.3. Maithon Power Limited (1,050 MW)

Type of entity: Subsidiary (Tata Power: 74%, DVC: 26%)

Figures in ₹ crore (Table 4)

Particulars	FY16	FY15
Generation Sales (MUs)	6,745	6,282
Net sales	2,349	2,318
PAT	189	211*

\* - Includes previous year's income due to CERC tariff order

During FY15, growth in profit was mainly due to revenue re-computed pursuant to the final tariff order received from the CERC, for tariff control period 2009-14 and improvement in capitalisation. However, during FY16, higher than targeted profit was achieved on account of 100% tie up of power under LT PPA and lower operating expenditures on account of fuel.

#### Power Purchase Agreement

Out of the total capacity of 1,050 MW:

- 900 MW power had been tied up through long term PPAs with DVC (300 MW), WBSEDCL (300 MW) and Tata Power Delhi Distribution Limited (TPDDL) (300 MW).
- 150 MW has been tied up under a long term PPA with Kerala State Electricity Board (KSEB) on 30<sup>th</sup> December 2013. Long Term Access was granted by PGCIL to KSEB for flow of power from MPL. Consequently, sale of power to KSEB was established from 17<sup>th</sup> December 2015 resulting in 100% LT portfolio for MPL's power generated.

**5.4. Industrial Energy Limited (375 MW)**

Type of entity: Subsidiary (Tata Power: 74%, Tata Steel: 26%)

Figures in ₹ crore (Table 5)

Particulars	FY16	FY15
Generation Sales(MUs)	1,750	1,580
Net sales	514	517
PAT	66	12

IEL had a deferred tax liability provision in previous year due to change in depreciation rate as per the Companies Act, 2013. Current year profit also got impacted due to truing up of past year revenues.

IEL commenced its operations in May 2009. It operates a 120 MW coal based plant in Jojobera. It also operates a 120 MW co-generation plant (Power House #6) in Jamshedpur, inside the Tata Steel plant which is based on blast furnace & coke oven gas.

**Project Execution**

The company is executing a 3 x 67.5 MW cogeneration plant at Kalinganagar, Odisha, deploying production gases from Tata Steel's plant. Two units (Unit 1 & 2) of 3 X 67.5 MW plant have been synchronized on 1<sup>st</sup> February 2016 and 11<sup>th</sup> February 2016 respectively. Third unit is under development based on discussions with Tata Steel for the phase two of the steel plant. Currently, waste-production gases are adequate only for 2 units of 67.5 MW each. Your company and Tata Steel are exploring alternate possibilities for early usage of the assets built.

**5.5. Tata Power Renewable Energy Limited (264 MW)**

Type of entity: Wholly owned subsidiary

Figures in ₹ crore (Table 6)

Particulars	FY16	FY15
Generation Sales (MUs)	331	213
Net sales	240	149
PAT	19	6

The company's higher Revenue and PAT was due to better operations in Mithapur Project, commissioning of the 50 MW Rojmal Wind farm in Gujarat and amalgamation of New Gen Saurashtra Windfarm Ltd. which housed the 39.2 MW wind farm at Dwarka in Gujarat. Wind generation capacity of 44 MW was also commissioned at Lahori.

The overall commissioned capacity at the end of FY16 was 264 MW.

**5.6. Powerlinks Transmission Limited**

Type of entity: Subsidiary (Tata Power: 51%, PGCIL: 49%)

Figures in ₹ crore (Table 7)

Particulars	FY16	FY15
Net sales	234	242
PAT	109	112

Lower sales were mainly due to reduction in interest on loan, which is a pass-through. Movement in PAT was due to reduction in treasury income.

**Operations**

The availability of the lines was maintained at 99.14% for Eastern Region in FY16 (previous year availability: 99.56%) and 99.91% for Northern Region (previous year availability: 99.87%), as against the minimum stipulated availability of 98.50%.



### 5.7. Tata Power Delhi Distribution Limited

Type of entity: Subsidiary (Tata Power: 51%, Government of National Capital Territory (NCT) of Delhi: 49%)

Figures in ₹ crore (Table 8)

Particulars	FY16	FY15
Net sales	6,116	6,529
PAT	258	336

The lower PAT in FY16 as compared to FY15 was due to DERC tariff order impact.

#### Operations

In FY16 TPDDL had a registered consumer base of 15.15 lakh spanning across an area of 510 sq. km. in Northern and North Western part of Delhi. TPDDL sales stood at 7868 MUs in FY16 as compared to 7593 MUs in FY15 and it has reduced its AT&C losses to 8.88% against 9.87% last year. TPDDL has also met peak demand of 1,633 MW in FY16. TPDDL, in its strive to enhance reliability, has been able to reduce SAIDI to a level of 28.11 hours against 39.5 hours in previous financial year.

Tariffs in the past have been insufficient to ensure recovery of the power purchase costs of the company, which has resulted in accumulation of Regulatory Assets. However, due to prudent power purchase cost and impact of DERC tariff Order, the Regulatory Assets reduced during the year by ₹ 638 crore. At the end of FY16, Regulatory Assets stood at ₹ 4720 crore as compared to ₹ 5358 crore in FY15.

In its quest to become a Smart Utility, TPDDL developed a comprehensive smart grid road map which includes setting up smart metering, data analytics, advanced metering infrastructure based auto demand response along with an integrated communication infrastructure. In FY16, TPDDL unveiled the Smart Grid Lab for demonstration of various foundational and advanced operational technologies, information technologies and benefits derived by convergence of information and operational technologies. TPDDL also initiated its journey to become a world class utility and collaborated with more than 25 leading technology partners/ institutions like BE, IBM, MIT, ENEL, Silver Spring, Honeywell, 3M Technologies, OMRON, ABB, UCLA, Stanford University, Ryerson University, USTDA, Finpro etc. to find innovative solutions to electricity distribution.

TPDDL currently supports Tata Power in providing consultancy services in the country of Benin/Nigeria and has developed expertise in providing services such as change management, distribution and technology upgradation in India and abroad, advising 11 states and nearly 40 utilities.

### 5.8. Tata Power Trading Company Limited

Type of entity: Wholly owned subsidiary

Figures in ₹ crore (Table 9)

Particulars	FY16	FY15
MUs Traded	17,309	10,572
Net sales	5,942	4,181
PAT	16	29

Although the Revenue for FY16 was considerably higher than that of the previous year, the PAT was lower by 41% as compared to the previous year primarily on account of loss of about ₹ 18 crore from sale of Dagachhu power, as TPTCL was not allowed to sell Dagachhu Power on the Power Exchange. This was due to delay in formulation of policy by Government of India for trade of power between India and its neighbouring countries.

During the year, TPTCL also commissioned a 4 MW (2 x 2 MW) wind power project in Gujarat to add green power in its portfolio.

### 5.9. Trust Energy Resources Pte. Limited

Type of entity: Wholly owned subsidiary

Figures in ₹ crore (Table 10)

Particulars	FY16	FY15
Net sales	310	289
PAT	70	58

The increase in PAT was mainly due to increase in number of shipments and reduction in operating cost.

The assets under Trust Energy maintained an overall availability of close to 92% with 1 month down time for both the vessels for dry docking as per regulation requirements. A new vessel (208,000 DWT) has been contracted to securitize the freight of CGPL for twenty years. The company has also undertaken several measures to reduce operating expenditure viz. condition monitoring system for lubricants, reduction in hull and machinery insurance premium and ensuring lean structure to manage overhead costs.

#### 5.10. Coal & Infrastructure Companies

Your Company, through its subsidiaries, holds a 30% stake in PT Kaltim Prima Coal (KPC) and 26% stake in PT Baramulti Suksessarana Tbk (BSSR), which are strategic assets to hedge imported coal price exposure at CGPL and are an important part of the supply chain for its coal off-take requirements.

In FY14, your company signed an agreement to sell its 30% stake in PT Arutmin Indonesia and associated companies in coal trading and infrastructure. The aggregate consideration for Tata Power's 30% stake is USD 510 million, subject to certain closing adjustments and restructuring actions. However, the Conditions Precedent to closing the transaction could not be completed in FY16 particularly due to poor outlook of coal prices and delay in getting consent of bankers and key stakeholders for restructuring and splitting of infrastructure company holding the combined asset of KPC and Arutmin. Your company has been pursuing steps to conclude this transaction.

#### PT Kaltim Prima Coal, Indonesia

Figures in ₹ crore (Table 11)

Particulars	FY16	FY15
Net sales	5,819	6,055
PAT	22	38

The coal price realization for the year was USD 51.44/tonne as compared to USD 63.88/tonne in the previous year due to continuing downtrend in global coal prices. The lower price of coal impacted the profitability of the coal companies substantially as compared to the earlier years. However, the company undertook various cost optimisation initiatives to reduce its impact.

#### PT Arutmin Indonesia

Figures in ₹ crore (Table 12)

Particulars	FY16	FY15
Net sales	1,383	1,728
PAT	(136)	(21)

The coal price realization for the year was USD 24.97/tonne as compared to USD 31.92/tonne in the previous year due to continuing downtrend in global coal prices. Further, due to lower quantity of coal produced the fixed cost/ton increased.

#### PT Baramulti Suksessarana Tbk and PT Antang Gunung Meratus, Indonesia

Figures in ₹ crore (Table 13)

Particulars	FY16	FY15
Net sales	417	363
PAT	41	12

The coal price realization for the year was USD 27.88/tonne as compared to USD 36.38/tonne in the previous year due to continuing downtrend in global coal prices. The lower price of coal impacted the profitability of the coal companies. However, substantial cost reduction and higher sales compared to the earlier years helped maintain profitability.

The production at four of the Indonesian thermal coal mining companies, viz. PT Kaltim Prima Coal, PT Arutmin Indonesia, PT Baramulti Suksessarana Tbk and PT Antang Gunung Meratus, Indonesia during FY16 was 88.79 MT as against 87.16 MT in FY15.

The lower price of coal impacted the profitability of the coal companies substantially as compared to the earlier years. However, strong focus on cost reduction enabled the coal companies to minimize the impact of lower realization.

The status of infrastructure companies at Indonesia was as under:

#### PT Nusa Tambang Pratama, Indonesia

Figures in ₹ crore (Table 14)

Particulars	FY16	FY15
Net sales	149	191
PAT	77	102

#### PT Mitratama Perkasa, Indonesia

Figures in ₹ crore (Table 15)

Particulars	FY16	FY15
Net sales	225	259
PAT	123	204

#### 5.11. Tata Power Solar Systems Limited

Type of entity: Wholly owned subsidiary

Figures in ₹ crore (Table 16)

Particulars	FY16	FY15
Net sales	1,489	873
PAT	(26)	(114)

During the year, there was a significant improvement in bottom line due to improved volume of sales and operational performance leading to the company making a cash profit in FY16, ending a 3 year period of cash losses. The company achieved an all-time high revenue number of ₹ 1,489 crore. In addition to the above, the company achieved a PAT in the fourth quarter of FY16.

During the year, the company was able to utilize 100% of its operational cell line capacity.

#### Operations

- **Solar Photovoltaic (PV) Cells & Modules and Projects:** During the year, the company was awarded a 100 MW EPC contract from NTPC, under a Domestic Content Requirement (DCR) tender, which is currently under execution ahead of schedule. During the year, the Company executed the following major projects - 12 MW for Radha Soami Satsang Beas (world's largest rooftop project), 6 MW for Siechem, 5 MW for Rallis, 5 MW for IOCL among others. At the end of the year, the company was awarded 115 MW of DCR projects and 47 MW of developer projects on competitive basis.
- **Exports:** The company also saw its exports grow significantly to about ₹ 165 crore in FY16, which was more than the cumulative value of exports in the last 3 financial years and falls slightly short of cumulative exports of the past four financial years. British Petroleum exited in June 2012.
- The company exited the thermal and lighting products business during the year.

## 6. Projects commissioned during FY16

### Domestic

(Table 17)

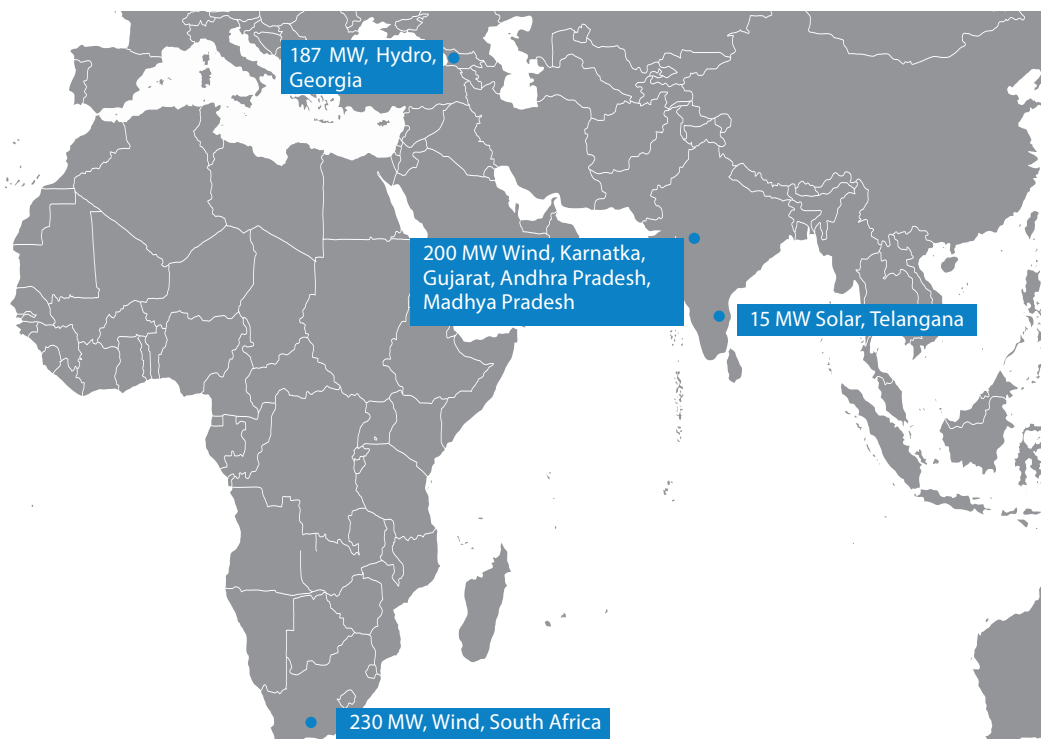
Vehicle for project execution	Scale	Key Highlights
Tata Power Renewable Energy Limited (TPREL)	104 MW	54 MW Rojmal Phase I (Gujarat), 44 MW Lahori (MP) and 6 MW Rojmal Phase II (Gujarat) projects got commissioned during FY16.
Industrial Energy Limited (IEL)	135 MW	The company is executing a cogeneration plant at Kalinganagar, Odisha, deploying production gases from the Tata Steel plant. Two units (Unit # 1&2) of 67.5 MW each were synchronized on 1st Feb 16 and 11th Feb 16, respectively. The company has successfully commissioned 135 MW capacity at Kalinganagar.

**International**

(Table 18)

Vehicle for project execution	Scale	Key Highlights
Itezhi Tezhi Power Corporation Limited (ITPC)	120 MW	ITPC is a 50-50 joint venture of your Company with the Zambian utility ZESCO Limited (ZESCO). It was created as a special purpose vehicle to build and operate a 120 MW hydro power plant on the Itezhi Tezhi Dam in Zambia. ITPC has been the first Public Private Partnership of its kind in the energy sector in Zambia and has a 25 year US Dollar denominated Power Purchase Agreement with ZESCO. Both units of 60 MW each of the 120 MW plant were commissioned during the year and are supplying power to the Zambian national grid to help tide the unprecedented power crisis.

**7. Projects Under Execution**



**Domestic Projects under Execution:**

(Table 19)

Vehicle for project execution	Scale	Key Highlights
Tata Power Renewable Energy Limited (TPREL)	200 MW (Wind)	Projects in Gujarat and Andhra Pradesh.
	15 MW (Solar)	The company signed a Power Purchase Agreement with Northern Power Distribution Company of Telangana Limited (TSNPDCL). This project has been won through competitive bidding.
Industrial Energy Limited (IEL)	67.5 MW	The company commissioned 135 MW of the envisioned 202.5 MW plant capacity in the past year. Work is currently under progress for the third unit of 67.5 MW capacity.

**International Projects under Execution:**

(Table 20)

Vehicle for project execution	Scale	Key Highlights
Cennergi Pty. Ltd.	230 MW	The construction at Amakhala Eyoni Wind farm and Tsitsikamma Community Wind Farm projects have progressed as per schedule. Both the projects have entered the commissioning phase and the project is in its final stages of completion. Commercial Operation is expected to commence before the end of Q2 FY17.
Adjaristsqali Georgia LLC	187 MW	The construction work for the Project has been in full swing, the tunnelling work has progressed as per schedule. Commercial Operation is expected by Q1 of CY 2017.

- During the year the Company terminated a Share Purchase Agreement (SPA) with Ideal Energy Projects Limited (IEPL) for acquisition of 100% stake in a 270 MW coal based thermal power project in Maharashtra, expandable to 540 MW, due non-fulfilment of conditions precedent by seller despite extending the long stop date.
- The Company signed a SPA for acquisition of 30 MW wind power project at Jath, Maharashtra with Indorama Renewables Jath Ltd. The acquisition was completed on 19<sup>th</sup> May 2016.

**8. Potential Future Growth Areas****Domestic**

Depending upon growth of domestic demand and resolution of Discom issues leading to procurement of bulk power under competitive bidding, your Company as a pipeline of opportunities to bid from. An aggregate potential capacity addition of about 8000 MW is available for growth at various locations across India – CGPL expansion, MPL expansion, Dherand, Tiruldh, Odisha, and Dugar. Your Company has also acquired land in the states of Gujarat and Rajasthan for future growth of solar based projects, and is in the process of acquiring land parcels in the state of Telangana.

**International**

Your Company keeps evaluating international opportunities in the select geographies, particularly where the returns are anticipated to be above our threshold and risks can be managed. In addition to South East Asia your Company has been also focussing on Africa, Turkey and Middle East.

**9. Enablers to Business****9.1. Sustainability**

Tata Power's Sustainability vision is to practice 'Leadership with Care' by pursuing best practices on Care for our Environment, Community, Customers, Shareholders, People and creating a culture that will reinforce our values. The Company pursues a comprehensive Sustainability model in its journey towards Sustainability which includes the key element of 'Care' (described in Board's Report Section 12). The Company's latest Sustainability Report is hosted on its website: <http://www.tatapower.com/sustainability/sustainability-communications.aspx> (alternately, scan the adjacent QR Code using a mobile device to read the policy on the Company website.)

**9.1.1. Care For Our People**

- Safety - Safety has been adopted as a core value at Tata Power and is hence the first priority for the Company. Safety performance of the Company has been reported in Board's Report Section 12. Safety and 5S programs of the Company have been given a lot of thrust this year. Training & Awareness Programs and Safety drills were carried out across various locations of the organisation during the year.
- Employee Engagement - On a standalone basis, the manpower (officers and staff) at the end of FY16 stood at 4,285 as compared to 4,310 at the end of the last financial year. Women employees accounted for approximately 10.6% of the manpower. The employee engagement score conducted for Officers of your Company determined through Aon Hewitt survey in FY16 was 74% as against the 69% in FY15 - this is above the industry average of 67% and is a sector benchmark in India.
- Industrial Relations - Your Company has, since its inception, supported working collaboratively with all stakeholders to maintain cordial industrial relationship at all locations. The activities at all locations progressed peacefully and cordially during the year.
- Sexual Harassment - The Company has zero tolerance for sexual harassment at workplace and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder

for prevention and redressal of complaints of sexual harassment at workplace. An Internal Complaints Committee (ICC) has been set up for all administrative units or offices of Tata Power to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC whilst dealing with issues related to sexual harassment at the work place towards any woman associates. All women associates (permanent, temporary, contractual and trainees) as well as any woman visiting the Company's office premises or women service providers are covered under this policy.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY16:

- o No. of complaints received: 1
- o No. of complaints disposed of: 1
- o No. of cases pending for more than 90 days: Nil
- o No. of workshops on awareness program against sexual harassment carried out: 14

### 9.1.2. Care For Community

The five thrust areas for Corporate Social Responsibility (CSR) where the Company engages with the Community are:

- Primary Education with focus on girl child
- Health and Drinking Water
- Livelihood and Employability
- Social Capital and Infrastructure
- Inclusive Growth

Details of CSR spend by the Company is given in Annexure-I of the Board's Report. CSR activities undertaken by the Subsidiaries and Joint Ventures with significant spend (CGPL, MPL, TPDDL) are as follows:

Highlights of other entities FY16: JVs/Subsidiaries:

#### A. Tata Power Delhi Distribution Limited

TPDDL has developed a unique socio-economic business case for addressing needs and aspirations of key communities which are also its consumers, thereby building a symbiotic relationship with members of economically weaker sections, such as those residing in Jhuggi Jhopri (JJ) clusters and resettlement colonies company. There are over 220 listed JJ clusters and resettlement colonies which fall in the company's area of operation.

In FY16, the major CSR initiatives undertaken with the objective of reaching out to the communities in which the company operates were:

- Women Literacy programs with 290 centres, imparted functional literacy to 17,400 women.
- 35 RO plants were installed in government schools, JJ cluster and Delhi Metro Railway station, providing potable drinking water to nearly 1,64,000 individuals daily.
- Education support program for SC/ST students benefitted 1,090 students from 46 government schools and 400 students from ITI, Polytechnic, Engineering and Graduation colleges.
- 13 Vocational Training Centres trained 3,586 youths in the vocations of Computer, Beautician, Electrician, Tally, and Tailoring etc. Special short term courses of Retail and Office Assistant provided 100% placement to beneficiaries.
- 3 Mobile Dispensaries extended health services to more than 61,500 JJ cluster residents on weekly basis.
- 62 drug de-addiction camps were organized which provided counselling and free homeopathy medicines to more than 9,000 beneficiaries.
- 290 SHGs were formed during the year at Women Literacy Centres. Contract was signed for training 101 SHGs in entrepreneurship development of which 35 SHGs were trained in FY 16.

List of CSR awards received during FY16

1. Tata Engage Award 2015 for Highest Volunteers Participation and Highest Participation Rate in Tata Volunteering Week 3 and 4
2. ABP News CSR Leadership Awards for Women Empowerment 2016.
3. 5<sup>th</sup> ASIA Best CSR practices awards 2015.
4. Tata Affirmative Action Program Award 2014 - Significant Adoption for companies scoring above 550 and Significant Adoption under the Four (or more) E's.

#### B. Coastal Gujarat Power Limited

The CSR expenditures were made to respond to local demands for developmental activities with a view to establish CGPL as the "neighbour of choice". Investments were also made to redress localized and natural resource constraints and also to facilitate the immediate neighbourhood to partially overcome the impact caused by the setting up of the plant.

The CSR activities were pursued under 3 broad categories; viz:

### 1. Livelihood linked Ecology

- a. Assessment and intervention plan of land and water based Livelihood activities. CGPL in partnership with Aga Khan Rural Support Program has initiated a study to promote livelihoods which are mainly related or dependent with the water
- b. Sagarbandhu Program - A program for the holistic development of the fishermen Community. CGPL's CSR initiatives under this program focused on Modhva village, Tragadi village and Tragadi Bunder. This geographical focus was reinforced by the Lender's (IFC/ADB) requirement of active contribution to improve the livelihood of the fishing community in the vicinity of the power plant. CGPL has also charted out a Plan of Action which is also looking for sustainable measures and skill development to further strengthen the fisher folk in generating adequate household income. Some key initiatives pursued in FY16 were micro financing for boat fishermen, prawn farming and crab fattening programs, cage fishing programs, leveraging government funds to access fishing accessories, provision of fishing gears, developing fish drying platforms and fish drying facilities, providing education & health facilities, creating drinking water & sanitation facilities and other regular cultural activities
- c. Kanthi Area Livelihood Program - A project for enhancing livelihood of the community under Gaushala initiatives. During the year, CGPL supplied fodder for 3,600 cattle which benefited 450 cattle owners. Responding to the request of district administration, CGPL provided fodder during the drought in 7 villages. This gesture was appreciated officially by the government.
- d. Water Harvesting and Conservation - CGPL's water harvesting programme has focused on the entire catchment area of Mundra/ Mandvi region and would expand further beyond the immediate neighbourhood. CGPL has embarked on a water conservation programme, where an additional 160,000 cubic meters of storage has been created in Faradi Dam by excavating the dam area in partnership with the local community to help water percolation downstream. The benefits of this dam excavation would cover 9 villages and 2500 farmers cultivating 1700 acres of land.
- e. Implementation of Micro Irrigation System - CGPL, in partnership with GGRC (Gujarat Green Revolution Company), launched a substantial micro irrigation programme by providing financial support to farmers for adoption of micro irrigation system in 9 villages. In the last financial year, 143 hectares have been covered benefiting 123 farmers.
- f. Brucellosis Control Project - In partnership with Kutch Nav Nirman Abhiyan, CGPL supported the Brucellosis Control Project where, a massive campaign was undertaken to orient cattle owners about the public health implications of spread of Brucellosis and also its impact on the cattle population. Around 3,965 cattle owners were sensitized on the effects of the spread of Brucellosis and training was held for Livestock Inspectors of the Veterinary Department of the Government

### 2. Basic Needs

- a. Education (Shiksha Saarthi Program) - In partnership with PRATHAM, CGPL addressed the issue of "Quality Education" by promoting 'Learning achievement' in 86 schools in 50 villages benefitting 13,501 students. CGPL has also supported another significant initiative of filling up vacant position for teachers in schools. This initiative was spearheaded by Sarva Seva Sangh (a Kutch based NGO) and CGPL partnered with this NGO for placing 222 school teachers in Kutch district.
- b. Drinking Water (Project Swatch Jal) - CGPL has helped establish 18 RO plants in 18 villages in its catchment area. These RO units have been handed over to the local Panchayats and have benefitted every household in the area. CGPL has also installed RO plants in 32 Primary schools to provide quality water.
- c. Sanitation (Swatch Block) - CGPL has worked in Mandvi block with an aim to ensure that all families have access to sanitary toilets and the block is "open defecation free". For this, CGPL has partnered with CSPC (Coastal Salinity Prevention Cell of Tata Trust). CGPL was also engaged with the communities in the block to facilitate effective behaviour change towards toilet use and hygiene practices. 419 toilets were constructed under the joint initiative of CSPC and CGPL
- d. Primary Health Services (Project Arogya) - CGPL has launched the Mobile Medicare Unit in Mundra for addressing the primary health service needs. This program has been implemented in association with Helpage and at present is catering to the health needs of 14 villages. This will be extended to other villages in due course.

### 3. Infrastructure and Social Capital

- a. Promotion of Livelihood and Social Capital through Gender equity (Project Vartika) - CGPL initiated the gender focused livelihood programme through formation of Self Help Groups in its neighbourhood. In 9 villages, 50 Self Help Groups were formed and these have been integrated with the government supported

NRLM programme and the total cumulative savings of 50 SHGs promoted by CGPL across 9 villages stood at approximately ₹ 23 lakh.

- b. Waste Management Programme - In partnership with Sahajeevan, CGPL initiated a massive waste management programme in 5 villages. During FY16, a situation analysis of the waste generated in all the implementing villages has been initiated. Two places have been identified to set up the recycling unit which will produce plastic based products. Wherever the waste material cannot be re-cycled, it would be sent to other agencies which are capable of using that material. CGPL, along with Sahajeevan, is working on such tie-ups with appropriate agencies.
- c. Community Need Infrastructure (Project Nirman) - During FY16, CGPL continued its interventions in the villages by constructing state of the art infrastructural facilities such as community halls, roads, prayer halls and bettered the school infrastructure.

### C. Maithon Power Limited

During the year under review, the following activities were undertaken:

#### Employability

- Agriculture and Allied Sector were promoted in the area in partnership with BAIF, wherein 5 years holistic development plan to establish 300 Wadi on 225 acres of land with irrigation facilities with the aim to integrate 1000 families in livestock industry. As a part of the program, wadi has been developed in 25 acres of land and Breed Development Centre for goats was established, benefitting 50 families.
- Three community owned fly ash brick making enterprises were promoted helping around 80 tribal youths and women.
- An income generation centre and producers group of jute and straw handicraft was developed.

#### Health

- Two Mobile Medical Units with a team of doctors, pharmacists and nurses were deployed to provide medical advice and treatment of non-chronic diseases, along with curative medicines in 24 locations covering 60 villages near the plant and railway infrastructure.
- Sanitation and hygiene drives were undertaken and construction of toilets in 405 households were facilitated.

#### Education

- MPL initiated education excellence program, along with TPTCL in 34 schools in order to bridge learning gaps, helping 6623 students.
- 348 local youth and students were provided with soft skill trainings, computer literacy and coaching for competitive examinations.
- MPL has supported Dombhui middle school, with newly constructed school building.

#### Water

- Two RO systems to provide safe drinking water to around 150 tribal families were installed.
- 100 non-functional tube wells were repaired in nearby villages.
- Supply of drinking water in nearby 33 villages during summer season was also undertaken by MPL.
- One water body (village pond) was renovated for domestic water requirement of villagers.

### D. Powerlinks Transmission Limited

- Created provision of sanitation facilities for students in alignment with the Government's Swachh Bharat-Swachh Vidyalaya programme.
- Undertook behaviour change interventions among students towards hygiene practices.

### E. Industrial Energy Limited

- Based on the need assessment findings at the locations, IEL started special free coaching for SC/ST and backward caste students in Kalinganagar area of Jajpur district with involvement of local NGO "CAAD". Main focus has been given on quality education in science, mathematics and English for 995 students.
- The Company has set up a homeopathic health care centre at Mantira village with a team of trained medical professionals. Approximately 3000 patients availed this weekly facility as well as free medicines were provided at the centre to all the patients.
- In association with Tata Consultancy Services (TCS), IEL Kalinganagar initiated training for local unemployed BA/B.Sc/ B.Com pass students in the area on a regular basis. After completion of the training, an HR team from TCS Kolkata came to recruit students for KPO job at TCS.
- IEL, Kalinganagar has set up two tailoring training centres for adolescent girls and women in Rabana and Bajrapali



village. So far, 50 girls/women have been trained and another 50 are under training.

- IEL in association with a local NGO "Inskills", established a training skill centre at Jakhapura to train and provide placement to the local youth in different trades like security services, multipurpose health workers and retailers.
- IEL Kalinganagar has also completed toilet construction work at Rabana U.P. School, Jakhapura High School, Mantira College. In addition, based on the need, a dining hall was constructed Balipal School Campus.
- The company helped provide water to Arasahi village which has 75 SC families.
- IEL Kalinganagar has installed 40 solar street lights in strategic locations of Kalinganagar.
- During this year, IEL organised Van Mahotsava at residential school where 500 trees were planted by the students, employees and guests.

#### F. Tata Power Trading Company Limited

TPTCL entered into MoU with TPCDT to implement its community development initiatives in Maithon, Jharkhand. This involved education excellence intervention in 34 schools catering to 3000 students. Vocational training was also provided in skill development program at Shakurpur covering 160 students.

#### G. Tata Power Renewable Energy Limited

TPREL helped set up 30 solar street lights in FY16 and undertook Vocational Skill Building Program covering 25 youngsters from two villages.

### 9.1.3. Care For Our Environment

Following key initiatives were taken up in FY16:

- Revamping of measures under Green Manufacturing Index (GMI) based on the report 'Heat on Power' prepared by CSE
- Initiated a project for identification of Polychlorinated Biphenyls (PCB) in your Company for eliminating it
- Completed Green Building Certification for Carnac and initiated the same at four receiving station buildings (Saki, Powai, Sahar, BKC)
- Your Company has received Sustainable Plus Platinum Label in Environment, Social and Governance (ESG) survey conducted by CII
- In the assessment done by Carbon Disclosure Project (CDP), Carbon Disclosure Score of your Company was 92. Hence, your Company was included in Carbon Disclosure Leadership Index (CDLI)

### 9.1.4. Care For Our Customers

Strengthening customer focus is one of the key areas of attention for Tata Power. The Company aims to go beyond customer satisfaction and delight and deliver superior customer value and a superior experience.

## 9.2. Financing

### Refinancing of debts

During the year, the Company had undertaken refinancing of some of the existing Rupee debt facilities as well as some of the overseas borrowings, leading to significant savings in interest costs as well as easing cash flows. Some of the key refinancing transactions completed included the following:

- Refinancing of ₹ 3,845 crore in CGPL
- Replacement of ₹ 500 crore of Long term Borrowing in MPL with floating rate Bonds
- Issuance of ₹ 425 crore of Non-Convertible-Debentures (NCDs) in TPREL to refinance existing debt
- Refinancing of USD 900 million of overseas debt at lower cost

### Borrowings

Outstanding borrowings of the Company as on 31<sup>st</sup> March 2016 were as follows:

(Table 21)

Particulars	Standalone (₹ crore)	Consolidated (₹ crore)
Long Term Borrowings	9,001	34,297
Short Term Borrowings	1,519	2,955
Current maturing of LTB	738	2,869
<b>Total</b>	<b>11,258</b>	<b>40,121</b>

(Table 22)

Particulars	Standalone (₹ Crore)	Consolidated (₹ Crore)
Rupee Borrowings	10,493	24,122
Foreign Currency Borrowings	765	15,999
<b>Total</b>	<b>11,258</b>	<b>40,121</b>

**Debt repayment**

During the year, an amount of ₹ 7,638 crore was repaid out of existing long term loans and debentures by the group. Details of terms of repayment of each loan are set out in the Notes forming part of the Financial Statements [Standalone – Note 7; Consolidated – Note 7]

**Leverage as on 31<sup>st</sup> March 2016:****Standalone**

(Table 23)

Particulars	FY16	FY15
Debt/Equity	0.60	0.58
EBITDA/Debt	0.28	0.23

**Consolidated - (without impairment)**

(Table 24)

Particulars	FY16	FY15
Debt/Equity, without Minority Interest	2.54	2.17
Debt/Equity, including Minority Interest	2.16	1.89

**Credit Rating**

As on 23<sup>rd</sup> May 2016, your Company had the following five credit ratings, which have been assigned on the basis of consolidated credit profile of Tata Power and its subsidiaries:

- o Standard & Poor's Rating Services: B+ with Stable Outlook
- o Moody's Investor Services: Ba3 With Stable Outlook
- o CRISIL: AA- With Stable Outlook
- o CARE: AA
- o ICRA: AA- with Negative Outlook

**Hedging**

Your Company is exposed to risk from market fluctuations of foreign currency on account of coal import, foreign currency loan, project imports etc. The Company has been actively managing its short term and long term foreign exchange risks within the framework laid down by the Company. The Company has set up a Forex Risk Management Committee, which reviews exposures on monthly basis and decides suitable hedging strategies. The Company has been hedging its exposure by way of various hedge instruments such as Forward, Options or combination of both.

**Cash flows from operating activities**

Cash generated from operations of your Company, post adjustments to profit before tax, has increased from ₹ 1,687.90 crore in FY15 to ₹ 2,987.45 crore in FY16. This is primarily on account reduction in trade receivables and regulatory assets. On a consolidated level, net cash flow from operating activities increased from ₹ 5,980.91 crore to ₹ 9,753.55 crore.

**9.3.****Business Excellence**

- Improvements - Your Company continued its cost saving activities under the cost saving initiatives of Business Excellence. The major program under these initiatives was Sankalp, a program to bring in operational excellence, delivery excellence and cost efficiency. Sankalp helped achieve a significant cost saving.
- Culture Building – Your Company continued its efforts in culture building through the various initiatives, which include Leher (an organisational transformation program for officers), LASER (an organisational transformation program for shop floor employees), We Care (umbrella program for strengthening organisational values embedment), Spandan

(organisational transformation and safety programs for shop floor employees), Workers Development Program (organisational transformation for contract employees), Gender Diversity & Inclusivity programs.

#### 9.4. Information and Communication Technology

During the year, the major focus was for sustenance and maturity in post go-live support of SAP re-implementation. The solution was extended to five more Tata Power Group companies, including a new solution on the EPM platform for TPTCL and new modules specific to manufacturing and customer service functionality common to Tata Power. Mobility solution has been developed to focus on safety awareness and customer affection. User outreach was enhanced in the year to provide video conferencing facilities, remotely. Processes were strengthened to reflect in higher Risk Compliance and Process Robustness Indices. Preparedness for Operational Technology Security is also being worked upon.

### 10. Financial Performance – Standalone

Your Company recorded a PAT of ₹ 772 crore during the financial year ended 31<sup>st</sup> March 2016 (FY15: ₹ 1,010 crore). Both the basic and the diluted earnings per share were at ₹ 2.36 for FY16.

The analysis of major items of the Standalone financial statements is shown below (Section 10.1 to 10.11: Statement of Profit and Loss; Section 10.12 to 10.22: Balance Sheet Items)

#### 10.1. Revenue

Figures in ₹ crore (Table 25)

Particulars	FY16	FY15	Change	% Change
Revenue from Power Supply and Transmission Charges*	7,550.78	7,874.23	(323.45)	-4%
Revenue from Contracts (Net of Excise Duty)	710.06	654.06	56.00	9%
Other Operating Revenue	177.40	149.40	28.00	19%
<b>Total</b>	<b>8,438.24</b>	<b>8,677.69</b>	<b>(239.45)</b>	<b>-3%</b>

\* Includes rate regulatory income/(expense)

The decrease in Revenue was mainly due to lower fuel cost and power purchase cost being pass through. Increase in Revenue from Contracts was mainly due to increase in revenue from project/operation management services.

#### 10.2. Other Income

Figures in ₹ crore (Table 26)

Particulars	FY16	FY15	Change	% Change
Dividend Income	358.66	513.87	(155.21)	-30%
Interest Income	167.84	447.04	(279.20)	-62%
Others	28.63	63.77	(35.14)	-55%
<b>Total</b>	<b>555.13</b>	<b>1,024.68</b>	<b>(469.55)</b>	<b>-46%</b>

Decrease in Other Income was due to reduced dividend income from subsidiaries, lower interest income on loans given to subsidiary companies and lower treasury income.

#### 10.3. Cost of Power Purchased and Cost of Fuel

Figures in ₹ crore (Table 27)

Particulars	FY16	FY15	Change	% Change
Cost of Power Purchased	792.95	953.09	(160.14)	-17%
Cost of Fuel	2,550.42	3,141.91	(591.49)	-19%

The power purchase cost was higher in previous year due to forced outage of Unit 5 and 7 at Trombay and cost of fuel is lower mainly due to reduction in coal prices.

#### 10.4. Cost of Component Consumed

Figures in ₹ crore (Table 28)

Particulars	FY16	FY15	Change	% Change
Cost of components consumed	397.66	374.30	23.36	6%

Cost of components consumed was higher mainly due to increase in business at Tata Power SED.

**10.5. Transmission Charges**

Figures in ₹ crore (Table 29)

Particulars	FY16	FY15	Change	% Change
Transmission Charges	262.96	436.87	(173.91)	-40%

Transmission charges in Mumbai regulated business were based on the MTR order.

**10.6. Employee Benefits Expenses**

Figures in ₹ crore (Table 30)

Particulars	FY16	FY15	Change	% Change
Employee benefits expense	656.23	686.52	(30.29)	-4%

Employee Benefit Expenses was lower during the year due to changes in actuarial provision relating to retirement benefits offset by yearly increments.

**10.7. Finance Cost**

Figures in ₹ crore (Table 31)

Particulars	FY16	FY15	Change	% Change
Finance Costs	1,155.99	1,047.46	108.53	10%

Finance Cost was higher mainly due to funding needs of subsidiaries and working capital requirements offset by reduction in interest rates during the current year.

**10.8. Depreciation And Amortisation**

Figures in ₹ crore (Table 32)

Particulars	FY16	FY15	Change	% Change
Depreciation and amortization	665.65	575.29	90.36	16%

Depreciation increased during the year due to higher capitalisation.

**10.9. Operations And Other Expenses**

Figures in ₹ crore (Table 33)

Particulars	FY16	FY15	Change	% Change
Repairs and Maintenance	305.28	330.87	(25.59)	-8%
Loss on Foreign Currency Transactions and Translation (Net)	57.69	48.32	9.37	19%
Others	755.54	592.09	163.45	28%
<b>Total Operation and Other Expenses</b>	<b>1,118.51</b>	<b>971.28</b>	<b>147.23</b>	<b>15%</b>

Operation and Other Expenses increased mainly due to provision for loans granted to Mandakini coal mines, increased foreign exchange losses and increase in other operating expenses.

**10.10. Exceptional Item**

Figures in ₹ crore (Table 34)

Particulars	FY16	FY15	Change	% Change
Exceptional Item	226.48	Nil	226.48	-

Exceptional Item consisted of provision for diminution in the value of investment in Tata Teleservices Limited based on the fair value of its shares.

**10.11. Tax Expenses**

Figures in ₹ crore (Table 35)

Particulars	FY16	FY15	Change	% Change
Current Tax	279.20	357.63	(78.43)	-22%
Deferred Tax	115.70	147.73	(32.03)	-22%
<b>Total Tax Expense</b>	<b>394.90</b>	<b>505.36</b>	<b>(110.46)</b>	<b>-22%</b>

Current tax reduced due to write back of excess tax provision for prior years.

**10.12. Fixed Assets**

Figures in ₹ crore (Table 36)

Particulars	FY16	FY15	Change	% Change
Tangible Assets	9,601.37	9,458.95	142.42	2%
Intangible Assets	140.54	141.99	(1.45)	-1%
Capital Work-in-Progress	485.66	472.35	13.31	3%
Intangible assets under development	209.70	76.20	133.50	175%
<b>Net Fixed Assets</b>	<b>10,437.27</b>	<b>10,149.49</b>	<b>287.78</b>	<b>3%</b>

Increase in Net Fixed Assets was due to the higher capitalisation in the Mumbai License Area Generation, Transmission and Distribution businesses.

**10.13. Non-Current Investments**

Figures in ₹ crore (Table 37)

Particulars	FY16	FY15	Change	% Change
Investment in Subsidiary, JV and Associates	11,756.39	11,282.90	473.49	4%
Statutory Investments	375.92	357.11	18.81	5%
Others	1,342.37	1,568.88	(226.51)	-14%
<b>Total</b>	<b>13,474.68</b>	<b>13,208.89</b>	<b>265.79</b>	<b>2%</b>

Increase in Non-Current Investments was mainly on account of additional equity contributed by your company to CGPL, IEL, TPREL, TPSSL and offset by TTSL provisioning.

**10.14. Current Investments**

Figures in ₹ crore (Table 38)

Particulars	FY16	FY15	Change	% Change
Mutual Funds	0.22	42.00	(41.78)	-99%

Current Investments decreased with final deployment of temporary surplus funds.

**10.15. Loans And Advances**

Figures in ₹ crore (Table 39)

Particulars	FY16	FY15	Change	% Change
Long Term	4,256.64	3,549.34	707.30	20%
Short Term	476.07	373.30	102.77	28%
<b>Total</b>	<b>4,732.71</b>	<b>3,922.64</b>	<b>810.07</b>	<b>21%</b>

Increase in long-term Loan and Advances was mainly due to loans given to CGPL. Short-term loans increased due to loans given to TPREL.

**10.16. Trade Receivables**

Figures in ₹ crore (Table 40)

Particulars	FY16	FY15	Change	% Change
Trade Receivables	1,073.40	1,576.13	(502.73)	-32%

Decrease in Trade Receivables was mainly due to realization of outstanding receivables from BEST during the current year in Mumbai Operations.

**10.17. Other Current Assets**

Figures in ₹ crore (Table 41)

Particulars	FY16	FY15	Change	% Change
Unbilled Revenue	299.96	226.75	73.21	32%
Regulatory Assets	957.85	363.00	594.85	164%
Others	54.05	186.68	(132.63)	-71%
<b>Total</b>	<b>1,311.86</b>	<b>776.43</b>	<b>535.43</b>	<b>69%</b>

In view of faster realization of Trade Receivables from Regulatory Assets, the erstwhile non-current portion shifted to current assets resulting in increase in Other Current Assets.

**10.18. Other Non-Current Assets**

Figures in ₹ crore (Table 42)

Particulars	FY16	FY15	Change	% Change
Regulatory Assets	1,830.08	2,429.62	(599.54)	-25%
Others	499.76	507.54	(7.78)	-2%
<b>Total</b>	<b>2,329.84</b>	<b>2,937.16</b>	<b>(607.32)</b>	<b>-21%</b>

In view of faster liquidation of Trade Receivables from Regulatory Assets, the erstwhile non-current portion shifted to current assets resulting in reduction in Other Non-Current Assets.

**10.19. Long Term Borrowings**

Figures in ₹ crore (Table 43)

Particulars	FY16	FY15	Change	% Change
Secured Loans	5,063.18	4,953.53	109.65	2%
Unsecured Loans	3,937.55	3,842.10	95.45	2%
<b>Total</b>	<b>9,000.73</b>	<b>8,795.63</b>	<b>205.10</b>	<b>2%</b>

During the year, the Company raised Redeemable Non-Convertible debentures of ₹ 500 crore to finance group companies leading to an increase in Long-Term Borrowings offset by transfer of Current Maturity of Long Term Borrowing to Other Current Liabilities.

**10.20. Short Term Borrowings**

Figures in ₹ crore (Table 44)

Particulars	FY16	FY15	Change	% Change
Secured Loans	NIL	93.00	(93.00)	-100%
Unsecured Loans	1,518.99	1,671.78	(152.79)	-9%
<b>Total</b>	<b>1,518.99</b>	<b>1,764.78</b>	<b>(245.79)</b>	<b>-14%</b>

During the year, the Company reduced its Short Term Borrowings, mainly by repayment of some Commercial Papers.

**10.21. Trade Payables**

Figures in ₹ crore (Table 45)

Particulars	FY16	FY15	Change	% Change
Trade Payables	1,263.26	1,304.66	(41.40)	-3%

Trade payables marginally decreased during the year.

**10.22. Other Current Liabilities**

Figures in ₹ crore (Table 46)

Particulars	FY16	FY15	Change	% Change
Other Current Liabilities	2,861.94	2,705.56	156.38	6%

Other Current Liabilities increased mainly due to increase in current maturity of long-term debt.

**10.23. Net Worth (Shareholders' Funds)**

Figures in ₹ crore (Table 47)

Particulars	FY16	FY15	Change	% Change
Net Worth (Shareholders' Fund)	15,131.88	14,466.62	665.26	5%

The Net Worth of the Company increased by 5% during the year on account of profits for the year after dividends and statutory appropriation.

**11. Financial Performance – Consolidated**

Figures in ₹ crore (Table 48)

Particulars	FY16	FY15	Change	% Change
Total Income*	36,757.72	34,783.59	1,974.13	6%
Depreciation/Amortisation/Impairment	2,376.39	2,174.15	202.24	9%
Finance Costs	3,476.53	3,698.72	(222.19)	-6%
Exceptional Item	280.54	Nil	280.54	-
Profit Before Taxes	1,936.67	1,484.35	452.32	30%
<b>Profit/(Loss) After Taxes, Share of Associates, Minority Interest and Before Statutory Appropriations</b>	<b>873.35</b>	<b>167.83</b>	<b>705.52</b>	<b>420%</b>

\* Includes Regulatory Income/(Expenses)

The increase in Total Income was primarily on account of higher revenue from TPTCL and TPSSL offset by lower revenue from Tata Power Standalone, TPDDL and Coal Companies. Depreciation increased with increased capitalisation. Finance costs were lower mainly due to refinancing done by SPVs. Exceptional item consisted of impairment of goodwill arising from the Group's investment in coal companies in view of the recent volatility in the coal prices and provision for loss in respect of agreement for sale of investment in OTP Geothermal Pte. Ltd. offset by reversal of provision for impairment accounted by CGPL in earlier years, now no longer required.

### 11.1. Fixed Assets

Figures in ₹ crore (Table 49)

Particulars	FY16	FY15	Change	% Change
Tangible Assets	41,147.85	37,734.74	3,413.11	9%
Intangible Assets	377.55	365.20	12.35	3%
Capital Work-in-Progress	4,334.42	3,244.44	1,089.98	34%
Intangible assets under Development	209.70	78.75	130.95	166%
<b>Net Fixed Assets</b>	<b>46,069.52</b>	<b>41,423.13</b>	<b>4,646.39</b>	<b>11%</b>

Increase in the Net Fixed Assets was mainly due to additional capitalisation/CWIP in Mumbai Licensed area, TPDDL, MPL, TPREL, IEL, CGPL, Itezhi Tezhi Power Corporation and Cennergi Pty. Ltd.

### 11.2. Goodwill On Consolidation

Figures in ₹ crore (Table 50)

Particulars	FY16	FY15	Change	% Change
Goodwill on Consolidation	4,676.66	6,625.76	(1,949.10)	-29%

Goodwill on Consolidation decreased mainly due to impairment of goodwill arising from the Group's investment in coal companies in view of the recent volatility in the coal prices.

### 11.3. Non-Current Investments

Figures in ₹ crore (Table 51)

Particulars	FY16	FY15	Change	% Change
Investment in Associates	1,246.42	1,215.46	30.96	3%
Statutory Investments	375.92	357.11	18.81	5%
Others	1,564.78	1,563.33	1.45	-
Provision for diminution in value of Investment	(301.63)	(296.90)	(4.73)	2%
<b>Total</b>	<b>2,885.49</b>	<b>2,839.00</b>	<b>46.49</b>	<b>2%</b>

The marginal increase in Non-Current Investments was due to increase in Investment in Associates by way of booking profit for the year of Associates net of dividend received.

### 11.4. Current Investments

Figures in ₹ crore (Table 52)

Particulars	FY16	FY15	Change	% Change
Mutual Funds	463.27	605.57	(142.30)	-24%

Decrease in Current Investments was mainly on account of liquidation of temporary surplus funds invested in mutual funds by CGPL, IEL and Tata Power.

### 11.5. Loans And Advances

Figures in ₹ crore (Table 53)

Particulars	FY16	FY15	Change	% Change
Long Term	1,791.12	1,776.01	15.11	1%
Short Term	4,500.96	3,569.83	931.13	26%
<b>Total</b>	<b>6,292.08</b>	<b>5,345.84</b>	<b>946.24</b>	<b>18%</b>

There was marginal increase in long term Loans and Advances. Increase in short term Loans and Advances is mainly on account of short term loans given by KPC and Arutmin partially offset by reduction in short term loans given by Khopoli Investments.

**11.6. Trade Receivables**

Figures in ₹ crore (Table 54)

Particulars	FY16	FY15	Change	% Change
Trade Receivable	5,204.24	5,563.95	(359.71)	-6%

Decrease in Trade Receivables was mainly due to reduction in receivables in Tata Power, KPC, Arutmin and CGPL offset by increase in TPTCL and MPL.

**11.7. Other Current Assets**

Figures in ₹ crore (Table 55)

Particulars	FY16	FY15	Change	% Change
Trade Receivable from Regulatory Assets	1,547.86	900.71	647.15	72%
Unbilled Revenue	889.61	707.13	182.48	26%
Others	251.56	224.15	27.41	12%
<b>Total</b>	<b>2,689.03</b>	<b>1,831.99</b>	<b>857.04</b>	<b>47%</b>

In view of faster realization of Trade Receivables from Regulatory Assets, the erstwhile non-current portion shifted to current assets resulting in increase in Other Current Assets. The increase in unbilled Revenue was mainly in Tata Power, TPTCL and MPL.

**11.8. Other Non-Current Assets**

Figures in ₹ crore (Table 56)

Particulars	FY16	FY15	Change	% Change
Trade Receivable from Regulatory Assets	6,072.11	7,286.51	(1,214.40)	-17%
Others	325.58	335.97	(10.39)	-3%
<b>Total</b>	<b>6,397.69</b>	<b>7,622.48</b>	<b>(1,224.79)</b>	<b>-16%</b>

In view of faster realization of Trade Receivables from Regulatory Assets, the erstwhile non-current portion shifted to current assets resulting in reduction in Other Non-Current Assets.

**11.9. Long Term Borrowings**

Figures in ₹ crore (Table 57)

Particulars	FY16	FY15	Change	% Change
Secured Loans	23,901.27	23,436.45	464.82	2%
Unsecured Loans	10,395.54	8,956.68	1,438.86	16%
<b>Total</b>	<b>34,296.81</b>	<b>32,393.13</b>	<b>1,903.68</b>	<b>6%</b>

Increase in Long Term Borrowings was mainly due to additional borrowings in TPREL, Cennergi, Khopoli Investments and Tata Power offset by reduction in TPDDL, CGPL and MPL.

**11.10. Short Term Borrowings**

Figures in ₹ crore (Table 58)

Particulars	FY16	FY15	Change	% Change
Secured Loans	473.35	819.89	(346.54)	-42%
Unsecured Loans	2,481.72	3,766.67	(1,284.95)	-34%
<b>Total</b>	<b>2,955.07</b>	<b>4,586.56</b>	<b>(1,631.49)</b>	<b>-36%</b>



Decrease in Short Term Borrowings was mainly on account of decrease in borrowings in CGPL, Khopoli Investments, Tata Power and MPL partially offset by an increase in TPREL and TPDDL.

#### 11.11. Trade Payables

Figures in ₹ crore (Table 59)

Particulars	FY16	FY15	Change	% Change
Trade Payables	6,127.67	5,235.42	892.25	17%

Increase in Trade Payables was mainly in CGPL, TPREL and TPTCL partially offset by decrease in Arutmin and Tata Power.

#### 11.12. Other Current Liabilities

Figures in ₹ crore (Table 60)

Particulars	FY16	FY15	Change	% Change
Other Current Liabilities	10,413.39	10,497.14	(83.75)	-1%

Decrease in Other Current Liabilities was mainly due to decline in current maturities on long term debt offset by increase in interest accrued on borrowings and advances from customers.

#### 12. Internal Financial Controls and Risk Management

Your Company has established a strong and effective internal financial control mechanism and risk management framework. The details are provided in this Annual Report in Section 11 of the Board's Report.

##### 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.

## GLOSSARY

AA	Affirmative Action	EA2003	Electricity Act, 2003
ADB	Asian Development Bank	EDP	Employee Development Program
AGM	Annual General Meeting	EPC	Engineering Procurement Construction
APR	Annual Performance Review	FDA	Fixed Duration Associates
ARMC	Apex Risk Management Committee	FFS	Fixed Firing Stand
AT&C	Aggregate Technical and Commercial	FRMC	Functional Risk Management Committee
ATE	Appellate Tribunal for Electricity	FY	Financial Year
BCM	Billion Cubic Meters	GCC	General Conditions Contract
BEE	Bureau of Energy Efficiency	GIS	Gas Insulated Switchgear
BKC	Bandra Kurla Complex	GMI	Green Manufacturing Index
BRR	Business Responsibility Report	Gol	Government of India
BSI	British Standards Institute	GRI	Global Reporting Initiative
BU	Billion Units	GW	Gigawatt
CEA	Central Electricity Authority	HC	High Court
CEC	Chief Ethics Councillor	IEL	Industrial Energy Limited
CEI	Community Engagement Index	IFC	Internal Financial Controls
CEO	Chief Executive Officer	IIM	Indian Institute of Management
CERC	Central Electricity Regulatory Commission	IIT	Indian Institute of Technology
CESD	Centre of Excellence for Sustainable Development	IndAS	Indian Accounting Standards
CFO	Chief Financial Officer	INDC	Intended Nationally Determined Contribution
CGPL	Coastal Gujarat Power Limited	IPP	Independent Power Producer
CII	Confederation of Indian Industry	IR	Integrated Reporting
CIL	Coal India Limited	ITPC	Itezhi Tezhi Power Corporation
CKm	Circuit Kilometers	JJ	Jhuggi Jhopri
COSO	Committee of Sponsoring Organizations	JSERC	Jharkhand State Electricity Regulatory Commission
CSA	Control Self Assessment	KPC	Kaltim Prima Coal
CSR	Corporate Social Responsibility	KPO	Knowledge Process Outsourcing
DDG	Decentralized Distributed Generation	KSEB	Kerala State Electricity Board
DHS	Deloitte Haskins and Sells LLP	KV	Kilo Volt
DISCOM	Distribution Company	LED	Light Emitting Diode
DOA	Distribution Open Access	LNG	Liquid Natural Gas
DRDO	Defence Research & Development Organization	MCC	Millenium Challenge Corporation
DVC	Damodar Valley Corporation	MCGM	Municipal Corporation of Greater Mumbai

MD	Managing Director	SBD	Standard Biding Document
MDP	Management Development Program	SC	Scheduled Caste
MERC	Maharashtra Electricity Regulatory Commission	SED	Strategic Engineering Division
MNRE	Ministry of New & Renewable Energy	SHG	Self Help Group
MoEF	Ministry of Environment, Forest and Climate Change	SOP	Standards of Performance
MoP	Ministry of Power	ST	Scheduled Tribe
MPL	Maithon Power Limited	STEP	Strategic Training for Employees Program
MT	Million Tonnes	T&D	Transmission and Distribution
MTR	Mid Term Review	TACT	Technology Advisory Council
MUs	Million Units	TCOC	Tata Code of Conduct
MW	Megawatt	TCS	Tata Consultancy Services Limited
MYT	Multi Year Tariff	TGELS	Tata Group Executive Leadership Seminar
NED	Non-Executive Directors	TGeLS	Tata Group Emerging Leaders Seminar
NPA	Non Performing Assets	TGMDP	Tata Group Management Development Program
NRC	Nomination and Remuneration Committee	TGSLS	Tata Group Strategic Leadership Seminar
NREC	National Renewable Energy Committee	TMTC	Tata Management Training Centre
NRI	Non Resident Indian	TPC-D	Tata Power Company - Distribution
OEM	Original Equipment Manufacturer	TPCDT	Tata Power Community Development Trust
PAF	Plant Availability Factor	TPC-T	Tata Power Company - Transmission
PAT	Profit After Tax	TPDDL	Tata Power Delhi Distribution Limited
PGCIL	Power Grid Corporation of India Limited	TPREL	Tata Power Renewable Energy Limited
PLF	Plant Load Factor	TPSDI	Tata Power Skill Development Institute
PLPBC	Productivity Linked Performance Based Contract	TPSSL	Tata Power Solar Systems Limited
PPA	Power Purchase Agreement	TPTCL	Tata Power Trading Company Limited
PRI	Process Robustness Index	TTSL	Tata Teleservices Limited
PV	Photo Voltaic	UDAY	Ujwal Discom Assurance Yojna
QR Code	Quick Response Code	UMPP	Ultra Mega Power Project
RCM	Risk Control Matrix	USD	United States Dollar
RE	Renewable Energy	VDC	Village Development Committee
RMC	Risk Management Committee	VFD	Variable Frequency Drive
RMCI	Risk Mitigation Completion Index	WACC	Weighted Average Cost of Capital
RO	Reverse Osmosis	WBSEDCL	West Bengal State Electricity Distribution Company Limited
ROCE	Return on Capital Employed	XBRI	Extensive Business Reporting Language
RPO	Renewable Purchase Obligation	XLRI	Xavier Labour Relation Institute

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At Tata Power, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. 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 future.

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

This philosophy is reflected and practised through the Tata Code of Conduct (TCOC), 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, safeguarding the interests of all stakeholders. This is our path to sustainable and profitable existence and growth.

### Governance Guidelines

The Company has adopted Governance Guidelines to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, subsidiary oversight, Code of Conduct, Board effectiveness review and mandates of Board Committees. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the management.

The Company has adopted the requirements of Corporate Governance as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the disclosure requirements of which are given below:

### Board of Directors

#### Size and composition of the Board

As on 23<sup>rd</sup> May 2016, the Company's Board of Directors comprises 10 members, 2 of whom are Executive Directors and 8 are Non-Executive Directors (NEDs). Out of these 8 NEDs, 5 are Independent Directors. The Board's composition is in compliance with the requirements of Regulation 17(1) of the Listing Regulations.

These Directors bring in a wide range of skills and experience to the Board. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

The Board periodically evaluates the need for change in its composition and size.

The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in companies as on 31<sup>st</sup> March 2016:

Table 1

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of other Directorships <sup>(1)</sup>	No. of Committee positions held <sup>(2)</sup>	
				Chairman	Member
1.	Mr. Cyrus P. Mistry, Chairman	Non-Independent, Non-Executive	9	Nil	Nil

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of other Directorships <sup>(1)</sup>	No. of Committee positions held <sup>(2)</sup>	
				Chairman	Member
2.	Dr. Homiar S. Vachha	Independent, Non-Executive	7	5	4
3.	Mr. Nawshir H. Mirza		5	3	2
4.	Mr. Deepak M. Satwalekar		3	1	1
5.	Mr. Piyush G. Mankad		8	2	8
6.	Mr. Ashok K. Basu		8	4	6
7.	Mr. Pravin H. Kutumbe (Representative of LIC as Investor/Lender)	Non-Independent, Non-Executive	3	Nil	1
8.	Mr. Anil Sardana, CEO & Managing Director	Executive	5	Nil	1
9.	Mr. Ashok S. Sethi, COO & Executive Director		3	Nil	1

**Notes:**

- There are no inter-se relationships between the Board members.
- <sup>(1)</sup>Excludes directorship in Tata Power, alternate directorships and directorships in private companies, foreign companies and section 8 companies.
- <sup>(2)</sup>Disclosures includes memberships/chairmanships of the Audit Committee of Directors and Stakeholders Relationship Committee of Indian public companies (including Tata Power).
- None of the Directors on the Company were members of more than 10 Committees or acted as Chairperson of more than 5 Committees (as specified in Listing Regulations), across all the companies in which he/she was a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- None of the Directors held directorship in more than 20 Indian companies including 10 public limited companies.
- None of the Directors were related to any Director or member of an extended family.
- None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies. None of the Independent Directors is a Whole - Time Director in any other company.
- Mr. Anil Sardana, CEO & Managing Director and Mr. Ashok S. Sethi, COO & Executive Director are not Independent Directors of any other listed company.
- All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 (the Act). Formal letters of appointment have been issued to the Independent Directors.

**Term of Board membership**

As per the terms of the Governance Guidelines adopted by the Company, the Nomination and Remuneration Committee (the NRC) determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess expertise and insights in sectors / areas relevant to the Company, and have ability to contribute to the Company's growth. As per the Governance Guidelines, the retirement age for Managing / Executive Directors, NEDs and Independent Directors is 65 years, 70 years and 75 years, respectively.

**Selection and appointment of new directors**

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the NRC. Considering the existing composition of the Board and requirement of new domain expertise, if any, the NRC reviews the potential candidates. The assessment of members to the Board is based on a combination of criteria that include ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The NRC then places the details of the shortlisted candidates who meet these criteria, to the Board for its consideration. If the Board approves, the person is appointed as a Director, subject to the approval of the shareholders at the Company's general meeting.

**Letter of appointment**

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter *inter alia* containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality, etc. The terms and conditions of

appointment of Independent Directors are available on the Company's website [www.tatapower.com/pdf/Terms-&-conditions-of-IDs-appointment.pdf](http://www.tatapower.com/pdf/Terms-&-conditions-of-IDs-appointment.pdf)

### Securities held by Non-Executive Directors in the Company

Details of number of shares and convertible instruments held by the NEDs as on 31<sup>st</sup> March 2016.

Table 2

Name of Director	No. of Equity Shares held	No. of convertible instruments held
Mr. C. P. Mistry	72,960	Nil

### Board meetings

Dates for Board meetings in the ensuing year are decided in advance and circulated to all Directors. The agenda for each meeting, along with detailed notes, is circulated in advance to the Directors.

With a view to leverage technology and reducing paper consumption, the Company has adopted a digital application for transmitting Board / Committee agendas and notes. The Directors of the Company receive the Agenda notes in electronic form through this application, which is accessible through iPads. The application meets high standards of security and integrity that is essential for storage and transmission of sensitive information in electronic form.

6 Board meetings were held during the year and the gap between two meetings did not exceed 120 days. These were held on 19<sup>th</sup> May 2015, 13<sup>th</sup> August 2015, 12<sup>th</sup> October 2015, 9<sup>th</sup> November 2015, 5<sup>th</sup> February 2016 and 29<sup>th</sup> March 2016. One separate meeting of Independent Directors was also held on 29<sup>th</sup> March 2016, which was attended by all the Independent Directors.

Attendance of Directors during FY 2016:

Table 3

Sl. No.	Name of the Director and Business Relationship	Category of Directorship	No. of Board Meetings attended	Attendance at AGM held on 5 <sup>th</sup> August 2015
1.	Mr. Cyrus P. Mistry, Chairman	Non-Independent, Non-Executive	6	Yes
2.	Mr. R. Gopalakrishnan <sup>(1)</sup>		4	Yes
3.	Dr. Homiar S. Vachha	Independent, Non-Executive	6	Yes
4.	Mr. Nawshir H. Mirza		6	Yes
5.	Mr. Deepak M. Satwalekar		6	Yes
6.	Mr. Piyush G. Mankad		6	Yes
7.	Mr. Ashok K. Basu		6	Yes
8.	Ms. Vishakha V. Mulye <sup>(2)</sup>		3	Yes
9.	Mr. Thomas Mathew T. (Representative of LIC as Investor / Lender) <sup>(3)</sup>	Non-Independent, Non-Executive	Nil	N.A.
10.	Mr. Vijay K. Sharma (Representative of LIC as Investor / Lender) <sup>(3)</sup>		Nil	N.A.
11.	Mr. Pravin H. Kutumbe (Representative of LIC as Investor / Lender) <sup>(3)</sup>		3	N.A.
12.	Mr. Anil Sardana, CEO & Managing Director	Executive	6	Yes
13.	Mr. Ashok S. Sethi, COO & Executive Director		6	Yes

<sup>(1)</sup> Consequent to attainment of 70 years of age, Mr. Gopalakrishnan ceased to be Director of the Company w.e.f. close of business on 24<sup>th</sup> December 2015 as required by the Governance Guidelines adopted by the Company.

<sup>(2)</sup> Ms. Mulye resigned as Director of the Company w.e.f. 18<sup>th</sup> January 2016. Ms. Sandhya Kudtarkar was appointed as an Additional Director w.e.f. 16<sup>th</sup> April 2016.

<sup>(3)</sup> Mr. Mathew resigned as Director of the Company w.e.f. 30<sup>th</sup> April 2015. Mr. Sharma, Managing Director of LIC, who was appointed in place of Mr. Mathew on 19<sup>th</sup> May 2015, resigned as Director of the Company w.e.f. 1<sup>st</sup> July 2015. Mr. Kutumbe was later appointed as representative of LIC effective 7<sup>th</sup> September 2015, in place of Mr. Sharma.

### Information provided to the Board

The Board has unrestricted access to all Company-related information. At Board / Committee meetings, department heads and representatives who can provide additional insights into the items being discussed, are invited. The Company provides the following information *inter alia* to the Board, which is given either as part of the agenda or by way of presentations during the meetings:

- Annual operating plans and budgets, capital budgets and other updates.
- Quarterly, half-yearly and annual financial results of the Company and its operating divisions or business segments.
- Detailed presentations on business strategy and future outlook of the Company.
- Minutes of meetings of various Committees of the Board.
- Subsidiary companies' minutes, financial statements and significant transactions and investments.
- The information on recruitment and remuneration of key executives just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Significant regulatory matters concerning Indian or foreign regulatory authorities.
- Issues which involve possible public or product liability claims of a substantial nature, if any.
- Detailed analysis of potential acquisition targets or possible divestments.
- Details of any joint venture or collaboration agreements.
- Transactions that involve substantial payment toward goodwill, brand equity or intellectual property.
- Significant sale of investments, subsidiaries or assets which are not in the normal course of business.
- Materially important show cause, demand, prosecution and penalty notices, if any.
- Fatal or serious accidents or dangerous occurrences, if any.
- Significant effluent or pollution problems, if any.
- Material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
- Significant labour problems and their proposed solutions, if any.
- Significant developments in the human resources and industrial relations fronts.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory nature or listing requirements as well as shareholders' services such as non-payment of dividend and delays in share transfer, if any.

### Post meeting follow up mechanism

The important decisions taken at Board / Committee meetings are communicated to the concerned departments / divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board for information and further recommended action(s), if any.

### Meeting of Independent Directors

During the year, the Independent Directors of the Company met on 29<sup>th</sup> March 2016, without the presence of Executive Directors and other members of management. The Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole. They also assessed the quality and adequacy of the information between the Company's management and the Board.

### Annual Strategy Board Meet

During FY2016, an Annual Strategy Board meet was organized in October 2015. As a part of the agenda, the Board conducted a strategy review of the Company's business segments, and also future growth, risk orientation and resource optimization.

### Details of familiarisation programmes imparted to Directors including Independent Directors

The Board members of the Company (Independent and Non-Independent) are afforded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the Industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector.

All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

An offsite Board familiarisation programme was held in March 2016 for the Board members where various external speakers provided inputs on varied industry related topics. The web link of familiarisation programmes imparted to Directors is <http://www.tatapower.com/pdf/familiarisation-programme-for-directors.pdf>

In addition to the above, the Company has an exclusive web based information portal, which is made available to all Directors. This has sections on Company matters; Laws & Regulations; Sustainability aspects; Company's quarterly progress on various operating units, projects under construction etc.

### Code of Conduct

The Company has adopted the Code of Conduct for NEDs which includes details as laid down in Schedule IV to the Act. The web link for the same is [www.tatapower.com/aboutus/pdf/Code-of-Conduct-NEDs.pdf](http://www.tatapower.com/aboutus/pdf/Code-of-Conduct-NEDs.pdf). The Company has also adopted the TCOC for all its employees including Managing Director / Executive Director. The web link for the same is [www.tatapower.com/tcoc2015.pdf](http://www.tatapower.com/tcoc2015.pdf). All Board members and Senior Management personnel have affirmed compliance with their respective Code of Conduct. The CEO & Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.

### Remuneration to Directors

Details of remuneration to NEDs during and for the year under review:

[Gross Amount (₹)] Table 4

Name of the Director	Sitting Fees paid for FY16*	Commission payable for FY16**
Mr. Cyrus P. Mistry #	5,10,000	0
Mr. R. Gopalakrishnan	4,20,000	1,14,50,000
Dr. Homiar S. Vachha	8,10,000	1,00,00,000
Mr. Nawshir H. Mirza	5,40,000	87,00,000
Mr. Deepak M. Satwalekar	8,70,000	95,00,000
Mr. Piyush G. Mankad	5,10,000	39,50,000
Mr. Ashok K. Basu	2,10,000	31,00,000
Mr. Thomas Mathew T.	0	0
Ms. Vishakha V. Mulye §	0	0
Mr. Vijay K. Sharma	0	0
Mr. Pravin H. Kutumbe®	90,000	8,00,000

\* Excludes service tax

\*\* Commission relates to the financial year ended 31<sup>st</sup> March 2016, which was approved by the Board on 23<sup>rd</sup> May 2016, to be paid during FY17.

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

§ Ms. Mulye has not accepted receipt of any sitting fees or commission.

@ While the sitting fees for attending meetings were paid to Mr. Kutumbe, Nominee Director of LIC, the Commission of FY16 will be paid to LIC during FY17.

None of the NEDs had any pecuniary relationship or transactions with the Company other than the Directors' Fees and Commission received by them. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meeting.

The NEDs are paid remuneration by way of eCommission and Sitting Fees. The distribution of Commission amongst the NEDs is placed before the NRC and the Board. The Commission payment for the financial year ended 31<sup>st</sup> March 2016 was distributed broadly on the following basis:

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



**Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961 to the Managing Director and Executive Director.**

(₹) Table 5

Name	Salary & Allowances	@ Commission for FY16	Perquisites & Benefits	Retirement Benefits	Total
Mr. Anil Sardana, CEO & Managing Director	1,37,00,000	4,10,00,000	79,23,480	24,30,000	6,50,53,480
Mr. Ashok S. Sethi, COO & Executive Director	1,35,77,440	1,30,00,000	59,339	6,33,600	2,72,70,379

@ Commission (variable component) relates to the financial year ended 31<sup>st</sup> March 2016, which was approved by the Board on 23<sup>rd</sup> May 2016, to be paid during FY17.

Salient features of the agreements executed/to be executed by the Company with Mr. Sardana and Mr. Sethi, consequent upon obtaining Members' approval at the AGM:

Table 6

Terms of Agreement	Mr. Anil Sardana, CEO & Managing Director	Mr. Ashok S. Sethi, COO & Executive Director
<b>Period of appointment</b>	1-2-2016 to 31-1-2021	7-5-2014 to 31-3-2017
<b>Remuneration</b>	Basic salary upto a maximum of ₹ 9,50,000 p.m.	Basic salary upto a maximum of ₹ 6,00,000 p.m.
• Salary		
• 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.	
<b>Notice period</b>	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.	
<b>Severance fees</b>	There is no separate provision for payment of severance fees.	
<b>Stock Option</b>	Nil	

The above agreements are contractual in nature.

**Board Committees**
**➤ Mandatory Committees**

The Company has constituted the following mandatory committees:

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee.
- Risk Management Committee

**Audit Committee of Directors**

Currently, this Committee comprises the following:

- Dr. Homiar S. Vachha, Chairman
- Mr. Deepak M. Satwalekar, Member
- Mr. Piyush G. Mankad, Member
- Mr. Nawshir H. Mirza, Member

All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.

The Committee met 10 times during the year. These meetings were held on 29<sup>th</sup> April 2015, 18<sup>th</sup> May 2015, 7<sup>th</sup> July 2015, 12<sup>th</sup> August 2015, 6<sup>th</sup> November 2015, 17<sup>th</sup> December 2015, 22<sup>nd</sup> December 2015, 30<sup>th</sup> January 2016, 4<sup>th</sup> February 2016 and 28<sup>th</sup> March 2016, with the requisite quorum. The attendance details of the Committee meetings are as follows:

Table 7

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Dr. Homiar S. Vachha, Chairman	Independent, Non-Executive	10
2.	Mr. Deepak M. Satwalekar		9
3.	Mr. Piyush G. Mankad		10
4.	Mr. Nawshir H. Mirza (appointed w.e.f. 23 <sup>rd</sup> May 2016)		N.A.

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits.

The Board of Directors has entrusted this Committee with the responsibility of supervising these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Company has adopted the Charter of this Committee to bring the terms of reference, role and scope in conformity with the provisions of Section 177(4) of the Act and Regulation 18(3) read with Part C of Schedule-II of the Listing Regulations. The Charter specifies the composition, meetings, quorum, powers, roles and responsibilities etc. of the Committee.

#### The role and responsibilities of this Committee are:

- Oversight of the Company's financial reporting processes and disclosure of financial information to ensure that the financial statements are correct, complete, consistent with information known to the Committee members, sufficient and credible.
- Reviewing, with management, the quarterly/annual financial statements and Auditor's Report thereon, before submission to the Board for approval, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act
  - Any changes in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on exercise of judgement by management
  - Modified opinion(s) in the draft audit report
  - Significant adjustments made in the financial statements arising out of audit findings
  - The going concern assumption
  - Compliance with accounting standards and accounting principles
  - Compliance with stock exchange, legal and regulatory requirements concerning financial statements
  - Disclosure of any related party transactions.
- The effect of regulatory and accounting initiatives as well as off-balance-sheet structures, on the financial statements.
- Scrutinize inter-corporate loans and investments.
- Conduct a valuation of undertakings or assets of the Company, wherever it is necessary.
- To consider the valuation report submitted by an Independent Chartered Accountant pursuant to a Scheme of Arrangement (Amalgamation/Merger/Reconstruction/ Reduction of Capital etc.) and furnish a report recommending the Draft Scheme, taking into consideration, *inter alia*, the aforementioned valuation report.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and terms of appointment.
- Discuss with Statutory Auditor, before the audit commences, the nature and scope of audit plan as well as post-audit discussion / review to ascertain any area of concern and the coordination of audit effort.
- Review with Statutory Auditor, any audit problems or difficulties and management's response and resolve any disagreements of the Statutory Auditor with the management regarding financial reporting.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Review the adequacy of internal audit function, including the structure and charter of the internal audit department, (including outsourced internal audit firms), staffing and seniority of the official heading the department, reporting structure coverage budget and frequency of internal audit.
- Review the appointment, removal and terms of remuneration of the Chief Internal Auditor and external internal auditors.
- Appointment of Cost Auditors.
- Evaluate on a regular basis the adequacy of risk management systems.

- Review with the management, performance of statutory and internal auditors and outsourced internal audit firms, the quality, adequacy and effectiveness of internal control systems and any significant deficiencies or material weakness in the internal controls.
- Review the effectiveness of the system for monitoring compliance with applicable laws and regulations.
- Review the functioning of the vigil mechanism.
- Subsidiary company oversight.
- Review the financial statements, in particular, the investments made by the unlisted subsidiary.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditor.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- Approval or any subsequent modification of transactions of the listed entity with related parties.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Details in respect of frauds reported by auditors and branch auditors, other than those which are reportable to the Central Government.

**The Board has delegated the following powers to this Committee:**

- Investigate any activity within the scope of its Charter or referred to it by the Board.
- Appoint, compensate and oversee the work of any registered public accounting firm employed by the organization.
- Pre-approve all auditing and non-audit services.
- Seek any information from any employee or director of the Company.
- Engage independent counsel and other advisors and seek their advice.
- Secure attendance of outsiders with relevant expertise.
- Have full access to the books of accounts, company facilities, employees and any other service provider to the Company.
- Meet with Company officers, external auditors, or outside counsel, as necessary.
- Engage a valuer where a valuation needs to be made for any property, stock, shares, debentures, or goodwill or any other assets or net worth of the Company or its liabilities.

The Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The CEO & Managing Director, COO & Executive Director, Chief Financial Officer (CFO) and head of Internal Audit attend the meetings as per invitation by the Committee. The Statutory Auditors are also invited to the meetings. Mr. H. M. Mistry, the Company Secretary, acts as the Secretary of the Committee.

The internal and statutory auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. The permissible non-audit related services undertaken by the statutory auditors are also pre-approved by the Committee.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 14<sup>th</sup> May 2015) (the Regulations), the Board of Directors of the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Employees and other connected persons. The Code is based on the principle that Directors and the 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. Under the Code, the Committee is empowered:

- To approve policies in relation to the implementation of the Code and to supervise implementation of the Code.
- To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.

In terms of this Code, Mr. Ramesh N. Subramanyam, CFO continues to be 'Compliance Officer' and Mr. Anand Agarwal, Chief-Corp. Financial Planning & Investment Platform has been designated as the 'Chief Investor Relations Officer'.

### **Report of the Audit Committee for the year ended 31<sup>st</sup> March 2016**

The Audit Committee of Directors currently comprises 4 members, each of whom is an Independent Director as defined under the Act and Listing Regulations. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

The management has primary responsibility for the financial statements and reporting process, including the systems of internal controls. During 2015-16, the Committee met ten times. It discussed with the Company's internal auditors and statutory auditors the scope and plans for their respective audits. It also discussed the results of their examination, their evaluation of the Company's internal controls, and overall quality of the Company's financial reporting.

In fulfilling its oversight responsibilities, the Committee reviewed and discussed the Company's quarterly standalone audited and unaudited consolidated financial statements with the management.

Relying on the review and discussions with the management and the Independent auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with Indian Generally Accepted Accounting Principle (GAAP) in all material aspects.

To ensure that the accounts of the Company are properly maintained and that accounting transactions are in accordance with the prevailing laws and regulations, the Committee reviewed the internal controls put in place by the Company and in conducting such reviews, the Committee found no material discrepancy or weakness in the Company's internal control systems.

To support the above view, the Committee has reviewed the internal control processes. This is driven through a three pronged approach. The Internal Audit process is driven by the Internal Audit Plan which is carried out through its pillars which are the Risk & Control Matrix (RCM) and Control Self-Assessment (CSA) to provide holistic assurance.

#### **1. Risk based Internal Audit Plan**

For FY 16-17, the Internal Audit Plan is defined based on the audit universe (all processes) of the Company and is risk based. Vital / Essential / Desirable (VED) processes were selected through the alignment of each process of the Company to the organizational strategy and impact on business objectives such as Operational Excellence, Execution Excellence, Growth, Innovation and Risk, Sustainability and Profitability, Customer Affection and People Perspective. The Vital processes had been planned to be audited every year, whereas audit of Essential processes was planned once in two years. Desirable processes were to be audited once in three years. The audit areas were defined to ensure that all the processes were covered on a cyclical basis over a maximum period of three years. Further, the audit plan was also prioritized based on the focus areas (classified as High/Medium/Low) of the Company for the current year such as Impact of Risk, Fraud, Regulatory & Statutory Compliances and Impact of Accounts.

These audits in the plan above are of various types to ensure optimisation of cost of assurance. Hence, they cover process, spot and theme audits. Spot audit ensures optimum coverage of audit universe and effective utilization of man weeks to provide assurance on the operating effectiveness based on results of evaluation across all processes. Spot audits involve testing of responses to CSA questionnaire and robustness of PRI. Optimum utilization of man weeks are ensured through carrying out spots audits instead of Process audits in areas which have a high RCI, PRI and CSA scoring.

Theme audits are executed out of turn for areas which require focus due to criticality of operations, high risks or change in business scenarios based on discussion and inputs from the senior leaders. Some of the audits carried out in the current year included Contractors PF, 400 KV transmission line project, Tata Power long term investment review, review of related party transactions etc. The management had given positive feedback on these special reports and hence, proportion of these audits had been enhanced in 2015-16

#### **2. Risk and Control Matrix**

The RCM is of prime importance as it will form basis of testing effectiveness and assess compliances to the Internal Financial Controls (IFC). This project involved control documentation, identification of common controls, which has facilitated standardization of control ratings, sample size and testing methodology with an alignment to the COSO framework. There is a reduction of 31% expected in audit man-weeks (i.e. 330 man-weeks in FY 2016-17 as against 476 man-weeks in FY 2012-13) with better quality of assurance to the management and Committee due to several initiatives taken such as Control Self-Assessment (CSA), Spot Audit, RCM standardization, Data Analytics, Assurance Audit etc.

### 3. Control Self-Assessment

In the current year, CSA was rolled out to Tata Power Group companies as well for all the function level processes to enable the process owners to conduct a self-assessment of process controls along with a set of standard general controls. The action points coming out of the assessment are tracked by the process owners. The RCM controls are linked to the questions in CSA. This questionnaire is also automated to facilitate the auditees and HODs to give online responses and tracking through the system. CSA questions were released for 146 Function level processes in the current year. The internal audit function has persistently followed up to achieve an increased response rate of 100% for auditees and 100% in case of HODs. The input from CSA responses was used as a mechanism to decide the increased frequency of an audit area in 2016-17, which has enabled effective selection of audit areas and processes.

Further, as a step towards achievement of excellence in audit methodology, data analytics software has been put to use which assists in scientific sampling and exceptional reporting through large databases. It facilitates automation, builds reliability in analysis of transactions, assists in effective/focused field work which will improve the quality and give value added results. The by-product of use of this tool is reduction in man weeks and cost of audits.

During the year, the Committee also reviewed the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses.
- d) Change in accounting policy, as applicable
- e) Non-audit services being provided by the Statutory Auditors and concluded that such services were not in conflict with the independence of the Statutory Auditors
- f) Internal Financial Controls (IFC)
- g) Anti-fraud Framework
- h) Record keeping system
- i) Ind-AS

The Committee ensures that the Tata Code of Conduct has a mechanism such that no personnel intending to make a complaint relating to securities and financial reporting shall be denied access to the Audit Committee.

Homiar S. Vachha  
Chairman, Audit Committee

Place: Mumbai  
Date: 23<sup>rd</sup> May 2016

#### Nomination and Remuneration Committee

Currently, this Committee comprises the following:

- Mr. Nawshir H. Mirza, Chairman
- Mr. Cyrus P. Mistry, Member
- Dr. Homiar S. Vachha, Member
- Mr. Deepak M. Satwalekar, Member

The Committee met 6 times during the year. These meetings were held on 9<sup>th</sup> April 2015, 18<sup>th</sup> May 2015, 22<sup>nd</sup> July 2015, 1<sup>st</sup> December 2015, 8<sup>th</sup> February 2016, and 18<sup>th</sup> March 2016. The attendance details of these meetings are as follows:

Table 8

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Mr. Nawshir H. Mirza, Chairman	Independent, Non-Executive	6
2.	Dr. Homiar S. Vachha		6
3.	Mr. Deepak M. Satwalekar *		N.A.
4.	Mr. Cyrus P. Mistry	Non-Independent, Non-Executive	6
5.	Mr. R. Gopalakrishnan *		3

\*Mr. Gopalakrishnan ceased to be a member of the Committee consequent upon his cessation as director of the Company w.e.f. 24<sup>th</sup> December 2015. Mr. Satwalekar was appointed as member of the Committee on 23<sup>rd</sup> May 2016.

In terms of the provisions of Section 178(3) of the Act and Regulations 19(4) read with Part D of Schedule-II of the Listing Regulations, the Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a director. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. The Board has adopted the Policy on Board Diversity & Director Attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which are attached as Annexures II & III to the Board's Report. The Board has also adopted a Charter of this Committee which specifies its principles and objectives, composition, meetings, authority and power, responsibilities, reporting, evaluation etc.

In addition to the duties cast under Section 178 of the Act, the other responsibilities of this Committee are:

- Board Composition and succession related
- Evaluation related
- Remuneration related
- Board Development related
- Review of HR Strategy, Philosophy and Practices
- Other functions

**The Board has delegated the following powers to this Committee:**

- Investigate any activity within the scope of its Charter or referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.
- In the context of any of the above, it may also engage independent consultants and other advisors and seek their advice.

**Board Evaluation**

The Board carries out an annual evaluation of its own performance, as well as the working of its Committees. The Board works with the Committee to lay down the criteria for the performance evaluation. The contribution and impact of individual Directors is reviewed through a peer evaluation on parameters such as level of engagement and participation, flow of information, independence of judgement, conflicts resolution and their contribution in enhancing the Board's overall effectiveness. Feedback-cum-assessment of individual directors, the board as a whole and its committees is conducted. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

**Report of the Nomination and Remuneration Committee for the year ended 31<sup>st</sup> March 2016**

The Nomination and Remuneration Committee currently comprises 4 Directors. The Chairman of the Committee is an Independent Director as defined under the Companies Act, 2013 and Listing Regulations. The Committee operates under a charter from the Board of Directors. The charter requires the Committee to undertake work wider than the statutorily required minimum. Certain activities required board confirmation.

During the year, the Committee reviewed the following:

- Approved annual performance measures for the CEO & MD, COO & ED and CFO and evaluated performance. This was an important input in setting their compensation.
- Organised and undertook the annual assessment of the performance of every director and recommended the commission payable to each Non-Executive Director.
- The Committee also assisted in surveying Directors for assessing the performance of the Board. Based on this, it recommended appropriate changes to the functioning of the Board and certain Committees.
- Approved the annual increases in fixed and variable compensation to all employees and specifically approved them for senior managers.
- Reviewed and provided guidance on alignment of HR policies across the Tata Power group of companies.
- Recommended to the Board, changes in committee structure and membership.
- Recommended the appointment of a new member to the Board.
- Reviewed policy for committee membership and subsidiary company directorships.
- The Committee reviews major human resource policies and practices on a cyclic basis. It also reviews the outcome of various performance assessments, such as employee engagement scores.

The Committee spent approximately 18 hours in meetings during the year at most of which the KMPs and the head of corporate HR were present.

The outcome of the performance assessment of the Committee was satisfactory. However, the Committee felt that there was need to induct into it a person with HR expertise to replace that lost with the retirement of one of its members in December 2015.

Nawshir H. Mirza  
Chairman, Nomination and Remuneration Committee

Place: Mumbai  
Date: 23<sup>rd</sup> May 2016

### Corporate Social Responsibility Committee

Currently, this Committee comprises the following:

- Mr. Deepak M. Satwalekar, Chairman
- Mr. Anil Sardana, Member
- Mr. Ashok S. Sethi, Member

During the year, the Committee met twice on 23<sup>rd</sup> September 2015 and 8<sup>th</sup> March 2016. The attendance details of these meetings are as follows:

Table 9

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Mr. Deepak M. Satwalekar, Chairman	Independent, Non-Executive	2
2.	Ms. Vishakha V. Mulye <sup>(1)</sup>		1
3.	Mr. Anil Sardana	Executive	2
4.	Mr. Ashok S. Sethi <sup>(1)</sup>		-

<sup>(1)</sup>Ms. Mulye ceased to be a member of this Committee consequent upon her resignation from the Board w.e.f. 18<sup>th</sup> January 2016. Mr. Sethi was appointed as member of the CSR Committee on 29<sup>th</sup> February 2016 in her place.

The Company has adopted a CSR policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the Company website: <http://www.tatapower.com>.

The broad terms of reference of the Committee are as under:

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act or may be prescribed by the rules thereto;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause; and
- c) Monitor the CSR Policy of the Company from time to time.

### Report of the Corporate Social Responsibility Committee for the year ended 31<sup>st</sup> March 2016

The Corporate Social Responsibility (CSR) Committee currently comprises 3 Directors, including 2 Executive Directors. The Chairman of the Committee is an Independent Director as defined under the Companies Act, 2013 and Listing Regulations. The Committee operates under a written policy adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee believes that its primary responsibilities are to:

- Formulate, review and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII the Companies Act, 2013
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy
- Provide guidance on various CSR initiatives undertaken by the Company and to monitor their progress
- Monitor implementation and adherence to the CSR Policy of the Company from time to time

During the financial year, the Committee met twice to review and monitor the projects undertaken under the CSR policy.

The Committee also apprised the Board on key discussions and recommendations made at the Committee meetings and shared information on the overall CSR initiatives undertaken by the Company.

Deepak M. Satwalekar  
Chairman, Corporate Social Responsibility Committee

Place: Mumbai  
Date: 23<sup>rd</sup> May 2016

### Stakeholders Relationship Committee

Currently, the Committee comprises the following:

- Dr. Homiar S. Vachha, Chairman
- Mr. Pravin H. Kutumbe, Member
- Mr. Ashok S. Sethi, Member

The Committee met once during the year on 19<sup>th</sup> January 2016. The attendance details of this meeting are as follows:

Table 10

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Dr. Homiar S. Vachha, Chairman	Independent, Non-Executive	1
2.	Ms. Vishakha Mulye <sup>(1)</sup>		N.A.
3.	Mr. Pravin H. Kutumbe <sup>(1)</sup>	Non-Independent, Non-Executive	N.A.
4.	Mr. Ashok S. Sethi	Executive	1

<sup>(1)</sup>Ms. Mulye ceased to be a member of this Committee consequent upon her resignation from the Board w.e.f. 18<sup>th</sup> January 2016. Mr. Kutumbe was appointed as member of the SRC on 29<sup>th</sup> February 2016 in her place.

The Committee specifically discharges duties of servicing and protecting the interest of shareholders, redressing investors' complaints and requests.

The Board has adopted the Charter of the Committee which specifies the composition, meetings, quorum, authority and powers, roles and responsibilities etc. of the Committee.

### The role and responsibilities of this Committee are to:

- Review statutory compliance relating to all security holders.
- Resolution of the grievances of all security holders. This includes tracking and monitoring of the redressal of all security holders and investor complaints including complaints related to transfer of securities, non-receipt of annual report/declared dividends.
- Oversight of compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversight and review of all matters related to the transfer of securities of the Company.
- Ensure setting of proper controls and oversight of performance of the Registrar and Share Transfer Agent.
- Approval of issue of duplicate share certificates of the Company.
- Approval of transmission of securities.
- Review of movements in shareholding and ownership structure of the Company.
- Recommend measures for overall improvement of the quality of investor services.
- Conduct a Shareholder Satisfaction Survey to judge the level of satisfaction amongst shareholders.
- Suggest and drive implementation of various shareholder-friendly initiatives.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### The Board has delegated the following powers to this Committee:

- To investigate any activity within the scope of its Charter or referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.
- Ask for any records or documents of the Company.
- Engage independent consultants and advisors, including legal counsel or expert, as it deems appropriate.



**Name, designation and address of the Compliance Officer**

H. M. Mistry, Company Secretary  
 Bombay House, 24, Homi Mody Street, Mumbai 400 001  
 Tel: 022 66657515 Fax: 022 67171004

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Mr. H. M. Mistry, Company Secretary as the Compliance Officer. He is authorised to severally approve share transfers/transmissions, in addition to the powers with the members of the Committee. Share Transfer formalities are regularly attended to and at least once a fortnight.

All investor complaints which cannot be settled at the level of the Compliance Officer, are placed before the Committee for final settlement.

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

Table 11

Sl. No.	Description	Received	Replied	Pending
<b>A.</b>	<b>Letters received from Statutory Bodies</b>			
	Securities & Exchange Board of India	13	9	4
	Stock Exchanges	5	5	0
	Depositories (NSDL/CDSL)	0	0	0
	Ministry of Corporate Affairs	0	0	0
	Consumer Forum <sup>(1)</sup>	1	N.A.	1
<b>B.</b>	<b>Dividends</b>			
	Non-receipt of dividend warrants (pending reconciliation at the time of receipt of letters)	21	21	0
	<b>Total</b>	<b>40</b>	<b>35</b>	<b>5</b>

- For the 4 unresolved complaints received through the SEBI SCORES System (SCORES), the ATRs have been uploaded on SCORES and the same are pending for review with SEBI as on 31<sup>st</sup> March 2016.
- <sup>(1)</sup> The case before the Consumer Forum is being legally dealt with and is pending a decision.
- There were no pending Transfers/Demats as on 31<sup>st</sup> March 2016.

**Report of the Stakeholders Relationship Committee for the year ended 31<sup>st</sup> March 2016**

The Stakeholders Relationship Committee currently comprises 3 Directors, out of whom 2 members are Non-Executive Directors and 1 member is an Executive Director. The Chairman of the Committee is an Independent Director as defined under the Companies Act, 2013 and Listing Regulations. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee's primary responsibilities are to:

- Review investor complaints and their redressal
- Review of queries received from investors
- Review of work done by the Registrar & Share Transfer Agent
- Review of corporate actions related to security holders

The Committee met once during the financial year to review the status of investor grievances.

Homiar S. Vachha  
 Chairman, Stakeholders Relationship Committee

Place: Mumbai  
 Date: 23<sup>rd</sup> May 2016

**Risk Management Committee**

Currently, the Committee comprises the following:

- Dr. Homiar S. Vachha, Chairman
- Mr. Deepak M. Satwalekar, Member
- Mr. Nawshir H. Mirza, Member
- Mr. Ashok S. Sethi, Member
- Mr. Ramesh N. Subramanyam, Member
- Mr. Parshuram G. Date, Member

The Committee met thrice during the year. These meetings were held on 28<sup>th</sup> July 2015, 21<sup>st</sup> October 2015 and 22<sup>nd</sup> January 2016. The attendance details of these meetings are as follows:

Table 12

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Dr. Homiar S. Vachha, Chairman	Independent, Non-Executive	3
2.	Mr. Deepak M. Satwalekar		3
3.	Mr. Nawshir H. Mirza*		N.A.
4.	Mr. Ashok S. Sethi	Executive	3
5.	Mr. Ramesh N. Subramanyam	Chief Financial Officer	3
6.	Mr. Parshuram G. Date	Chief - Internal Audit & Risk Management	3

\*Mr. Mirza was appointed as member of the Committee on 23<sup>rd</sup> May 2016.

The Board has adopted Risk Management Strategy Document which specifies the objective, benefits of Risk Management, Risk Management Policy, Risk Management Process, Risk Organization Structure, Risk Culture etc. The Risk Management policy is available on the Company's website [www.tatapower.com](http://www.tatapower.com).

The role and responsibilities of this Committee include the following:

- To review Risk Management Policy and its deployment.
- To review Risk Management framework and its effectiveness and set direction.
- To monitor and review Risk Management Plan.
- To decide the risk appetite of the Company and, accordingly, guide the Board in taking up new investments.
- To review the major risks.
- To report high value risks and its mitigation to the Board.
- Such other functions as may be deemed fit.

#### Report of the Risk Management Committee for the year ended 31<sup>st</sup> March 2016

The Risk Management Committee currently comprises 6 Members, out of whom 3 are independent Directors and 1 is an Executive Directors. The Chief Financial Officer and Chief - Internal Audit & Risk Management are also members of this Committee. The Chairman of the Committee is an Independent Director as defined under the Companies Act, 2013 and Listing Regulations. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee met thrice during the financial year to review the status of mitigation of the key business and financial risks, risk management initiatives, evaluate residual risk thereof and recommend interventions from time to time.

The Risk Management Committee also apprised the Board on key discussions and recommendations made at the Committee meetings and shared information on enterprise wide risks.

To increase focus on critical strategic risks, the Committee revised its review mechanism and reviewed the following top 6 identified risks in detail:

1. Coastal Gujarat Power Limited (CGPL) - Timely resolution and implementation of CGPL PPA compensatory tariff.
2. Stiff fall in international coal prices adversely impacting the profitability of coal mines, thereby affecting their valuations.
3. Risk of becoming a marginal player in Power sector in India.
4. Risk in Mumbai business due to pressure on tariff in Distribution business and environmental issues.
5. Single country source of fuel.
6. Tata Power Solar Systems Limited- Technology obsolescence and policy changes happening at shorter intervals of time.

Besides the above critical strategic risks, the Committee reviews a summary report of top 5 risks for various risk categories. The risk summary includes material / significant mitigations planned / undertaken and its progress.

During the year, the Company has improved risk quantification methodology and started working of the impact of insurance on risk values making the risk evaluation more effective.

Tata Power and its major 8 subsidiaries have received the Statement of Compliance for ISO 31000:2009 for its Risk Management Systems. Also, surveillance assessment for Tata Power and its 8 subsidiaries under ISO 22301:2012 standard have been carried out by British Standard Institute (BSI), an external assessing agency, with higher score of 70% as against previous year's score of 55%.

Homiar S. Vachha  
Chairman, Risk Management Committee

Place: Mumbai  
Date: 23<sup>rd</sup> May 2016

### ➤ Non-Mandatory Committees

The following are the non-mandatory Committees of the Board:

#### Executive Committee of the Board

The Executive Committee of the Board (ECOB) comprises the following as on 31<sup>st</sup> March 2016:

- Mr. Cyrus P. Mistry, Chairman
- Mr. Nawshir. H. Mirza
- Mr. Deepak. M. Satwalekar
- Mr. Anil Sardana
- Mr. Ashok S. Sethi

This Committee covers a detailed review of the following items before being presented to the 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

#### Committee of Directors

Currently, this Committee comprises Mr. Deepak M. Satwalekar, Mr. Nawshir H. Mirza, Mr. Anil Sardana and Mr. Ashok S. Sethi. The role of this Committee is to approve Company's Working Capital lines to its subsidiaries and to provide Corporate Guarantees to secure Working Capital lines sanctioned to subsidiaries.

#### Committee of Executive Directors of the Board

Currently, this Committee comprises Mr. Anil Sardana and Mr. Ashok S. Sethi. The role of this Committee is to *inter alia* approve change in operating instructions of the Company's Bank Accounts; submission of Request for Qualification for any project and authorise execution of all documents, including Powers of Attorney, in connection with the same.

#### Committee for Bank Accounts and Financial Facilities

Currently, this Committee comprises Dr. Homiar S. Vachha and Mr. Ashok S. Sethi. The role of this Committee is to grant power of attorney to the officers of the Company to deal with day-to-day business operations such as banking, treasury, insurance, excise, customs, administration and dealing with other government/non-government authorities. It also approves opening or closing of bank accounts of the Company.

### ➤ Shareholders

#### General Body Meetings

The details of the last three Annual General Meetings (AGMs) are as follows:

Table 13

Financial Year ended	Day & Date	Venue	Special Resolutions passed
31 <sup>st</sup> March 2013	Friday, 16 <sup>th</sup> August 2013	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.	<ul style="list-style-type: none"> <li>• Commission to Non-Executive Directors</li> </ul>
31 <sup>st</sup> March 2014	Wednesday, 13 <sup>th</sup> August 2014		<ul style="list-style-type: none"> <li>• Private placement of Non-Convertible Debentures</li> <li>• Borrowing limits of the Company</li> <li>• Creation of Charges</li> <li>• Increase in limits of investments in other bodies corporate</li> </ul>
31 <sup>st</sup> March 2015	Wednesday, 5 <sup>th</sup> August 2015		<ul style="list-style-type: none"> <li>• Private placement of Non-Convertible Debentures</li> <li>• Increase in limits of investments in other bodies corporate</li> </ul>

During the year under review, no special resolution has been passed through the exercise of postal ballot. Currently, no special resolution is proposed to be conducted through postal ballot.

## Means of Communication to the shareholders

**Quarterly Results:** Quarterly and half-yearly reports are published in the following newspapers:

Table 14

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

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

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

**Website:** Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website: [www.tatapower.com](http://www.tatapower.com). The 'Investor Relations' section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, shareholding pattern, presentations made to analysts etc.

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

**Extensive Business Reporting Language (XBRL):** XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its Circular No.8/2012 dated 10<sup>th</sup> May 2012 [as amended on 29<sup>th</sup> 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 by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

**Factory visit:** To familiarise our Members with the Company's operations, based on requests by them, and as part of the Centenary year of the Company's operations, the Company arranged visits to its Khopoli Hydro Generating Station during FY16.

## General Shareholder Information

- (a) **Details of AGM** : Wednesday, 21<sup>st</sup> September 2016 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.
- (b) **Financial Year** : 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016
- (c) **Dividend Payment Date** : On and from 23<sup>rd</sup> September 2016
- (d) **Listing on Stock Exchanges** : The Company's Equity Shares are listed on the following 2 Stock Exchanges in India:
1. BSE Limited (BSE) (Regional Stock Exchange) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001
  2. 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 Luxembourg Stock Exchange, 35 Boulevard Joseph II, 1840, Luxembourg 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 Depository Receipts (GDRs). The GDRs are listed in and traded in Euro MTF market of Luxembourg Stock Exchange and are also available for trading on IOB (International Order Board) of London Stock Exchange.

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

Table 15

Sl. No.	Series	Amount outstanding as on 31/3/2016 (₹ crore)	Name of the Debenture Trustee with full contact details
1.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500	Central Bank of India Chander Mukhi, Nariman Point, Mumbai 400 021.
2.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500	Tel : 2202 6428 Fax : 2204 4336 E-mail : dtcbi@centralbank.co.in
3.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	170	Centbank Financial Services Limited Central Bank of India - MMO Building, 3rd Floor (East Wing), 55, Mahatma Gandhi Road, Fort, Mumbai 400 001. Tel : 2261 6217 Fax : 2261 6208 E-mail : info@cfsl.in
4.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	225	
5.	9.40% Redeemable Transferable Secured Non-Convertible Debentures	210	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001.
6.	10.75% Unsecured Debentures	1,500	
7.	11.40% Perpetual Bonds (also listed on BSE)	1,500	
8.	9.32% Unsecured, Redeemable, Non-convertible Debentures	1,000	Tel : 4080 7000 Fax : 6631 1776
9.	9.48% Unsecured, Redeemable, Non-convertible Debentures	500	E-mail : itsl@idbitrustee.com
10.	9.41% Unsecured, Redeemable, Non-convertible Debentures	500	

The Company has paid the requisite Annual Listing Fees to the Stock Exchanges for the financial year 2015-16.

(e) **Stock Code (For Equity Shares)**

Table 16

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

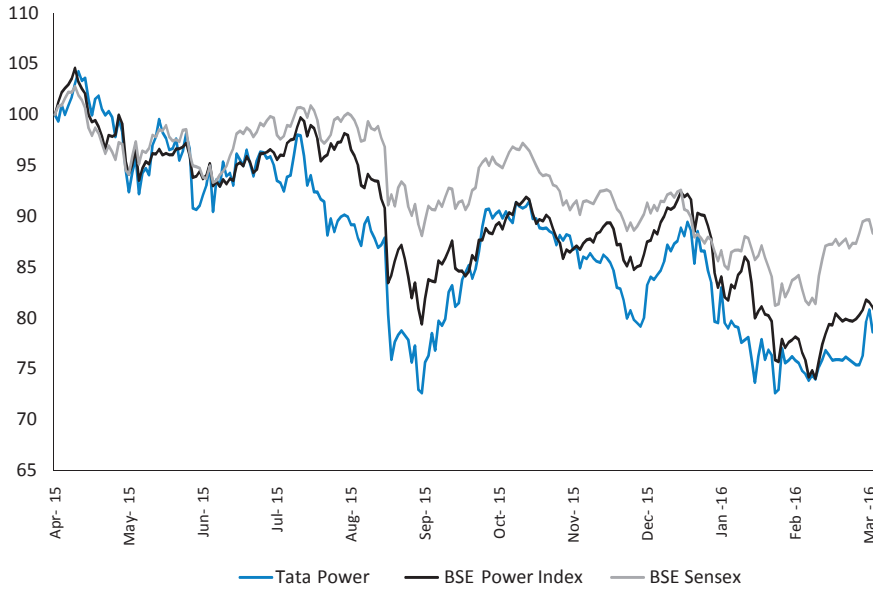
(f) **Market Price Data:** High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below :

Table 17

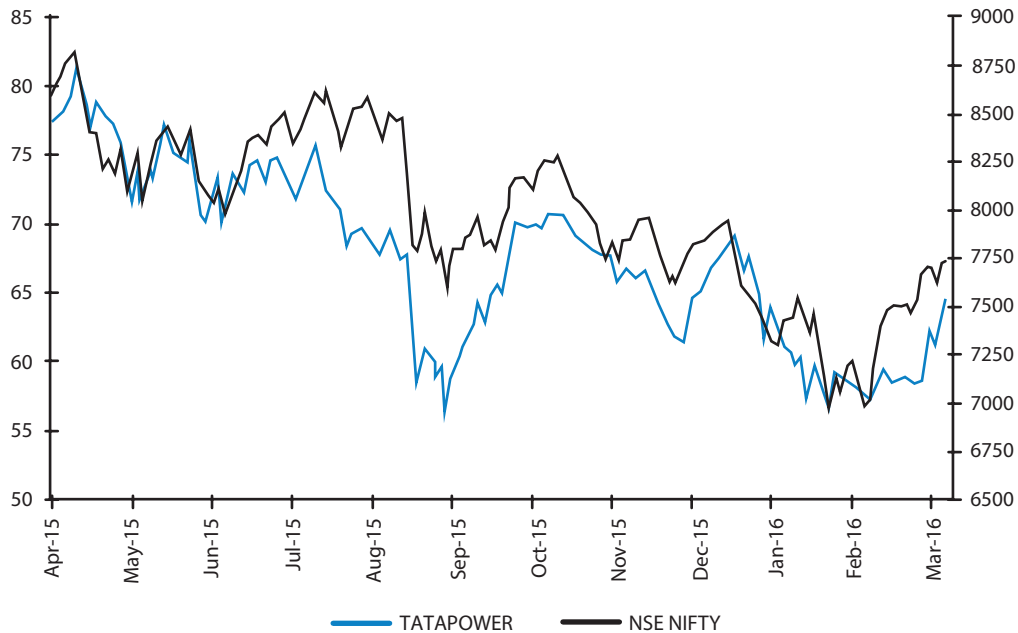
Stock Exchange	BSE			NSE			
	Month	High (₹)	Low (₹)	No. of shares traded during the month	High (₹)	Low (₹)	No. of shares traded during the month
	April 2015	80.85	75.85	1,20,38,085	81.20	75.80	5,05,73,835
	May 2015	77.20	71.50	85,51,773	77.30	71.50	7,53,16,592
	June 2015	76.10	70.15	1,09,24,664	76.10	70.00	7,46,69,556
	July 2015	76.00	68.35	84,93,002	76.00	68.30	5,99,96,053
	August 2015	69.90	58.85	1,10,58,088	69.90	58.50	8,11,59,365
	September 2015	66.05	56.30	68,91,581	66.05	56.15	6,89,73,086
	October 2015	70.95	65.75	69,15,742	70.95	65.85	6,97,17,053
	November 2015	68.90	65.85	62,03,179	68.85	65.85	5,37,12,911
	December 2015	67.90	61.40	73,59,413	67.90	61.45	5,11,60,031
	January 2016	69.35	60.15	68,79,622	69.35	60.00	6,38,12,499
	February 2016	60.55	56.30	85,74,247	60.60	56.30	8,22,15,482
	March 2016	64.65	58.30	1,07,99,756	64.65	58.40	9,22,36,206

**(g) Performance of Tata Power share price in comparison to BSE Sensex, Nifty and Power Index.**

(i) Normalised Tata Power share price in comparison to BSE Sensex and Power Index



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



(h) None of the Company's securities have been suspended from trading.

**(i) Registrars and Share Transfer Agents**

TSR Darashaw Limited (TSRDL)  
 6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio),  
 20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011.  
 Tel. :022 6656 8484, Fax :022 6656 8494  
 Email: csg-unit@tsrdarashaw.com Website:www.tsrdarashaw.com

For the convenience of Members based in the following cities, transfer documents and letters will also be accepted at the undermentioned branches / agency of TSRDL:

**Branches of TSRDL**

- |  |  |
|--|--|
| <p>1. 503, Barton Centre, 5th floor<br/>84, Mahatma Gandhi Road<br/>Bengaluru 560 001<br/>Tel : 080 2532 0321<br/>Fax : 080 2558 0019<br/>E-mail : tsrdlbg@tsrdarashaw.com</p> | <p>2. Bungalow No.1, 'E' Road<br/>Northern Town, Bistupur<br/>Jamshedpur 831 001<br/>Tel : 0657 242 6616<br/>Fax : 0657 242 6937<br/>E-mail: tsrdljsr@tsrdarashaw.com</p>  |
| <p>3. Tata Centre, 1st Floor<br/>43, Jawaharlal Nehru Road<br/>Kolkata 700 071<br/>Tel : 033 2288 3087<br/>Fax : 033 2288 3062<br/>E-mail : tsrdlcal@tsrdarashaw.com</p>       | <p>4. Plot No.2/42, Sant Vihar<br/>Ansari Road, Darya Ganj<br/>New Delhi 110 002<br/>Tel : 011 2327 1805<br/>Fax : 011 2327 1802<br/>E-mail : tsrdldel@tsrdarashaw.com</p> |

**Agent of TSRD**

Shah Consultancy Services Pvt. Limited  
3, Sumatinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad - 380 006  
Telefax : 079 2657 6038 E-mail : shahconsultancy8154@gmail.com

- (j) **Share Transfer System** Share transfers in physical form can be lodged with TSRDL at the abovementioned addresses.

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

- (k) **Shareholding details of the Company:**

- (i) Distribution of Shares as on 31<sup>st</sup> March 2016:

Table 18

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 5000	3,39,53,579	13,55,00,466	16,94,54,045	6.27	27,377	91.13	269,105	94.71	296,482	94.37
5001 - 10000	1,33,12,924	5,71,72,370	7,04,85,294	2.61	1,953	6.50	8,122	2.86	10,075	3.21
10001 - 20000	65,83,389	5,52,04,323	6,17,87,712	2.28	475	1.58	3,971	1.40	4,446	1.42
20001 - 30000	29,97,213	2,71,21,664	3,01,18,877	1.11	124	0.41	1,108	0.39	1,232	0.39
30001 - 40000	19,79,408	1,74,49,605	1,94,29,013	0.72	56	0.19	503	0.18	559	0.18
40001 - 50000	10,74,865	1,24,96,381	1,35,71,246	0.50	24	0.08	281	0.10	305	0.10
50001 - 100000	14,61,300	3,62,34,199	3,76,95,499	1.39	23	0.08	522	0.18	545	0.17
100001 and above	28,64,520	2,29,92,23,192	2,30,20,87,712	85.12	11	0.04	517	0.18	528	0.17
Total	6,42,27,198	2,64,04,02,200	*2,70,46,29,398	100.00	30,043	100.00	2,84,129	100.00	3,14,172	100.00

\*Excluding 29,76,172 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.

(ii) Shareholding pattern as on 31<sup>st</sup> March 2016:

Table 19

Particulars	Equity Shares of ₹ 1 each	
	No. of Shares	%
Promoters (including Promoter Group)	89,32,00,466	33.02
Directors and their relatives	93,560	0.00
Insurance Companies	56,43,57,027	20.87
Financial Institutions/Banks	1,39,38,587	0.52
Mutual Funds / UTI	7,82,29,018	2.89
Clearing Members	61,46,677	0.23
Corporate Bodies	1,63,31,912	0.60
Limited Liability Partnership-LLP	4,43,309	0.02
Trusts	47,41,303	0.18
Resident Individuals & HUF	38,07,07,674	14.08
Central / State Governments	36,49,169	0.13
Foreign Institutional Investors	44,84,72,478	16.58
Foreign Portfolio Investors – Corporate	26,03,21,434	9.63
Foreign Banks	22,95,746	0.08
OCBs	10,400	0.00
Foreign Nationals DR	2,82,200	0.01
Foreign Bodies DR	9,09,437	0.03
Global Depository Receipts	39,21,500	0.14
Non-Resident Indians	2,65,77,501	0.98
<b>Total</b>	<b>2,70,46,29,398</b>	<b>100.00</b>

(iii) Top 10 shareholders of the Company as on 31<sup>st</sup> March 2016:

Table 20

Sl. No.	Name of Shareholder	Total holdings	% to capital
1.	Tata Sons Limited	83,97,99,682	31.05
2.	Life Insurance Corporation of India	36,98,66,780	13.68
3.	Matthews Pacific Tiger Fund	16,56,20,436	6.12
4.	National Westminster Bank Plc As Depository of First State Global Emerging Markets Leaders Fund A Sub Fund of First State Investments ICVC	8,78,45,474	3.25
5.	The New India Assurance Company Limited	6,89,54,953	2.55
6.	General Insurance Corporation of India	6,81,76,404	2.52
7.	Tata Steel Limited	3,91,22,725	1.45
8.	Aberdeen Global Indian Equity (Mauritius) Limited	3,65,98,000	1.35
9.	SBI Mutual Funds	2,80,25,908	1.04
10.	Abu Dhabi Investment Authority	2,32,75,987	0.86
	<b>Grand Total</b>	<b>1,72,72,86,349</b>	<b>63.86</b>

(i) Dematerialisation of Shares as on 31<sup>st</sup> March 2016 and Liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Table 21

Particulars of Shares	Shares of ₹ 1 each		Shareholders	
	Number	% to total	Number	% to total
<b>Dematerialised form</b>				
NSDL	2,56,70,81,354	94.91	199,047	63.36
CDSL	7,33,20,846	2.71	85,082	27.08
<b>Sub-total</b>	<b>2,64,04,02,200</b>	<b>97.62</b>	<b>2,84,129</b>	<b>90.44</b>
<b>Physical form</b>	<b>6,42,27,198</b>	<b>2.38</b>	<b>30,043</b>	<b>9.56</b>
<b>Total</b>	<b>2,70,46,29,398</b>	<b>100.00</b>	<b>3,14,172</b>	<b>100.00</b>



(m) **Number of outstanding Global Depository Shares (GDS) as on 31<sup>st</sup> March 2016:**

- i. 989 (Issued in 1994 to Citibank NA)
- ii. 3,03,130 (Issued in 2009 to Bank of New York, Mellon)

(n) **Commodity price risk and hedging activity:**

The Company is exposed to risk from market fluctuations of coal price for its imported coal based power plant in India and also for sale of coal from its coal mines in Indonesia. The Company is in the process of setting up risk management framework for hedging the coal price risk.

(o) **Currency exchange risk and hedging activity:**

The Company is exposed to risk from market fluctuations of foreign exchange on coal import, Foreign Currency Loan, Project Import etc. The Company is actively managing its short term and long term foreign exchange risks within the framework laid down by the Company. The Company has set up a Forex Risk Management Committee, which reviews exposures on monthly basis and decides suitable hedging strategies. The Company is hedging its exposure by way of various hedge instruments such as Forward, Options or combination of both.

(p) **Plant Location of the Company and group companies:**

Table 22

Type of Plants	Address of Plants
Thermal Power Generating Plants	Trombay Generating Station, Mahul Road, Chembur, Mumbai, Maharashtra
	Jojobera Power Plant, Jojobera, Jamshedpur, Jharkhand
	Haldia Power Plant, HFC Complex, Patikhali Haldia, East Medinipur, West Bengal
Thermal Power Generating Plants	Mundra Ultra Mega Power Plant, Tunda-Vandh Road, Village Tunda Taluka Mundra , Kutchh, Gujarat (owned by Coastal Gujarat Power Ltd., a wholly owned subsidiary)
	Maithon Right Bank Thermal Power Plant, Village Dambhui, PO Barbindia Thana Nirsa, District Dhanbad, Jharkhand (owned by Maithon Power Ltd.- a subsidiary)
	Industrial Energy Ltd. C/o - The Tata Power Co. Ltd., Inside of Tata Steel Ltd., Kalinganagar, Jajpur, Jajpur Road , Dubri-755026, Odisha, India.
Hydro Generating Stations	Generating Station, Bhira P O Bhira, Taluka Mangaon, District Raigad, Maharashtra
	Generating Station, Bhivpuri, P O Bhivpuri Camp, Taluka Karjat, District Raigad, Maharashtra
	Generating Station, Khopoli, P.O.-Khopoli Power House, District Raigad, Maharashtra
	Generating Station, Itezhi Tezhi Power Corporation, Plot 3039, Makishi Road, Fairview, Post Net 239, Private Bag E891, Manda Hill, Lusaka, Zambia
Wind Farms	Village Shahjahanpur & Pimpalgaon, Taluka Parner, District Ahmednagar, Maharashtra
	Village Khandke, Taluka & District Ahmednagar, Maharashtra
	Village Valve, Taluka Sakri, District Dhulia, Maharashtra
	Jamjodhpur, Sadodar, Motapanch Devda, Samana, District Jamnagar, Gujarat.
	Hosur, Kanavi, Mulgund, Shiroland Harti, District Gadag, Karnataka.
	Village Sadawagapur, Taluka – Patan, District Satara Maharashtra
	Villages: Anikaduvu, Mongilphuluvu, Illupunagaram, Taluka Madathukulam, District Tripur, Tamil Nadu
	Village : Kannarwadi, Hiwarwadi & Agaswadi, Taluka Khatav, District Satara
	Village Sawarghar and Niwade, Taluka Patan, District Satara
	Visapur Wind Farm, Village Kokrale, Visapur, Girijashankarwadi & Rajachekurle, Taluka Khatav, District Satara
	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)
	Dwarka Wind Farm, village Bhatiya , Dist Khambhalia
	Rojmal Wind Farm, Village Rojmal, Dist Bhavnagar, Amreli, Gujarat
	Dangri Wind Farm, Village Dangri, Dist Jaisalmer, Rajasthan
	Lahori Wind Farm, Village Lahori, Dist Shajapur, Madhya Pradesh
Tsitsikama (TCWF) Wind Farm, Tsitsikama, South Africa	
Solar Plants	Mulshi (Khurd), Post Male, Taluka Mulshi, District Pune, Maharashtra
	Mithapur solar plant, Plot B, Survey No. 78, Mithapur, District Jamnagar, Gujarat
	Palaswadi, Taluka Maan, District Satara in Maharashtra

Type of Plants	Address of Plants
Transmission Division	Shil Road, Netivli, Kalyan, District Thane, Maharashtra
Distribution Division	Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra
Strategic Engineering Division	42/43 Electronic City Electronic City Post Office, Hosur Road, Bengaluru, Karnataka

- (q) **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  
E-mail: investorcomplaints@tatapower.com  
Website: www.tatapower.com

#### Other Disclosures

- There were no materially significant related party transactions during the year.
- The Board has received disclosures from senior management 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.
- 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 the Stock Exchanges, Securities and Exchange Board of India or any statutory authority.
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report 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 website. The Company affirms that no personnel have been denied access to the Audit Committee.
- All mandatory requirements as per Listing Regulations have been complied with by the Company. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:
  - The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
  - The half-yearly financial performance of the Company is sent to the Members in electronic form. The results are also put up on the Company's website.
  - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the CEO & Managing Director.
  - The Internal Auditor reports to the Audit Committee.
- The Company follows Accounting Standards issued by the Ministry of Corporate Affairs in the preparation of its financial statements.
- In terms of Regulation 17(8) of the Listing Regulations, the CEO & Managing Director and the Chief Financial Officer 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.
- Web link of (a) Policy for determining material subsidiaries and (b) Policy on dealing with related party transactions is <http://www.tatapower.com/aboutus/corporate-policies.aspx>
- Disclosure of commodity price risks and commodity hedging activities: The Company is exposed to risk from market fluctuations of foreign exchange on coal import. Forex Risk Management Committee reviews exposures on monthly basis and decides suitable hedging strategies. The Company is hedging its exposure by way of various hedge instrument such as Forward, Options or combination of both.
- The Company has complied with all the requirement of Corporate Governance Report as stated under sub-para (2) to (10) of section (C) of Schedule V to the Listing Regulations.
- The Company has complied with all the requirement of corporate governance as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 21<sup>st</sup> September 2016.

### Other Shareholder Information

- **Corporate Identity Number (CIN):** L28920MH1919PLC000567.
- **International Securities Identification Number (ISIN):** INE245A01021
- **TOLL FREE Investor Helpline**

The Company maintains a TOLL FREE Investor Helpline (No.1800-209-8484) to give Members the convenience of one more contact point with TSRDL, Registrar and Share Transfer Agent of the Company, for redressal of grievances/ responses to queries.

- **E-voting**

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

- **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 Regulation 62 of the Listing Regulations, a separate e-mail ID investorcomplaints@tatapower.com has been set up as a dedicated ID solely for the purpose of dealing with Members' queries/complaints.

### Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Table 23

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	Officer of the Registrar of Companies, Central Government Office Building, A-wing, 2 <sup>nd</sup> Floor, CBD Belapur, Navi Mumbai – 400 614, Maharashtra.  Application to be made in Form II prescribed by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
For the Financial Years 1995-96 to 2006-07	Transferred to the IEPF of the Central Government	No	Not applicable
For the Financial Years 2007-08 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Ltd., Registrars and Share Transfer Agent.

During the year, the Company sent a reminder to those Members who had not claimed their dividend or interest or principal amount. The following unclaimed amounts were transferred to IEPF:

Table 24

Particulars	Amount (₹)
Amounts transferred during financial year 2014-15:	
- Unclaimed dividend with the Company	87,34,730
- Legal outstanding cases to be retained	(2,56,956)
- Unclaimed matured deposits with the Company	0
- Interest accrued on the unpaid mature deposits	0
<b>Total amount transferred during the year</b>	<b>84,77,774</b>

The due dates for transfer to IEPF of the dividend remaining unclaimed / unpaid since 2009-15 are provided hereunder:

Table 25

Date of dividend declaration	Unclaimed Dividend	Last date for claiming payment from TSRDL
	(As on 31.03.2016)	
06.08.2009	1,05,64,199	05.08.2016
08.09.2010	1,15,44,084	07.09.2017
24.08.2011	1,33,81,675	23.08.2018
17.08.2012	1,42,22,816	16.08.2019
16.08.2013	1,47,53,670	14.08.2020
13.08.2014	1,85,96,191	12.08.2021
05.08.2015	2,06,12,955	04.08.2022

Members may visit the Company's website [www.tatapower.com](http://www.tatapower.com) (Investor Relations – Investor Helpdesk – Amounts pending transfer to IEPF) for tracking details of any unclaimed/unpaid amounts, pending transfer to IEPF. Members are requested to get in touch with TSRDL 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 Regulation 39(4) read with clause B of Schedule VI to the Listing Regulations, the Company has sent reminders 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 TSRDL 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.

**Payment of dividend or interest or redemption or repayment**

As required under Regulation 12 read with Schedule I to the Listing Regulations, companies are directed to use, either directly or through their RTA, any RBI approved electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer, etc. for making payment of dividend/interest on securities issued/redemption or repayment amount 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	
<ul style="list-style-type: none"> <li>• Easy portfolio monitoring</li> <li>• Elimination of bad deliveries</li> <li>• Elimination of all risks associated with physical certificates</li> <li>• No stamp duty is paid on transfer of shares</li> <li>• Immediate transfer / trading of securities</li> <li>• Faster settlement cycle</li> <li>• Faster disbursement of non-cash corporate benefits like Rights, Bonus etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic status reports and information available on internet</li> <li>• Ensures faster communication to investors</li> <li>• Ease related to change of address</li> <li>• Provides more acceptability and liquidity of securities</li> <li>• Postal delays and loss of shares in transit is prevented</li> <li>• Saves the shareholder from going through cumbersome legal processes to reclaim the lost/pilfered certificates</li> </ul>

**In view of the advantages of holding shares in electronic form, Members holding their Equity Shares in physical form are urged to demat their holdings.**

➤ **Depository Services**

Members may write to the respective Depository or to TSRDL for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited  
Trade World, 4<sup>th</sup> Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Tel. No. : 022 2499 4200  
Fax Nos.: 022 2497 6351  
e-mail: info@nsdl.co.in  
website: www.nsdl.co.in

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers  
17<sup>th</sup> Floor, Dalal Street  
Mumbai 400 023  
Tel. No.: 022 2272 3333  
Fax Nos.: 022 2272 3199  
e-mail: investor@cdslindia.com  
website: www.cdslindia.com

**Nomination Facility**

Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No. SH.13 to TSRDL. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. SH.13 can be obtained from TSRDL 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 Regulation 40(9) of the Listing Regulations with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Practicing Company Secretary for due compliance of share transfer formalities by the Company.

➤ **Secretarial Audit**

In terms of the Act, the Company appointed M/s. Parikh & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company for FY2016. The Secretarial Audit Report is provided as Annexure VIII to the Board's Report.

**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 shareholdings held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

iii) **Confidentiality of Security Details**

Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

iv) **Dealing with Registered Intermediaries**

Members should transact through a registered intermediary, who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

- v) **Obtain documents relating to purchase and sale of securities**  
A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.
- vi) **Update your Address**  
To receive all communications and corporate actions promptly, please update your address with the Company or DP, as the case may be.
- vii) **Prevention of Frauds**  
There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.
- viii) **Monitor holdings regularly**  
Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.
- ix) **PAN Requirement for Transfer of Shares in Physical Form**  
SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to TSRD for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy to TSRDL.
- 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 required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31<sup>st</sup> March 2016.

For The Tata Power Company Limited  
Anil Sardana  
CEO & Managing Director

Mumbai, 23<sup>rd</sup> May 2016.

## INDEPENDENT AUDITOR'S CERTIFICATE

### TO THE MEMBERS OF THE TATA POWER COMPANY LIMITED

1. We have examined the compliance of conditions of Corporate Governance by THE TATA POWER COMPANY LIMITED ("the Company"), for the year ended on 31<sup>st</sup> March, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

Mr. R A Banga  
(Membership No. 037915)

MUMBAI, 23<sup>rd</sup> May, 2016

NOTICE

BOARD'S REPORT

MD&amp;A

CG REPORT

STANDALONE

CONSOLIDATED

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF****THE TATA POWER COMPANY LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **THE TATA POWER COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the standalone financial statements:

- (a) Note 32(d) to the standalone financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crores accounted for as revenue in earlier periods and its consequential effects (Note 32 (d)) for the period upto 31st March, 2016. The impact of the same on the results for the year ended 31st March, 2016 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, adjustment, if any, including consequential adjustments to the deferred tax liability fund and the deferred tax liability account, will be recorded by the Company based on final outcome of the matter.

- (b) Note 29(a) to the standalone financial statements which describes the basis on which Management has considered that no provision is considered necessary for long-term investment in Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary of ₹ 6,030.42 crores, loans of ₹ 3,795.89 crores and guarantees of ₹ 2,984.67 crores to CGPL as at 31st March, 2016.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - (e) The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA  
Partner  
Membership Number: 037915  
MUMBAI, 23rd May, 2016.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **THE TATA POWER COMPANY LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA  
Partner  
Membership Number: 037915  
MUMBAI, 23rd May, 2016.

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Gross Block (as at the balance sheet date) ₹ crores	Remarks
Land at Vikhroli	25.94	Agreement is pending finalisation on account of dispute

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

Particulars of the land and building	Gross Block (as at the balance sheet date) ₹ crores	Remarks
Lease hold Land at Dehrand	225.60	The Company has received allotment letters from government, however, lease agreements are pending finalisation
Lease hold land at Ambivali village, Versova	21.16	
Land at Bhira	1.44	Agreement is pending finalisation
Land at Bhivpuri	0.77	Agreement is pending finalisation
Flats at Andheri	0.24	Agreement is pending finalisation
Land at Haldia	5.41	Agreement is pending finalisation
Land at Bhanwaj	*	Agreement is pending finalisation
Land at Sawle	*	Agreement is pending finalisation
Land at Sion Salt Pans	*	Agreement is pending finalisation
Land at Bhandup	0.02	Agreement is pending finalisation
Land at Mahul	0.07	Agreement is pending finalisation
Land at Wadhavli & Marawli	0.07	Agreement is pending finalisation
Land at Mahul	*	Agreement is pending finalisation
Land at Kambe	*	Agreement is pending finalisation
Land at Vadol - Ambernath	*	Agreement is pending finalisation
Land at Malusar	*	Agreement is pending finalisation
Building at Jojobera	238.16	Building is constructed on lease land for which agreement is pending finalisation

\* Denotes figures below ₹ 50,000/-

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for Generation, transmission, distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), other than for captive generation (as defined under the Electricity Rules, 2005) and machinery and mechanical appliances used in defence, space and atomic energy sectors. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) 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, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, 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, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2016 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 value added tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Customs Laws	Customs Duty	37.60	1993-94 to 1999-00 and 2012-13	Appellate Authority - upto Commissioner level
Maharashtra Tax on the Entry of Goods into Local Areas Act, 2002	Entry Tax	1,104.54	2006-07, 2007-08, 2009-10 and 2011-12	Appellate Authority- Joint Commissioner
		709.15	2005-06 and 2008-09	High Court
Maharashtra Value Added Tax Act, 2002	VAT	17.91	2008-09	Sales Tax Appellate Tribunal
Central Excise Laws	Excise Duty	0.90	1992-93 to 1995-96	Appellate Authority - upto Tribunal Level
The Water (Prevention & Control of Pollution) Cess Act, 1977	Cess	1.13	2009-10	Chairman MPCB

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA  
Partner  
Membership Number: 037915  
MUMBAI, 23rd May, 2016.

**Balance Sheet as at 31st March, 2016**

	Notes	Page	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital.....	3	142	270.48	270.48
Reserves and Surplus .....	4	143	14,461.48	14,196.14
			14,731.96	14,466.62
<b>UNSECURED PERPETUAL SECURITIES.....</b>	5	144	1,500.00	1,500.00
<b>STATUTORY CONSUMER RESERVES .....</b>	6	144	644.23	623.23
<b>SPECIAL APPROPRIATION TOWARDS PROJECT COST .....</b>			533.61	533.61
<b>SERVICE LINE CONTRIBUTIONS FROM CONSUMERS .....</b>			107.24	104.53
<b>NON-CURRENT LIABILITIES</b>				
Long-term Borrowings.....	7	145	9,000.73	8,795.63
Deferred Tax Liabilities (Net).....	8	148	1,140.68	1,024.98
Other Long-term Liabilities.....	9	148	137.46	93.93
Long-term Provisions .....	10	148	151.57	149.90
			10,430.44	10,064.44
<b>CURRENT LIABILITIES</b>				
Short-term Borrowings.....	11	149	1,518.99	1,764.78
Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 30) .....			24.60	17.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.....			1,238.66	1,287.55
Other Current Liabilities .....	12	149	2,861.94	2,705.56
Short-term Provisions.....	10	148	503.25	493.76
			6,147.44	6,268.76
<b>TOTAL.....</b>			<b>34,094.92</b>	<b>33,561.19</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets .....	13(a)	150	9,601.37	9,458.95
Intangible Assets.....	13(b)	151	140.54	141.99
Capital Work-in-Progress.....			485.66	472.35
Intangible Assets under Development.....			209.70	76.20
			10,437.27	10,149.49
Non-current Investments.....	14	152	13,474.68	13,208.89
Long-term Loans and Advances.....	15	154	4,256.64	3,549.34
Other Non-current Assets.....	16	155	2,329.84	2,937.16
			30,498.43	29,844.88
<b>CURRENT ASSETS</b>				
Current Investments.....	17	155	0.22	42.00
Inventories.....	18	156	689.05	669.18
Trade Receivables .....	19	156	1,073.40	1,576.13
Cash and Bank Balances .....	20	156	45.89	279.27
Short-term Loans and Advances.....	15	154	476.07	373.30
Other Current Assets .....	21	157	1,311.86	776.43
			3,596.49	3,716.31
<b>TOTAL.....</b>			<b>34,094.92</b>	<b>33,561.19</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

R. A. BANGA  
Partner

Mumbai, 23rd May, 2016.

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

Mumbai, 23rd May, 2016.

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

### Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	Page	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
<b>REVENUE</b>				
Revenue from Operations (Gross) .....	22	157	8,826.08	8,253.67
Less: Excise Duty .....	22	157	6.43	3.48
Revenue from Operations (Net).....	22	157	8,819.65	8,250.19
Other Income .....	23	158	555.13	1,024.68
<b>TOTAL REVENUE .....</b>			<b>9,374.78</b>	<b>9,274.87</b>
<b>EXPENSES</b>				
Cost of Power Purchased.....			792.95	953.09
Cost of Fuel.....			2,550.42	3,141.91
Transmission Charges.....			262.96	436.87
Cost of Components Consumed .....			397.66	374.30
Employee Benefits Expense .....	24	158	656.23	686.52
Finance Costs.....	25	159	1,155.99	1,047.46
Depreciation and Amortisation .....	13, 2.2	151, 141	665.65	575.29
Other Expenses.....	26	159	1,118.51	971.28
<b>TOTAL EXPENSES .....</b>			<b>7,600.37</b>	<b>8,186.72</b>
<b>PROFIT BEFORE TAX AND RATE REGULATED ACTIVITIES.....</b>			<b>1,774.41</b>	<b>1,088.15</b>
Add/(Less): Regulatory Income/(Expense) (Net) .....			(438.00)	423.00
Add: Regulatory Income (Net) in respect of earlier years.....			56.59	4.50
			(381.41)	427.50
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX .....</b>			<b>1,393.00</b>	<b>1,515.65</b>
Exceptional Item:				
Diminution in the Value of Non-trade Investments (Refer Note 29(b)).....			(226.48)	Nil
<b>PROFIT BEFORE TAX .....</b>			<b>1,166.52</b>	<b>1,515.65</b>
<b>TAX EXPENSE</b>				
Current Tax Expense.....			349.00	357.63
Excess Provision for Tax relating to Prior Years .....			(69.80)	Nil
Net Current Tax Expense.....			279.20	357.63
Deferred Tax Expense .....			115.70	147.73
			394.90	505.36
<b>PROFIT FOR THE YEAR .....</b>			<b>771.62</b>	<b>1,010.29</b>
<b>EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)</b>				
Basic (₹).....	42	177	2.36	3.30
Diluted (₹) .....	42	177	2.36	3.30
<b>See accompanying notes forming part of the Financial Statements</b>				

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

R. A. BANGA  
Partner

Mumbai, 23rd May, 2016.

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

Mumbai, 23rd May, 2016.

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

**Cash Flow Statement for the year ended 31st March, 2016**

	<b>For the year ended 31st March 2016 ₹ crore</b>	<b>For the year ended 31st March, 2015 ₹ crore</b>
<b>A. Cash flow from Operating Activities</b>		
Profit before tax.....	1,166.52	1,515.65
Adjustments for:		
Depreciation and Amortisation.....	665.65	575.29
Interest Income.....	(167.84)	(447.04)
Dividend Income.....	(358.66)	(513.87)
Gain on Sale of Current Investments.....	(9.31)	(23.06)
Gain on Sale of Non-current Investment.....	(10.57)	Nil
Discount Accrued on Bonds.....	(0.30)	Nil
Guarantee Commission.....	(25.20)	(19.71)
Transfer of Service Line Contributions.....	(10.26)	(9.45)
Finance Costs.....	1,155.99	1,047.46
(Gain)/Loss on Sale/Retirement of Assets (Net).....	(27.99)	(18.13)
Provision for Doubtful Debts and Advances (Net).....	65.50	(2.38)
Provision for Warranties.....	3.81	8.53
Provision for Diminution in value of Non-trade Investments.....	226.48	Nil
Provision for Diminution in value of Trade Investments.....	28.37	37.10
Exchange Loss on Investing/Financing Activity (Net).....	25.52	19.25
Unrealised Exchange Loss (Net).....	28.44	37.25
	<u>1,589.63</u>	<u>691.24</u>
Operating Profit before Working Capital Changes.....	2,756.15	2,206.89
Changes in working capital:		
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories.....	(19.87)	41.49
Trade Receivables.....	501.02	(253.77)
Short-term Loans and Advances.....	(48.46)	127.23
Long-term Loans and Advances.....	35.42	(96.09)
Other Current Assets.....	(651.56)	(205.19)
Other Non-current Assets.....	599.54	(361.39)
	416.09	(747.72)
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade Payables.....	(41.40)	246.98
Other Current Liabilities.....	(48.69)	259.38
Other Long-term Liabilities.....	43.53	7.83
Short-term Provisions.....	(0.51)	(15.66)
Long-term Provisions.....	3.03	28.24
	(44.04)	526.77
Cash Generated from Operations.....	3,128.20	1,985.94
Taxes Paid (Net).....	(140.75)	(298.04)
<b>Net Cash Generated from Operating Activities.....A</b>	<b>2,987.45</b>	<b>1,687.90</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets, including Capital Advances.....	(1,041.67)	(1,256.14)
Proceeds from Sale of Fixed Assets.....	64.99	28.10
Proceeds from Insurance Company for damage of Fixed Assets.....	Nil	29.78
Purchase of Long-term Investments		
Subsidiaries.....	(226.12)	(783.45)
Jointly Controlled Entities.....	(276.03)	(0.26)
Other Statutory Investments.....	(18.71)	Nil
Proceeds from Sale of Non-current Investments		
Associates.....	10.87	Nil
Purchase of Current Investments.....	(9,008.08)	(12,096.86)
Proceeds from Sale of Current Investments.....	9,059.39	12,079.28
Interest Received		
Subsidiaries.....	51.90	104.12
Others.....	152.09	140.74
Loans given to Subsidiaries and Jointly Controlled Entities.....	(1,255.22)	(1,547.08)
Loans repaid by Subsidiaries.....	357.71	1,185.06
Carried over.....	858.57	(428.81)



## Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

	For the year ended 31st March 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
Brought forward.....	858.57	(428.81)
Dividend Received		
Subsidiaries.....	402.97	479.70
Associates.....	4.85	4.89
Others.....	25.84	15.31
Guarantee Commission Received.....	26.17	16.26
Inter-corporate Deposit Placed.....	Nil	(350.00)
Inter-corporate Deposits Redeemed.....	Nil	326.00
Bank Balance not considered as Cash and Cash Equivalents.....	1.36	(0.86)
<b>Net Cash Used in Investing Activities..... B</b>	<b>(1,667.69)</b>	<b>(1,625.41)</b>
<b>C. Cash Flow from Financing Activities</b>		
Amount Received on Issue of Shares.....	0.02	1,989.32
Share Issue Expenses.....	(1.69)	(22.82)
Debenture Issue Expenses.....	Nil	(2.38)
Proceeds from Gain on Option Settlement.....	Nil	84.14
Increase in Capital/Service Line Contributions.....	12.98	19.53
Proceeds from Long-term Borrowings.....	921.24	2,080.76
Repayment of Long-term Borrowings.....	(517.18)	(2,607.61)
Proceeds from Short-term Borrowings.....	8,354.07	4,396.68
Repayment of Short-term Borrowings.....	(8,623.64)	(4,258.67)
Distribution on Unsecured Perpetual Securities.....	(170.85)	(171.00)
Other Borrowing Cost Paid.....	(24.13)	(31.75)
Interest Paid (including interest cost capitalised).....	(1,139.27)	(990.92)
Dividend Paid.....	(351.73)	(337.22)
Dividend Tax Paid.....	(11.60)	Nil
<b>Net Cash Generated from/(Used in) Financing Activities..... C</b>	<b>(1,551.78)</b>	<b>148.06</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents..... (A+B+C)</b>	<b>(232.02)</b>	<b>210.55</b>
<b>Cash and Cash Equivalents as at 1st April (Opening Balance).....</b>	<b>265.85</b>	<b>55.30</b>
<b>Cash and Cash Equivalents as at 31st March (Closing Balance).....</b>	<b>33.83</b>	<b>265.85</b>

## Notes:

1. Cash and Cash Equivalents include:

	As at 31st March 2016 ₹ crore	As at 31st March 2015 ₹ crore
(a) Cash and Cheques on Hand (includes cheques on hand ₹ Nil) (Previous Year - ₹ 0.02 crore).....	0.01	0.03
(b) Current Accounts with Banks.....	32.60	61.82
(c) Term Deposits with Banks.....	1.22	204.00
	<b>33.83</b>	<b>265.85</b>

2. Purchase of Investments in Subsidiaries and Jointly Controlled Entities include advance paid towards equity.  
3. Purchase of Long-term Investments in subsidiaries and loans repaid by subsidiaries include ₹ 49.85 crore (31st March, 2015 - ₹ 23.44 crore), ₹ 8.00 crore (31st March, 2015 - ₹ Nil) and ₹ Nil (31st March, 2015 - ₹ 118.64 crore) being loans given to Coastal Gujarat Power Limited and Tata Power Jamshedpur Distribution Limited and Tata Power Renewable Energy Limited respectively which were converted into Equity Share Capital.  
4. Previous year's figures have been regrounded, wherever necessary, to conform to current year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

R. A. BANGA  
Partner

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

Mumbai, 23rd May, 2016.

Mumbai, 23rd May, 2016.

## Notes forming part of the Financial Statements

### 1. Background:

The Company, pioneered the generation of electricity in India a century 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 2954 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 specified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention, except for Fixed Assets at Strategic Engineering Division, that are carried at revalued amount. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### (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/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 Company are segregated based on the available information.

#### (e) Tangible/Intangible Fixed Assets:

- (i) Fixed assets, except Tangible Assets at its Strategic Engineering Division are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use. The Company has adopted the provisions of para 46A of the Accounting Standard-11 (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 on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Company revalued all its Tangible assets that existed on 1st April, 2013 at its Strategic Engineering Division. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation/impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and

## Notes forming part of the Financial Statements

Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed/utilised.

- (ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.
- (iii) Capital Work-in-Progress:  
Projects under which tangible fixed assets are not yet 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 (I)] eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.
- (f) Impairment of Assets:

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

- (g) Depreciation/Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets in respect of electricity business is provided at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 generally in accordance with the provision of Schedule II of the Companies Act, 2013.

In respect of assets relating to other business of the Company, depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following category of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Motor Vehicles, Launches, Barges - 5 years

Intangible assets are amortised on straight line method over their estimated useful life or 5 years, whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

- (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, over the lease term.

## Notes forming part of the Financial Statements

(i) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. 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 after providing for obsolescence and other losses where considered necessary. 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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and Deferred Tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(l) Research and Development Expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible/intangible fixed assets.

(m) Provision for Warranty:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

(n) Foreign Currency Transactions and Translations:

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

## Notes forming part of the Financial Statements

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates.

All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences on restatement of long-term receivables from non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para below until disposal/recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal/recovery is recognised.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal is recognised.

The exchange differences arising on settlement/restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts:

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. 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 in foreign currency. Forward contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. All other derivative contracts are mark-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

(p) Employee Benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme, Pension (including Director pension), Ex-Gratia Death Benefits, Post Retirement Medical Benefits, Retirement Gifts, Compensated Absences, Hospitalisation in Service and Long-term Service Awards.

Defined contribution plans:

The Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

## Notes forming part of the Financial Statements

### Defined benefit plans:

For defined benefit plans in the form of Gratuity, Ex-Gratia Death Benefits, Retirement Gifts, Post Retirement Medical Benefits and Pension (including Director pension), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Hospitalisation in Service and Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### (q) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognised.

- (i) Revenue from Generation, Transmission and Distribution is recognised on an accrual basis and includes unbilled revenues accrued upto the end of the accounting year.
- (ii) The Company determines surplus/deficit (i.e. excess/shortfall of/in aggregate gain over Return on Equity entitlement) for the year in respect of its Mumbai and Jojobera regulated operations (i.e. Generation, Transmission and Distribution) based on the principles laid down under the respective Tariff Regulations as notified by Maharashtra Electricity Regulatory Commission (MERC) and Jharkhand State Electricity Regulatory Commission (JSERC) respectively on the basis of Tariff Orders issued by them. In respect of such surplus/deficit, appropriate adjustments as stipulated under the regulations are made during the year. Further, any adjustments that may arise on annual performance review by MERC and JSERC under the aforesaid Tariff Regulations is made after the completion of such review.
- (iii) Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered/confirmed by consumers.
- (iv) Interest income and guarantee commission is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.
- (v) Amounts received from consumers towards capital/service line contributions are accounted as a liability and are subsequently recognised as income over the life of the fixed assets.
- (vi) Revenue from infrastructure management services is recognised as income as and when services are rendered and no significant uncertainty to the collectability exists.
- (vii) Income on contracts in respect of Strategic Engineering Business and Project Management Services are accounted on "Percentage of Completion" basis measured by the proportion that cost incurred upto the reporting date bear to the estimated total cost of the contract.
- (viii) Revenue from Sale of Carbon Credits and Renewable Energy Certificates is recognised at the time of sale.

### (r) Issue Expenses and Premium on Redemption of Bonds and Debentures:

- (i) Expenses incurred in connection with the issue of Euro Notes, Foreign Currency Convertible Bonds, Unsecured Perpetual Securities, Global Depository Receipts and Debentures are adjusted against Securities Premium Account in the year of issue.
- (ii) Discount on issue of Bonds, Debentures and Euro Notes are amortised over the tenure.
- (iii) Premium on Redemption of Bonds/Debentures, net of tax impact, are adjusted against the Securities Premium Account in the year of issue.

## Notes forming part of the Financial Statements

(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".

(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. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

**2.2.** The Company during the year ended 31st March, 2014, changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly, the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 had increased by ₹ 234.98 crore and ₹ 7.59 crore respectively and ₹ 227.39 crore had been credited to the Revaluation Reserve.

**2.3.** In an earlier year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs (MCA), the Company had selected the option given in paragraph 46A of the Accounting Standard-11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items for the year ended 31st March, 2016 is ₹ 50.18 crore (31st March, 2015 - ₹ 128.56 crore). The unamortised portion carried forward as at 31st March, 2016 is ₹ 215.75 crore (31st March, 2015 - ₹ 243.60 crore).

## Notes forming part of the Financial Statements

## 3. Shareholders' Funds - Share Capital

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ crore	Number	₹ crore
<b>Authorised</b>				
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
<b>Issued</b>				
Equity Shares [including 29,76,172 shares (31st March, 2015 - 29,80,316 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].....	276,17,00,970	276.17	276,17,00,970	276.17
<b>Subscribed and Paid-up</b>				
Equity Shares fully Paid-up [excluding 29,76,172 shares (31st March, 2015 - 29,80,316 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].....	270,46,29,398	270.46	270,46,25,254	270.46
Less: Calls in arrears [including ₹ 0.01 crore (31st March, 2015 - ₹ 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
		270.42		270.42
Add: Equity Shares forfeited - Amount paid .....	16,52,300	0.06	16,52,300	0.06
<b>Total Issued, Subscribed and fully Paid-up Share Capital .....</b>		<b>270.48</b>		<b>270.48</b>

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ crore	Number	₹ crore
<b>Equity Shares</b>				
At the beginning of the year.....	270,62,77,554	270.48	237,47,24,660	237.33
Issued during the year.....	4,144	*	33,15,52,894	33.15
Outstanding at the end of the year .....	270,62,81,698	270.48	270,62,77,554	270.48

\* Denotes figures below ₹ 50,000/-

## (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, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.30 per share of Face Value of ₹ 1/- each (31st March, 2015 - ₹ 1.30 per share).

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

## (c) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2016		As at 31st March, 2015	
	Number	% Holding	Number	% Holding
<b>Equity Shares of ₹ 1/- each fully paid</b>				
Tata Sons Limited .....	83,97,99,682	31.05	82,18,99,682	30.39
Life Insurance Corporation of India .....	36,98,66,780	13.68	35,48,05,781	13.12
Matthews Pacific Tiger Fund .....	16,56,20,436	6.12	16,75,45,436	6.19



## Notes forming part of the Financial Statements

## 4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Capital Reserve</b> .....	61.66	61.66
<b>Revaluation Reserve</b>		
Opening Balance .....	222.31	224.79
Less: Amount transferred to Depreciation Fund consequent to change in accounting policy.....	Nil	2.48
Closing Balance.....	222.31	222.31
<b>Capital Redemption Reserve</b> .....	1.60	1.60
<b>Securities Premium Account</b>		
Opening Balance .....	5,572.48	3,641.51
Add: Share Premium collected during the year.....	0.02	1,956.17
Less: Issue Expenses pertaining to Rights Issue .....	Nil	22.82
Less: Issue Expenses pertaining to Debenture Issue.....	1.69	2.38
Closing Balance.....	5,570.81	5,572.48
<b>Debenture Redemption Reserve</b>		
Opening Balance .....	434.66	847.86
Add: Amount transferred from Surplus in Statement of Profit and Loss.....	110.58	Nil
Less: Amount transferred to Surplus in Statement of Profit and Loss .....	Nil	413.20
Closing Balance.....	545.24	434.66
<b>Foreign Currency Translation Reserves (Net)</b>		
Opening Balance .....	(11.46)	(26.03)
Less: Effect of foreign exchange rate variations during the year.....	Nil	14.57
Closing Balance.....	(11.46)	(11.46)
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Opening Balance .....	(51.92)	(136.01)
Add: Effect of foreign exchange rate variations during the year .....	(22.33)	(25.08)
Less: Amortised during the year .....	29.75	109.17
Closing Balance.....	(44.50)	(51.92)
<b>General Reserve</b>		
Opening Balance .....	3,789.08	3,688.05
Add: Amount transferred from Surplus in Statement of Profit and Loss.....	77.16	101.03
Closing Balance.....	3,866.24	3,789.08
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance .....	4,177.73	3,345.31
Add: Profit for the year .....	771.62	1,010.29
Reversal of additional Income tax on Dividend in respect of earlier year .....	20.74	24.72
Transfer from Debenture Redemption Reserve .....	Nil	413.20
Less: Distribution on Unsecured Perpetual Securities [Net of tax ₹ 59.19 crore (31st March, 2015 - ₹58.12 crore)].....	111.85	112.88
Proposed Dividend [₹1.30 per share (31st March, 2015 - ₹ 1.30 per share)] .....	351.99	351.99
Additional Income-tax on Dividend.....	47.93	32.34
Transfer to Contingencies Reserve Fund .....	21.00	10.00
Transferred on account of change in useful life of assets [Net of Deferred Tax ₹ Nil (31st March, 2015 - ₹3.89 crore)] .....	Nil	7.55
Transfer to Debenture Redemption Reserve.....	110.58	Nil
Transfer to General Reserve.....	77.16	101.03
Closing Balance.....	4,249.58	4,177.73
<b>Total</b> .....	<b>14,461.48</b>	<b>14,196.14</b>

## Notes forming part of the Financial Statements

## 5. Unsecured Perpetual Securities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Unsecured Perpetual Securities .....	1,500.00	1,500.00
<b>Total</b> .....	<b>1,500.00</b>	<b>1,500.00</b>

In an earlier year the Company raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years. The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such Securities is not considered under "Finance Costs".

## 6. Statutory Consumer Reserves

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

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Tariffs and Dividends Control Reserve</b> .....	22.43	22.43
<b>Contingencies Reserve Fund</b>		
Opening Balance .....	86.00	76.00
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	21.00	10.00
Closing Balance .....	107.00	86.00
<b>Development Reserve</b> .....	5.29	5.29
<b>Deferred Taxation Liability Fund</b> .....	279.76	279.76
<b>Investment Allowance Reserve</b> .....	121.18	121.18
<b>Debt Redemption Reserve</b> .....	51.94	51.94
<b>Debenture Redemption Reserve</b> .....	56.63	56.63
<b>Total</b> .....	<b>644.23</b>	<b>623.23</b>

## Notes forming part of the Financial Statements

## 7. Long-term Borrowings

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current ₹ crore	Current ₹ crore	Non-current ₹ crore	Current ₹ crore
<b>Secured</b>				
<b>Redeemable Non-Convertible Debentures</b>				
(a) 9.15% Series 2025 .....	154.00	16.00	170.00	16.00
(b) 9.15% Series 2025 .....	200.00	25.00	225.00	25.00
(c) 9.40% Series 2022 .....	210.00	Nil	210.00	Nil
(d) 10.10% Series 2018 .....	500.00	Nil	500.00	Nil
(e) 10.40% Series 2018 .....	500.00	Nil	500.00	Nil
(f) 7.10% Series 2015 .....	Nil	Nil	Nil	180.00
	<b>1,564.00</b>	<b>41.00</b>	<b>1,605.00</b>	<b>221.00</b>
<b>Term Loans</b>				
<b>From anIB</b>				
(g) HDFC Bank.....	1,056.56	72.19	1,058.75	41.25
(h) ICICI Bank.....	60.00	Nil	Nil	Nil
(i) IDBI Bank.....	482.50	35.00	517.50	35.00
(j) Kotak Mahindra Bank .....	516.25	25.50	320.51	24.25
(k) IDFC Bank.....	1,038.00	90.10	Nil	Nil
	<b>3,153.31</b>	<b>222.79</b>	<b>1,896.76</b>	<b>100.50</b>
<b>From Others</b>				
(l) Asian Development Bank .....	44.35	12.67	57.02	12.67
(m) Indian Renewable Energy Development Agency Limited.....	301.52	35.13	336.65	35.13
(n) Infrastructure Development Finance Company Limited.....	Nil	Nil	1,058.10	90.10
(o) Export Import Bank of India.....	Nil	Nil	Nil	0.31
	<b>345.87</b>	<b>47.80</b>	<b>1,451.77</b>	<b>138.21</b>
	<b>(A) 5,063.18</b>	<b>311.59</b>	<b>4,953.53</b>	<b>459.71</b>
<b>Unsecured</b>				
<b>Redeemable Non-Convertible Debentures</b>				
(p) 10.75% Series 2072 .....	1,500.00	Nil	1,500.00	Nil
(q) 9.41% Series 2023 .....	500.00	Nil	Nil	Nil
(r) 9.48% Series 2019 .....	500.00	Nil	500.00	Nil
(s) 9.32% Series 2017 .....	1,000.00	Nil	1,000.00	Nil
	<b>3,500.00</b>	<b>Nil</b>	<b>3,000.00</b>	<b>Nil</b>
<b>Bonds</b>				
(t) 8.50% Euro Notes (2017) .....	394.54	Nil	372.21	Nil
<b>Term Loans</b>				
<b>From Banks</b>				
(u) ICICI Bank.....	Nil	2.90	2.90	5.80
(v) JP Morgan Chase Bank.....	Nil	200.00	200.00	Nil
(w) BNP Paribas .....	Nil	210.00	210.00	Nil
	<b>Nil</b>	<b>412.90</b>	<b>412.90</b>	<b>5.80</b>
<b>Deferred Payment Liabilities</b>				
(x) Sales Tax Deferral .....	43.01	13.98	56.99	11.15
	<b>(B) 3,937.55</b>	<b>426.88</b>	<b>3,842.10</b>	<b>16.95</b>
<b>Total .....</b>	<b>(A+B) 9,000.73</b>	<b>738.47</b>	<b>8,795.63</b>	<b>476.66</b>

## Notes forming part of the Financial Statements

## 7. Long-term Borrowings (Contd.)

## Security

- (i) The Debentures mentioned in (a) have been secured by a charge on movable properties and assets of the Company at Agaswadi and Visapur in Satara District of Maharashtra and Poolavadi in Tirupur District of Tamil Nadu.
- (ii) The Debentures mentioned in (b) have been secured by a *pari passu* charge on the assets of the wind farms situated at Samana and Gadag in Gujarat and Karnataka.
- (iii) The Debentures mentioned in (c) have been secured by a charge on the land situated at Village Takve Khurd (Maharashtra).
- (iv) The Debentures mentioned in (d) and (e) have been secured by a *pari passu* charge on land in Village Takve Khurd (Maharashtra) and movable and immovable properties in and outside Maharashtra, except assets of windmill projects, present and future.
- (v) The Debentures mentioned in (f) had been secured by a charge on land in Village Takve Khurd (Maharashtra), movable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra, except assets of windmill projects, present and future.
- (vi) The Loans from HDFC Bank and IDBI Bank, mentioned in (g) and (i) respectively have been secured by a *pari passu* charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including movable machinery, machinery spares, tools and accessories.
- (vii) The Loan from ICICI Bank, mentioned in (h) secured by way of first *pari passu* charge on all the movable assets (excluding land and buildings), present and future (except assets of all wind mill projects present and future), including movable machinery, current assets, machinery spares, tools and accessories.
- (viii) 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 all wind mill projects, both present and future) including movable machinery, machinery spares, tools and accessories.
- (ix) The Loan from IDFC Bank (Loan from Infrastructure Development Finance Company Limited has been transferred to IDFC Bank on its demerger), mentioned in (k) and (n) have been secured by a *pari passu* charge on all movable Fixed Assets (excluding land and building), present and future (except assets of all wind projects both present and future) including movable machinery, machinery spares, tools and accessories.
- (x) The Loans from Asian Development Bank and Indian Renewable Energy Development Agency Limited mentioned in (l) and (m) respectively have been secured by a first charge on the tangible movable properties, plant & machinery and immovable properties situated at Khandke, Brahmanvel and Sadawaghapur in Maharashtra.
- (xi) The Loan from Export Import Bank of India mentioned in (o) had been secured by receivables (present and future), book debts and outstanding monies.

## 7. Long-term Borrowings (Contd.)

### Terms of Repayment

Particulars	Sanction Amount	Outstanding as at 31st March, 2016	Financial Year															
			FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29			
<b>Secured Redeemable Non-Convertible Debentures</b>																		
(a) 9.15% Series 2025.....	250.00	170.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	26.00	-	-
(b) 9.15% Series 2025.....	350.00	225.00	25.00	25.00	25.00	25.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	-	-
(c) 9.40% Series 2022.....	210.00	210.00	-	-	-	-	-	210.00	-	-	-	-	-	-	-	-	-	-
(d) 10.10% Series 2018.....	500.00	500.00	-	-	500.00	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) 10.40% Series 2018.....	500.00	500.00	-	-	500.00	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Term Loans</b>																		
<b>From Banks</b>																		
(g) HDFC Bank.....	1,500.00	1,128.75	72.19	78.75	83.30	383.30	53.30	53.30	53.30	53.30	53.30	53.30	53.30	53.30	79.55	114.24	26.42	24.50
(h) ICICI Bank.....	280.00	60.00	-	-	-	-	9.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	3.00	-	-	-
(i) IDBI Bank.....	700.00	517.50	35.00	35.00	35.00	35.00	235.00	15.00	127.50	-	-	-	-	-	-	-	-	-
(j) Kotak Mahindra Bank.....	638.00	541.75	25.50	38.75	38.75	38.75	38.75	38.75	38.75	38.75	38.75	38.75	38.75	38.75	65.00	53.75	87.50	-
(k,n) IDFC Bank.....	1,650.00	1,128.10	90.10	90.10	329.95	147.05	64.55	64.55	64.55	64.55	134.55	104.55	104.55	104.55	4.55	4.55	4.55	24.50
<b>From Others</b>																		
(l) Asian Development Bank.....	205.00	57.02	12.67	12.67	12.67	12.67	6.34	-	-	-	-	-	-	-	-	-	-	-
(m) Indian Renewable Energy Development Agency Limited.....	545.00	336.65	35.13	35.13	35.13	35.13	32.20	29.26	29.26	29.26	29.26	29.26	29.26	76.15	-	-	-	-
<b>Unsecured Redeemable Non-Convertible Debentures</b>																		
(p) 10.75% Series 2072.....	1,500.00	1,500.00	1,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(q) 9.41% Series 2023.....	500.00	500.00	-	-	-	-	-	-	500.00	-	-	-	-	-	-	-	-	-
(r) 9.48% Series 2019.....	500.00	500.00	-	-	-	500.00	-	-	-	-	-	-	-	-	-	-	-	-
(s) 9.32% Series 2017.....	1,000.00	1,000.00	-	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Bonds</b>																		
(t) 8.50% Euro Notes (2017) *.....	USD 59.56 million	USD 59.56 million	-	USD 59.56 million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Term Loans</b>																		
<b>From Banks</b>																		
(u) ICICI Bank.....	29.00	2.90	2.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) JP Morgan Chase Bank.....	200.00	200.00	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(w) BNP Paribas.....	210.00	210.00	210.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deferred Payment Liabilities</b>																		
(x) Sales Tax Deferral.....	Nil	56.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The 10.75% Redeemable Non-Convertible Debentures 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 viz. 21st August, 2022 and at the end of every year thereafter.

\* represents outstanding amount as at 31st March, 2016 - ₹ 394.54 crore

## Notes forming part of the Financial Statements

## 8. Deferred Tax Liabilities (Net)

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Deferred Tax Liability on account of:</b>		
Relating to Fixed Assets.....	1,516.08	1,403.75
Balance in Deferred Tax Liability Fund.....	(279.76)	(279.76)
<b>Deferred Tax Liability</b> .....	<u>1,236.32</u>	<u>1,123.99</u>
<b>Deferred Tax Asset on account of:</b>		
Provision for Employee Benefits.....	38.69	37.10
Provision for Tax, Duty, Cess, Fee etc. ....	22.57	44.26
Provision for Doubtful Debts and Advances.....	19.15	17.65
Others.....	15.23	Nil
<b>Deferred Tax Asset</b> .....	<u>95.64</u>	<u>99.01</u>
<b>Net Deferred Tax Liability</b> .....	<u><b>1,140.68</b></u>	<u><b>1,024.98</b></u>

## 9. Other Long-term Liabilities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Trade Payables (Refer Note 30)</b> .....	33.12	29.92
<b>Others</b>		
Consumers' Benefit Account.....	21.94	21.94
Security Deposits from Customers.....	82.40	42.07
<b>Total</b> .....	<u><b>137.46</b></u>	<u><b>93.93</b></u>

## 10. Provisions

	As at 31st March, 2016		As at 31st March, 2015	
	Long-term ₹ crore	Short-term ₹ crore	Long-term ₹ crore	Short-term ₹ crore
<b>Provision for Employee Benefits</b>				
Compensated Absences.....	77.07	5.86	77.57	5.41
Gratuity (Net) [Refer Note 35(c)(ii)].....	Nil	28.66	Nil	26.17
Post-Employment Medical Benefits [Refer Note 35(c)(ii)].....	20.57	0.73	18.49	0.64
Other Defined Benefit Plans [Refer Note 35(c)(ii)].....	34.30	5.28	33.72	5.04
Other Employee Benefits.....	17.27	2.18	16.40	2.76
	<u>149.21</u>	<u>42.71</u>	<u>146.18</u>	<u>40.02</u>
<b>Provision - Others</b>				
Provision for Warranties.....	2.36	29.80	3.72	26.39
Provision for Premium on Redemption of Debentures.....	Nil	Nil	Nil	40.50
Provision for Income-tax (Net).....	Nil	29.74	Nil	Nil
Provision for Wealth Tax.....	Nil	1.08	Nil	2.52
Provision for Proposed Dividend.....	Nil	351.99	Nil	351.99
Provision for Additional Income-tax on Dividend.....	Nil	47.93	Nil	32.34
	<u>2.36</u>	<u>460.54</u>	<u>3.72</u>	<u>453.74</u>
<b>Total</b> .....	<u><b>151.57</b></u>	<u><b>503.25</b></u>	<u><b>149.90</b></u>	<u><b>493.76</b></u>

## Notes forming part of the Financial Statements

## 11. Short-term Borrowings

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Secured</b>		
<b>From Banks</b>		
(a) Short-term Loans.....	Nil	93.00
<b>Unsecured</b>		
<b>From Banks</b>		
(b) Buyer's Line of Credit .....	370.06	286.78
(c) Short-term Loans.....	148.93	185.00
<b>From Others</b>		
(d) Commercial Paper [maximum amount outstanding during the year is ₹ 1,950.00 crore (31st March, 2015 - ₹ 1,525.00 crore)] .....	1,000.00	1,200.00
	<u>1,518.99</u>	<u>1,671.78</u>
<b>Total</b> .....	<b>1,518.99</b>	<b>1,764.78</b>

**Security**

Loan from banks is secured against first *pari passu* charge over all current assets of the Company, present and future, with other working capital lenders, except for specific wind assets (for which charge has been ceded).

## 12. Other Current Liabilities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
(a) Current Maturities of Long-term Debt (Refer Note 7) .....	738.47	476.66
(b) Interest accrued but not due on Borrowings .....	298.20	293.87
(c) Investor Education and Protection Fund shall be credited by the following amounts namely: **		
Unpaid Dividend.....	14.75	14.49
Unpaid Matured Deposits .....	0.03	0.03
Unpaid Matured Debentures .....	0.09	0.09
(d) Book Overdraft .....	Nil	0.85
(e) Other Payables		
Statutory Liabilities .....	121.18	171.12
Regulatory Liabilities .....	1,033.59	903.86
Payables towards Purchase of Fixed Assets .....	208.06	269.41
Advance and Progress payments received from Customers/Public Utilities ...	121.09	243.86
Security Deposits from Consumers.....	170.29	152.21
Security Deposits from Customers.....	2.73	4.95
Tender Deposits from Vendors .....	0.91	2.00
Other Liabilities .....	152.55	172.16
<b>Total</b> .....	<b>2,861.94</b>	<b>2,705.56</b>

\*\* Includes amounts outstanding aggregating ₹ 0.84 crore (31st March, 2015 - ₹ 0.85 crore) for more than seven years pending legal cases.

Notes forming part of the Financial Statements

13. Fixed Assets

	GROSS BLOCK		DEPRECIATION		NET BLOCK As at 31st March, 2016
	As at 1st April, 2015	Additions Deductions	As at 1st April, 2015	For the year	
	31st March, 2016	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2016	
<b>(a) TANGIBLE ASSETS</b>					
<b>Land</b>					
(a) Freehold Land.....	342.21	3.60	Nil	Nil	345.81
	338.36	3.85	Nil	Nil	342.21
(b) Leasehold Land.....	629.22	2.05	Nil	19.70	597.05
	327.37	301.85	Nil	5.79	609.52
<b>(i) Owned Assets</b>					
1. Hydraulic Works.....	534.30	0.67	Nil	240.67	277.13
	533.44	0.86	Nil	223.17	293.63
2. Buildings - Plant.....	1,012.46	89.48	23.05	340.00	728.41
	953.04	75.57	16.15	334.06	672.46
3. Buildings - Others.....	213.46	6.59	Nil	66.66	148.24
	177.60	35.89	0.03	56.42	146.80
4. Coal Jetty.....	106.10	Nil	Nil	33.59	66.91
	106.10	Nil	Nil	27.99	72.57
5. Railway Sidings, Roads, Crossings, etc.....	52.13	0.54	Nil	20.81	29.85
	51.91	0.22	Nil	19.07	31.32
6. Plant and Machinery.....	10,639.08	440.14 #	222.42	5,092.09	5,525.19
	10,068.23	680.53 #	109.68	4,773.08	5,546.99
7. Transmission Lines, Cable Network, etc.....	2,434.24	253.52	4.89	774.41	1,807.14
	2,016.77	418.87	1.40	683.19	1,659.83
8. Furniture and Fixtures.....	73.53	5.78	0.62	31.78	41.11
	63.42	10.33	0.22	26.93	41.75
9. Office Equipment.....	30.77	2.24	0.45	15.52	11.67
	25.03	6.24	0.50	9.54	15.25
10. Motor Vehicles, Launches, Barges, etc.....	45.74	1.60	1.41	35.25	9.81
	48.37	1.48	4.11	31.38	10.49
11. Helicopters.....	37.00	0.01	Nil	20.81	13.05
	37.00	Nil	Nil	17.67	16.19
<b>(ii) Assets taken on lease</b>					
Motor Vehicles under Finance Lease.....	Nil	Nil	Nil	Nil	Nil
	1.18	Nil	1.18	1.08	Nil
<b>TOTAL TANGIBLE ASSETS</b>	<b>16,150.24</b>	<b>806.22</b>	<b>252.84</b>	<b>6,691.29</b>	<b>9,601.37</b>
	<b>14,747.82</b>	<b>1,535.69</b>	<b>133.27</b>	<b>6,217.49</b>	<b>6,691.29</b>

Notes:

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

# Additions to Plant and Machinery include ₹ Nil (31st March, 2015 - ₹49.44 crore) and depreciation of ₹ 20.43 crore (31st March, 2015 - ₹19.39 crore) on account of Foreign Currency Exchange Differences.

Fixed Assets having Gross Block of ₹ 1,827.49 crore (31st March, 2015 - ₹1,789.10 crore) [Net Block ₹ 581.44 crore (31st March, 2015 - ₹569.29 crore)] are on leased land for which agreement is pending finalisation.

Previous year's figures are in italics.



## Notes forming part of the Financial Statements

## 13. Fixed Assets (Contd.)

	GROSS BLOCK		AMORTISATION		NET BLOCK	
	As at 1st April, 2015	As at Additions 31st March, 2016	As at 1st April, 2015	For the Deductions year 31st March, 2016	As at 31st March, 2016	As at 31st March, 2016
<b>(b) INTANGIBLE ASSETS</b>						
1. Technical Know-How and Prototypes !.....	55.08	13.74	16.09	11.14	27.23	41.59
	37.06	18.02	8.44	7.65	16.09	38.99
2. Licences \$ .....	0.26	Nil	0.26	Nil	0.26	Nil
	0.26	Nil	0.26	Nil	0.26	Nil
3. Computer Software \$ .....	124.32	23.66	21.32	27.71	49.03	98.95
	46.81	77.56	9.61	11.76	21.32	103.00
<b>TOTAL INTANGIBLE ASSETS .....</b>	<b>179.66</b>	<b>37.40</b>	<b>37.67</b>	<b>38.85</b>	<b>76.52</b>	<b>140.54</b>
<b>2014-2015</b>	<b>84.13</b>	<b>95.58</b>	<b>18.31</b>	<b>19.41</b>	<b>37.67</b>	<b>141.99</b>

Notes:

- ! Internally generated intangible assets.  
\$ Other than internally generated intangible assets.  
Previous year's figures are in italics.

**Depreciation/Amortisation:**

Depreciation on Tangible Assets .....	626.80	567.32
Less: Amount written off to Surplus in the Statement of Profit and Loss .....	Nil	11.44
Add: Amortisation on Intangible Assets .....	38.85	19.41
<b>Total .....</b>	<b>665.65</b>	<b>575.29</b>

For the year ended 31st March, 2016 ₹ crore	626.80	567.32
	Nil	11.44
	38.85	19.41
	<b>665.65</b>	<b>575.29</b>

**Notes forming part of the Financial Statements**

**14. Non-current Investments**

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>A. Trade Investment (valued at cost less diminution other than temporary, if any)</b>					
<b>a. Equity Shares fully Paid-up (unless otherwise stated)</b>					
<b>(i) Investment in Subsidiary (Quoted)</b>					
NELCO Ltd. ....	1,10,99,630	1,10,99,630	10	11.07	11.07
<b>Investment in Subsidiaries (Unquoted)</b>					
Chemical Terminal Trombay Ltd. ....	1,86,200	1,86,200	100	37.81	37.81
Powerlinks Transmission Ltd. #.....	23,86,80,000	23,86,80,000	10	238.68	238.68
Tata Power Trading Co. Ltd. ....	1,60,00,000	1,60,00,000	10	37.00	37.00
Maithon Power Ltd. ....	111,65,99,120	111,65,99,120	10	1,116.83	1,116.83
Industrial Energy Ltd. # .....	49,28,40,000	46,53,12,000	10	492.84	465.31
Coastal Gujarat Power Ltd. # .....	603,04,20,000	598,05,70,000	10	6,030.42	5,980.57
Bhira Investments Ltd. ....	10,00,000	10,00,000	USD 1	4.10	4.10
Bhivpuri Investments Ltd. ....	7,46,250	7,46,250	Euro 1	4.08	4.08
Khopoli Investments Ltd. ....	4,70,07,350	4,70,07,350	USD 1	255.20	255.20
Trust Energy Resources Pte. Ltd. ....	12,47,63,344	12,47,63,344	USD 1	575.02	575.02
Tata Power Delhi Distribution Ltd. ....	28,15,20,000	28,15,20,000	10	200.93	200.93
Tata Power Jamshepur Distribution Ltd. ....	80,50,000	50,000	10	8.05 **	0.05
Industrial Power Utility Ltd. ....	1,10,000	1,10,000	10	0.11	0.11
Tata Power Renewable Energy Ltd. # .....	50,61,07,715	48,76,07,715	10	506.11	487.61
Dugar Hydro Power Ltd. ....	4,32,50,002	3,80,00,002	10	43.25	38.00
Tata Power Solar Systems Ltd. ....	2,29,77,567	67,77,567	100	310.32	148.31
Tata Power International Pte. Ltd. ....	1,79,50,000	1,79,50,000	USD 1	107.68	107.68
				<u>9,968.43</u>	<u>9,697.29</u>
**Less: Provision for diminution in value of investments other than temporary .....				8.05	Nil
				<u>9,960.38</u>	<u>9,697.29</u>
<b>(ii) Investment in Associates (Unquoted)</b>					
Yashmun Engineers Ltd. ....	19,200	19,200	100	0.01	0.01
The Associated Building Co. Ltd. ....	1,400	1,400	900	0.13	0.13
Dagachhu Hydro Power Corporation Ltd. ....	10,74,320	10,74,320	Nu 1,000	107.43	107.43
Tata Projects Ltd. ....	9,67,500	9,67,500	100	85.01	85.01
				<u>192.58</u>	<u>192.58</u>
<b>(iii) Investment in Jointly Controlled Entities (Unquoted)</b>					
Tubeid Coal Mines Ltd. #.....	1,81,17,800	1,78,36,000	10	18.12 **	17.84 **
Itezhi Tezhi Power Corporation.....	4,52,500	Nil	ZMW 1	275.74	Nil
Mandakini Coal Company Ltd. #.....	3,93,00,000	3,93,00,000	10	39.30 **	39.30 **
				<u>333.16</u>	<u>57.14</u>
**Less: Provision for diminution in value of Investments other than temporary .....				57.42	37.10
				<u>275.74</u>	<u>20.04</u>
<b>(iv) Investment in Others (Unquoted)</b>					
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
				<u>1.36</u>	<u>1.36</u>
				<u>10,441.13</u>	<u>9,922.34</u>
<b>b. Preference Shares fully Paid-up</b>					
<b>Investment in Subsidiaries (Unquoted)</b>					
Tata Power Delhi Distribution Ltd. ....	2,55,00,000	2,55,00,000	100	255.00	255.00
Tata Power International Pte. Ltd. ....	6,48,59,930	6,48,59,930	USD 1	392.94	392.94
Tata Power Solar Systems Ltd. ....	Nil	45,00,000	100	Nil	45.00
				<u>647.94</u>	<u>692.94</u>
<b>B. Other Investments</b>					
<b>a. Statutory Investments</b>					
<b>(i) Contingencies Reserve Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
7.88% GOI (2030) .....	10,00,000	Nil	100	10.00	Nil
8.28% GOI (2027) .....	11,30,000	11,30,000	100	11.30	11.30
8.24% GOI (2027) .....	9,65,000	9,65,000	100	9.65	9.65
8.33% GOI (2026) .....	7,50,000	7,50,000	100	7.50	7.50
7.16% GOI (2023) .....	9,00,000	Nil	100	9.00	Nil
8.19% GOI (2020) .....	7,03,000	7,03,000	100	7.03	7.03
6.35% GOI (2020) .....	16,01,300	16,01,300	100	16.01	16.01
7.83% GOI (2018) .....	10,00,000	10,00,000	100	10.00	10.00
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) .....	Nil	19,000	100	Nil	0.19
				<u>96.34</u>	<u>77.53</u>
Carried forward.....				11,185.41	10,692.81

## Notes forming part of the Financial Statements

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

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Brought forward.....				11,185.41	10,692.81
<b>B. Other Investments (Contd.)</b>					
(ii) <b>Deferred Taxation Liability Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
8.28% GOI (2027) .....	61,45,000	61,45,000	100	61.45	61.45
8.20% GOI (2025) .....	20,00,000	20,00,000	100	20.00	20.00
7.35% GOI (2024) .....	31,00,000	31,00,000	100	31.00	31.00
8.15% GOI (2022) .....	29,75,000	29,75,000	100	29.75	29.75
8.19% GOI (2020) .....	19,40,000	19,40,000	100	19.40	19.40
6.35% GOI (2020) .....	2,48,700	2,48,700	100	2.49	2.49
6.05% GOI (2019) .....	42,00,000	42,00,000	100	42.00	42.00
6.25% GOI (2018) .....	15,00,000	15,00,000	100	15.00	15.00
7.99% GOI (2017) .....	33,49,300	33,49,300	100	33.49	33.49
7.49% GOI (2017) .....	25,00,000	25,00,000	100	25.00	25.00
				<u>279.58</u>	<u>279.58</u>
				<u>375.92</u>	<u>357.11</u>
<b>b. Non-trade Investments</b>					
(i) <b>Equity Shares fully Paid-up (unless otherwise stated)</b>					
<b>1. Investment in Subsidiaries (Unquoted)</b>					
Af-Taab Investment Co. Ltd. ....	10,73,000	10,73,000	100	68.68	68.68
Tata Ceramics Ltd. ....	91,10,000	Nil	2	9.11 **	Nil **
				<u>77.79</u>	<u>68.68</u>
**Less: Provision for diminution in value of investments other than temporary .....				9.11	Nil
				<u>68.68</u>	<u>68.68</u>
<b>2. Investment in Associates (Unquoted)</b>					
Tata Ceramics Ltd. ....	Nil	91,10,000	2	Nil	9.11 **
Rujuvalika Investments Ltd .....	Nil	1,83,334	10	Nil	0.30
Panatone Finvest Ltd .....	59,08,82,000	59,08,82,000	10	600.00	600.00
				<u>600.00</u>	<u>609.41</u>
**Less: Provision for diminution in value of investments other than temporary .....				Nil	9.11
				<u>600.00</u>	<u>600.30</u>
<b>3. Investment in Others (Quoted)</b>					
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
				<u>464.87</u>	<u>464.87</u>
<b>4. Investment in Others (Unquoted)</b>					
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
				<u>1,102.62</u>	<u>1,102.62</u>
**Less: Provision for diminution in value of investments other than temporary .....				226.48	Nil
				<u>876.14</u>	<u>1,102.62</u>
				<u>2,009.69</u>	<u>2,236.47</u>
(ii) <b>Government Securities (Unquoted)</b>					
8.07% GOI (2017) .....	Nil	3,000	100	Nil	0.03
				<u>2,009.69</u>	<u>2,236.50</u>
<b>Total</b> .....				<b><u>13,474.68</u></b>	<b><u>13,208.89</u></b>

## Notes forming part of the Financial Statements

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

Notes:	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
1. Aggregate of Quoted Investments		
Cost.....	475.94	475.94
Market value.....	705.37	759.07
2. Aggregate of Unquoted Investments		
Cost.....	13,299.80	12,779.16
Less: Provision for diminution in value of investments other than temporary .....	301.06 **	46.21 **
Aggregate amount of Unquoted investments (Net) .....	<u>12,998.74</u>	<u>12,732.95</u>

\*\* Provision for diminution in value of investments other than temporary

# Refer Note 32(c).

\* Denotes figures below ₹ 50,000/-

## 15. Loans and Advances

	As at 31st March, 2016		As at 31st March, 2015	
	Long-term ₹ crore	Short-term ₹ crore	Long-term ₹ crore	Short-term ₹ crore
<b>(a) Capital Advances</b>				
Unsecured, considered good .....	36.43	Nil	17.68	Nil
Doubtful.....	0.24	Nil	0.72	Nil
	<u>36.67</u>	<u>Nil</u>	<u>18.40</u>	<u>Nil</u>
Less: Provision for Doubtful Advances.....	0.24	Nil	0.72	Nil
	<u>36.43</u>	<u>Nil</u>	<u>17.68</u>	<u>Nil</u>
<b>(b) Security Deposits</b>				
Unsecured, considered good .....	277.78	3.61	289.07	3.65
Doubtful.....	29.43	Nil	22.59	Nil
	<u>307.21</u>	<u>3.61</u>	<u>311.66</u>	<u>3.65</u>
Less: Provision for Doubtful Deposits .....	29.43	Nil	22.59	Nil
	<u>277.78</u>	<u>3.61</u>	<u>289.07</u>	<u>3.65</u>
<b>(c) Loans and Advances to Related Parties</b>				
Unsecured, considered good				
Other Loans.....	3,636.85	106.00	2,858.66	39.86
Doubtful.....	55.43	Nil	1.27	Nil
	<u>3,692.28</u>	<u>106.00</u>	<u>2,859.93</u>	<u>39.86</u>
Less: Provision for Doubtful Advances .....	55.43	Nil	1.27	Nil
	<u>3,636.85</u>	<u>106.00</u>	<u>2,858.66</u>	<u>39.86</u>
<b>(d) Advance Income-tax (Net)</b>				
Unsecured, considered good .....	Nil	Nil	49.52	Nil
<b>(e) Balance with Government Authorities</b>				
Unsecured, considered good				
Advances.....	0.10	54.16	Nil	36.63
Amount Paid Under Protest.....	164.93	Nil	164.98	Nil
VAT/Sales Tax Receivable.....	103.34	Nil	131.24	Nil
	<u>268.37</u>	<u>54.16</u>	<u>296.22</u>	<u>36.63</u>
<b>(f) Inter-corporate Deposits</b>				
Unsecured, considered good .....	Nil	24.00	Nil	24.00
<b>(g) Other Loans and Advances</b>				
Unsecured, considered good				
Loans to Employees.....	7.60	Nil	8.62	Nil
Prepaid Expenses.....	16.42	27.11	20.34	43.04
Advances to Vendors.....	Nil	215.61	Nil	214.32
Other Advances.....	13.19	45.58	9.23	11.80
Doubtful.....	2.15	1.47	4.29	1.47
	<u>39.36</u>	<u>289.77</u>	<u>42.48</u>	<u>270.63</u>
Less: Provision for Doubtful Advances .....	2.15	1.47	4.29	1.47
	<u>37.21</u>	<u>288.30</u>	<u>38.19</u>	<u>269.16</u>
<b>Total.....</b>	<u><b>4,256.64</b></u>	<u><b>476.07</b></u>	<u><b>3,549.34</b></u>	<u><b>373.30</b></u>

## Notes forming part of the Financial Statements

### 16. Other Non-current Assets

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>(a) Long-term Trade Receivables</b>		
Unsecured, considered good		
Trade Receivables - Regulatory Assets .....	1,830.08	2,429.62
Trade Receivables from Others .....	185.76	185.76
	<u>2,015.84</u>	<u>2,615.38</u>
<b>(b) Unamortised Expenses</b>		
Unamortised Option Premium .....	2.41	8.96
<b>(c) Accruals</b>		
Interest Accrued on Loans and Advances to Related Parties .....	312.83	312.82
Less: Provision for Doubtful Interest .....	1.24	Nil
	<u>311.59</u>	<u>312.82</u>
<b>Total</b> .....	<u><b>2,329.84</b></u>	<u><b>2,937.16</b></u>

### 17. Current Investments

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Current Portion of Long-term Investments</b>					
<b>Other Investments</b>					
<b>Statutory Investments</b>					
<b>Contingency Reserve Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
7.59% GOI (2016) .....	19,000	Nil	100	0.19	Nil
<b>Non-Trade Investments</b>					
<b>Govt Securities - Unquoted</b>					
8.07% GOI (2017) .....	3,000	Nil	100	0.03	Nil
<b>Total - Current Portion of Long-term Investments</b> .....				<u>0.22</u>	<u>Nil</u>
<b>Current Investment (valued at lower of cost and fair value)</b>					
<b>Mutual Funds (Unquoted)</b>					
Religare Invesco Liquid Fund - Direct Plan - Growth ....	Nil	72,771	1,000	Nil	14.00
LIC Nomura Liquidity Fund - Direct Plan - Growth .....	Nil	55,234	1,000	Nil	14.00
Tata Money Market Fund - Direct Plan - Growth .....	Nil	54,228	1,000	Nil	14.00
				<u>Nil</u>	<u>42.00</u>
<b>Total</b> .....				<u><b>0.22</b></u>	<u><b>42.00</b></u>
Aggregate amount of Unquoted Investments .....				0.22	42.00

#### Reconciliation for Disclosure as per Accounting Standard 13

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Non-current Investments</b>		
Non-current Investments (Refer Note 14) .....	13,474.68	13,208.89
Current Portion of Long-term Investments (Refer Note 17) .....	0.22	Nil
	<u>13,474.90</u>	<u>13,208.89</u>
<b>Current Investments</b>		
Current Investments (Refer Note 17) .....	Nil	42.00
<b>Total</b> .....	<u><b>13,474.90</b></u>	<u><b>13,250.89</b></u>

**Notes forming part of the Financial Statements**

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

	<b>As at 31st March, 2016 ₹ crore</b>	<b>As at 31st March, 2015 ₹ crore</b>
<b>Stores and Spares</b>		
Fuel - Stores .....	273.60	291.79
Fuel-in-Transit .....	60.05	53.71
Stores-in-Transit .....	15.01	13.69
Work-In-Progress .....	15.45	Nil
Stores and Spare Parts .....	262.31	259.86
Loose Tools.....	0.25	0.22
	<u>626.67</u>	<u>619.27</u>
<b>Others</b>		
Property under Development.....	62.38	49.91
<b>Total</b> .....	<b>689.05</b>	<b>669.18</b>

**19. Trade Receivables**

(Unsecured unless otherwise stated)

	<b>As at 31st March, 2016 ₹ crore</b>	<b>As at 31st March, 2015 ₹ crore</b>
<b>Trade Receivables outstanding for a period exceeding six months from the date they were due for payment *</b>		
Considered good .....	168.76	34.72
Considered doubtful.....	24.40	21.24
	<u>193.16</u>	<u>55.96</u>
Less: Provision for Doubtful Trade Receivables.....	24.40	21.24
	<u>168.76</u>	<u>34.72</u>
<b>Other Trade Receivables *</b>		
Considered good .....	904.64	1,541.41
Considered doubtful.....	Nil	1.30
	<u>904.64</u>	<u>1,542.71</u>
Less: Provision for Doubtful Trade Receivables.....	Nil	1.30
	<u>904.64</u>	<u>1,541.41</u>
<b>Total</b> .....	<b>1,073.40</b>	<b>1,576.13</b>

\* Company holds security deposits of ₹ 170.29 crore (31st March, 2015 - ₹ 152.21 crore) in respect of Electricity Receivables.

**20. Cash and Bank Balances**

	<b>As at 31st March, 2016 ₹ crore</b>	<b>As at 31st March, 2015 ₹ crore</b>
<b>(A) Cash and Cash Equivalents:</b>		
(i) Cash on Hand.....	0.01	0.01
(ii) Cheques on Hand.....	Nil	0.02
(iii) Balances with Banks:		
(a) In Current Accounts.....	32.60	61.82
(b) In Deposit Accounts (remaining maturity of three months or less).....	1.22	204.00
<b>Cash and Cash Equivalents as per AS-3 Cash Flow Statements</b> .....	<u>33.83</u>	<u>265.85</u>
<b>(B) Other Balances with Banks:</b>		
(i) In Deposit Accounts (remaining maturity of more than twelve months) ..	Nil	1.94
(ii) In Deposit Accounts (remaining maturity of more than three months and less than twelve months).....	0.71	Nil
(iii) In Earmarked Accounts- Unpaid Dividend Account.....	11.35	11.48
	<u>12.06</u>	<u>13.42</u>
<b>Total</b> .....	<b>45.89</b>	<b>279.27</b>

## Notes forming part of the Financial Statements

### 21. Other Current Assets

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
(a) <b>Unbilled Revenue</b> .....	299.96	226.75
(b) <b>Regulatory Assets</b> .....	957.85	363.00
(c) <b>Unamortised Expenses</b>		
Unamortised Option Premium .....	9.54	7.99
(d) <b>Accruals</b>		
Interest Accrued on Inter-corporate/Bank Deposits .....	4.50	5.05
Interest Accrued on Investments .....	6.30	5.86
Interest Accrued on Loans and Advances to Related Parties .....	1.33	37.40
Dividend Receivable .....	Nil	75.00
	<u>12.13</u>	<u>123.31</u>
Less: Provision for Doubtful Interest .....	4.02	Nil
	<u>8.11</u>	<u>123.31</u>
(e) <b>Others</b>		
Forward Contracts .....	Nil	1.36
Insurance Claims Receivable .....	36.40	54.02
<b>Total</b> .....	<u><b>1,311.86</b></u>	<u><b>776.43</b></u>

### 22. Revenue from Operations

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
(a) <b>Revenue from Operations</b>		
(i) Revenue from Power Supply and Transmission Charges .....	7,775.58	7,838.35
Add/(Less): Income to be adjusted in future tariff determination (Net) .....	4.98	(471.62)
Add: Income to be adjusted in future tariff determination (Net) in respect of earlier years .....	<u>151.63</u>	<u>80.00</u>
	<u>7,932.19</u>	<u>7,446.73</u>
(ii) Revenue from Contracts		
Electronic Products .....	549.88	530.50
Project/Operation Management Services .....	166.61	127.04
	<u>716.49</u>	<u>657.54</u>
(b) <b>Other Operating Revenue</b>		
Rental of Land, Buildings, Plant and Equipment, etc. ....	12.55	11.34
Income in respect of Services Rendered .....	66.49	45.50
Compensation Earned .....	Nil	7.08
Transfer of Service Line Contributions .....	10.26	9.45
Sale of Renewable Energy Certificates .....	Nil	1.57
Sale of Fly Ash .....	1.94	1.64
Sale of Carbon Credits .....	11.14	5.49
Discount Received on Prompt Payment .....	7.89	9.93
Provision for Doubtful Debts and Advances Written Back (Net) .....	Nil	2.38
Profit on Sale/Retirement of Assets (Net) ** .....	27.99	18.13
Delayed Payment Charges .....	7.80	8.37
Miscellaneous Revenue .....	31.34	28.52
	<u>177.40</u>	<u>149.40</u>
	8,826.08	8,253.67
Less: Excise Duty .....	6.43	3.48
<b>Total</b> .....	<u><b>8,819.65</b></u>	<u><b>8,250.19</b></u>
** Net of insurance claims received .....	Nil	29.78

**Notes forming part of the Financial Statements**

**23. Other Income**

	<b>For the year ended 31st March, 2016 ₹ crore</b>	<b>For the year ended 31st March, 2015 ₹ crore</b>
<b>(a) Interest Income</b>		
Interest on Banks Deposits .....	3.15	62.47
Interest from Inter-corporate Deposits .....	3.61	17.27
Interest on Overdue Trade Receivables .....	116.60	30.01
Interest on Income-tax Refund .....	0.40	30.77
Interest on Non-current Investment - Contingency Reserve Fund.....	6.62	5.97
Interest on Non-current Investment - Deferred Tax Liability Fund.....	21.16	21.21
Interest on Loans to Subsidiaries .....	15.86	278.11
Interest on Loans to Jointly Controlled Entities.....	Nil	0.24
Other Interest .....	0.44	0.99
	<u>167.84</u>	<u>447.04</u>
<b>(b) Dividend Income</b>		
From Non-current Investments		
Subsidiaries .....	327.97	493.67
Associates .....	4.85	4.89
Others .....	25.84	15.06
	<u>358.66</u>	<u>513.62</u>
From Current Investments		
Others .....	Nil	0.25
	<u>358.66</u>	<u>513.87</u>
<b>(c) Profit on Sale of Investments (Net)</b>		
Current Investments .....	9.31	23.06
Non-current Investments.....	10.57	Nil
	<u>19.88</u>	<u>23.06</u>
<b>(d) Other Non-operating Income</b>		
Discount Amortised/Accrued on Bonds (Net).....	0.30	Nil
Guarantee Commission from Subsidiaries and Jointly Controlled Entities...	25.20	19.71
Insurance Claim Accrued/(Reversed).....	(16.75)	21.00
	<u>8.75</u>	<u>40.71</u>
<b>Total</b> .....	<u><b>555.13</b></u>	<u><b>1,024.68</b></u>

**24. Employee Benefits Expense**

	<b>For the year ended 31st March, 2016 ₹ crore</b>	<b>For the year ended 31st March, 2015 ₹ crore</b>
Salaries and Wages.....	604.89	561.50
Contribution to Provident Fund [Refer Note 35(a)].....	21.53	21.03
Contribution to Superannuation Fund [Refer Note 35(a)].....	10.13	10.13
Retiring Gratuities .....	20.51	31.16
Leave Encashment Scheme .....	16.36	26.14
Pension Scheme.....	8.06	8.98
Staff Welfare Expenses .....	103.35	115.23
	<u>784.83</u>	<u>774.17</u>
<i>Less:</i>		
Employee Cost Capitalised.....	109.50	73.77
Employee Cost Recovered.....	0.02	1.83
Employee Cost Inventorised.....	19.08	12.05
	<u>128.60</u>	<u>87.65</u>
<b>Total</b> .....	<u><b>656.23</b></u>	<u><b>686.52</b></u>



## Notes forming part of the Financial Statements

## 25. Finance Costs

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
<b>(a) Interest Expense on:</b>		
<b>Borrowings</b>		
Interest on Debentures.....	478.22	395.35
Interest on - Euro Notes and FCCB.....	34.06	75.14
Interest on Loans - Banks & Financial Institutions.....	521.20	500.02
<b>Others</b>		
Interest on Consumer Security Deposits.....	12.69	13.20
Other Interest and Commitment Charges.....	109.07	20.17
	1,155.24	1,003.88
<i>Less: Interest Capitalised.....</i>	28.38	39.77
	1,126.86	964.11
<b>(b) Other Borrowing Cost:</b>		
Derivative Premium .....	15.95	71.70
Other Finance Costs.....	13.18	11.65
	29.13	83.35
<b>Total.....</b>	<b>1,155.99</b>	<b>1,047.46</b>

## 26. Other Expenses

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
Consumption of Stores, Oil, etc. (excluding ₹ 79.26 crore on repairs and maintenance - Previous Year - ₹ 65.98 crore).....	33.07	17.65
Rental of Land, Buildings, Plant and Equipment, etc.....	31.07	28.10
Repairs and Maintenance -		
(i) To Buildings and Civil Works.....	81.78	64.15
(ii) To Machinery and Hydraulic Works \$.....	209.42	258.82
(iii) To Furniture, Vehicles, etc. ....	14.08	7.90
	305.28	330.87
Rates and Taxes .....	72.46	50.07
Insurance .....	39.74	27.58
Other Operation Expenses.....	93.12	86.23
Ash Disposal Expenses .....	17.84	17.08
Warranty Charges.....	3.81	8.53
Travelling and Conveyance Expenses .....	29.19	28.47
Consultants' Fees.....	34.22	28.52
Auditors' Remuneration.....	7.46	5.02
Cost of Services Procured .....	149.25	126.40
Bad Debts .....	0.46	Nil
Provision for Doubtful Debts and Advances (Net) .....	65.50	Nil
Provision for Diminution in Value of Non-current Investments.....	28.37	37.10
Donations #.....	3.96	0.43
Legal Charges.....	13.17	13.80
Loss on Foreign Currency Transactions and Translation (Net).....	57.69	48.32
Corporate Social Responsibility Expenses (Refer Note 28).....	29.23	31.13
Discount on Prompt Payment.....	43.85	42.54
Miscellaneous Expenses.....	59.77	43.44
<b>Total.....</b>	<b>1,118.51</b>	<b>971.28</b>
<i>Notes:</i>		
\$ Net of insurance claims received/accrued.....	Nil	97.77
# Donations include payment to Electoral Trust.....	Nil	0.23

## Notes forming part of the Financial Statements

## 26. Other Expenses (Contd.)

Payment to the auditors comprises (inclusive of service tax):

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
As Auditors - Statutory Audit.....	3.95	2.97
For Taxation Matters .....	0.39	0.59
For Company Law Matters .....	*	*
For Other Services .....	2.14	0.90
Reimbursement of Expenses.....	0.03	0.01
For Service Tax .....	0.95	0.55
<b>Total</b> .....	<b>7.46</b>	<b>5.02</b>

\* Denotes figures below ₹ 50,000/-

27. In an earlier year, the Company had commissioned its 120 MW Unit 4 thermal power unit at Jojobera, Jharkhand. Revenue in respect of this unit is recognised on the basis of a draft Power Purchase Agreement prepared jointly by the Company and its customer which is pending finalisation.
28. (a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof ₹ 29.01 crore (31st March, 2015 - ₹ 31.13 crore) (includes ₹ 27.00 crore paid to Tata Power Community Development Trust) (31st March, 2015 - ₹ 11.57 crore).
- (b) Gross amount required to be spent during the year ₹ 23.22 crore [₹ 28.29 crore approved by the CSR committee (31st March, 2015 - ₹ 29.83 crore)].
29. (a) The Company has a long-term investment of ₹ 6,030.42 crore (31st March, 2015 - ₹ 5,980.57 crore) in equity, loans amounting to ₹ 3,795.89 crore including interest (31st March, 2015 - ₹ 3,034.56 crore) and guarantees of ₹ 2,984.67 crore (31st March, 2015 - ₹ 3,403.27 crore) to Coastal Gujarat Power Limited (CGPL) a wholly owned subsidiary of the Company which has implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP").

CGPL has obligated to charge escalation on 45 percent of the cost of coal in terms of the 25 year Power Purchase Agreement relating to the Mundra UMPP. During the current year, considering that the coal prices, current and forecasts, have substantially reduced in comparison to the coal prices considered at the time the assets were impaired and also considering reduction in prices from March 2015, CGPL's Management has reassessed the recoverability of the carrying amount of the assets at Mundra, consequent to change in the estimates of future cash flows due to decline in forecast of coal prices. Therefore the Management has reversed impairment loss of ₹ 2,320 crore (net of depreciation of ₹ 330 crore) during the year ended 31st March, 2016 in the books of CGPL.

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. 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.

In view of the above and the overall returns expected from the Company's investment in CGPL, there is no diminution other than temporary, in the value of long-term investments in and no provision for loans and towards guarantees to CGPL is considered necessary as at 31st March, 2016.

In earlier years in order to provide protection to CGPL and to support its cash flows, the Management had committed to restructure the business of CGPL under which the Company had committed to transfer at least 75 percent of its equity interests in the Indonesian Coal Companies including Infrastructure Companies to CGPL.

The Management has also reviewed the need for above restructuring and decided that the restructuring is no longer necessary.

### Notes forming part of the Financial Statements

- (b) The Company has a non-trade investment in Tata Teleservices Limited (TTSL) of ₹ 735.48 crore (31st March, 2015 - ₹ 735.48 crore). Based on the accounts for the year ended 31st March, 2015, TTSL has accumulated losses which has completely eroded its net worth. During the year ended 31st March, 2016, due to reduction in the Fair Market Value (FMV) of Company's investment in TTSL, the Management has provided ₹ 226.48 crore, as diminution in value, other than temporary, of this investment and shown under exceptional items.
- (c) The Company has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore (31st March, 2015 - ₹ 22.50 crore). Based on the accounts for the year ended 31st March, 2015, HPL has accumulated losses which have significantly eroded its net worth. In the opinion of the Management, having regard to the long-term nature of the business, there is no diminution other than temporary, in the value of the investment.
- (d) (i) The Company has invested ₹ 39.30 crore (31st March, 2015 - ₹ 39.30 crore), issued guarantees of ₹ 20.26 crore (31st March, 2015 - ₹ 115.79 crore) and given loans of ₹ 54.16 crore including interest accrued (31st March, 2015 - ₹ 4.50 crore) to Mandakini Coal Company Limited ("Jointly Controlled Entities") which had been allotted coal blocks by Government of India through Ministry of Coal.
- (ii) The Company has invested ₹ 18.12 crore (31st March, 2015 - ₹ 17.84 crore) and issued guarantees of ₹ 11.36 crore (31st March, 2015 - ₹ 11.36 crore) to Tubed Coal Mines Limited ("Jointly Controlled Entities") which had been allotted coal blocks by Government of India through Ministry of Coal.
- (iii) Pursuant to the Order of the Hon'ble Supreme Court dated 24th September, 2014, regarding cancellation of the allotment of coal blocks and the subsequent Coal Mines (Special Provision) Ordinance, 2014, issued by the Government of India, the Company has made an assessment of the recoverability of its investments in, loans and guarantees given to Mandakini Coal Company Limited and Tubed Coal Mines Limited, affected by the said Order and recognised on a prudent basis and included in other expenses provision towards diminution in value of investments of ₹ 20.32 crore (31st March, 2015 - ₹ 37.10 crore) and loans and advances ₹ 54.16 crore (31st March, 2015 - ₹ Nil) during the year ended 31st March, 2016.

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, 2016 ₹ crore	31st March, 2015 ₹ crore
(a) Principal amount remaining unpaid as on 31st March .....	24.60	17.11
(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 (net of capital advance):  
Capital commitments not provided for are estimated at ₹ 523.92 crore (31st March, 2015 - ₹ 662.48 crore).
- (b) Commitment towards purchase of Equity Shares of Trust Energy Resources Pte. Limited from Khopoli Investment Limited of ₹ 29.13 crore (31st March, 2015 - ₹ 27.48 crore) subject to approval of Reserve Bank of India.
- (c) The Company has signed a Share Purchase Agreement on 10th December, 2014 for acquisition of 100% shareholding in Ideal Energy Projects Limited (IEPL), subject to statutory approvals and certain conditions precedent. The Company on 22nd January, 2016, has terminated the Share Purchase Agreement due to non conclusion of certain conditions attached to Share Purchase Agreement.

## Notes forming part of the Financial Statements

## (d) Other Commitments:

- (i) In terms of the Sponsor Support agreement entered into between the Company, Coastal Gujarat Power Limited (CGPL) and lenders of CGPL, the Company has undertaken to provide support by way of base equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The Sponsor Support Agreement also includes support by way of additional financial support for any overrun in project costs, operational loss and Debt Service Reserve Guarantee as provided under the financing agreements. Pending achievement of the "Project Financial Completion Date" as defined under the Financing Agreement, the Sponsor support will continue. In terms of the conditions of the financing agreements, the Company has provided total Additional Subordinated Loans of ₹ 5,047.00 crore (of which ₹ 1,562.70 crore has been converted into equity) [31st March, 2015 - Additional Subordinated Loans of ₹ 4,235.82 crore (of which ₹ 1,512.85 crore has been converted into equity)] to CGPL. Balance of both the loans would be repaid in accordance with the conditions of the Subordination and Hypothecation Agreements either out of additional equity to be infused by the Company or out of the balance Indian rupee term loans receivable by CGPL in future period, after the fulfillment of conditions in the Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

The accrued interest as at 31st March, 2016 aggregating to ₹ 311.59 crore (31st March, 2015 - ₹ 311.59 crore) on Additional Subordinated Loans shall be payable subject to fulfillment of conditions in Subordination Agreement and Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

- (ii) In respect of NELCO Limited, the Company has undertaken to arrange for the necessary financial support to NELCO Limited in the form of interim short term funding for meeting its business requirements.
- (iii) The Company has undertaken to arrange for the necessary financial support to its Subsidiaries Khopoli Investments Limited, Bhivpuri Investments Limited, Industrial Power Utility Limited, Tata Power Jamshedpur Distribution Limited and Tata Power International Pte. Limited.
- (iv) In respect of Maithon Power Limited (MPL), the Company jointly with Damodar Valley Corporation (DVC) has undertaken to the lenders of MPL, to provide support by way of base equity contribution and additional equity or subordinated loans to meet the increase in Project Cost. Further, the Company has given an undertaking to MPL to fulfil payment obligations of Tata Power Trading Company Limited (TPTCL) and Tata Power Delhi Distribution Limited (TPDDL) in case of their default.
- (v) In terms of pre-implementation agreement entered into with Government of Himachal Pradesh and the consortium consisting of the Company and SN Power Holding Singapore Pte. Ltd. (Company being the Lead Member of the consortium) for the investigation and implementation of Dugar Hydro Electric Project, the Company has undertaken as Lead Member to undertake/perform various obligations pertaining to Dugar Project.
- (vi) In accordance with the terms of the Share Purchase Agreement and the Shareholder's Agreement entered into by Panatone Finvest Limited (PFL), an associate of the Company, with the Government of India, PFL has contractually undertaken a "Surplus Land" obligation including agreeing to transfer 45% of the share capital of the Resulting Company, at Nil consideration, to the Government of India and other selling shareholders upon Demerger of the Surplus Land by Tata 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.
- (vii) The Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited in respect of its outstanding borrowings amounting to ₹ 442.61 crore (31st March, 2015 - ₹ 520.78 crore).
- (viii) The Company has given letter of comfort to Cennergi Pty. Limited amounting to ₹ 71.54 crore (31st March, 2015 - ₹ 83.03 crore).

### Notes forming part of the Financial Statements

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

- (a) Claims against the Company not acknowledged as debts aggregating to ₹ 1,630.16 crore (31st March, 2015 - ₹ 1,659.61 crore) consist mainly of the following:
- (i) Interest and penalty demand disputed by the Company aggregating ₹ 1,296.76 crore (31st March, 2015 - ₹ 1,119.60 crore) relating to Entry tax claims for the financial years 2005-06 to 2011-12. The Company is of the view, supported by legal opinion, that the demand can be successfully challenged.
  - (ii) Custom duty claims (including interest and penalty) of ₹ 170.01 crore (31st March, 2015 - ₹ 170.01 crore) disputed by the Company relating to applicability and classification of coal [Payment made under protest against these claims of ₹ 135.52 crore (31st March, 2015 - ₹ 135.52 crore)].
  - (iii) Way Leave fees (including interest) of ₹ 72.58 crore (31st March, 2015 - ₹ 62.60 crore) claims disputed by the Company relating to rates charged.
  - (iv) Rates, Cess, Excise and Custom Duty claims disputed by the Company aggregating ₹ 36.85 crore (31st March, 2015 - ₹ 41.14 crore).
  - (v) A Suit has been filed against the Company claiming compensation of ₹ Nil (31st March, 2015 - ₹ 20.51 crore) by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ Nil (31st March, 2015 - ₹ 120.60 crore).
  - (vi) Octroi claims disputed by the Company aggregating to ₹ 5.03 crore (31st March, 2015 - ₹ 5.03 crore), in respect of octroi exemption claimed by the Company.
  - (vii) Compensation disputed by private land owners aggregating to ₹ 22.00 crore (31st March, 2015 - ₹ 22.00 crore) on private land acquired under the provisions of Maharashtra Industrial Development Act, 1961.
  - (viii) Other claims against the Company not acknowledged as debts ₹ 26.93 crore (31st March, 2015 - ₹ 98.12 crore).
  - (ix) Amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

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

#### (b) Other Contingent Liabilities:

Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed) ₹ 232.99 crore (including interest demanded ₹ 1.17 crore) [31st March, 2015 - ₹ 209.52 crore (including interest demanded ₹ 1.17 crore)].

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

**Notes forming part of the Financial Statements**

(c) Indirect exposures of the Company:

Name of the Company	Guarantees given ₹ crore	Shares pledged (Refer Note 1 below) Nos.
Tata Teleservices Limited (TTSL)	-	18,27,08,138
	-	<i>18,27,08,138</i>
Powerlinks Transmission Limited (PTL)	-	23,86,80,000
	-	<i>23,86,80,000</i>
Coastal Gujarat Power Limited (CGPL)	2,984.67	307,55,14,200
	<i>3,403.27</i>	<i>305,00,90,700</i>
	Refer Note 31 (d) (i)	
Industrial Energy Limited (IEL)	-	12,56,74,200
	-	<i>12,56,74,200</i>
Khopoli Investments Limited (KIL)	3,217.97 (equivalent to USD 485.75 million)	-
	<i>2,521.21</i> <i>(equivalent to USD 403.41 million)</i>	-
Bhira Investments Limited (BIL)	17.56 (equivalent to USD 2.65 million)	-
	<i>3,933.59</i> <i>(equivalent to USD 629.40 million)</i>	-
Trust Energy Resources Pte. Limited (TERL)	763.47 (equivalent to USD 115.24 million)	-
	<i>268.43</i> <i>(equivalent to USD 42.95 million)</i>	-
Tubed Coal Mines Limited (TCML)	11.36	-
	<i>11.36</i>	-
Mandakini Coal Company Limited (MCCL)	20.26	2,00,43,000
	<i>115.79</i>	<i>2,00,43,000</i>
Energy Eastern Pte. Limited (EEL)	364.36 (equivalent to USD 55 million)	-
	<i>171.87</i> <i>(equivalent to USD 27.50 million)</i>	-
Tata Power Renewable Energy Limited (TPREL)	614.57	25,81,14,935
	<i>391.76</i>	<i>24,86,79,935</i>
Maithon Power Limited (MPL)	-	-
	<i>126.58</i>	-
	Refer Note 31 (d) (iv)	
Tata Power International Pte. Limited (TPIPL)	517.33 (equivalent to USD 78.09 million)	-
	<i>488.04</i> <i>(equivalent to USD 78.09 million)</i>	-
Cennergi Pty. Limited (CPL)	46.72 (equivalent to ZAR 104.72 million)	-
	<i>257.07</i> <i>(equivalent to ZAR 496.48 million)</i>	-
	Refer Note 31 (d) (viii)	
Tata Power Solar Systems Limited (TPSSL)	150.00	-
	-	-
Tata Power Trading Company Limited (TPTCL)	70.00	-
	-	-
Itezhi Tezhi Power Corporation (ITPC)	-	452,500
	-	-
Tata Sons Limited (TSL)	[Refer (e) below]	-
	<i>[Refer (e) below]</i>	-

Notes:

1. The Company has pledged the above shares of subsidiaries, jointly controlled entities and TTSL, with the lenders for borrowings availed by the respective subsidiaries, jointly controlled entities and TTSL.
2. Previous year's figures are in italics.

### Notes forming part of the Financial Statements

- (d) (i) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2016 the accumulated interest was ₹ 218.36 crore (31st March, 2015 - ₹ 207.16 crore) (₹ 11.20 crore for the year ended 31st March, 2016). On appeal, the Hon'ble Supreme Court vide its Interim Order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Company has furnished a bank guarantee of the sum of ₹ 227.00 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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

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

- (ii) MERC vide its Tariff Order dated 11th June, 2004, had directed the Company to treat the investment in its wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the capital base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 32(d) (i) 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) (i) above.
- (e) In 2008-09, NTT DoCoMo Inc. (DoCoMo) entered into an Agreement with Tata Teleservices Ltd. (TTSL) and Tata Sons Limited to acquire 20% of the equity share capital under the primary issue and 6% under the secondary sale from Tata Sons Limited. In terms of the Agreements with DoCoMo, Tata Sons Limited, inter alia, agreed to provide various indemnities and a Sale Option entitling DoCoMo to sell its entire shareholding in 2014 at a minimum pre-determined price of ₹ 58.045 per share if certain performance parameters were not met by TTSL. The minimum pre-determined price represented 50% of the acquisition price of 2008-09. The Agreements are governed by Indian Law.

The Company in 2008-09 had accepted an offer made voluntarily by Tata Sons Limited to all shareholders of TTSL to participate pro-rata in the secondary sale to DoCoMo together with bearing liabilities, if any, including the Sale Option in proportion of the number of shares sold by the Company to the aggregate Secondary Sale to DoCoMo. Accordingly, an Inter se Agreement was executed by the Company with Tata Sons Limited and other Selling Shareholders. The Company sold 2,72,82,177 shares of TTSL to DoCoMo at ₹ 116.09 per share, resulting in a profit of ₹ 255.62 crore. The Company is obliged to acquire 13,45,95,551 shares of TTSL in the above proportion in the event the Sale Option is exercised by DoCoMo.

DoCoMo has exercised the Sale Option in July 2014 and has called upon Tata Sons Limited to acquire its entire shareholding in TTSL at the pre-determined price of ₹ 58.045 per share. Tata Sons Limited has in turn informed the Company that they may be called upon to acquire 13,45,95,551 shares, in terms of its original offer to the Company and the inter-se agreement to participate in the Secondary Sale.

Tata Sons Limited have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. DoCoMo reiterated its position that the shares be acquired at minimum pre-determined price of 50% of the acquisition price in 2008-09.

DoCoMo had initiated Arbitration in the matter before the The London Court of International Arbitration (LCIA), London. The evidentiary hearing was completed on 6th May, 2016. The arbitral award is awaited.

The liability, if any, to the extent of the difference between the amount sought by DoCoMo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing FEMA Regulations.

### Notes forming part of the Financial Statements

Under the above mentioned agreements with DoCoMo, TSL and TTSL have jointly and severally agreed to indemnify DoCoMo 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 [Company's share ₹ 29.76 crore (31st March, 2015 - ₹29.76 crore)]. The Company is liable to reimburse TSL, on a pro-rata basis.

- (f) The Company, in terms of the Share Purchase Agreement, as stated in Note 31 (d)(vi), has undertaken additional "Surplus Land" obligation towards the purchase of 11,40,000 shares of Tata Communications Ltd. by Tata Sons Limited from Panatone Finvest Ltd.

#### 33. Rate Regulated Activities:

- (i) As per Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI) effective from 1st April, 2015, the business of electricity distribution is a Rate Regulated activity wherein MERC determines Tariff to be charged from consumers based on prevailing Regulations in place.
- (ii) MERC Multi Year Tariff Regulations, 2011 (MYT Regulations), is applicable for the period beginning from 1st April, 2011 to 31st March, 2016. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers.

The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

- (iii) Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities as on 31st March, 2016, is as follows:

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
Opening Regulatory Assets net of Liabilities ..... (A)	1,823.50	1,620.93
Regulatory Income/(Expenses) during the year		
(i) Power Purchase Cost.....	2,558.42	2,957.44
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity (ROE) .....	951.58	929.07
(iii) Collected during the year as per approved Tariff .....	(3,948.00)	(3,463.51)
Regulatory Income/(Expenses) (Net) (i + ii + iii) .....	(438.00)	423.00
Regulatory Income (Net) in respect of earlier years .....	56.59	4.50
Income/(Expenses) on account of Rate Regulated Activities ..... (B)	(381.41)	427.50
Carrying cost recognised in the Statement of Profit and Loss relating to uncollected amounts ..... (C)	220.00	151.00
Amount Collected (Net) in respect of earlier years ..... (D)	(249.38)	(375.93)
Closing Regulatory Asset ..... (A+B+C+D)	1,412.71	1,823.50
Current Asset disclosed in Note 21 - Current Assets .....	872.76	363.00
Non-Current Asset disclosed in Note 16 - Other Non-Current Assets .....	1,220.33	1,478.86
Current Liability disclosed in Note 12 - Other Current Liabilities .....	(680.38)	(18.36)
	1,412.71	1,823.50

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.



## Notes forming part of the Financial Statements

### 35. Employee Benefits:

#### (a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. 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.

The Company has recognised ₹ 21.53 crore (31st March, 2015 - ₹ 21.03 crore) for provident fund contributions and ₹ 10.13 crore (31st March, 2015 - ₹ 10.13 crore) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### (b) Defined benefit plans

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 (including Director pension)

Funded:

- (i) Gratuity

#### (c) The actuarial valuation of the present value of the defined benefit obligations has been carried out as at 31st March, 2016. The following tables set out the amounts recognised in the financial statements as at 31st March, 2016 for the above mentioned defined benefit plans:

##### (i) Net employee benefit expense (recognised in employee cost) for the year ended 31st March, 2016:

	Funded		Unfunded	
	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
Current Service Cost .....	13.46	11.03	2.39	1.82
Interest.....	16.11	15.20	4.40	3.89
Expected Return on Plan Assets .....	(14.94)	(11.95)	Nil	Nil
Actuarial (Gain)/Loss.....	5.88	17.25	0.83	11.05
Settlement Cost.....	Nil	Nil	Nil	Nil
Past Service Cost .....	Nil	Nil	Nil	Nil
Total Expense.....	<u>20.51</u>	<u>31.53</u>	<u>7.62</u>	<u>16.76</u>

##### (ii) Change in the Defined Benefit Obligation during the year ended 31st March, 2016:

	Funded		Unfunded	
	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
Present value of Defined Benefit Obligation as at 1st April as per books .....	212.95	173.88	57.89	44.87
Current Service Cost .....	13.46	11.03	2.39	1.82
Interest.....	16.11	15.20	4.40	3.89
Settlement Cost.....	Nil	Nil	Nil	1.44
Actuarial (Gain)/Loss (Net).....	(0.84)	30.20	0.83	11.05
Past Service Cost .....	Nil	Nil	Nil	Nil
Benefits Paid (Net) .....	(18.02)	(17.36)	(4.63)	(5.18)
Present value of Defined Benefit Obligation as at 31st March .....	<u>223.66</u>	<u>212.95</u>	<u>60.88</u>	<u>57.89</u>
Less: Fair Value of Assets at the end of the year ..	<u>195.00</u>	<u>186.78</u>	<u>Nil</u>	<u>Nil</u>
Provision for Defined Benefit Obligation as at 31st March as per books.....	<u>28.66</u>	<u>26.17</u>	<u>60.88</u>	<u>57.89</u>

**Notes forming part of the Financial Statements**

(ii) Change in the Defined Benefit Obligation during the year ended 31st March, 2016 (Contd.):

	<b>2015-16</b> ₹ crore	<b>2014-15</b> ₹ crore	<b>2013-14</b> ₹ crore	<b>2012-13</b> ₹ crore	<b>2011-12</b> ₹ crore
Defined Benefit Obligation .....	284.54	270.84	218.75	212.23	185.97
Experience Adjustment on Plan Liabilities .....	3.85	8.21	10.29	10.79	7.01
Experience Adjustment on Plan Assets .....	(6.72)	12.95	0.63	(0.41)	Nil

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

	<b>31st March, 2016</b> ₹ crore	<b>31st March, 2015</b> ₹ crore
Plan Assets at the beginning of the year.....	186.78	136.88
Expected Return on Plan Assets .....	14.94	11.95
Actual Company contributions.....	Nil	25.00
Actuarial Gain/(Loss).....	(6.72)	12.95
Fair value of plan assets at the end of the year .....	195.00	186.78

Composition of the plan assets is as follows:

Insurer Managed Funds\*

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

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

	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Discount Rate .....	7.70% p.a.	7.90% p.a.
Expected Rate of Return on Plan Assets .....	8% p.a.	8% p.a.
Salary Growth Rate.....	Management 8% p.a. Non-Management 7% p.a.	Management 8% p.a. Non-Management 7% p.a.
Turnover Rate - Age 21 to 44 years.....	Management 8% p.a. Non-Management 0.50% p.a.	Management 8% p.a. Non-Management 0.50% p.a.
Turnover Rate - Age 45 years and above.....	Management 2.50% p.a. Non-Management 0.50% p.a.	Management 2.50% p.a. Non-Management 0.50% p.a.
Pension Increase Rate.....	3% p.a.	3% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Annual Increase in Health Cost.....	8% p.a.	8% 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) Effect of change in assumed health care cost trend rate:

	<b>31st March, 2016</b>		<b>31st March, 2015</b>	
	₹ crore	₹ crore	₹ crore	₹ crore
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost.....	0.20	(0.17)	0.11	(0.10)
Effect on defined benefit obligation.....	3.32	(2.70)	1.70	(1.49)

(vi) The contribution expected to be made by the Company during the financial year 2016-17 has not been ascertained.

### Notes forming part of the Financial Statements

**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 ₹ 549.88 crore (31st March, 2015 - ₹ 530.50 crore).
- (b) In respect of contracts in progress –
- (i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2016 ₹ 935.78 crore (31st March, 2015 - ₹ 814.84 crore).
- (ii) Advances and progress payments received as at 31st March, 2016 ₹ 695.37 crore (31st March, 2015 - ₹ 813.25 crore).
- (iii) Retention money included as at 31st March, 2016 in Sundry Debtors ₹ 8.47 crore (31st March, 2015 - ₹ 6.32 crore).
- (c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2016 ₹ 66.00 crore (31st March, 2015 - ₹ 191.44 crore).
- (ii) Gross amount due from customers for contract work as an asset as at 31st March, 2016 ₹ 240.40 crore (31st March, 2015 - ₹ 191.89 crore).

**37.** (a) Total number of electricity units sold and purchased during the year as certified by Management - 13,204 MUs (31st March, 2015 - 13,603 MUs) and 2,017 MUs (31st March, 2015 - 2,541 MUs), respectively.

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

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
(i) Capital Goods .....	49.58	35.42
(ii) Components and Spare Parts .....	225.40	182.50
(iii) Fuel .....	934.57	792.63

(c) Expenditure in foreign currency:

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
(i) Professional and Consultation Fees .....	2.11	2.93
(ii) Interest and Issue Expenses .....	37.26	77.64
(iii) Other matters .....	29.98	17.43

Note: Expenditure does not include expenditure of capital nature.

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

	31st March, 2016		31st March, 2015	
	₹ crore	% consumed	₹ crore	% consumed
(i) Imported .....	1,618.94	52.90	1,266.68	35.19
(ii) Indigenous .....	1,441.47	47.10	2,333.16	64.81
	<u>3,060.41</u>	<u>100.00</u>	<u>3,599.84</u>	<u>100.00</u>

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

	31st March, 2015	31st March, 2014
Dividend for the year ended		
No. of Non-resident Shareholders .....	5,944	5,208
No. of Equity Shares of Face Value ₹ 1 each held .....	2,60,50,125	2,52,36,151
Amount of Dividend (₹ crore) .....	3.39	3.15

(f) Earnings in foreign exchange:

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
(i) Interest .....	Nil	11.30
(ii) Export of Services .....	19.27	40.40
(iii) Guarantee Commission from Subsidiaries .....	24.19	17.44
(iv) Dividend .....	95.48	319.97
(v) Sale of Fixed Assets .....	47.78	24.59
(vi) Others .....	13.52	5.49

**Notes forming part of the Financial Statements**

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

	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>₹ crore</b>	<b>₹ crore</b>
(i) Revenue Expenditure .....	Nil	Nil
(ii) Capital Expenditure .....	101.84	45.26

**38. Related Party Disclosures:**

Disclosure as required by Accounting Standard-18 (AS-18) - "Related Party Disclosures" are as follows:  
Names of the related parties and description of relationship:

(a) Related parties where control exists:

Subsidiaries

- 1) Af-Taab Investment Co. Ltd. (AICL)
- 2) Chemical Terminal Trombay Ltd. (CTTL)
- 3) Tata Power Trading Co. Ltd. (TPTCL)
- 4) Powerlinks Transmission Ltd. (PTL)
- 5) NELCO Ltd. (NELCO)
- 6) Maithon Power Ltd. (MPL)
- 7) Industrial Energy Ltd. (IEL)
- 8) Tata Power Delhi Distribution Ltd. (TPDDL)
- 9) Coastal Gujarat Power Ltd. (CGPL)
- 10) Bhira Investments Ltd. (BIL)
- 11) Bhivpuri Investments Ltd. (BHIL)
- 12) Khopoli Investments Ltd. (KIL)
- 13) Trust Energy Resources Pte. Ltd. (TERL)
- 14) Energy Eastern Pte. Ltd. (EEL) \*\*
- 15) Industrial Power Utility Ltd. (IPUL)
- 16) Tatanet Services Ltd. (TNSL) \*\*
- 17) Tata Power Renewable Energy Ltd. (TPREL)
- 18) PT Sumber Energi Andalan Tbk. (SEA) \*\*
- 19) Tata Power Green Energy Ltd. (TPGEL) \*\*
- 20) NDPL Infra Ltd. (NDPLIL) \*\*
- 21) Dugar Hydro Power Ltd. (DHPL)
- 22) Tata Power Solar Systems Ltd. (TPSSL)
- 23) Tata Power Jamshedpur Distribution Ltd. (TPJDL)
- 24) Tata Power International Pte. Ltd. (TIPL)
- 25) Tata Ceramics Ltd. (TCL) (w.e.f. 28th May, 2015)
- 26) Supa Windfarm Ltd. (SWL) \*\* (w.e.f. 10th December, 2015)
- 27) Poolavadi Windfarm Ltd. (PWL) \*\* (w.e.f. 9th January, 2016)
- 28) Nivade Windfarm Ltd. (NWL) \*\* (w.e.f. 17th December, 2015)

\*\* Through Subsidiary Companies.

(b) Other related parties (where transactions have taken place during the year and previous year) :

(i) Associates

- 1) Tata Projects Ltd. (TPL)
- 2) Yashmun Engineers Ltd. (YEL)

(ii) Jointly Controlled Entities

- 1) Cennergi Pty. Ltd. (CPL) \*\*
- 2) Mandakini Coal Company Ltd. (MCCL)
- 3) Tubed Coal Mines Ltd. (TCML)
- 4) Itezhi Tezhi Power Corporation (ITPC) (w.e.f. 29th April, 2015)
- 5) Adjaristsqali Georgia LLC (AGL) \*\*

\*\* Fellow Jointly Controlled Entities.

(iii) Promoters holding together with its Subsidiary more than 20%

Tata Sons Ltd.

(c) Key Management Personnel

Anil Sardana - CEO & Managing Director  
Ashok Sethi - COO & Executive Director  
Ramesh Subramanyam - Chief Financial Officer

## Notes forming part of the Financial Statements

## 38. Related Party Disclosures (Contd.):

## (d) Details of Transactions:

Particulars	₹ crore				
	Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
Purchase of goods/power (Net of Discount Received on Prompt Payment) .....	75.60	-	-	-	-
	56.45	-	-	-	-
Sale of goods/power (Net of Discount on Prompt Payment) .....	190.83	-	-	-	-
	202.77	-	-	-	-
Purchase of fixed assets.....	-	7.97	-	-	-
	-	8.12	-	-	-
Rendering of services .....	128.47	0.14	14.29	-	0.52
	102.46	0.10	1.87	-	0.57
Receiving of services .....	1.99	10.81	-	-	0.37
	2.72	8.71	-	-	0.61
Brand equity contribution.....	-	-	-	-	21.63
	-	-	-	-	21.15
Guarantee, collaterals etc. given .....	6,553.30 \$	-	-	-	-
	9,326.87 \$	-	95.53 \$	-	-
Guarantee, collaterals etc. cancelled.....	9,566.22 \$	-	283.16 \$	-	-
	11,917.87 \$	-	66.67 \$	-	-
Remuneration paid .....	-	-	-	11.30	-
	-	-	-	15.57	-
Interest income.....	15.86	-	-	-	-
	278.11	-	0.24	-	-
Dividend received.....	327.97	4.85	-	-	16.02
	493.67	4.89	-	-	5.34
Dividend paid.....	-	-	-	-	106.84
	0.05	-	-	-	102.74
Guarantee commission earned .....	23.89	-	1.31	-	-
	19.71	-	-	-	-
Loans given .....	1,177.26	-	77.96	-	-
	1,543.99	-	3.09	-	-
Equity contribution (net of advance towards equity contribution and loan converted into equity) @ .....	271.14	-	206.97	-	-
	482.32	-	0.26	-	-
Purchase of preference shares (including advance towards preference shares).....	-	-	-	-	-
	301.13	-	-	-	-
Loans provided for as doubtful advances (including interest).....	1.24	-	54.16	-	-
	-	-	-	-	-
Equity shares issued.....	-	-	-	-	686.33
	-	-	-	-	-
Loans repaid (including loan converted into equity) .....	357.71	-	-	-	-
	1,185.06	-	-	-	-
Deposits taken - towards rental accommodation.....	-	-	-	-	-
	-	-	-	-	2.00

Notes forming part of the Financial Statements

38. Related Party Disclosures (Contd.):

(d) Details of Transactions (Contd.)

Particulars	₹ crore				
	Subsidiaries	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
<b>Balances outstanding</b>					
Security deposits given .....	-	-	-	-	-
	-	-	-	-	0.50
Other receivables.....	76.39	1.01	14.18	-	-
	<i>51.52</i>	<i>4.59</i>	<i>0.71</i>	-	-
Loans (including interest thereon).....	4,027.95	1.27	83.22	-	-
	<i>3,244.25</i>	<i>1.27</i>	<i>4.49</i>	-	-
Loans provided for as doubtful advances (including interest thereon).....	1.24	1.27	54.16	-	-
	-	<i>1.27</i>	-	-	-
Preference shares outstanding.....	647.94	-	-	-	-
	<i>692.94</i>	-	-	-	-
Dividend receivable .....	-	-	-	-	-
	<i>75.00</i>	-	-	-	-
Guarantees, collaterals etc. outstanding.....	8,699.93	-	78.34	-	Refer Note 32 (e)
	<i>11,304.75</i>	-	<i>384.22</i>	-	<i>Refer Note 32 (e)</i>
Letter of comfort outstanding.....	-	-	71.54	-	-
	-	-	<i>10.67</i>	-	-
Other payables.....	7.64	3.66	-	-	25.47
	<i>7.42</i>	<i>1.50</i>	-	-	<i>23.96</i>

Notes:

@ Including shares pursuant to loan and preference shares being converted to equity.

\$ Includes guarantees given and cancelled in foreign currency, converted in Indian currency by applying average exchange rates.

Previous year's figures are in italics.

(e) Details of material related party transactions [included under (d)] :

(i) Subsidiaries :

Particulars	₹ crore											
	IEL	TPTCL	MPL	PTL	BIL	KIL	TPIPL	TPSSL	TERL	CGPL	TPREL	TPDDL
Purchase of goods/ power (Net of Discount Received on Prompt Payment)	-	10.53	-	-	-	-	-	-	-	-	65.07	-
	-	-	-	-	-	-	-	16.32	-	-	39.84	-
Sale of goods/ power (Net of Discount on Prompt Payment).....	-	184.14	-	-	-	-	-	-	-	-	-	-
	-	<i>200.83</i>	-	-	-	-	-	-	-	-	-	-
Rendering of services .....	37.11	-	39.06	-	-	-	20.09	-	-	-	-	-
	<i>27.52</i>	-	<i>37.54</i>	-	-	-	-	-	-	-	-	-
Receiving of services .....	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	2.13	-	-
Guarantee and collaterals given.....	-	-	-	-	-	3,179.77 \$	-	754.37 \$	1,639.15	-	-	-
	-	-	-	3,865.41	1,525.62 \$	-	-	-	3,403.27	-	-	-
Guarantee and collaterals cancelled.....	-	-	-	4,102.77	2,640.77 \$	-	-	-	2,057.75	-	-	-
	-	-	-	5,503.24	2,455.97 \$	-	-	-	3,341.43	-	-	-
Interest income.....	-	-	13.03	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	224.14	-	-	-
Dividend received.....	46.53	-	61.41	46.54	95.48	-	-	-	-	-	-	70.01
	-	-	-	319.97	-	-	-	-	-	-	-	65.39

### Notes forming part of the Financial Statements

#### 38. Related Party Disclosures (Contd.):

(e) Details of material related party transactions [included under (c)] (Contd.):

(i) Subsidiaries (Contd.):

Particulars	₹ crore											
	IEL	TPTCL	MPL	PTL	BIL	KIL	TPIPL	TPSSL	TERL	CGPL	TPREL	TPDDL
Guarantee commission earned .....	-	-	-	-	8.53	7.51	3.29	-	3.04	-	-	-
	-	-	-	-	9.06	4.31	-	-	-	-	-	-
Loans given .....	-	-	-	-	-	-	-	-	-	1,061.18	-	-
	-	-	-	-	-	-	-	-	-	1,531.66	-	-
Equity contribution (net of advance towards equity contribution and loan converted into equity) .....	27.53	-	-	-	-	-	-	162.01	-	49.85	-	-
	218.89	-	-	-	-	-	-	-	-	52.29	208.14	-
Purchase of preference shares (including advance towards preference shares) .....	-	-	-	-	-	-	278.18	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Loans repaid (including loan converted into equity) .....	39.86	-	-	-	-	-	-	-	-	299.85	-	-
	218.89	-	-	-	-	613.47	-	-	-	-	196.71	-
<b>Balances outstanding</b>												
Loans (including interest thereon) .....	-	-	-	-	-	-	-	-	-	3,795.89	-	-
	-	-	-	-	-	-	-	-	-	3,034.56	-	-
Preference shares outstanding .....	-	-	-	-	-	-	392.94	-	-	-	-	255.00
	-	-	-	-	-	-	392.94	-	-	-	-	255.00
Other receivables .....	25.07	22.20	-	-	-	-	-	-	-	-	-	-
	-	14.62	-	-	-	-	-	-	-	18.15	-	-
Guarantees, collaterals etc. outstanding .....	-	-	-	-	17.56	3,217.97	-	-	763.47	2,984.67	-	-
	-	-	-	-	3,933.59	2,521.21	-	-	268.43	3,403.27	-	-
Other payables .....	-	-	-	-	-	-	-	-	-	-	5.95	-
	-	-	-	-	-	-	-	-	-	-	6.33	-

Notes:

\$ Includes guarantees given and cancelled in foreign currency, converted in Indian currency by applying average exchange rates. Previous year's figures are in italics.

(ii) Associates and Jointly Controlled Entities [included under (d)] :

Particulars	Associates			Jointly Controlled Entities		
	TPL	YEL	NSL	MCCL	ITPC	CPL
Purchase of fixed assets .....	7.97	-	-	-	-	-
	8.12	-	-	-	-	-
Receiving of services .....	-	10.81	-	-	-	-
	-	8.71	-	-	-	-
Loans given .....	-	-	-	49.88	29.05	-
	-	-	-	-	-	-
Equity contribution (net of advance towards equity contribution and loan converted into equity) .....	-	-	-	-	206.69	-
	-	-	-	-	-	-
<b>Balances outstanding</b>						
Loans (including interest thereon) .....	-	-	1.27	54.16	29.05	-
	-	-	1.27	4.28	-	-
Loans provided for as doubtful advances .....	-	-	1.27	54.16	-	-
	-	-	1.27	-	-	-
Other receivables .....	-	1.01	-	-	13.84	-
	-	-	-	-	-	-
Letter of comfort .....	-	-	-	-	-	71.54
	-	-	-	-	-	83.03

Note: Previous year's figures are in italics

**Notes forming part of the Financial Statements**

**39. Disclosure under Regulation 34 (3) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Loans and advances (excluding advance towards equity) in the nature of loans given to Subsidiaries, Jointly Controlled Entities and Associates:

Name of the Company	Relationship	Amount Outstanding as at the year-end **	Maximum Amount Outstanding during the year**	Investments in Company's Shares (Nos.)
		₹ crore	₹ crore	
Tata Power Renewable Energy Ltd.....	Subsidiary	106.00	106.00	Nil
		<i>Nil</i>	<i>185.39</i>	<i>Nil</i>
Coastal Gujarat Power Ltd. ### *** .....	Subsidiary	3,484.30	3,734.30	Nil
		<i>2,722.96</i>	<i>2,846.40</i>	<i>Nil</i>
Khopoli Investments Ltd. ....	Subsidiary	Nil	Nil	Nil
		<i>Nil</i>	<i>615.58</i>	<i>Nil</i>
Industrial Energy Ltd. ....	Subsidiary	Nil	39.86	Nil
		<i>39.86</i>	<i>258.75</i>	<i>Nil</i>
Maithon Power Ltd *** .....	Subsidiary	123.50	123.50	Nil
		<i>123.50</i>	<i>123.50</i>	<i>Nil</i>
Chemical Terminal Trombay Ltd.....	Subsidiary	Nil	Nil	Nil
		<i>Nil</i>	<i>1.00</i>	<i>Nil</i>
Tata Power Trading Company Ltd.....	Subsidiary	Nil	Nil	Nil
		<i>Nil</i>	<i>30.00</i>	<i>Nil</i>
Tata Power Jamshedpur Distribution Ltd .....	Subsidiary	Nil	7.92	Nil
		<i>7.92</i>	<i>7.92</i>	<i>Nil</i>
NELCO Ltd.....	Subsidiary	Nil	5.00	Nil
		<i>Nil</i>	<i>12.70</i>	<i>Nil</i>
Mandakini Coal Company Ltd. \$ .....	Jointly Controlled Entity	54.16	54.16	Nil
		<i>4.28</i>	<i>4.28</i>	<i>Nil</i>
Itzhi Tezhi Power Corporation.....	Jointly Controlled Entity	29.05	29.05	Nil
		<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Nelito Systems Ltd. \$ .....	Associate	1.27	1.27	Nil
		<i>1.27</i>	<i>1.27</i>	<i>Nil</i>

Notes:

\*\* Excluding interest accrued.

\*\*\* No repayment schedule.

### Right to convert to equity.

\$ Provided for.

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, 2016. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. 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, 2016:

	Buy/ Sell	31st March, 2016		31st March, 2015	
		Foreign Currency (in Millions)	₹ crore	Foreign Currency (in Millions)	₹ crore
Forward Contracts (Buyer's credit) .....	Buy	USD 30.41	201.46	USD 45.89	286.78
Forward Contracts (Other Liabilities) .....	Buy	GBP 6.12	58.42	GBP Nil	Nil
	Buy	Euro 2.75	20.73	Euro Nil	Nil
	Buy	USD 4.93	32.66	USD Nil	Nil
Forward Contracts (Firm Commitment) .....	Buy	GBP 1.94	18.52	GBP 6.57	60.74
	Buy	Euro 9.68	72.96	Euro 11.02	74.07
	Buy	USD 30.24	200.33	USD 33.33	208.30
Currency Option (Euro Notes).....	Buy	USD 59.56	394.54	USD 60.01	375.02
Currency Option (Buyer's credit).....	Buy	USD 25.45	168.60	USD Nil	Nil
Currency Option (Firm Commitment).....	Buy	USD 33.72	223.39	USD 15.39	96.18

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

	31st March, 2016		31st March, 2015	
	Foreign Currency (in Millions)	₹ crore	Foreign Currency (in Millions)	₹ crore
(a) Amounts receivable in foreign currency on account of the following:				
(i) Export of Goods .....	USD Nil	Nil	USD 0.79	4.95
(ii) Loan Receivable from Jointly Controlled Entity .....	USD 4.39	29.05	USD Nil	Nil
(iii) Dividend Receivable .....	USD Nil	Nil	USD 12.00	75.00
(iv) Other Advances Receivable from Subsidiaries .....	USD 3.89	25.79	USD 1.32	8.24
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of Goods and Services .....	USD 10.03	66.44	USD 18.84	117.76
	Euro Nil	Nil	Euro 0.92	6.19
	GBP Nil	Nil	GBP 2.61	24.12
(ii) Capital Imports.....	Euro 0.81	6.12	Euro 0.20	1.31
	JPY 8.21	0.48	JPY 107.06	5.58
	USD 1.42	9.40	USD 0.33	2.08
	GBP 0.07	0.67	GBP 0.06	0.59
	SGD 0.01	0.05	SGD Nil	Nil
(iii) Interest Payable.....	USD 0.58	3.83	USD 0.36	2.26
(iv) Loans Payable .....	USD Nil	Nil	USD 0.05	0.31
(c) Bank Balances.....	USD 0.08	0.55	USD 0.82	5.12
	ZAR 0.72	0.32	ZAR Nil	Nil
	VND 11.24	*	VND Nil	Nil
	TAKA 0.21	0.02	TAKA 0.22	0.02

\* Denotes figures below ₹ 50,000/-

**Notes forming part of the Financial Statements**

**41. Segment Reporting:**

(a) Primary Segment Information:

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

	₹ crore			
	Power	Others	Eliminations	Total
<b>REVENUE</b>				
External Revenue.....	7,718.57	719.67	-	<b>8,438.24</b>
	<i>8,012.89</i>	<i>664.80</i>	-	<b>8,677.69</b>
<b>RESULT</b>				
Total Segment Results .....	2,134.98	81.54	-	2,216.52
Finance Costs .....	<i>1,604.42</i>	<i>60.54</i>	-	<i>1,664.96</i>
				(1,155.99)
				<i>(1,047.46)</i>
Unallocable Income net of Unallocable Expense .....				332.47
				<i>898.15</i>
Unallocable Expense - Exceptional Item.....				(226.48)
				<i>Nil</i>
Income Taxes.....				(394.90)
				<i>(505.36)</i>
<b>Profit after Tax</b> .....				<b>771.62</b>
				<b>1,010.29</b>
<b>OTHER INFORMATION</b>				
Segment Assets.....	14,823.14	1,643.23	-	16,466.37
	<i>15,306.33</i>	<i>1,296.36</i>	-	<i>16,602.69</i>
Unallocable Assets .....				17,628.55
				<i>16,958.50</i>
<b>Total Assets</b> .....				<b>34,094.92</b>
				<b>33,561.19</b>
Segment Liabilities .....	2,951.30	628.39	-	3,579.69
	<i>3,005.60</i>	<i>682.97</i>	-	<i>3,688.57</i>
Unallocable Liabilities.....				13,105.43
				<i>12,749.16</i>
<b>Total Liabilities</b> .....				<b>16,685.12</b>
				<b>16,437.73</b>
Capital Expenditure.....	805.61	236.06	-	1,041.67
	<i>1,169.69</i>	<i>86.45</i>	-	<i>1,256.14</i>
Non-cash Expenses other than Depreciation/Amortisation (to the extent allocable to segment) .....	6.30	3.59	-	9.89
	-	8.53	-	8.53
Depreciation/Amortisation (to the extent allocable to segment) .....	638.92	26.73	-	665.65
	<i>583.57</i>	<i>3.16</i>	-	<i>586.73</i>

	₹ crore	
	31st March, 2016	31st March, 2015
Reconciliation of Revenue		
Revenue from Operations (Net).....	8,819.65	8,250.19
Add/(Less): Regulatory Income/(Expense) (Net).....	(438.00)	423.00
Add: Regulatory Income/(Net) in respect of earlier year .....	56.59	4.50
Total segment revenue as reported above.....	<b>8,438.24</b>	<b>8,677.69</b>

Types of products and services in each business segment:

Power - Generation, Transmission and Distribution.

Others - Defence Electronics, Engineering, Project Contracts/Infrastructure Management Services and Property Development.

Note: Previous year's figures are in italics.

(b) Secondary Segment Information:

The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

## Notes forming part of the Financial Statements

## 42. Earnings Per Share:

	31st March, 2016	31st March, 2015
<b>Basic</b>		
Net profit for the year (₹ crore) .....	771.62	1,010.29
Less: Contingencies Reserve for the year (₹ crore) .....	21.00	10.00
	750.62	1,000.29
Less: Distribution on Unsecured Perpetual Securities (Net of Tax) (₹ crore) .....	111.85	112.88
Net profit for the year attributable to the equity shareholders (₹ crore) .....	638.77	887.41
The weighted average number of Equity Shares for Basic Earnings Per Share (Nos.) ....	270,76,05,570	269,15,47,867
Par Value Per Share (in ₹) .....	1.00	1.00
Basic Earnings Per Share (in ₹) .....	2.36	3.30
<b>Diluted</b>		
Net profit for the year attributable to the equity shareholders (₹ crore) .....	638.77	887.41
The weighted average number of equity shares for Basic Earnings Per Share (Nos.) .....	270,76,05,570	269,15,47,867
Par Value Per Share (in ₹) .....	1.00	1.00
Diluted Earnings Per Share (in ₹) .....	2.36	3.30
Diluted Earnings Per Share restricted to Basic Earnings Per Share (in ₹) .....	2.36	3.30

## 43. Disclosures as required by Accounting Standard-29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2016:

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:

Particulars	₹ crore				
	Opening Balance	Provision during the year	Payments made during the year	Reversal/ Regrouped during the year	Closing Balance
Provision for Warranties .....	30.11	29.46	(1.76)	(25.65)	32.16
	24.43	24.62	(2.85)	(16.09)	30.11
Provision for Premium on Redemption of FCCB .....	-	-	-	-	-
	170.15	5.10 @	(175.25)	-	-
Provision for Premium on Redemption of Debentures .....	40.50	-	(40.50)	-	-
	94.20	-	(53.70)	-	40.50

Notes:

@ On account of exchange loss.  
Previous year's figures are in italics.

## 44. Utilisation of Rights Issue proceeds:

Particulars	₹ crore		
	Amount proposed to be financed from Net Proceeds	Amount utilised	Balance amount as at 31st March, 2016
Part funding of capital expenditure.....	300.00	300.00	-
Part repayment of borrowings.....	533.15	533.15	-
Extend facilities to Company's subsidiary towards part repayment of the subsidiary's borrowings.....	639.51	639.51	-
General corporate purposes.....	498.35	495.25	3.10
Issue related expenses.....	22.37	21.41	0.96
	1,993.38	1,989.32	4.06
Less: Value of Shares in Abeyance.....	(4.06)	-	(4.06)
Total.....	1,989.32	1,989.32	-

## Notes forming part of the Financial Statements

45. The Company is engaged in the business of providing infrastructural facilities as per Section 186 (ii) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act, is not applicable to the Company.
46. The Company has interests in the following Jointly Controlled Entities as on 31st March, 2016 and its proportionate share in the Assets, Liabilities, Income and Expenditure are given below:

Name of the Jointly Controlled Entity (Audited)	Country of Incorporation	% holding	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
			Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure including Tax
Tubed Coal Mines Ltd.*.....	India	40	8.50	0.04	11.36	Nil	*	0.97
			<i>9.42</i>	<i>0.19</i>	<i>11.36</i>	<i>2.12</i>	<i>0.03</i>	<i>8.49</i>
Mandakini Coal Company Ltd. * .....	India	33.33	96.57	58.11	20.26	Nil	0.02	0.02
			<i>90.01</i>	<i>51.58</i>	<i>20.26</i>	<i>12.17</i>	<i>Nil</i>	<i>0.09</i>
Itezhi Tezhi Power Corporation w.e.f. 29th April, 2015.....	Zambia	50	629.93	541.22	Nil	174.42	Nil	Nil
			<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

Note:

- \* Based on unaudited financial information, certified by its Management for the year ended 31st March, 2016. Previous year's figures are in italics.

47. Previous year's figures have been re-classified/re-arranged/re-grouped, wherever necessary to conform with the current year's classification/disclosure. Figures below ₹ 50,000/- are denoted by '\*'.

## Performance Perspective

	₹ Crore									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Generation (in MU's)	14,269	14,717	14,807	15,946	15,325	15,230	15,770	13,183	11,974	<b>12,075</b>
Operating Income !	4,715	5,916	7,236	7,098	6,918	8,496	9,567	8,675	8,678	<b>8,438</b>
Operating Expenses	3,992	4,979	6,095	5,220	5,330	6,711	7,509	6,121	6,516	<b>5,721</b>
Operating Profit	723	937	1,141	1,879	1,588	1,785	2,058	2,554	2,162	<b>2,717</b>
Other Income #	344	498	632	282	494	983	722	656	1,025	<b>555</b>
EBDITA	1,067	1,435	1,773	2,160	2,082	2,768	2,752	2,946	3,138	<b>3,215</b>
Finance Cost	190	174	328	423	460	515	684	868	1,047	<b>1,156</b>
Depreciation	292	291	329	478	510	570	364	587	575	<b>666</b>
Exceptional items	-	-	-	-	-	-	-	-	-	<b>226</b>
PBT	586	970	1,117	1,259	1,112	1,683	1,703	1,491	1,516	<b>1,167</b>
PAT	697	870	922	939	941	1,170	1,025	954	1,010	<b>772</b>
Basic Earning Per Share (EPS) - ₹ / shares	34	39	44	41	41	5	3	3	3	<b>2.4</b>
Dividend per share( %)	95%	105%	115%	120%	125%	125%	115%	125%	130%	<b>130%</b>

Return On Capital Employed [ROCE] (%)	12%	12%	11%	11%	10%	10%	9%	10%	9%	<b>10%</b>
Return On Net Worth [RONW] (%)	15%	13%	14%	10%	10%	10%	7%	7%	6%	<b>4%</b>
Long Term Debts / Equity	0.51	0.34	0.52	0.55	0.63	0.59	0.71	0.71	0.58	<b>0.60</b>
Total Debts/ Equity	0.60	0.38	0.60	0.55	0.70	0.65	0.80	0.83	0.69	<b>0.69</b>

Capital	198	221	221	237	237	237	237	237	270	<b>270</b>
Shareholder's Reserves	4,437	6,331	7,182	9,173	9,801	10,389	10,803	11,649	14,196	<b>14,461</b>
Statutory Reserves **	1,398	1,486	1,289	1,213	1,201	1,195	1,220	1,241	1,261	<b>1,285</b>
Borrowings	3,633	3,037	5,198	5,872	6,981	7,906	10,069	11,080	11,037	<b>11,258</b>
Gross Block (incl. Capital WIP)	7,010	8,164	9,747	10,487	11,548	13,083	14,137	15,607	16,878	<b>17,616</b>
Accumulated Depreciation	3,199	3,477	3,795	4,258	4,736	5,300	5,648	6,233	6,729	<b>7,179</b>
Net Block	3,811	4,687	5,952	6,229	6,812	7,783	8,489	9,374	10,149	<b>10,437</b>

## Notes:

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

\*\* Statutory Reserves also includes Special Appropriation towards Projects Cost and Service Line Contribution from Consumers.

# Other Income excludes Gain / Loss on exchange.

! Includes Rate Regulatory Income/(Expenses).

FY11, FY12, FY13, FY14, FY15 & FY16 figures are based on Revised Schedule VI workings.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS 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** (herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- (a) Note 35 (e) to the consolidated financial statements which describes uncertainties relating to the outcome of the Appeal filed before the Hon'ble Supreme Court. Pending outcome of the Appeal filed before the Hon'ble Supreme Court, no adjustment has been made by the Company in respect of the standby charges estimated at ₹ 519 crores accounted for as revenue in earlier periods and its consequential effects for the period upto 31st March, 2016. The impact of the same on the results for the year ended 31st March, 2016 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, adjustment, if any, including consequential adjustments to the deferred tax liability fund and the deferred tax liability account, will be recorded by the Company based on final outcome of the matter.
- (b) Note 32 (b) to the consolidated financial statements, which refers to reversal of impairment loss of ₹ 2,320 crores (net of depreciation of ₹ 330 crores) in respect of the carrying amount of assets of Coastal Gujarat Power Limited (CGPL), a wholly owned subsidiary, consequent to change in the estimates of future cash flows due to decline in forecast of coal prices.
- (c) In case of 2 jointly controlled entities of the Holding Company, the component auditors have drawn attention to matters as stated in Note 35(a) (xi) to the consolidated financial statements, regarding recoverability of ₹ 8,483.95 crores (Group's share of ₹ 2,545.19 crores) of value added tax and vehicle fuel tax balances and Group's share in tax claims and other claims from third parties on the said jointly controlled entities, the outcome of which cannot be presently determined.
- (d) In case of 1 subsidiary, the component auditor has drawn attention to a matter as stated in Note 35(h) to the consolidated financial statements, wherein no adjustment has been made by the subsidiary in respect of income estimated at ₹ 238.79 crores as at 31st March, 2016 which includes carrying cost of ₹ 25.66 crores for the year ended 31st March, 2016, respectively. The impact of the above as at 31st March, 2016 cannot presently be determined pending ultimate outcome of the matter. Since the Group is of the view, supported by legal opinion that the disallowance of expenses by the Delhi Electricity Regulatory Commission (DERC) pertaining to the Rithala plant can be successfully challenged, no adjustment has been considered necessary by the Management.

Our report is not modified in respect of these matters.

### Other Matters

- a) We did not audit the financial information of 13 subsidiaries and 11 jointly controlled entities, whose financial information reflect total assets of ₹ 27,383.88 crores as at 31st March, 2016, total revenues of ₹ 13,968.48 crores and net cash out flows amounting to ₹ 10.70 crores 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 ₹ 30.84

crores for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, 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) We did not audit the financial information of 2 subsidiaries and 9 jointly controlled entities, whose financial information reflect total assets of ₹ 382.43 crores as at 31st March, 2016, total revenues of ₹ Nil and net cash inflows amounting to ₹ 56.95 crores for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, its subsidiary companies, associate companies and jointly controlled companies incorporated in India, internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA  
Partner  
Membership Number: 037915  
MUMBAI, 23rd May, 2016

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **THE TATA POWER COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India considering the essential components of internal control stated in the Guidance Note.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 3 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W /W-100018)

R. A. BANGA  
Partner  
Membership Number: 037915  
MUMBAI, 23rd May, 2016.

**Consolidated Balance Sheet as at 31st March, 2016**

	Notes	Page	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital.....	3	200	270.48	270.48
Reserves and Surplus .....	4	201	12,843.44	12,271.57
			<u>13,113.92</u>	<u>12,542.05</u>
<b>UNSECURED PERPETUAL SECURITIES.....</b>	5	202	1,500.00	1,500.00
<b>STATUTORY CONSUMER RESERVES .....</b>	6	202	644.23	623.23
<b>MINORITY INTEREST.....</b>			2,581.38	2,492.59
<b>SPECIAL APPROPRIATION TOWARDS PROJECT COST .....</b>			533.61	533.61
<b>CAPITAL GRANT .....</b>			7.80	8.30
<b>SERVICE LINE CONTRIBUTIONS FROM CONSUMERS .....</b>			698.02	611.70
<b>NON-CURRENT LIABILITIES</b>				
Long-term Borrowings.....	7	203	34,296.81	32,393.13
Deferred Tax Liabilities (Net).....	8	203	1,487.49	1,401.37
Other Long-term Liabilities.....	9	204	1,167.39	1,074.24
Long-term Provisions .....	10	204	1,054.22	921.38
			<u>38,005.91</u>	<u>35,790.12</u>
<b>CURRENT LIABILITIES</b>				
Short-term Borrowings.....	11	205	2,955.07	4,586.56
Trade Payables .....			6,127.67	5,235.42
Other Current Liabilities .....	12	205	10,413.39	10,497.14
Short-term Provisions.....	10	204	1,125.50	770.47
			<u>20,621.63</u>	<u>21,089.59</u>
<b>TOTAL.....</b>			<b><u>77,706.50</u></b>	<b><u>75,191.19</u></b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets.....	13(a)	206	41,147.85	37,734.74
Intangible Assets .....	13(b)	207	377.55	365.20
Capital Work-in-Progress.....			4,334.42	3,244.44
Intangible Assets under Development.....			209.70	78.75
			<u>46,069.52</u>	<u>41,423.13</u>
Goodwill on Consolidation .....			4,676.66	6,625.76
Non-current Investments.....	14	208	2,885.49	2,839.00
Deferred Tax Assets (Net) .....	8	203	11.68	5.85
Long-term Loans and Advances.....	15	210	1,791.12	1,776.01
Other Non-current Assets.....	16	210	6,397.69	7,622.48
			<u>61,832.16</u>	<u>60,292.23</u>
<b>CURRENT ASSETS</b>				
Current Investments.....	17	211	463.27	605.57
Inventories.....	18	212	1,806.08	1,844.17
Trade Receivables .....	19	212	5,204.24	5,563.95
Cash and Bank Balances .....	20	212	1,210.76	1,483.45
Short-term Loans and Advances.....	15	210	4,500.96	3,569.83
Other Current Assets .....	21	213	2,689.03	1,831.99
			<u>15,874.34</u>	<u>14,898.96</u>
<b>TOTAL.....</b>			<b><u>77,706.50</u></b>	<b><u>75,191.19</u></b>

**See accompanying notes forming part of the Consolidated Financial Statements**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

R. A. BANGA  
Partner

Mumbai, 23rd May, 2016.

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

Mumbai, 23rd May, 2016.

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

	Notes	Page	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
<b>REVENUE</b>				
Revenue from Operations (Gross) .....	22	213	37,486.79	33,731.54
Less: Excise Duty .....	22	213	6.59	3.97
Revenue from Operations (Net).....	22	213	37,480.20	33,727.57
Other Income .....	23	214	296.96	416.74
<b>TOTAL REVENUE .....</b>			<b>37,777.16</b>	<b>34,144.31</b>
<b>EXPENSES</b>				
Cost of Power Purchased.....			9,256.73	7,383.14
Cost of Fuel.....			8,268.82	9,261.00
Raw Material Consumed .....	24	215	1,134.38	697.84
Purchase of Goods/Spares/Stock for Resale.....			40.79	31.10
Transmission Charges.....			282.09	467.25
Cost of Components Consumed .....			397.66	374.30
Decrease in Stock-in-Trade and Work-in-Progress .....	24	215	20.13	120.72
Royalty towards Coal Mining .....			939.13	1,034.68
Coal Processing Charges .....			2,036.83	2,162.69
Employee Benefits Expense .....	25	215	1,512.18	1,545.67
Finance Costs.....	26	216	3,476.53	3,698.72
Depreciation and Amortisation .....	13	207	2,376.39	2,174.15
Other Expenses.....	27	216	4,798.85	4,347.98
<b>TOTAL EXPENSES.....</b>			<b>34,540.51</b>	<b>33,299.24</b>
<b>PROFIT BEFORE TAX AND RATE REGULATED ACTIVITIES.....</b>			<b>3,236.65</b>	<b>845.07</b>
Add/(Less): Regulatory Income/(Expense) (Net) .....			(852.17)	634.78
Add/(Less): Regulatory Income/(Expense) (Net) in respect of earlier years .....			(167.27)	4.50
			(1,019.44)	639.28
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX .....</b>			<b>2,217.21</b>	<b>1,484.35</b>
Exceptional Items:				
Reversal of Provision for Impairment.....			2,320.00	Nil
Provision for Impairment .....			(67.19)	Nil
Impairment of Goodwill .....			(2,533.35)	Nil
<b>PROFIT BEFORE TAX .....</b>			<b>1,936.67</b>	<b>1,484.35</b>
<b>TAX EXPENSE</b>				
Current Tax Expense.....			840.38	826.57
MAT Credit (Entitlement)/Reversal (Net).....			(21.47)	(18.29)
Current Tax Expense relating to Prior Years .....			(20.75)	0.14
Net Current Tax Expense.....			798.16	808.42
Deferred Tax Expense .....			71.12	266.50
			869.28	1,074.92
<b>PROFIT AFTER TAX AND BEFORE SHARE OF PROFIT OF ASSOCIATES AND MINORITY INTEREST .....</b>			<b>1,067.39</b>	<b>409.43</b>
Share of Profit of Associates for the Year .....			61.62	47.77
Minority interest .....			(255.66)	(289.37)
<b>PROFIT FOR THE YEAR .....</b>			<b>873.35</b>	<b>167.83</b>
<b>EARNINGS PER SHARE (FACE VALUE ₹ 1/- PER SHARE)</b>				
Basic (₹) .....	43	229	2.73	0.17
Diluted (₹) .....	43	229	2.73	0.17

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

R. A. BANGA  
Partner

Mumbai, 23rd May, 2016.

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

Mumbai, 23rd May, 2016.

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

**Consolidated Cash Flow Statement for the year ended 31st March, 2016**

	<b>For the year ended 31st March, 2016 ₹ crore</b>	<b>For the year ended 31st March, 2015 ₹ crore</b>
<b>A. Cash Flow from Operating Activities</b>		
Net profit before Taxes .....	1,936.67	1,484.35
Adjustments for:		
Depreciation and Amortisation .....	2,376.39	2,174.15
Reversal of Provision for Impairment .....	(2,320.00)	Nil
Provision for impairment .....	67.19	Nil
Impairment of Goodwill .....	2,533.35	Nil
Share Issue Expenses .....	0.07	0.27
Profit on Sale/Retirement of Assets (Net) .....	(16.70)	(15.57)
Finance Cost (Net of Capitalisation) .....	3,476.53	3,698.72
Interest Income (Net of Interest Income Capitalised) .....	(188.86)	(213.09)
Dividend Income (Net of Dividend Income Capitalised) .....	(26.98)	(17.44)
Profit on Sale of Investments (Net)-Current Investments .....	(64.13)	(78.70)
Profit on Sale of Investments (Net)-Non-current Investments .....	(26.56)	(5.52)
Liabilities/Provisions no longer required Written Back .....	(8.32)	(0.58)
Provision for Diminution in Value of Investments (Net) .....	1.42	7.10
Provision for Doubtful Debts/Advances (Net) .....	98.11	4.95
Bad Debts .....	2.47	1.23
Provision for Contingencies .....	35.00	55.59
Provision for Warranties .....	11.05	16.06
Discount Accrued on Bonds (Net) .....	(0.30)	Nil
Provision for Restoration and Rehabilitation .....	142.73	51.13
Grants/Consumer Contributions Transferred .....	(35.09)	(34.26)
Project Expenditure Written Off .....	77.18	27.87
Commission Earned .....	(9.30)	(9.43)
Exchange Loss on Investing/Financing Activity (Net) .....	29.22	17.24
Unrealised Exchange Loss (Net) .....	43.13	186.46
	6,197.60	5,866.18
Operating Profit before Working Capital Changes .....	8,134.27	7,350.53
Changes in working capital:		
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories .....	78.11	247.84
Trade Receivable .....	487.03	(1,075.39)
Short-term Loans and Advances .....	(115.90)	164.75
Long-term Loans and Advances .....	(48.35)	(133.85)
Other Current Assets .....	(714.74)	(104.58)
Other Non-current assets .....	1,214.29	(564.98)
Current Investments		
Purchased .....	(130.53)	(32.63)
Proceeds from Sale .....	132.16	29.69
Non-current Investments		
Purchased .....	(0.91)	(3.70)
Proceeds from Sale .....	16.33	12.55
Deposits Given .....	(20.00)	Nil
	897.49	(1,460.30)
Adjustments for operating liabilities:		
Trade Payable .....	709.43	579.09
Other current liabilities .....	393.85	315.13
Other long-term liabilities .....	112.40	57.94
Short-term provisions .....	(1.81)	(9.89)
Long-term provisions .....	(62.60)	(43.09)
	1,151.27	899.18
Cash Generated from Operations .....	10,183.03	6,789.41
Taxes Paid (Net) .....	(429.48)	(808.50)
<b>Net Cash Generated from Operating Activities.....A</b>	<b>9,753.55</b>	<b>5,980.91</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets, including Capital Advances .....	(3,986.38)	(3,493.62)
Deferred Stripping Expenditure .....	4.15	0.16
Proceeds from Insurance on Assets Destroyed .....	Nil	29.78
Sale of Fixed Assets .....	73.07	66.98
Inter-corporate Deposits (Net) .....	(753.91)	(435.24)
Carried Over....	5,090.48	2,148.97

### Consolidated Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
Brought forward...	5,090.48	2,148.97
Current investments		
Purchased.....	(20,349.85)	(23,116.35)
Proceeds from Sale .....	20,572.62	22,910.69
Purchase consideration paid on acquisition of interest in Jointly Controlled Entity (including Goodwill).....	(275.74)	Nil
Purchase of Long-term Investments - Others.....	(18.71)	Nil
Proceeds from Sale of Long-term Investments		
Others.....	10.85	3.46
Interest Received .....	188.79	184.86
Commission Received.....	7.80	9.54
Dividend Received.....	25.30	22.97
Exchange Gain on Investing Activity.....	Nil	2.74
Bank Balance not considered as Cash and Cash Equivalents.....	25.35	(60.89)
<b>Net cash Used in Investing Activities .....</b>	<b>(4,476.66)</b>	<b>(3,874.92)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Shares including shares issued to Minority Shareholders..	14.94	2,069.23
Increase in Capital Contributions and Capital Grants .....	120.92	110.61
Proceeds from Long-term Borrowings .....	8,100.85	8,240.74
Repayment of Long-term Borrowings.....	(7,637.54)	(8,140.82)
Debenture/Share Issue Expenses .....	(1.76)	(25.47)
Proceeds from Short-term Borrowings .....	12,179.49	9,492.19
Repayment of Short-term Borrowings .....	(13,944.75)	(9,694.73)
Other Borrowing Cost Paid (including Borrowing Cost Capitalised).....	(287.00)	(223.00)
Interest Paid (including Interest Capitalised) .....	(3,351.47)	(3,384.24)
Dividend Paid.....	(501.63)	(461.45)
Additional Income-tax on Dividend Paid .....	(89.16)	(50.65)
Distribution on Unsecured Perpetual Securities.....	(170.85)	(171.00)
<b>Net Cash Used in Financing Activities.....</b>	<b>(5,567.96)</b>	<b>(2,238.59)</b>
<b>Net Decrease in Cash and Cash Equivalents .....</b>	<b>(291.07)</b>	<b>(132.60)</b>
<b>Cash and Cash Equivalents as at 1st April (Opening Balance).....</b>	<b>1,261.64</b>	<b>1,384.50</b>
<b>Cash and Cash Equivalents Acquired on Acquisition of Subsidiary and Jointly Controlled Entities .....</b>	<b>4.77</b>	<b>Nil</b>
<b>Effect of Exchange Fluctuation on Cash and Cash Equivalents.....</b>	<b>33.75</b>	<b>9.74</b>
<b>Cash and Cash Equivalents as at 31st March (Closing Balance) .....</b>	<b>1,009.09</b>	<b>1,261.64</b>

## Notes:

1 Cash and Cash Equivalents include:

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
(a) Cash on Hand.....	1.40	1.58
(b) Cheques on Hand .....	35.86	29.25
(c) Balance with Banks		
(i) In Current Accounts.....	890.52	802.54
(ii) In Deposit Accounts .....	81.31	428.27
	<b>1,009.09</b>	<b>1,261.64</b>

2. Previous year's figures have been regrouped, wherever necessary, to conform to current year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsR. A. BANGA  
PartnerRAMESH SUBRAMANYAM  
Chief Financial OfficerH. M. MISTRY  
Company Secretary

For and on behalf of the Board,

CYRUS P. MISTRY  
ChairmanANIL SARDANA  
CEO & Managing Director

Mumbai, 23rd May, 2016.

Mumbai, 23rd May, 2016.

## Notes forming part of the Consolidated Financial Statements

### 1. Background:

The Company, pioneered the generation of electricity in India a century 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 9184 MW in India and a presence in all the segments of the power sector viz. Fuel and Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. It has successful public-private partnerships in Generation, Transmission and Distribution in India. It is one of the largest renewable energy players in India and has developed and fully commissioned 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology.

Its international presence includes strategic investments in Indonesia through a stake in coal mines and a geothermal project; in Singapore to securitise coal supply and the shipping of coal for its thermal power generation operations; in South Africa through a joint venture to develop projects in South Africa, Botswana and Namibia; in Australia through investments in enhanced geothermal and clean coal technologies; in Bhutan through a hydro project in partnership with The Royal Government of Bhutan and in Georgia through a joint venture with Clean Energy Invest AS and IFC Infra Ventures to develop a Hydro Project and in Zambia for a hydro project in association with ZESCO.

### 2.1. Significant Accounting Policies:

#### (a) Basis for Preparation of Accounts:

The consolidated financial statements of The Tata Power Company Limited (the Parent Company) and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other accounting principles generally accepted in India. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except for Fixed Assets at Strategic Engineering Division of the Parent Company, that are carried at revalued amount. The accounting policies adopted by the Group in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### (b) Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management of the Group to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

#### (c) Principles of Consolidation:

The consolidated financial statements relate to the Parent Company, its subsidiary companies, jointly controlled entities and the Group's share of profit/loss in its associates. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiaries, jointly controlled entities and associates used in consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March, 2016 and are audited except as stated in (vii) and (viii) below.
- (ii) The financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard-27 (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.
- (iv) The consolidated financial statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per Accounting Standard-23 (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.



### Notes forming part of the Consolidated Financial Statements

- (v) The excess of cost to the Group of its investments in the subsidiary companies and jointly controlled entities, over its share of equity of the subsidiary companies and jointly controlled entities, at the date on which the investments are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment. On the other hand, where the share of equity in the subsidiary and jointly controlled entities, 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. The 'Goodwill/Capital Reserve' is determined separately for each subsidiary company/jointly controlled entity and such amount are not setoff between different entities.
- (vi) Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which Investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of Investment. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit/loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vii) Following Subsidiary Companies have been considered in the preparation of the Consolidated Financial Statements:

Name	Country of Incorporation	% voting power held as at 31st March, 2016	% voting power held as at 31st March, 2015
Af-Taab Investment Co. Ltd. (AICL)	India	100	100
Chemical Terminal Trombay Ltd. (CTTL)	India	100	100
Tata Power Trading Co. Ltd. (TPTCL)	India	100	100
Powerlinks Transmission Ltd. (PTL)	India	51	51
NELCO Ltd. (NELCO)	India	50.04	50.04
Maithon Power Ltd. (MPL)	India	74	74
Industrial Energy Ltd. (IEL)	India	74	74
Tata Power Delhi Distribution Ltd. (TPDDL)	India	51	51
Coastal Gujarat Power Ltd. (CGPL)	India	100	100
Bhira Investments Ltd. (BIL)	Mauritius	100	100
Bhivpuri Investments Ltd. (BHIL)	Mauritius	100	100
Khopoli Investments Ltd. (KIL)	Mauritius	100	100
Trust Energy Resources Pte. Ltd. (TERL)	Singapore	100	100
Energy Eastern Pte. Ltd. (EEL)	Singapore	100	100
Industrial Power Utility Ltd. (IPUL)	India	100	100
Tatanet Services Ltd. (TNSL) (Consolidated with NELCO Ltd.)	India	50.04	50.04
Tata Power Renewable Energy Ltd. (TPREL)	India	100	100
PT Sumber Energi Andalan Tbk. (SEA)	Indonesia	94.61	94.61
Tata Power Green Energy Ltd. (TPGEL)	India	100	100
NDPL Infra Ltd. (NDPLIL)	India	51	51
Dugar Hydro Power Ltd. (DHPL)	India	50.001	50.001
Tata Power Solar Systems Ltd. (TPSSL)	India	100	100
Tata Power Jamshedpur Distribution Ltd. (TPJDL)	India	100	100
Tata Power International Pte. Ltd. (TPIPL)	Singapore	100	100
NewGen Saurashtra Windfarms Ltd. (NSWL) **	India	Nil	100
Tata Ceramics Ltd. (TCL)* (w.e.f. 28th May, 2015)	India	57.07	Nil
Supa Windfarm Ltd. (SWL) (w.e.f. 10th December, 2015)	India	100	Nil
Poolavadi Windfarm Ltd. (PWL)* (w.e.f. 9th January, 2016)	India	100	Nil
Nivade Windfarm Ltd. (NWL)* (w.e.f. 17th December, 2015)	India	100	Nil

\* Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2016.

\*\* NewGen Saurashtra Windfarms Ltd. (NSWL) has been merged with Tata Power Renewable Energy Ltd. (TPREL) vide Order by the Hon'ble High Court dated 4th December, 2015 w.e.f. 1st April, 2014.

## Notes forming part of the Consolidated Financial Statements

## (viii) Interest in Jointly Controlled Entities:

The Group's interest in Jointly Controlled Entities are:

Name	Country of Incorporation	% of Ownership Interest as at 31st March, 2016	% of Ownership Interest as at 31st March, 2015
PT Arutmin Indonesia (PAI)	Indonesia	30	30
PT Kaltim Prima Coal (PKPC)	Indonesia	30	30
Indocoal Resources (Cayman) Ltd. (IRCL)	Cayman Island	30	30
PT Indocoal Kalsel Resources (PIKR) *	Indonesia	30	30
PT Indocoal Kaltim Resources (PIR) *	Indonesia	30	30
Tubed Coal Mines Ltd. (TCML)*	India	40	40
Mandakini Coal Company Ltd. (MCCL) *	India	33.33	33.33
Candice Investments Pte. Ltd. (CIL)	Singapore	30	30
OTP Geothermal Pte. Ltd. (OTPG) *	Singapore	50	50
PT Kalimantan Prima Power (PKPP)	Indonesia	30	30
Cennergi Pty. Ltd. (CPL)	South Africa	50	50
PT Mitratama Perkasa (PTMP)	Indonesia	28.38	28.38
PT Baramulti Sukessarana Tbk. (BSSR)	Indonesia	26	26
Adjaristsqali Netherlands BV (ANBV)	Netherlands	40	40
Koromkheti Netherlands BV (KNBV) *	Netherlands	40	Nil
Indocoal KPC Resources (Cayman) Ltd. (IKPC) *	Indonesia	30	Nil
Itezhi Tezhi Power Corporation (ITPC) (From 29th April, 2015)	Zambia	50	Nil

\* Based on Unaudited Financial Information, certified by its Management for the year ended 31st March, 2016.

## (ix) Investment in Associates:

The Group's Associates are:

Name	Country of Incorporation	% of Ownership Interest as at 31st March, 2016	% of Ownership Interest as at 31st March, 2015
Yashmun Engineers Ltd.	India	27.27	27.27
Dagachhu Hydro Power Corporation Ltd.	Bhutan	26	26
Panatone Finvest Ltd.	India	39.98	39.98
Tata Projects Ltd.	India	47.78	47.78
ASL Advanced Systems Pvt. Ltd. #	India	32.90	32.90
The Associated Buildings Co. Ltd. #	India	33.14	33.14
Rujuvalika Investments Ltd. # (Upto 30th April, 2015)	India	Nil	27.59
Brihat Trading Private Ltd. #	India	33.21	33.21
Nelito Systems Ltd.	India	49.89	49.89

# These associates have not been considered for consolidation being not material to the Group.

### Notes forming part of the Consolidated Financial Statements

(x) The break-up of Investment in Associates is as under:

	₹ crore					
	Nelito Systems Ltd.	Panatone Finvest Ltd.	Yashmun Engineers Ltd.	Tata Projects Ltd.	Tata Ceramics Ltd. #	Dagachhu Hydro Power Corporation Ltd.
Refer Note 14						
(i) Number of Equity Shares (Nos.)	10,20,000	59,08,82,000	19,200	9,67,500	Nil	10,74,320
	<i>10,20,000</i>	<i>59,08,82,000</i>	<i>19,200</i>	<i>9,67,500</i>	<i>2,99,39,802</i>	<i>10,74,320</i>
(ii) Percentage holding (%)	49.89	39.98	27.27	47.78	Nil	26.00
	<i>49.89</i>	<i>39.98</i>	<i>27.27</i>	<i>47.78</i>	<i>30.68</i>	<i>26.00</i>
(iii) Cost of Investment (Equity Shares)	4.34	600.00	0.01	66.78	Nil	107.43
	<i>4.34</i>	<i>600.00</i>	<i>0.01</i>	<i>66.78</i>	<i>13.17</i>	<i>107.43</i>
(iv) Including Goodwill/(Capital Reserve)	Nil	1.51	(0.24)	23.30	Nil	Nil
	<i>Nil</i>	<i>1.51</i>	<i>(0.24)</i>	<i>23.30</i>	<i>10.24</i>	<i>Nil</i>
(v) Share in accumulated profit/(loss) net of dividends received upto 31st March, 2015	16.37	63.96	1.63	329.43	Nil	(1.00)
	<i>16.07</i>	<i>54.18</i>	<i>1.66</i>	<i>296.03</i>	<i>(13.17) \$</i>	<i>(0.40)</i>
(vi) Share of profit/(loss) for the year	0.80	33.34	3.15	30.78	Nil	(6.45)
Less: Dividend received during the year	<u>0.05</u>	<u>Nil</u>	<u>Nil</u>	<u>4.84</u>	<u>Nil</u>	<u>Nil</u>
Share of profit/(loss) net of dividends received during the year	0.75	33.34	3.15	25.94	Nil	(6.45)
	<i>0.30</i>	<i>9.78</i>	<i>(0.03)</i>	<i>33.40</i>	<i>Nil</i>	<i>(0.60)</i>
(vii) Carrying Cost	21.46	697.30	4.79	422.15	Nil	99.98
	<i>20.71</i>	<i>663.96</i>	<i>1.64</i>	<i>396.21</i>	<i>Nil</i>	<i>106.43</i>

Notes:

\$ Share of profit/(loss) has not been considered since, loss being restricted to the cost of investment.

# Became subsidiary during the year.

Previous year's figures are in italics.

(xi) The Associates not considered for consolidation being not material to the Group have been stated at cost as under:

	₹ crore			
	Brihat Trading Private Ltd.	ASL Advanced Systems Pvt. Ltd.	The Associated Building Co. Ltd.	Rujuvalika Investments Ltd. !
Refer Note 14				
(i) Number of Equity Shares (Nos.)	3,350	5,55,000	1,825	Nil
	<i>3,350</i>	<i>5,55,000</i>	<i>1,825</i>	<i>3,66,667</i>
(ii) Percentage Holding (%)	33.21	32.90	33.14	Nil
	<i>33.21</i>	<i>32.90</i>	<i>33.14</i>	<i>27.59</i>
(iii) Cost of Investment (Equity Shares)	0.01	0.56	0.17	Nil
	<i>0.01</i>	<i>0.56</i>	<i>0.17</i>	<i>0.60</i>
(iv) Provision for Diminution in Value of Investments (Equity Shares)	Nil	(0.56) \$	Nil	Nil
	<i>Nil</i>	<i>(0.56) \$</i>	<i>Nil</i>	<i>Nil</i>
(v) Carrying Cost	0.01	Nil	0.17	Nil
	<i>0.01</i>	<i>Nil</i>	<i>0.17</i>	<i>0.60</i>

Notes:

\$ Included in Note 14 under Provision for diminution in value of investments.

! Sold during the year.

Previous year's figures are in italics.

## Notes forming part of the Consolidated Financial Statements

(d) Cash and Cash Equivalents (for purposes of Cash Flow Statement):

The Group's Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(e) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(f) Tangible/Intangible Fixed Assets:

(i) Fixed assets, except Tangible Assets at its Strategic Engineering Division of the Parent Company are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use. The Group has adopted the provisions of para 46A of the Accounting Standard-11 (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 on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

The Parent Company revalued all its Tangible assets that existed on 1st April, 2013 at its Strategic Engineering Division. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation reserve account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation/impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed/utilised.

(ii) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

(iii) Capital Work-in-Progress:

Projects under which tangible fixed assets are not yet ready for their intended use and other capital work-in-progress are carried at cost (net of impairment), comprising direct cost, related incidental expenses and attributable borrowing costs.

(iv) Intangible Assets under Development:

Expenditure on Research and Development [Refer Note 2.1 (m)] eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

(v) In case of Coal Companies, when proven reserves are determined and development is sanctioned, exploration and evaluation assets are included in "Fixed Assets". All subsequent development costs relating to construction of infrastructure required to operate the mine is capitalised and classified as work-in-progress. Development costs are net of proceeds from the sale of coal or mineral extracted during the development phase. Once development is completed, all assets included in work-in-progress are reclassified as either mining properties or other component of fixed assets.

Mining properties include assets in production and in development, assets transferred from exploration and evaluation assets and deferred stripping performed in the development of the mine. Mining properties in development and acquired mineral resources are not depreciated until production commences.

(vi) In the case of OTPGL, exploration expenditure 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

## Notes forming part of the Consolidated Financial Statements

- (ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing, or where both conditions are met.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration asset may exceed its recoverable amount.

Pre-license exploration expenditures incurred prior to having obtained the legal rights to explore an area are recognised in the Statement of Profit and Loss as they are incurred.

(g) Impairment of Assets:

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units.

(h) Depreciation/Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets in respect of electricity business of the Group covered under Part B of Schedule II of the Act has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

Depreciation on other tangible fixed assets in respect of the Group in India has been provided on the straight line method as per useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of motor vehicles, launches and barges, where the life of the assets have been assessed as 5 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight line method as per the estimated useful life as determined by the Management or over the lives determined based on rates of depreciation specified under various applicable local statutes.

Intangible assets are amortised on straight line method over their estimated useful life or 5 years, whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Expenditure to acquire Operating right to use intake channel is amortised on straight line basis over 25 years being the right to use the facilities.

(i) Leases:

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis, over the lease term.

(j) Investments:

- (i) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. 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.

## Notes forming part of the Consolidated Financial Statements

### (k) Inventories:

Inventories of raw materials, semi-finished products, product/tools under development, stores, spare parts, consumable supplies, fuel and loose tools are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses where considered necessary. Work-in-progress and property under development, developed properties and finished products are valued at lower of cost and net realisable value. Cost includes cost of land, material, labour and other appropriate overheads.

In the case of AICL, Inventories (stock of shares and securities) are valued at lower of cost and fair value.

### (l) Taxes on Income:

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group, in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdiction where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carried forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and Deferred Tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### (m) Research and Development Expenses:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for tangible/intangible fixed assets.

### (n) Provision for Warranty:

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

### (o) Foreign Currency Transactions and Translations:

#### Initial recognition:

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

## Notes forming part of the Consolidated Financial Statements

Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates.

All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences on restatement of long-term receivables from non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items stated in para below until disposal/recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal/recovery is recognised.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income/expense in the same period in which the gain or loss on disposal is recognised.

The exchange differences arising on settlement/restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relate and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period/upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts:

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made. 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 in foreign currency. Forward contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions and translations. All other derivative contracts are mark-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence. The Group enters into Interest Rate Swap (IRS) contracts to hedge interest rate risks on foreign currency borrowings. These contracts are held to maturity, are settled as and when the amounts fall due under the contract and are in substance contracts which convert floating interest rate to fixed interest rate. Accordingly, such interest is accounted in the period in which it accrues.

(q) Employee Benefits:

Employee benefits consist of Provident Fund, Superannuation Fund, Gratuity Scheme, Pension (including Director pension), Ex-Gratia Death Benefits, Post Retirement Medical Benefits, Retirement Gifts, Compensated Absences, Hospitalisation in Service and Long-term Service Awards.

Defined contribution plans:

Contributions paid/payable during the year to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of Gratuity, Ex-Gratia Death Benefits, Retirement Gifts, Post Retirement Medical Benefits and Pension (including Director pension), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation

## Notes forming part of the Consolidated Financial Statements

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. Hospitalisation in Service and Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(r) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognised.

- (i) Revenue from Generation, Transmission and Distribution is recognised on an accrual basis 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 are made during the year. Further, any adjustments that may arise on annual performance review by respective State Regulatory Commissions under the aforesaid Tariff Regulations/Tariff Orders is made after the completion of such review.
- (iii) Delayed payment charges and interest on delayed payments are recognised, on grounds of prudence, as and when recovered/confirmed by consumers.
- (iv) Interest income and guarantee commission is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.
- (v) Amounts received from consumers towards capital/service line contributions are accounted as a liability and are subsequently recognised as income over the life of the fixed assets.
- (vi) Revenue from infrastructure management services/infrastructure services is recognised as income as and when services are rendered and no significant uncertainty to the collectability exists.
- (vii) Income on contracts in respect of Strategic Engineering Business and Project Management Services of the Parent Company are accounted on "Percentage of Completion" basis measured by the proportion that cost incurred upto the reporting date bear to the estimated total cost of the contract.
- (viii) Revenue from Sale of Carbon Credits and Renewable Energy Certificates is recognised at the time of sale.
- (ix) The amount received from consumers on account of Service Line charges are treated as Income on installation of connection.
- (x) Revenue from sale of goods is recognised on the transfer of title in the goods which occurs either on dispatch or delivery of goods to customer as per terms of contract. Service income is recognised as per terms of contract.

(s) Advance against Depreciation:

In the case of PTL, Advance against depreciation forming part of tariff pertaining to subsequent years, to facilitate repayment of loans is reduced from transmission income and considered as deferred revenue to be included in transmission income in subsequent years.

(t) Issue Expenses and Premium on Redemption of Bonds and Debentures:

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



## Notes forming part of the Consolidated Financial Statements

- (ii) Discount on issue of Bonds, Debentures and Euro Notes are amortised over the tenure.
- (iii) Premium on Redemption of Bonds/Debentures, net of tax impact, are adjusted against the Securities Premium Account in the year of issue.

(u) Estimated Liability for Restoration and Rehabilitation:

Estimated liability for restoration and rehabilitation costs are based principally on legal and regulatory requirements. Estimates are reassessed regularly and the effects of changes are recognised prospectively. Recognition of current portion of liability is based on the estimates by the Management.

(v) Borrowing Costs:

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(w) Segment Reporting:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under "unallocable revenue/expenses/assets/liabilities".

(x) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements and are disclosed in the Notes. 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. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

**2.2.** The Parent Company during the year ended 31st March, 2014, changed its accounting policy in respect of Tangible Assets at its Strategic Engineering Division. These Tangible Assets which were hitherto carried at cost have been revalued as at 1st April, 2013. The revaluation is based on a valuation made by an independent valuer using the Depreciated Replacement Cost Method. Accordingly, the gross book value of such assets and the accumulated depreciation as at 1st April, 2013 had increased by ₹ 234.98 crore and ₹ 7.59 crore respectively and ₹ 227.39 crore had been credited to the Revaluation Reserve.

**2.3.** In an earlier year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs (MCA), the Group had selected the option given in paragraph 46A of the Accounting Standard-11 (AS-11) - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items for the year ended 31st March, 2016 is ₹ 98.22 crore (31st March, 2015 - ₹ 167.67 crore). The unamortised portion carried forward as at 31st March, 2016 is ₹ 2,144.18 crore (31st March, 2015 - ₹ 1,829.40 crore).

## Notes forming part of the Consolidated Financial Statements

## 3. Shareholders' Funds - Share Capital

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ crore	Number	₹ crore
<b>Authorised</b>				
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
		<u>529.00</u>		<u>529.00</u>
<b>Issued</b>				
Equity Shares [including 29,76,172 shares (31st March, 2015 - 29,80,316 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] .....	276,17,00,970	276.17	276,17,00,970	276.17
<b>Subscribed and Paid-up</b>				
Equity Shares fully Paid-up [excluding 29,76,172 shares (31st March, 2015 - 29,80,316 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].....	270,46,29,398	270.46	270,46,25,254	270.46
Less: Calls in arrears [including ₹ 0.01 crore (31st March, 2015 - ₹ 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
		<u>270.42</u>		<u>270.42</u>
Add: Equity Shares forfeited - Amount paid .....	16,52,300	0.06	16,52,300	0.06
<b>Total</b> .....		<u><b>270.48</b></u>		<u><b>270.48</b></u>

## (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ crore	Number	₹ crore
<b>Equity Shares</b>				
At the beginning of the year.....	270,62,77,554	270.48	237,43,24,080	237.29
Equity Shares held by Chemical Terminal Trombay Ltd., subsidiary sold during the year..	Nil	Nil	400,580	0.04
Issued during the year .....	4,144	*	331,552,894	33.15
Outstanding at the end of the year.....	<u>270,62,81,698</u>	<u>270.48</u>	<u>270,62,77,554</u>	<u>270.48</u>

\* Denotes figures below ₹ 50,000/-

## (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 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.30 per share of Face Value of ₹ 1/- each (31st March 2015- ₹ 1.30 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, 2016		As at 31st March, 2015	
	Number	% Holding	Number	% Holding
<b>Equity Shares of ₹ 1/- each fully paid</b>				
Tata Sons Limited.....	83,97,99,682	31.05	82,18,99,682	30.39
Life Insurance Corporation of India.....	36,98,66,780	13.68	35,48,05,781	13.12
Matthews Pacific Tiger Fund .....	16,56,20,436	6.12	16,75,45,436	6.19

## Notes forming part of the Consolidated Financial Statements

### 4. Shareholders' Funds - Reserves and Surplus

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Capital Reserve</b> .....	61.66	61.66
<b>Revaluation Reserve</b>		
Opening Balance .....	222.31	224.79
Less: Amount transferred to Depreciation Fund consequent to change in accounting policy .....	Nil	2.48
Closing Balance .....	<u>222.31</u>	<u>222.31</u>
<b>Capital Redemption Reserve</b> .....	15.76	15.76
<b>Capital Reserve on Consolidation</b> .....	159.74	159.74
<b>Self Insurance Reserve</b>		
Opening Balance .....	11.63	10.11
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	<u>1.52</u>	<u>1.52</u>
Closing Balance .....	<u>13.15</u>	<u>11.63</u>
<b>Securities Premium Account</b>		
Opening Balance .....	5,585.29	3,654.32
Add: Share premium collected during the year .....	0.02	1,956.17
Less: Issue Expenses pertaining to Rights Issue .....	Nil	22.82
Less: Issue expenses pertaining to Debentures Issue .....	<u>1.69</u>	<u>2.38</u>
Closing Balance .....	<u>5,583.62</u>	<u>5,585.29</u>
<b>Debenture Redemption Reserve</b>		
Opening Balance .....	434.66	847.86
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	130.05	Nil
Less: Amount transferred to Surplus in Statement of Profit and Loss .....	Nil	<u>413.20</u>
Closing Balance .....	<u>564.71</u>	<u>434.66</u>
<b>Special Reserve Fund (under Sec 45-IA of RBI Act, 1934)</b>		
Opening Balance .....	70.18	67.08
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	<u>4.55</u>	<u>3.10</u>
Closing Balance .....	<u>74.73</u>	<u>70.18</u>
<b>Foreign Currency Translation Reserves (Net)</b>		
Opening Balance .....	920.07	775.27
Add: Effect of foreign exchange rate variations during the year .....	<u>243.66</u>	<u>144.80</u>
Closing Balance .....	<u>1,163.73</u>	<u>920.07</u>
<b>Foreign Currency Monetary Item Translation Difference Account</b>		
Opening Balance .....	(51.92)	(136.01)
Add: Effect of foreign exchange rate variations during the year .....	(22.33)	(25.08)
Less: Amortised during the year .....	<u>29.75</u>	<u>109.17</u>
Closing Balance .....	<u>(44.50)</u>	<u>(51.92)</u>
<b>General Reserve</b>		
Opening Balance .....	4,062.02	3,940.63
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	<u>97.31</u>	<u>121.39</u>
Closing Balance .....	<u>4,159.33</u>	<u>4,062.02</u>
Carried Forward.....	11,974.24	11,491.40

NOTICE

BOARD'S REPORT

MD&amp;A

CG REPORT

STANDALONE

CONSOLIDATED

## Notes forming part of the Consolidated Financial Statements

## 4. Shareholders' Funds - Reserves and Surplus (Contd.)

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Brought forward.....	11,974.24	11,491.40
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance .....	780.17	852.08
Add: Profit for the year.....	873.35	167.83
Deferred tax assets created as at 1st April, 2014 (Pursuant to the Scheme of Amalgamation)	5.63	Nil
Reversal of additional Income-tax on Dividend in respect of earlier year.....	20.74	24.72
Transfer from Debenture Redemption Reserve .....	Nil	413.20
Less: Distribution on Unsecured Perpetual Securities [Net of tax ₹ 59.19 crore (31st March, 2015 - ₹ 58.12 crore)] .....	111.85	112.88
Proposed Dividend [₹ 1.30 per share (31st March, 2015 - ₹ 1.30 per share)].....	351.99	351.99
Additional Income-tax on Dividend.....	92.42	67.04
Transfer to Self Insurance Reserve (Net).....	1.52	1.52
Transfer to Special Reserve Fund (under Sec 45-IA of RBI Act, 1934) .....	4.55	3.10
Transfer to Contingencies Reserve Fund .....	21.00	10.00
Transfer to Debenture Redemption Reserve.....	130.05	Nil
Transferred on account of change in the useful life of asset [Net of Deferred Tax ₹ Nil (31st March, 2015 - ₹ 4.45 crore)].....	Nil	9.74
Transfer to General Reserve.....	97.31	121.39
	<u>89.03</u>	<u>(71.91)</u>
Closing Balance .....	869.20	780.17
<b>Total.....</b>	<b><u>12,843.44</u></b>	<b><u>12,271.57</u></b>

## 5. Unsecured Perpetual Securities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Unsecured Perpetual Securities.....	1,500.00	1,500.00
<b>Total.....</b>	<b><u>1,500.00</u></b>	<b><u>1,500.00</u></b>

In an earlier year the Company raised ₹ 1,500 crore through issue of Unsecured Perpetual Securities (the "Securities"). These Securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Securities are 11.40% with a step up provision if the Securities are not called after 10 years. The distribution on the Securities may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any securities ranking *pari passu* with, or junior to the instrument. As these Securities are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments and are not classified as "Debt" and the distribution on such Securities is not considered under "Finance Costs".

## 6. Statutory Consumer Reserves

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

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Tariffs and Dividends Control Reserve .....</b>	<b>22.43</b>	<b>22.43</b>
<b>Contingencies Reserve Fund</b>		
Opening Balance .....	86.00	76.00
Add: Amount transferred from Surplus in Statement of Profit and Loss .....	21.00	10.00
Closing Balance.....	<u>107.00</u>	<u>86.00</u>
<b>Development Reserve .....</b>	<b>5.29</b>	<b>5.29</b>
<b>Deferred Taxation Liability Fund.....</b>	<b>279.76</b>	<b>279.76</b>
<b>Investment Allowance Reserve .....</b>	<b>121.18</b>	<b>121.18</b>
<b>Debt Redemption Reserve .....</b>	<b>51.94</b>	<b>51.94</b>
<b>Debenture Redemption Reserve .....</b>	<b>56.63</b>	<b>56.63</b>
<b>Total.....</b>	<b><u>644.23</u></b>	<b><u>623.23</u></b>

## Notes forming part of the Consolidated Financial Statements

## 7. Long-term Borrowings

	As at 31st March, 2016		As at 31st March, 2015	
	Non-current ₹ crore	Current ₹ crore	Non-current ₹ crore	Current ₹ crore
<b>Secured</b>				
<b>Redeemable Non-Convertible Debentures</b> .....	2,064.00	41.00	1,605.00	221.00
<b>Term Loans</b>				
From Banks.....	16,556.93	1,517.81	13,976.67	1,315.01
From Others.....	5,133.79	491.12	7,588.73	802.63
<b>Finance Lease Obligations (Refer Note 46)</b> .....	146.55	136.98	266.05	152.48
<b>(A)</b>	<b>23,901.27</b>	<b>2,186.91</b>	<b>23,436.45</b>	<b>2,491.12</b>
<b>Unsecured</b>				
<b>Redeemable Non-Convertible Debentures</b> .....	3,925.00	Nil	3,000.00	Nil
<b>Convertible Debentures</b> .....	2.89	Nil	2.89	Nil
<b>Bonds</b>				
8.50% Euro Notes (2017).....	394.54	Nil	372.21	Nil
<b>Term loans</b>				
From Banks.....	6,029.78	667.90	5,516.46	1,074.52
From Others.....	0.03	Nil	7.64	50.00
<b>Deferred Payment Liabilities - Sales Tax Deferral</b> .....	43.30	14.17	57.48	11.37
<b>(B)</b>	<b>10,395.54</b>	<b>682.07</b>	<b>8,956.68</b>	<b>1,135.89</b>
<b>Total..... (A+B)</b>	<b>34,296.81</b>	<b>2,868.98</b>	<b>32,393.13</b>	<b>3,627.01</b>

## Security

Redeemable Non-Convertible Debentures are secured by a *pari passu* charge on the assets of various wind farms, land in village Takve Khurd (Maharashtra) and movable and immovable properties in and outside Maharashtra, as also all transmission stations/lines, receiving stations and sub-stations in Maharashtra. Term Loans availed by various entities of the Group from various Banks and Financial Institutions 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.

Finance Lease obligations are secured by hypothecation of specific assets taken on finance lease.

## Terms of Repayment

Secured Redeemable Non-Convertible Debentures carry varying rates of interest ranging from 7.10% to 10.40% and are redeemable starting from 2016 and ending with 2025, in various installments.

Secured Term Loans from Banks and Others have maturities starting from 2016 and ending with 2030 in various installments.

Unsecured Redeemable Non-Convertible Debentures of ₹ 1,500 crore carrying 10.75% rate of interest and is redeemable in 2072. The Group 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.

Unsecured Redeemable Non-Convertible Debentures of ₹ 2,000 crore carry varying rates of interest of 9.32%, 9.48% and 9.41% and are redeemable at par starting from 2017 and ending with 2023.

Unsecured Redeemable Non-Convertible Debentures of ₹ 425 crore carrying 9.30% rate of interest and are redeemable in 2025.

Unsecured Convertible Debentures are convertible in 2017.

8.50% Euro Notes are repayable fully on 19th August, 2017.

Unsecured Term Loans from Banks and Others have maturities starting from 2015 and ending with 2025, in various installments.

Sales Tax Deferral is repayable in various installments from April, 2015 to March, 2022.

## 8. Deferred Tax Balances

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>A. Deferred Tax Liability (Net)</b>		
<b>The components of Deferred Tax Liability and Asset are as under:</b>		
<b>Deferred Tax Liability on account of:</b>		
Relating to Fixed Assets.....	2,574.83	2,367.13
Balance in Deferred Tax Liability Fund.....	(279.76)	(279.76)
Deferred Stripping Cost.....	Nil	3.59
Lease Transactions.....	113.44	188.48
Exchange Losses on Loans to Subsidiaries.....	Nil	15.70
<b>Deferred Tax Liability</b> .....	<b>2,408.51</b>	<b>2,295.14</b>
<b>Deferred Tax Asset on account of:</b>		
Provision for Doubtful Debts and Advances.....	57.02	66.13
Provision for Tax, Duty, Cess, Fee etc.....	22.57	44.26
Provision for Employee Benefits.....	105.38	119.85
Brought Forward Business Losses.....	2.38	1.98
Others.....	34.23	12.49
<b>Deferred Tax Asset</b> .....	<b>221.58</b>	<b>244.71</b>
<b>Net Deferred Tax Liability</b> .....	<b>2,186.93</b>	<b>2,050.43</b>
Less: Tax to be recovered in Future Tariff Determination.....	699.44	649.06
<b>Total</b> .....	<b>1,487.49</b>	<b>1,401.37</b>

## Notes forming part of the Consolidated Financial Statements

## 8. Deferred Tax Balances (Contd.)

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>B. Deferred Tax Asset (Net)</b>		
<b>The components of Deferred Tax Liability and Asset are as under:</b>		
<b>Deferred Tax Liability on account of:</b>		
Relating to Fixed Assets .....	4,015.33	2,858.22
Deferred Stripping Cost .....	3.04	Nil
Exchange Losses .....	0.02	Nil
<b>Deferred Tax Liability</b> .....	<u>4,018.39</u>	<u>2,858.22</u>
<b>Deferred Tax Asset on account of:</b>		
Provision for Doubtful Debts and Advances .....	20.91	9.78
Provision for Tax, Duty, Cess, Fee etc. ....	11.64	10.89
Provision for Employee Benefits .....	24.05	9.43
Unabsorbed Depreciation Carried Forward .....	3,955.14	2,832.49
Relating to Fixed Assets .....	4.52	Nil
Others .....	13.81	1.48
<b>Deferred Tax Asset</b> .....	<u>4,030.07</u>	<u>2,864.07</u>
<b>Net Deferred Tax Asset</b> .....	<u><b>11.68</b></u>	<u><b>5.85</b></u>

Note: Certain Subsidiaries of the Group have recognised Deferred Tax Assets as at 31st March, 2016 and 31st March, 2015, arising from Unabsorbed Depreciation on the basis of prudence only to the extent of above mentioned Deferred Tax Liability as at 31st March, 2016 and 31st March, 2015.

## 9. Other Long-term Liabilities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Trade Payables .....	39.86	30.68
Payables on Purchase of Fixed Assets .....	4.85	4.11
Consumers' Benefit Account .....	21.94	21.94
Regulatory Liabilities .....	62.82	48.38
Security Deposits from Customers/Consumers .....	532.78	530.70
Advances from Customers .....	328.94	280.27
Advance against Depreciation .....	98.73	98.73
Interest accrued but not due on Borrowings .....	0.87	0.66
Others .....	76.60	58.77
<b>Total</b> .....	<u><b>1,167.39</b></u>	<u><b>1,074.24</b></u>

## 10. Provisions

	As at 31st March, 2016		As at 31st March, 2015	
	Long-term ₹ crore	Short-term ₹ crore	Long-term ₹ crore	Short-term ₹ crore
<b>Provision for Employee Benefits</b>				
Compensated Absences .....	98.54	8.42	95.09	7.62
Gratuity (Net) [Refer Note 38(c) (ii)] .....	23.28	29.31	17.68	29.14
Other Defined Benefit Plan [Refer Note 38(c) (ii)] .....	174.58	39.42	186.31	40.37
Other Employee Benefits .....	56.16	5.28	51.41	2.14
	<u>352.56</u>	<u>82.43</u>	<u>350.49</u>	<u>79.27</u>
<b>Provision - Others</b>				
Provision for Warranties .....	29.16	38.12	27.56	36.37
Provision for Premium on Redemption of Debentures .....	Nil	Nil	Nil	40.50
Provision for Contingencies .....	Nil	90.59	Nil	55.59
Provision for Future Forseeable Losses .....	0.67	0.94	1.74	0.73
Provision for Income-tax (Net) .....	3.74	424.54	3.74	77.54
Provision for Wealth Tax .....	Nil	1.09	Nil	3.29
Provision for Proposed Dividend .....	Nil	351.99	Nil	351.99
Provision for Additional Income-tax on Dividend .....	Nil	88.94	Nil	77.10
Provision for Restoration and Rehabilitation .....	668.09	46.86	537.85	48.09
	<u>701.66</u>	<u>1,043.07</u>	<u>570.89</u>	<u>691.20</u>
<b>Total</b> .....	<u><b>1,054.22</b></u>	<u><b>1,125.50</b></u>	<u><b>921.38</b></u>	<u><b>770.47</b></u>

## Notes forming part of the Consolidated Financial Statements

### 11. Short-term Borrowings

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Secured</b>		
<b>From Banks</b>		
(a) Short-term Loans .....	472.35	819.89
(b) Buyer's Line of Credit .....	1.00	Nil
	473.35	819.89
<b>Unsecured</b>		
<b>From Banks</b>		
(c) Short-term Loans .....	729.63	1,206.56
(d) Buyer's Line of Credit .....	392.37	1,178.99
<b>From Others</b>		
(e) Inter-corporate Deposit .....	39.72	106.12
<b>Commercial Paper</b> [maximum amount outstanding during the year is ₹ 2,845.00 crore (31st March, 2015 - ₹ 1,775.00 crore)] .....	1,320.00	1,275.00
	2,481.72	3,766.67
<b>Total</b> .....	<b>2,955.07</b>	<b>4,586.56</b>

#### Security

The Short-term Loans and Buyer's Line of Credit availed by various entities of the Group are secured by a *pari passu* charge on unmovable property of certain entities, both present and future and are also secured by a *pari passu* charge on tangible assets, receivables and stores and spares of the respective entities.

### 12. Other Current Liabilities

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
(a) Payables towards Purchase of Fixed Assets .....	843.51	749.19
(b) Current Maturities of Long-term Debt (Refer Note 7) .....	2,868.98	3,627.01
(c) Interest accrued but not due on Borrowings .....	656.78	486.67
(d) Interest accrued and due on Borrowings .....	23.62	38.76
(e) Interest accrued on Others .....	Nil	104.23
(f) Investor Education and Protection Fund shall be credited by the following amounts namely: **		
Unpaid Dividend .....	14.87	14.61
Unpaid Matured Deposits .....	0.03	0.03
Unpaid Matured Debentures .....	0.09	0.09
(g) Book Overdraft .....	0.12	1.81
(h) Other Payables .....		
Statutory Liabilities .....	502.76	598.16
Advance and Progress payments received from Customers/Public Utilities ..	753.34	377.44
Royalty .....	2,646.73	2,436.26
Security Deposits from Consumers .....	180.48	173.33
Security Deposits from Customers .....	53.83	55.34
Tender Deposits from Vendors .....	1.41	2.50
Regulatory Liabilities .....	1,346.67	1,173.04
Other Liabilities .....	520.17	658.67
<b>Total</b> .....	<b>10,413.39</b>	<b>10,497.14</b>

\*\* Includes amounts outstanding aggregating ₹ 0.84 crore (31st March, 2015 - ₹ 0.85 crore) for more than seven years pending legal cases.

Notes forming part of the Consolidated Financial Statements

₹ crore	GROSS BLOCK				DEPRECIATION AND IMPAIRMENT				NET BLOCK			
	As at 1st April, 2015	Acquired during the year #	Additions	Reclassification Adjustments	As at 31st March, 2016	As at 1st April, 2015	Acquired during the year #	For the year	Reclassification Reversal	Translation Adjustments	Deductions	As at 31st March, 2016
<b>(a) TANGIBLE ASSETS</b>												
<b>Land</b>												
(a) Freehold Land.....	784.09	Nil	10.40	Nil	2.09	Nil	21.64	Nil	21.64	Nil	Nil	796.58
(b) Leasehold Land .....	594.25	Nil	191.12	Nil	(1.28)	Nil	21.64	Nil	Nil	Nil	Nil	762.45
	647.07	Nil	4.68	Nil	0.06	Nil	25.97	Nil	2.21	0.06	Nil	612.96
	344.72	Nil	302.31	Nil	0.04	Nil	19.71	Nil	Nil	0.03	Nil	621.10
<b>(i) Owned Assets:</b>												
1. Hydraulic Works .....	534.30	Nil	0.67	Nil	Nil	Nil	240.67	Nil	Nil	Nil	Nil	271.13
	533.44	Nil	0.86	Nil	Nil	Nil	223.17	Nil	Nil	Nil	Nil	293.63
2. Buildings - Plant .....	2,213.53	Nil	249.60	Nil	3.69	23.05	642.99	Nil	57.53	1.23	19.05	1,804.38
	2,071.87	Nil	155.33	Nil	2.48	16.15	579.19	Nil	73.82	0.85	10.87	1,570.54
3. Buildings - Others \$.....	713.89	Nil	61.48	Nil	Nil	Nil	158.06	Nil	21.65	(0.01)	0.02	616.63
	610.31	Nil	103.64	Nil	(0.03)	0.03	133.98	Nil	24.11	Nil	0.03	555.83
4. Coal Jetty.....	106.10	Nil	Nil	Nil	Nil	Nil	33.59	Nil	5.60	Nil	Nil	66.91
	106.10	Nil	Nil	Nil	Nil	Nil	27.99	Nil	5.60	Nil	Nil	72.51
5. Railway Sidings, Roads, Crossings, etc.....	94.48	Nil	1.81	Nil	0.04	Nil	66.94	Nil	3.75	0.01	Nil	35.93
	40,951.92	8.06	2,431.45	28.40	203.75	310.96	14,121.66	Nil	1,584.36	430.33	269.99	29,594.05
6.. Plant and Machinery .....	39,484.08	Nil	1,228.27	2.37	415.18	177.98	12,758.61	Nil	1,339.41	103.47	111.08	26,830.26
	5,992.36	Nil	420.28	Nil	Nil	7.11	2,223.61	Nil	233.13	Nil	5.06	3,953.91
7. Transmission Lines, Cable Network, etc.....	5,429.65	Nil	564.96	Nil	Nil	2.25	2,009.63	Nil	215.18	Nil	1.20	3,768.75
	127.09	0.09	9.90	Nil	0.03	0.97	56.06	Nil	10.90	0.06	0.20	66.22
8. Furniture and Fixtures.....	114.30	Nil	13.66	Nil	0.02	0.89	47.32	Nil	9.18	Nil	0.15	56.06
	136.87	0.18	15.43	Nil	0.19	1.69	90.39	Nil	14.50	0.18	1.62	102.81
9. Office Equipment.....	130.72	Nil	10.09	Nil	0.15	4.09	73.18	Nil	18.83	0.05	1.67	90.39
	103.78	Nil	12.55	Nil	0.44	14.61	59.66	Nil	10.29	0.19	8.54	43.22
10. Motor Vehicles, Launches, Barges, etc.....	106.91	Nil	8.73	0.70	0.21	12.77	52.26	Nil	15.99	0.23	0.11	8.93
	1,211.17	Nil	11.78	Nil	72.65	14.85	195.75	Nil	65.72	12.37	14.85	1,021.76
11. Ships .....	1,160.41	Nil	0.22	Nil	50.54	Nil	1,211.17	Nil	49.85	7.15	Nil	1,015.42
	37.00	Nil	0.01	Nil	Nil	Nil	20.81	Nil	3.15	Nil	Nil	13.05
12. Helicopters .....	37.00	Nil	Nil	Nil	Nil	Nil	17.67	Nil	3.14	Nil	Nil	20.81
	1,827.62	Nil	6.57	Nil	219.16	Nil	1,038.70	Nil	36.81	131.70	Nil	846.14
13. Mine Property.....	1,716.01	Nil	36.10	Nil	75.51	Nil	970.67	Nil	25.21	42.82	Nil	788.92
	1,193.41	Nil	10.71	38.48	(6.16)	11.46	479.48	Nil	95.25	(8.17)	9.29	667.71
14. Infrastructure Facilities .....	1,091.99	Nil	52.37	0.34	48.71	Nil	380.89	Nil	80.11	18.48	Nil	713.93
	198.06	Nil	Nil	Nil	11.88	Nil	54.15	Nil	10.84	3.40	Nil	141.55
15. Ports.....	189.80	Nil	Nil	Nil	8.26	Nil	41.99	Nil	10.12	2.04	Nil	143.91
<b>(ii) Assets taken on Lease:</b>												
1. Leased Plant and Machinery.....	896.45	Nil	Nil	(64.72)	53.08	0.46	513.12	Nil	118.11	(38.72)	0.43	348.12
	791.95	Nil	68.46	Nil	36.04	Nil	310.37	Nil	215.50	(30.28)	Nil	383.33
2. Leased Motor Vehicles .....	3.49	Nil	0.28	(2.16)	0.11	Nil	0.61	Nil	0.12	(0.68)	Nil	1.62
	7.98	Nil	Nil	(3.41)	0.11	1.19	2.28	Nil	0.66	(1.20)	0.05	2.88
<b>TOTAL TANGIBLE ASSETS .....</b>	<b>57,778.60</b>	<b>8.33</b>	<b>3,247.60</b>	<b>Nil</b>	<b>561.01</b>	<b>385.16</b>	<b>20,043.86</b>	<b>Nil</b>	<b>2,318.84</b>	<b>327.44</b>	<b>329.05</b>	<b>41,147.85</b>
	<b>54,615.97</b>	<b>Nil</b>	<b>2,742.02</b>	<b>Nil</b>	<b>635.96</b>	<b>215.35</b>	<b>17,836.81</b>	<b>Nil</b>	<b>2,149.87</b>	<b>192.73</b>	<b>135.55</b>	<b>37,734.74</b>

Notes:

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

# During the year consequent to acquisition of jointly controlled entity - Itzehi Tezhi Power Corporation and subsidiary - Tata Ceramics Ltd. Previous figures are in italics.



## Notes forming part of the Consolidated Financial Statements

## 13. Fixed Assets (contd.)

	GROSS BLOCK				AMORTISATION AND IMPAIRMENT				NET BLOCK				
	As at 1st April, 2015	Acquired during the year #	Additions	Reclassification	Translation Adjustments	Deductions	As at 31st March, 2016	As at 1st April, 2015	For the year	Impairment Reversal	Translation Adjustments	Deductions	As at 31st March, 2016
<b>(b) INTANGIBLE ASSETS</b>													
Technical Know-How and Prototypes !...	79.51	Nil	13.74	Nil	Nil	Nil	93.25	38.55	Nil	12.02	Nil	Nil	50.57
Right to Use Assets \$\$	61.49	Nil	18.02	Nil	Nil	Nil	79.51	28.72	Nil	9.83	Nil	Nil	38.55
Licences \$\$	242.88	Nil	Nil	Nil	Nil	Nil	242.88	51.37	Nil	10.69	21.44	Nil	40.62
Computer Software \$\$	204.17	Nil	38.71	Nil	Nil	Nil	242.88	41.73	Nil	9.64	Nil	Nil	51.37
	1.04	Nil	0.03	Nil	Nil	Nil	1.07	0.73	Nil	0.09	Nil	Nil	0.82
	1.04	Nil	Nil	Nil	Nil	Nil	1.04	0.64	Nil	0.09	Nil	Nil	0.73
	196.79	1.31	34.70	Nil	Nil	Nil	232.80	64.37	0.42	35.55	Nil	0.33	100.44
	115.62	Nil	81.40	Nil	(0.02)	0.21	196.79	44.71	Nil	19.79	Nil	0.12	64.37
<b>TOTAL INTANGIBLE ASSETS</b>	<b>520.22</b>	<b>1.31</b>	<b>48.47</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>570.00</b>	<b>155.02</b>	<b>0.42</b>	<b>58.35</b>	<b>21.44</b>	<b>0.33</b>	<b>192.45</b>
	<b>382.32</b>	<b>Nil</b>	<b>138.13</b>	<b>Nil</b>	<b>(0.02)</b>	<b>0.21</b>	<b>520.22</b>	<b>115.80</b>	<b>Nil</b>	<b>39.35</b>	<b>Nil</b>	<b>0.12</b>	<b>155.02</b>

Notes:

! Internally generated intangible assets.

\$ \$ Other than internally generated intangible assets.

# During the year consequent to acquisition of jointly controlled entity - Itzhi Tezhi Power Corporation and subsidiary - Tata Ceramics Ltd. Previous year's figures are in italics.

**Depreciation/Amortisation:**

Depreciation for the year before adjustments	.....
Less: Amount written off to Surplus in the Statement of Profit and Loss	.....
Less: Amount transferred from Revaluation Reserve	.....
Add: Amortisation for the year	.....
Less: Depreciation charged off to Capital Work-in-Progress and Inventories	.....
<b>Total</b>	.....

<b>For the year ended 31st March, 2016</b>	<b>₹ crore</b>
	2,318.84
	Nil
	Nil
	58.35
	0.80
	<b>2,376.39</b>

<b>For the year ended 31st March, 2015</b>	<b>₹ crore</b>
	2,149.87
	14.19
	Nil
	39.35
	0.88
	<b>2,174.15</b>

## Notes forming part of the Consolidated Financial Statements

## 14. Non-current Investments

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>A. Trade Investment (valued at cost less diminution other than temporary, if any)</b>					
<b>Equity Shares fully Paid-up (unless otherwise stated)</b>					
<b>(i) Investment in Others (Quoted)</b>					
Geodynamics Ltd.....	2,94,00,000	2,94,00,000	AUD 1.50	236.82 **	223.44 **
** Less: Provision for diminution in value of investments other than temporary.....				232.97	218.68
				3.85	4.76
<b>(ii) Investment in Others (Unquoted)</b>					
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
Power Exchange India Limited .....	25,00,000	25,00,000	10	2.50 **	2.50 **
Exergen Pty. Ltd.....	4,37,904	4,37,904	AUD 20.53	59.57 **	56.20 **
Sunengy Pty. Ltd.....	3,04,838	3,04,838	AUD 2.10	4.22 **	3.93 **
** Less: Provision for diminution in value of investments other than temporary.....				67.65	63.99
				66.29	62.63
				1.36	1.36
<b>(iii) Investment in Associates (Unquoted)</b>					
Nelito Systems Ltd.....	10,20,000	10,20,000	10	21.46	20.71
Yashmun Engineers Ltd.....	19,200	19,200	100	4.79	1.64
Dagachhu Hydro Power Corporation Ltd.....	10,74,320	10,74,320	Nu 1,000	99.98	106.43
Tata Projects Ltd.....	9,67,500	9,67,500	100	422.15	396.21
				548.38	524.99
				553.59	531.11
<b>B. Other Investments</b>					
<b>1. Statutory Investments</b>					
<b>a. Contingencies Reserve Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
7.88% GOI (2030).....	10,00,000	Nil	100	10.00	Nil
8.28% GOI (2027).....	11,30,000	11,30,000	100	11.30	11.30
8.24% GOI (2027).....	9,65,000	9,65,000	100	9.65	9.65
8.33% GOI (2026).....	7,50,000	7,50,000	100	7.50	7.50
7.16% GOI (2023).....	9,00,000	Nil	100	9.00	Nil
8.19% GOI (2020).....	7,03,000	7,03,000	100	7.03	7.03
6.35% GOI (2020).....	16,01,300	16,01,300	100	16.01	16.01
7.83% GOI (2018).....	10,00,000	10,00,000	100	10.00	10.00
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).....	Nil	19,000	100	Nil	0.19
				96.34	77.53
<b>b. Deferred Taxation Liability Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
8.28% GOI (2027).....	61,45,000	61,45,000	100	61.45	61.45
8.20% GOI (2025).....	20,00,000	20,00,000	100	20.00	20.00
7.35% GOI (2024).....	31,00,000	31,00,000	100	31.00	31.00
8.15% GOI (2022).....	29,75,000	29,75,000	100	29.75	29.75
8.19% GOI (2020).....	19,40,000	19,40,000	100	19.40	19.40
6.35% GOI (2020).....	2,48,700	2,48,700	100	2.49	2.49
6.05% GOI (2019).....	42,00,000	42,00,000	100	42.00	42.00
6.25% GOI (2018).....	15,00,000	15,00,000	100	15.00	15.00
7.99% GOI (2017).....	33,49,300	33,49,300	100	33.49	33.49
7.49% GOI (2017).....	25,00,000	25,00,000	100	25.00	25.00
				279.58	279.58
				375.92	357.11
<b>2. Other investments</b>					
<b>a. Equity Shares fully Paid-up (unless otherwise stated)</b>					
<b>(i) Investment in Others (Quoted)</b>					
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.....	6,11,804	6,33,804	1	0.02	0.02
Tata Teleservices (Maharashtra) Ltd.....	13,72,63,174	13,72,63,174	10	119.67	119.67
Carried over....				1,050.59	1,009.30

## Notes forming part of the Consolidated Financial Statements

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

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Brought forward.....				1,050.59	1,009.30
Tata Communications Ltd. ....	1,34,22,037	1,34,22,037	10	316.10	316.10
Trent Ltd. ....	3,87,714	3,87,714	10	12.94	12.94
Tata Motors Ltd. ....	3,57,159	3,38,525	10	6.20	5.36
Tata Motors Ltd. - differential voting rights .....	51,022	48,360	10	0.37	0.30
Tata Investment Corporation Ltd. ....	8,57,143	8,57,143	2	13.41	13.41
				<u>470.10</u>	<u>469.19</u>
<b>(ii) Investment in Others (Unquoted)</b>					
Tata Industries Ltd. ....	68,28,669	68,28,669	100	115.47	115.47
Tata Sons Ltd. ....	6,673	6,673	1,000	194.70	194.70
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	425.39	425.39
Tata International Ltd. ....	24,000	24,000	1,000	18.77	18.77
Tata Services Ltd. ....	552	552	1,000	0.06	0.06
Taj Air Ltd. ....	79,00,760	79,00,760	10	7.90	7.90
Tata Capital Ltd. ....	23,33,070	23,33,070	10	3.61	3.61
Technopolis Knowledge Park Ltd. ....	18,10,000	18,10,000	10	1.81 **	1.81 **
				<u>790.21</u>	<u>790.21</u>
** Less: Provision for diminution in value of investments other than temporary .....				1.81	1.81
				<u>788.40</u>	<u>788.40</u>
<b>(iii) Investment in Associates (Unquoted)</b>					
Brihat Trading Private Ltd. ....	3,350	3,350	10	0.01	0.01
ASL Advanced Systems Pvt. Ltd. ....	5,55,000	5,55,000	10	0.56 **	0.56 **
The Associated Building Co. Ltd. ....	1,825	1,825	900	0.17	0.17
Rujuvalika Investments Ltd. ....	Nil	3,66,667	10	Nil	0.60
Tata Ceramics Ltd. ....	Nil	2,99,39,802	2	Nil	13.17 **
Panatone Finvest Ltd. ....	59,08,82,000	59,08,82,000	10	697.30	663.96
				<u>698.04</u>	<u>678.47</u>
** Less: Provision for diminution in value of investments other than temporary .....				0.56	13.73
				<u>697.48</u>	<u>664.74</u>
				<u>1,955.98</u>	<u>1,922.33</u>
<b>b. Preference Shares fully Paid-up</b>					
<b>(i) Investment in Associates (Unquoted)</b>					
7.25% Redeemable Cumulative Convertible Preference Shares- Tata Ceramics Limited .....	Nil	12,00,000	100	Nil	12.00
<b>(ii) Investment in Others (Unquoted)</b>					
Natural Plants Products India Ltd. ....	Nil	4,993	10	Nil	0.05 **
** Less: Provision for diminution in value of investments other than temporary .....				Nil	0.05
				<u>Nil</u>	<u>Nil</u>
<b>c. Government Securities (Unquoted)</b>					
8.07% GOI (2017) .....	Nil	3,000	100	Nil	0.03
<b>d. Other Investments (Unquoted)</b>					
Investment in Mutual Funds (Unquoted)					
Tata FMP - Series 44 - Scheme B - Growth .....	Nil	1,19,51,664	10	Nil	11.95
Tata FMP - Series 46 - Scheme A - Growth .....	Nil	31,68,325	10	Nil	3.17
Tata FMP - Series 45 - Scheme D - Growth .....	Nil	13,01,188	10	Nil	1.30
				<u>Nil</u>	<u>16.42</u>
				<u>Nil</u>	<u>28.45</u>
<b>Total</b> .....				<u><b>2,885.49</b></u>	<u><b>2,839.00</b></u>

## Notes:

## 1. Aggregate of Quoted Investments

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Cost .....	706.92	692.63
Less: Provision for diminution in value of investments other than temporary .....	232.97	218.68
Aggregate amount of Quoted Investments (Net) .....	<b>473.95</b>	<b>473.95</b>
Market value .....	881.21	975.46

## 2. Aggregate of Unquoted Investments

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Cost .....	2,480.20	2,443.27
Less: Provision for diminution in value of investments other than temporary .....	68.66	78.22
Aggregate amount of Unquoted Investments (Net) .....	<b>2,411.54</b>	<b>2,365.05</b>

\*\* Provision for diminution in value of investments other than temporary.

# Refer Note 35(c).

\* Denotes figures below ₹ 50,000/-.

**Notes forming part of the Consolidated Financial Statements**

**15. Loans and Advances**

	As at 31st March, 2016		As at 31st March, 2015	
	Long-term ₹ crore	Short-term ₹ crore	Long-term ₹ crore	Short-term ₹ crore
<b>(a) Capital Advances</b>				
Unsecured, considered good.....	471.29	Nil	517.12	Nil
Doubtful .....	0.24	Nil	0.72	Nil
	471.53	Nil	517.84	Nil
Less: Provision for Doubtful Advances.....	0.24	Nil	0.72	Nil
	471.29	Nil	517.12	Nil
<b>(b) Security Deposits</b>				
Unsecured, considered good.....	299.07	12.61	314.96	16.94
Doubtful .....	30.31	1.37	23.02	1.15
	329.38	13.98	337.98	18.09
Less: Provision for Doubtful Deposits.....	30.31	1.37	23.02	1.15
	299.07	12.61	314.96	16.94
<b>(c) Other Loans and Advances - Associates/Jointly Controlled Entities</b>				
Unsecured, considered good.....	Nil	257.04	1.54	84.33
Doubtful .....	1.27	Nil	1.27	Nil
	1.27	257.04	2.81	84.33
Less: Provision for Doubtful Advances.....	1.27	Nil	1.27	Nil
	Nil	257.04	1.54	84.33
<b>(d) Advance Income-tax (Net)</b>				
Unsecured, considered good.....	194.70	6.75	190.27	3.91
<b>(e) MAT Credit entitlement</b>				
Unsecured, considered good.....	86.27	Nil	64.80	Nil
<b>(f) Balance with Government Authorities</b>				
Unsecured, considered good				
Advances .....	Nil	69.24	115.09	45.64
Amount Paid Under Protest.....	217.38	Nil	217.43	Nil
VAT/Sales Tax/Service Tax Receivable.....	235.25	2,625.66	148.33	2,368.10
	452.63	2,694.90	480.85	2,413.74
<b>(g) Inter-corporate Deposits</b>				
Unsecured, considered good.....	Nil	44.00	Nil	310.65
<b>(h) Other Loans And Advances</b>				
Unsecured, considered good				
Loans to Employees.....	15.77	2.00	15.75	2.18
Prepaid Expenses.....	21.17	121.65	23.22	156.14
Advances to Vendors.....	250.22	228.60	167.50	244.27
Other Advances.....	Nil	1,133.41	Nil	337.67
Doubtful .....	2.15	6.91	4.29	6.67
	289.31	1,492.57	210.76	746.93
Less: Provision for Doubtful Advances.....	2.15	6.91	4.29	6.67
	287.16	1,485.66	206.47	740.26
<b>Total</b> .....	<b>1,791.12</b>	<b>4,500.96</b>	<b>1,776.01</b>	<b>3,569.83</b>

**16. Other Non-current Assets**

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>(a) Long-term Trade Receivables</b>		
Unsecured, considered good		
Trade Receivables - Regulatory Assets.....	6,072.11	7,286.51
Trade Receivables from Contracts .....	0.07	Nil
Trade Receivables from Others.....	190.00	190.94
	6,262.18	7,477.45
<b>(b) Unamortised Expenses</b>		
Ancillary Borrowing Cost .....	106.72	85.44
Deferred Stripping Costs .....	22.03	24.76
Unamortised Option Premium.....	6.76	34.83
	135.51	145.03
<b>Total</b> .....	<b>6,397.69</b>	<b>7,622.48</b>

## Notes forming part of the Consolidated Financial Statements

## 17. Current Investments

	As at 31st March, 2016 Quantity	As at 31st March, 2015 Quantity	Face value (in ₹ unless stated otherwise)	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Current Portion of Long-term Investments</b>					
<b>Other Investments</b>					
<b>Statutory Investments</b>					
<b>Contingency Reserve Fund Investments</b>					
<b>Government Securities (Unquoted)</b>					
7.59% GOI (2016) .....	19,000	Nil	100	0.19	Nil
<b>Non-Trade Investments</b>					
<b>Govt Securities (Unquoted)</b>					
7.99% GOI (2017) .....	3,000	Nil	100	0.03	Nil
<b>Mutual Funds (Unquoted)</b>					
Tata FMP - Series 44 - Scheme B - Growth .....	1,19,51,664	Nil	10	11.95	Nil
Tata FMP - Series 46 - Scheme A - Growth .....	31,68,325	Nil	10	3.17	Nil
Tata FMP - Series 45 - Scheme D - Growth .....	13,01,188	Nil	10	1.30	Nil
				<u>16.42</u>	<u>Nil</u>
<b>Total - Current Portion of Long-term Investments</b> .....				<u>16.64</u>	<u>Nil</u>
<b>Current Investment (valued at lower of cost and fair value)</b>					
<b>Mutual Funds (Unquoted)</b>					
Axis Liquid Fund - Growth .....	1,69,594	1,90,902	1,000	27.31	28.70
DHFL Pramerica Insta Cash Plus Fund - Direct - Growth ..	2,46,433	Nil	100	4.76	Nil
DSP BlackRock Liquidity Fund -Institutional - Growth .....	1,52,120	1,98,500	1,000	31.06	38.98
HDFC Liquid Fund .....	25,460	80,86,164	10	7.50	21.04
HDFC Cash Management Fund- Regular - Growth .....	1,50,640	Nil	10	47.52	Nil
ICICI Prudential Liquid- Regular Plan - Growth .....	39,98,078	23,86,171	100	87.42	46.45
ICICI Prudential Saving Fund - Regular Plan -Growth..	Nil	10,80,200	100	Nil	22.30
IDFC Cash Fund- Growth-Regular Plan .....	43,822	46,669	1,000	7.76	7.91
JM High Liquidity - Growth .....	67,68,966	53,04,498	10	26.98	19.37
Kotak Liquid Scheme Plan A - Growth .....	34,238	Nil	1,000	10.10	Nil
L&T Liquid Fund - Growth .....	5,627	57,784	1,000	1.09	11.00
LIC Nomura Liquidity Fund - Direct Plan - Growth .....	23,980	55,234	1,000	6.32	14.00
Religare Invesco Liquid Fund- Growth Plan .....	2,33,418	11,92,431	1,000	47.81	227.04
SBI Premier Liquid Fund-Growth .....	95,324	Nil	100	22.63	Nil
Sundaram Money Fund Regular Growth .....	15,42,373	2,19,80,143	10	4.85	64.66
Tata Liquid Fund Direct Plan- Daily Dividend .....	72,869	53,786	1,000	8.12	5.99
Tata Liquid Fund Plan A - Growth .....	Nil	11,685	1,000	Nil	3.01
Tata Liquid Fund Plan A- Daily Dividend .....	1,37,151	1,17,111	1,000	15.29	13.05
Tata Liquid Super High Investment Fund- Growth .....	1,27,601	1,35,199	1,000	35.65	34.22
Tata Money Market Fund - Direct Plan - Growth .....	Nil	54,228	1,000	Nil	14.00
Tata Money Market Fund Plan A - Growth .....	1,50,176	1,20,908	1,000	35.13	26.10
Tata Money Market Fund Regular Plan - Growth .....	5,709	Nil	1,000	1.36	Nil
UTI Liquid Fund - Cash Plan -Growth .....	73,931	34,441	1,000	17.97	7.75
				<u>446.63</u>	<u>605.57</u>
<b>Total</b> .....				<u><b>463.27</b></u>	<u><b>605.57</b></u>
Aggregate amount of Unquoted Investments .....				<u>463.27</u>	<u>605.57</u>

## Reconciliation for Disclosure as per Accounting Standard 13

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Non-current Investments</b>		
Non-current Investments (Refer Note 14) .....	2,885.49	2,839.00
Current Portion of Long-term Investments (Refer Note 17) .....	16.64	Nil
	<u>2,902.13</u>	<u>2,839.00</u>
<b>Current Investments</b>		
Current Investments (Refer Note 17) .....	446.63	605.57
<b>Total</b> .....	<u><b>3,348.76</b></u>	<u><b>3,444.57</b></u>

**Notes forming part of the Consolidated Financial Statements**

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

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
Raw Materials .....	139.69	102.74
Work-in-Progress.....	16.77	2.87
Finished Goods.....	370.82	368.50
Stock-in-Trade - Shares .....	21.16	11.63
Stores and Spare Parts .....	460.36	468.14
Stores-in-Transit.....	15.18	13.69
Fuel - Stores.....	538.82	638.08
Fuel-in-Transit.....	180.24	187.86
Loose Tools.....	0.66	0.75
Property under Development.....	62.38	49.91
<b>Total .....</b>	<b>1,806.08</b>	<b>1,844.17</b>

**19. Trade Receivables**

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>Trade Receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Considered good.....	550.90	211.64
Considered doubtful.....	303.90	202.34
	854.80	413.98
Less: Provision for Doubtful Trade Receivables.....	303.90	202.34
	550.90	211.64
<b>Other Trade Receivables</b>		
Considered good.....	4,653.34	5,352.31
Considered doubtful.....	14.39	22.48
	4,667.73	5,374.79
Less: Provision for Doubtful Trade Receivables.....	14.39	22.48
	4,653.34	5,352.31
<b>Total .....</b>	<b>5,204.24</b>	<b>5,563.95</b>

**20. Cash and Bank Balances**

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
<b>(A) Cash and Cash Equivalents:</b>		
(i) Cash on Hand.....	1.40	1.58
(ii) Cheques on Hand.....	35.86	29.25
(iii) Balances with Banks:		
(a) In Current Accounts.....	890.52	802.54
(b) In Deposit Accounts (remaining maturity of three months or less)...	81.31	428.27
<b>Cash and Cash Equivalents as per AS-3 Cash Flow Statements .....</b>	<b>1,009.09</b>	<b>1,261.64</b>
<b>(B) Other Balances with Banks:</b>		
(i) In Earmarked Accounts-		
Unpaid Dividend Account.....	11.47	11.60
In Deposit Accounts as security for guarantees issued/loan availed .....	190.19	208.27
(ii) In Deposit Accounts (remaining maturity of more than twelve months) .....	0.01	1.94
	201.67	221.81
<b>Total .....</b>	<b>1,210.76</b>	<b>1,483.45</b>

## Notes forming part of the Consolidated Financial Statements

## 21. Other Current Assets

	As at 31st March, 2016 ₹ crore	As at 31st March, 2015 ₹ crore
(a) <b>Unbilled Revenue</b> .....	889.61	707.13
(b) <b>Regulatory Assets</b> .....	1,547.86	900.71
(c) <b>Unamortised Expenses</b>		
Ancillary Borrowing Cost .....	13.53	18.63
Unamortised Option Premium .....	18.63	20.25
(d) <b>Accruals</b>		
Interest Accrued on Deposits .....	7.35	9.62
Interest Accrued on Investments .....	4.42	5.88
Dividend Receivable .....	0.03	Nil
(e) <b>Others</b>		
Receivable on Sale of Investments .....	1.26	12.54
Forward Contracts .....	75.29	63.35
Insurance Claim Receivable .....	36.40	66.98
Other Receivables .....	94.65	26.90
<b>Total</b> .....	<b>2,689.03</b>	<b>1,831.99</b>

## 22. Revenue from Operations

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
(a) <b>Revenue from Power Supply and Transmission Charges</b> .....	27,481.68	25,096.87
Add/(Less): Income to be recovered in future tariff determination (Net) .....	22.12	(803.41)
Add: Income to be recovered in future tariff determination (Net) in respect of earlier years .....	151.63	80.00
Less: Revenue Capitalised .....	27,655.43	24,373.46
	Nil	0.19
	27,655.43	24,373.27
(b) <b>Sale of Coal</b> .....	6,697.13	7,247.69
(c) <b>Revenue from Contracts</b>		
Project/Operation Management Services .....	234.10	103.91
Solar Products .....	1,468.82	865.16
Electronic Products .....	585.20	581.52
	2,288.12	1,550.59
(d) <b>Other Operating Revenue</b>		
Rental of Land, Buildings, Plant and Equipment, etc. ....	12.29	12.18
Charter Hire .....	117.86	103.26
Income in respect of Services Rendered .....	200.41	120.11
Transfer from Capital Grants/Consumers Contribution .....	35.09	34.26
Sale of Renewable Energy Certificates .....	Nil	1.57
Income from Storage and Terminalling .....	13.46	13.51
Compensation (Net) .....	Nil	7.10
Miscellaneous Revenue and Sundry Credits .....	274.02	119.97
Sale of Fly Ash .....	8.57	6.03
Discount Received on Prompt Payment .....	98.07	71.39
Delayed Payment Charges .....	30.21	27.99
Sale of Carbon Credits .....	11.14	5.49
Profit on Sale/Retirement of Assets (Net) ** .....	16.70	15.57
Sale of Stock of Shares .....	0.03	3.36
Dividend from Non-current Investments .....	6.51	6.85
Dividend from Current Investments .....	Nil	0.49
Interest on Inter-corporate Deposits .....	0.03	Nil
Dividend from Shares treated as Stock-in-Trade .....	0.54	0.31
Profit on Sale of Non-current Investments .....	16.00	9.70
Profit on Sale of Current Investments .....	5.18	2.23
	846.11	561.37
Less: Revenue Capitalised .....	Nil	1.38
	846.11	559.99
Less: Excise Duty .....	37,486.79	33,731.54
	6.59	3.97
<b>Total</b> .....	<b>37,480.20</b>	<b>33,727.57</b>
** Net of insurance claims received .....	Nil	29.78

**Notes forming part of the Consolidated Financial Statements**

**23. Other Income**

	<b>For the year ended 31st March, 2016 ₹ crore</b>	<b>For the year ended 31st March, 2015 ₹ crore</b>
<b>(a) Interest Income</b>		
Interest on Bank Deposits .....	38.21	95.33
Interest from Inter-corporate Deposits .....	4.85	18.48
Interest on Overdue Trade Receivables.....	116.60	30.01
Interest on Income-tax Refund .....	0.40	30.77
Interest on Non-current Investments - Contingency Reserve Fund .....	6.62	5.97
Interest on Non-current Investments - Deferred Tax Liability Fund.....	21.16	21.21
Other Interest.....	<u>1.02</u>	<u>11.92</u>
	188.86	213.69
Less: Interest Income Capitalised .....	<u>Nil</u>	<u>0.60</u>
	<u>188.86</u>	<u>213.09</u>
<b>(b) Dividend Income</b>		
From Current Investments - Others .....	1.09	2.88
From Non-current Investments - Others.....	<u>25.89</u>	<u>15.11</u>
	26.98	17.99
Less: Dividend Income Capitalised .....	<u>Nil</u>	<u>0.55</u>
	<u>26.98</u>	<u>17.44</u>
<b>(c) Profit on Sale of Investments (Net)</b>		
Current Investments.....	58.95	69.00
Non-current Investments .....	<u>10.56</u>	<u>3.29</u>
	<u>69.51</u>	<u>72.29</u>
<b>(d) Other Non-operating Income</b>		
Discount Amortised/Accrued on Bonds (Net) .....	0.30	Nil
Miscellaneous Income .....	(5.70)	21.52
Commission Earned.....	9.30	9.43
Recovery of Past Dues with Interest .....	1.62	12.41
Leave and License Fees .....	1.38	1.43
Other Income.....	4.71	4.71
Gain on Foreign Currency Transaction and Translation (Net).....	<u>Nil</u>	<u>64.42</u>
	11.61	113.92
<b>Total .....</b>	<b><u>296.96</u></b>	<b><u>416.74</u></b>



### Notes forming part of the Consolidated Financial Statements

#### 24. Raw Materials Consumed and Decrease/(Increase) in Work-in-Progress/Finished Goods/Stock-in-Trade

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
<b>Raw Materials Consumed</b>		
Opening Stock.....	102.74	103.39
Add: Purchases .....	1,171.33	697.19
	1,274.07	800.58
Less: Closing Stock.....	139.69	102.74
<b>Total .....</b>	<b>1,134.38</b>	<b>697.84</b>
<b>Decrease/(Increase) in Work-in-Progress/Finished Goods/Stock-in-Trade</b>		
<b>Work-in-Progress</b>		
Inventory at the beginning of the year .....	2.87	19.16
Add: Additions during the year .....	14.44	Nil
	17.31	19.16
Less: Inventory at the end of the year .....	16.77	2.87
	0.54	16.29
<b>Finished Goods</b>		
Inventory at the beginning of the year .....	368.50	458.43
Add: Exchange Fluctuation .....	31.44	13.27
	399.94	471.70
Less: Inventory at the end of the year .....	370.82	368.50
	29.12	103.20
<b>Stock-in-Trade - Shares</b>		
Inventory at the beginning of the year .....	11.63	12.86
Less: Inventory at the end of the year .....	21.16	11.63
	(9.53)	1.23
<b>Total .....</b>	<b>20.13</b>	<b>120.72</b>

#### 25. Employee Benefits Expense

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
Salaries and Wages.....	1,435.59	1,339.60
Contribution to Provident Fund.....	48.28	44.76
Contribution to Superannuation Fund .....	10.60	10.45
Retiring Gratuities.....	27.87	38.62
Leave Encashment Scheme .....	26.65	36.58
Pension Scheme.....	(18.00)	29.03
Staff Welfare Expenses .....	166.74	187.84
	1,697.73	1,686.88
Less:		
Employee Cost Capitalised.....	166.47	129.16
Employee Cost Inventorised .....	19.08	12.05
	185.55	141.21
<b>Total .....</b>	<b>1,512.18</b>	<b>1,545.67</b>

## Notes forming part of the Consolidated Financial Statements

## 26. Finance Costs

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
<b>(a) Interest Expense on:</b>		
<b>Borrowings</b>		
Interest on Debentures .....	502.02	395.61
Interest on - Euro Notes and FCCB .....	34.06	75.14
Interest on Fixed Period Loans - Others .....	2,594.05	2,833.29
<b>Others</b>		
Interest on Consumer Security Deposits .....	45.97	43.65
Other Interest and Commitment Charges .....	236.37	154.96
	3,412.47	3,502.65
Less: Interest Capitalised .....	144.03	143.04
	3,268.44	3,359.61
<b>(b) Other Borrowing Costs:</b>		
Derivative Premium .....	99.68	170.98
Other Finance Costs .....	143.93	169.72
	243.61	340.70
Less: Other Borrowing Costs Capitalised .....	35.52	1.59
	208.09	339.11
<b>Total</b> .....	<b>3,476.53</b>	<b>3,698.72</b>

## 27. Other Expenses

	For the year ended 31st March, 2016 ₹ crore	For the year ended 31st March, 2015 ₹ crore
Consumption of Stores, Oil, etc. (excluding ₹ 79.26 crore on repairs and maintenance - Previous Year - ₹ 68.81 crore) .....	171.20	174.39
Rental of Land, Buildings, Plant and Equipment, etc. ....	398.52	399.44
Repairs and Maintenance -		
(i) To Buildings and Civil Works .....	143.80	120.39
(ii) To Machinery and Hydraulic Works \$ .....	883.66	865.43
(iii) To Furniture, Vehicles, etc. ....	97.47	82.33
	1,124.93	1,068.15
Rates and Taxes .....	142.25	107.99
Insurance .....	120.96	125.58
Travelling Expenses .....	59.22	59.03
Other Operation Expenses .....	728.66	704.81
Freight and Handling Charges .....	68.81	58.34
Auditors' Remuneration .....	15.84	12.07
Cost of Services Procured .....	268.21	142.68
Warranty Charges .....	11.05	16.06
Ash Disposal Expenses .....	59.77	81.51
Bad Debts .....	2.47	1.23
Provision for Diminution in Value of Investments (Net) .....	1.42	7.10
Provision for Doubtful Debts and Advances (Net) .....	98.11	4.95
Provision for Contingencies .....	35.00	55.59
Provision for Future Forseeable Losses .....	(0.58)	(0.44)
Miscellaneous Expenses .....	316.58	339.53
Consultants' Fees .....	53.59	46.77
Donations # .....	8.87	5.02
Loss on Foreign Currency Transaction and Translation (Net) .....	218.00	Nil
Corporate Social Responsibility Expenses .....	61.44	55.79
Cash Discount on Sale of Power .....	142.85	134.78
Legal Charges .....	38.63	42.04
Marketing Expenses .....	679.30	727.79
Transfer of Revenue Expenses to Capital .....	(26.25)	(22.22)
<b>Total</b> .....	<b>4,798.85</b>	<b>4,347.98</b>
\$ Net of insurance claims received/accrued.	Nil	97.77
# Donations include payment to Electoral Trust.	Nil	0.23

## Notes forming part of the Consolidated Financial Statements

**28.** In the case of MPL, the Company had applied to the Ministry of Power, Government of India along with necessary documents for grant of Mega Power Status to the Company's 1050 MW Maithon Right Bank Thermal Power Plant. Pending receipts of the mega power certificate, the Company remains liable to pay Excise and Customs duty on its receipts of goods and materials wherever applicable. Accordingly, the Company had paid Excise duty to its vendors, aggregating to ₹ 119.97 crore (31st March, 2015 - ₹ 119.97 crore) upto 31st March, 2016. Out of total payment of Excise duty to vendors ₹ 119.11 crore (net of receipts) (31st March, 2015 - ₹ 119.11 crore) had been capitalised and the balance amount of ₹ 0.86 crore (31st March, 2015 - ₹ 0.86 crore) is included in capital work-in-progress as at 31st March, 2016.

**29.** In an earlier year, the Parent Company had commissioned its 120 MW Unit 4 thermal power unit at Jojobera, Jharkhand. Revenue in respect of this unit is recognised on the basis of a draft Power Purchase Agreement prepared jointly by the Company and its customer which is pending finalisation.

**30.** Coal Company's Long-term Agreements:

In the case of PAI and PKPC the Companies entered into a Coal Contract Work ("Coal Agreement") for the exploration and exploitation of coal. Under the term of the Coal Agreement, the Companies commenced its 30-year operating period on 2nd November, 1990 and 1st January, 1992 respectively.

In the case of BSSR (Consolidated), the Company has Coal Mining Operations in the Regencies of Banjar, Tapin, Hulu Sungai Selatan and Hulu Sungai Tengah, Province of South Kalimantan, for 30 years, commencing from 15th August, 1994 and obtained Mining Authorisation of Coal Exploitation for 12 years commencing from 11th April, 2006 at the Regency of Kutai Kartanegara, Province of East Kalimantan.

The Company also obtained approval for the change of its Mining Authorisation of Exploitation at the Regency of Kutai Kartanegara, Province of East Kalimantan to become Mining Right of Operation Production for 8 years, commencing from 13th April, 2010 upto 11th April, 2018.

**31.** Coal Company's Sale Agreement:

The Group, has entered into agreements on 30th January, 2014 for sale of shares in PT Arutmin Indonesia and its associated infrastructure and trading companies. As per the terms of the agreement, it is proposed to sell its stake in these companies, for a consideration of USD 510 million, subject to tax deductions and other closing adjustments. The completion of the sale transaction is conditional upon the satisfaction or waiver of certain conditions, obtaining requisite consents and certain restructuring actions and accordingly, not made any adjustments in the financial statements as at 31st March, 2016. The buyer will pay the seller interest on the purchase price from 26th November, 2013 (the effective date) till the completion date.

**32.** (a) Revenue recognition arising out of CERC/ATE order :

Coastal Gujarat Power Limited (CGPL) had implemented the 4000 MW Ultra Mega Power Project at Mundra ("Mundra UMPP") and commenced commercial operations in its all five Units of 800 MW each.

CGPL had petitioned to the Central Electricity Regulatory Commission (CERC) for evolving a mechanism to compensate the adverse impact of the unforeseen, uncontrollable and unprecedented escalation in the imported coal price and the change in law in Indonesia.

The CERC had, after considering the recommendations of a committee appointed for the purpose (which comprised of experts from various disciplines like Legal, Banking, Finance, Technical and Procurers, the deliberations of which extended over several months) vide its Order dated 21st February, 2014, decided that CGPL is entitled to compensatory tariff from 1st April, 2012 over and above the tariff agreed under the PPA with the procurers till the hardship on account of Indonesian regulations persists.

Subsequent to the above CERC Order, the procurers challenged the Order as also filed appeals with Appellate Tribunal For Electricity (ATE) for grant of stay on the enforcement of the CERC Order. The (ATE) vide its Order dated 21st July, 2014 directed the procurers to make payment towards compensatory tariff from March, 2014 onwards as per the Order of the CERC and granted partial stay on the CERC Order. Further, it had also directed that the payment of arrears from 1st April, 2012 to 28th February, 2014 need not be complied with by the procurers pending disposal of the Appeal filed with (ATE).

During the previous year, in respect of an appeal filed by one of the procurers, the Supreme Court rendered inoperative the Order passed by the CERC, and the Order passed by the ATE dated 21st July, 2014, and requested the ATE to hear the matter again.

After hearing the matter again, ATE pronounced its Order on 7th April 2016 setting aside the CERC's Order dated 21st February, 2014 which had granted compensatory tariff to CGPL. Further, ATE has stated that change in law should not be construed to include laws other than Indian laws such as the Indonesian Law/Regulations prescribing the benchmark price for export of coal.

However, ATE has held that the increase in coal prices due to change in Indonesian law is a Force Majeure event under the PPA and has remanded the petition filed by CGPL to the CERC to assess the extent of impact of force majeure event on CGPL and give such relief as may be available under PPA within a period of three months from the date of its Order.

## Notes forming part of the Consolidated Financial Statements

### (b) Impairment of Assets :

In terms of the 25 year Power Purchase Agreement (PPA), CGPL is entitled to charge 45 percent of escalation of the cost of coal from the procurers of its power.

In earlier years, CGPL had accounted an impairment loss of ₹ 2,650 crore in respect of its Mundra UMPP, which had been recognised as an exceptional item-Impairment loss in the Statement of Profit and Loss.

Consequent to sustained low coal prices over the past one year and forecast of their continuance at substantially lower levels than have prevailed in the past few years, the Management has reviewed and reassessed the value in use of the assets at Mundra. This has resulted in improvement of predicted future cash flows, requiring a reversal of the impairment loss of ₹ 2,320 crore (net of depreciation of ₹ 330 crore). The reversal is disclosed as an exceptional item in the Statement of Profit and Loss of the year ended 31st March, 2016.

Further, CGPL has not considered the favourable Order from ATE as stated in Note 32 (a) when assessing the recoverability of the carrying amount of the assets at Mundra.

The discount rate used in the current period is 10.61 percent per annum (31st March, 2015 - 10.61 percent per annum). The underlying assumptions i.e. fuel prices, exchange rate variation and operating parameters that would impact future cash flows for determining the Mundra UMPP value in use will continue to be monitored on a periodic basis by the Management.

- 33.** (a) The Group has an investment in Tata Teleservices Limited (TTSL) of ₹ 425.39 crore (31st March, 2015 - ₹ 425.39 crore). Based on the accounts for the year ended 31st March, 2015, TTSL has accumulated losses which has completely eroded its net worth. During the year, the Management has obtained the Fair Market Value (FMV) of Group's investment in TTSL. In the opinion of the Management, considering FMV and having regard to the long-term nature of the business, there is no diminution other than temporary, in the value of the investment.
- (b) The Group has an investment in Haldia Petrochemicals Limited (HPL) of ₹ 22.50 crore (31st March, 2015 - ₹ 22.50 crore). Based on the accounts for the year ended 31st March, 2015, HPL has accumulated losses which has 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) In case of Mandakini Coal Company Limited, a jointly controlled entity (Group's share 33.33%), the Hon'ble Supreme Court, vide its Order dated 24th September, 2014, cancelled the allotment of coal blocks. Subsequently, Government of India has promulgated the Coal Mines (Special Provisions) Ordinance, 2014. The said entity has filed a petition with the Hon'ble Delhi High Court, disputing the amount of compensation determined relating to amount paid towards purchase of leasehold land for the coal block. Pending outcome of the matter, the Group has on a prudent basis, recognised a provision of ₹ 66.69 crore (31st March, 2015 - ₹ Nil) for the year ended 31st March, 2016.

### **34.** Commitments:

#### (a) Capital Commitments (net of capital advance):

- (i) Capital commitments not provided for are estimated at ₹ 2,471.63 crore (31st March, 2015 - ₹ 2,600.33 crore).
- (ii) In the case of Associates, capital commitments not provided for are estimated at ₹ 2.01 crore (31st March, 2015 - ₹ 1.88 crore).

#### (b) Other Commitments:

- (i) The Parent Company has signed a Share Purchase Agreement on 10th December, 2014 for acquisition of 100% shareholding in Ideal Energy Projects Limited (IEPL), subject to statutory approvals and certain conditions precedent. The Company on 22nd January, 2016, has terminated the Share Purchase Agreement due to non conclusion of certain conditions attached to Share Purchase Agreement.
- (ii) (a) In the case of Panatone Finvest Ltd. (PFL), an associate of the Group, upon the demerger of surplus land by Tata Communications Ltd. and the issue of shares by the Resulting Company, PFL is contractually obligated to transfer 45% of the share capital of the Resulting Company to Government of India and other Shareholders who had tendered their shares to PFL. Based on its shareholding in Tata Communications Ltd. as on 31st March, 2016, PFL would be entitled to be allotted 30.10% of the share capital of the Resulting Company. Additionally, PFL has arrangements for procuring 13.05% of the share capital of the Resulting Company and it would need to acquire further shares representing 1.85% 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 group 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

## Notes forming part of the Consolidated Financial Statements

Surplus Land by Tata Communications 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.

- (iii) The Parent Company has given an undertaking for non-disposal of shares to the lenders of Tata Power Delhi Distribution Limited, a subsidiary of the Parent Company in respect of its outstanding borrowings amounting to ₹ 442.61 crore (31st March, 2015 - ₹ 520.78 crore).
- (iv) 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.
- (v) In the case of TPSSL, Vendor purchase commitments ₹ 338.41 crore (31st March, 2015 - ₹ 205.33 crore) and contracts to provide to future post sale services ₹ 104.89 crore (31st March, 2015 - ₹ 98.40 crore).

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

- (a) Claims against the Group not acknowledged as debts aggregating to ₹ 7,167.45 crore (31st March, 2015 - ₹ 6,778.14 crore) consist mainly of the following:
  - (i) Interest and penalty demand disputed by the Parent Company aggregating ₹ 1,296.76 crore (31st March, 2015 - ₹ 1,119.60 crore) relating to Entry tax claims for the financial years 2005-06 to 2011-12. The Parent Company is of the view, supported by legal opinion, that the demand can be successfully challenged.
  - (ii) Custom duty claims (including interest and penalty) of ₹ 246.33 crore (31st March, 2015 - ₹ 246.33 crore) disputed by the Group relating to applicability and classification of coal [Payment made by the Group under protest against these claims of ₹ 187.97 crore (31st March, 2015 - ₹ 187.97 crore)].
  - (iii) Way Leave fees (including interest) of ₹ 72.58 crore (31st March, 2015 - ₹ 62.60 crore) claims disputed by the Parent Company relating to rates charged.
  - (iv) Rates, Cess, Property Tax, Excise and Custom Duty claims disputed by the Group aggregating ₹ 372.76 crore (31st March, 2015 - ₹ 306.60 crore).
  - (v) A Suit has been filed against the Parent Company claiming compensation of ₹ Nil (31st March, 2015 - ₹ 20.51 crore) by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon ₹ Nil (31st March, 2015 - ₹ 120.60 crore).
  - (vi) Octroi claims disputed by the Parent Company aggregating to ₹ 5.03 crore (31st March, 2015 - ₹ 5.03 crore), in respect of octroi exemption claimed by the Parent Company.
  - (vii) In the case of the Parent Company, Compensation disputed by private land owners aggregating to ₹ 22.00 crore (31st March, 2015 - ₹ 22.00 crore) on private land acquired under the provisions of Maharashtra Industrial Development Act, 1961.
  - (viii) In the case of the Group, disputes relating to power purchase agreements ₹ 1,538.68 crore (31st March, 2015 - ₹ 1,354.11 crore).
  - (ix) Other claims against the Group, not acknowledged as debts ₹ 181.37 crore (31st March, 2015 - ₹ 217.26 crore).
  - (x) In the case of Associates, other claims not acknowledged as debts ₹ 151.58 crore (31st March, 2015 - ₹ 98.02 crore) and liquidated damages amounts is indeterminable.
  - (xi) 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 ₹ 8,483.95 crore - Group's share ₹ 2,545.19 crore (31st March, 2015 - ₹ 7,771.36 crore - Group's share ₹ 2,331.41 crore). Under the Coal Contract of Work the Coal Companies would recover VAT from the Government within 60 days. As the Government had not refunded VAT within 60 days, the Coal Companies have set-off royalty against VAT recoverable, which has not been accepted by the Government. The Management of the Coal Companies, based on the various legal judgements, are of the view that the said amounts would be allowable as set-off.

In addition, taxation claim 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) ₹ 2,450.55 crore - Group's share ₹ 735.17 crore (31st March, 2015 - ₹ 2,913.56 crore - Group's share ₹ 874.07 crore), the outcome of which cannot be presently determined.

### Notes forming part of the Consolidated Financial Statements

Further, the Coal Companies are contingently liable for claims from third parties arising from the ordinary conduct of business relating to land dispute, illegal mining, mining service fees etc. which are either pending or being processed by the Courts, the amount and the outcome of which cannot be presently determined.

- (xii) In the case of the Group, amounts in respect of employee related claims/disputes, regulatory matters is not ascertainable.

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

(b) Other Contingent Liabilities:

- (i) 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) ₹ 396.34 crore (including interest demanded ₹ 12.38 crore) [31st March, 2015 - ₹ 370.53 crore (including interest demanded ₹ 14.43 crore)].
- (ii) 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) ₹ 2.91 crore (31st March, 2015 - ₹ 3.57 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, 2015 - 18,27,08,138 shares) of TTSL with the lenders for borrowings availed.
- (ii) The Parent Company's shares in Subsidiaries to the extent of 100% in PTL, 51% in CGPL, 51% in MCCL, 25.50% in IEL and 51% in TPREL have been pledged with the lenders for borrowings availed by the respective Subsidiaries.
- (iii) The Parent Company has pledged 4,52,500 shares (31st March, 2015 - Nil) of ITPC with the lenders for borrowings availed.
- (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 initially 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to Retiral Benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund 2002 ('the Trust'). The Trust is, however, of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death whichever is earlier. On 1st November, 2004, the Company entered into a Memorandum of Understanding with the Government of National Capital territory of Delhi (GNCTD) and a special Trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS RTBF, 2004 Trust) was created.

For resolution of the issue through the process of law, the Company had filed a Writ, before the Hon'ble Delhi High Court. The Hon'ble Court 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, 2015 - ₹ 77.74 crore) to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits / residual pension to the Trust, the Hon'ble Delhi High Court in its above Order dated 2nd July, 2007 in WP C 4827/2005 has held that the Discoms are liable to pay interest @ 8% per annum on the amount of terminal benefits for the period from the date of voluntary retirement to the date of disbursement. As mentioned above that due to pending computation

## Notes forming part of the Consolidated Financial Statements

of the liability by the Arbitral Tribunal of Actuaries, the Company has paid ₹ 8.01 crore in FY 2008-09 as interest to VSS optees which is also shown as recoverable from SVRS Trust in case of option "ii". As the Company was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Company had recovered ₹ 29.71 crore (31st March, 2015 - ₹ 29.71 crore) and adjusted an amount of ₹ 53.10 crore (31st March, 2015 - ₹ 51.89 crore) from pension, leave salary and other contribution totaling to ₹ 82.81 crore (31st March, 2015 - ₹ 81.60 crore), against a claim of ₹ 84.58 crore (31st March, 2015 - ₹ 83.37 crore) from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31st March, 2016.

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 Statement of Profit and Loss. Consequently, pending valuation of 'Additional Contribution' to be computed by an Arbitral Tribunal of Actuaries, the Company has shown ₹ 2.94 crore (31st March, 2015 - ₹ 4.16 crore), as recoverable as on 31st March, 2016 and includes current portion of ₹ 1.34 crore (31st March, 2015 - ₹ 1.27 crore).

Apart from this, the Company has also been paying the retiral benefit including pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral benefit including pension amount in its Aggregate Revenue Requirement (ARR) and the same has been charged to the Statement of Profit and Loss amounting to ₹ 2.23 crore (31st March, 2015 - ₹ 2.47 crore). In addition to this, during the year the Company has also recognized liability of ₹ 4.20 crore (31st March, 2015 - ₹ Nil) for retiral pension payable to the VSS optees till their respective date of normal retirement or death (whichever is earlier) based on actuarial valuation as on 31st March, 2016.

- (e) (i) In respect of the Parent Company's Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra) for the period from 1st April, 1999 to 31st March, 2004, the Appellate Tribunal of Electricity (ATE), set aside the Maharashtra Electricity Regulatory Commission (MERC) Order dated 31st May, 2004 and directed the Company to refund to R-Infra as on 31st March, 2004, ₹ 354.00 crore (including interest of ₹ 15.14 crore) and pay interest at 10% per annum thereafter. As at 31st March, 2016 the accumulated interest was ₹ 218.36 crore (31st March, 2015 - ₹ 207.16 crore) (₹ 11.20 crore for the year ended 31st March, 2016). On appeal, the Hon'ble Supreme Court vide its Interim Order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Company has furnished a bank guarantee of the sum of ₹ 227.00 crore and also deposited ₹ 227.00 crore with the Registrar General of the Court which has been withdrawn by R-Infra on furnishing the required undertaking to the Court.

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

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

- (ii) MERC vide its Tariff Order dated 11th June, 2004, had directed the Parent Company to treat the investment in its wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Parent Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the capital base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in Note 35 e(i) 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(i) above.
- (f) In the case of Parent Company, in 2008-09, NTT DoCoMo Inc. (DoCoMo) entered into an Agreement with Tata Teleservices Ltd. (TTSL) and Tata Sons Limited to acquire 20% of the equity share capital under the primary issue and 6% under the secondary sale from Tata Sons Limited. In terms of the Agreements with DoCoMo, Tata Sons Limited, inter alia, agreed to provide various indemnities and a Sale Option entitling DoCoMo to sell its entire shareholding in 2014 at a minimum pre-determined price of ₹ 58.045 per share if certain performance parameters were not met by TTSL. The minimum pre-determined price represented 50% of the acquisition price of 2008-09. The Agreements are governed by Indian Law.

The Company in 2008-09 had accepted an offer made voluntarily by Tata Sons Limited to all shareholders of TTSL to participate pro-rata in the secondary sale to DoCoMo together with bearing liabilities, if any, including the Sale Option in proportion of the number of shares sold by the Company to the aggregate Secondary Sale to DoCoMo. Accordingly, an Inter se Agreement was executed by the Company with Tata Sons Limited and other Selling Shareholders. The Company sold 2,72,82,177 shares of TTSL to DoCoMo at ₹ 116.09 per share, resulting in a profit of ₹ 255.62 crore. The Company is obliged to acquire 13,45,95,551 shares of TTSL in the above proportion in the event the Sale Option is exercised by DoCoMo.

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DoCoMo has exercised the Sale Option in July 2014 and has called upon Tata Sons Limited to acquire its entire shareholding in TTSL at the pre-determined price of ₹ 58.045 per share. Tata Sons Limited has in turn informed the Company that they may be called upon to acquire 13,45,95,551 shares, in terms of its original offer to the Company and the inter-se agreement to participate in the Secondary Sale.

Tata Sons Limited have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. DoCoMo reiterated its position that the shares be acquired at minimum pre-determined price of 50% of the acquisition price in 2008-09.

DoCoMo had initiated Arbitration in the matter before the London Court of International Arbitration (LCIA), London. The evidentiary hearing was completed on 6th May, 2016. The arbitral award is awaited.

The liability, if any, to the extent of the difference between the amount sought by DoCoMo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing FEMA Regulations.

Under the above mentioned agreements with DoCoMo, TSL and TTSL have jointly and severally agreed to indemnify DoCoMo 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 [Company's share ₹ 29.76 crore (31st March, 2015 - ₹ 29.76 crore)]. The Company is liable to reimburse TSL, on a pro-rata basis.

- (g) In the case of TPDDL, the Company has filed a petition on 23rd November, 2012 with DERC for determination of the final generation tariff for the Rithala Generation Plant under section 62 read with Part VII of the Electricity Act, 2003 and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2007 (from commercial operation date i.e. 5th February, 2011 to 31st March, 2012) and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011 (for MYT period FY 2013 to 2015). Pending determination of the final generation tariff, the Company has recognised revenue of ₹ 95.81 crore (31st March, 2015 - ₹ 95.92 crore) for the year ended 31 March, 2016. As a matter of prudence, the Company has made provision for contingencies of ₹ 35.00 crore during current year (31st March, 2015 - ₹ 55.59 crore). During the process of determination of Generation Tariff, DERC may also determine the useful life of the Rithala Generation Plant.
- (h) In the case of TPDDL, earlier Delhi Electricity Regulatory Commission (DERC) had issued the Order on True up for FY 2010-11, FY 2011-12, FY 2012-13, Aggregate Revenue Requirement for FY 2012-13 to FY 2014-15 and Distribution Tariff (Wheeling & Retail Supply) for FY 2012-13, FY 2013-14 and FY 2014-15 ('the Orders') on 13th July, 2012, 31st July, 2013 and 23rd July, 2014 respectively. While approving the power purchase cost for these true up years, DERC had provisionally allowed the power purchase cost for generation of Rithala plant at the rate equivalent to the unscheduled interchange (UI) rates for units generated during the time when the Company was under-drawing from the grid instead of the actual cost of generation. Pending final determination of Rithala power purchase cost, aggrieved by the approach adopted by the DERC for provisional allowance of Rithala power purchase cost, the Company had preferred appeal no 171/2012, 271/2013 and 246/2014 before the Appellate Tribunal for Electricity (ATE). Appeal no. 171/2012 against the true up Order of FY 2010-11 which has been disposed off on 10th February, 2015 and the matter has been remanded back to DERC with the direction to recognise Rithala plant as a source of power and finalise the tariff which DERC has not done in current tariff order in compliance to the judgement of Hon'ble ATE. By following the above approach, DERC in its true up order for FY 2010-11 and FY 2011-12 has disallowed ₹ 7.62 crore and ₹ 90.19 crore respectively. Pending implementation of the ATE direction in appeal no. 171/2012, the Company has based on management estimates, accounted for revenue of ₹ 7.62 crore, ₹ 88.42 crore and ₹ 49.68 crore for FY 2010-11, FY 2011-12 and for the period 1st April, 2012 to 30th September, 2012 respectively aggregating to ₹ 145.72 crore besides ₹ 93.07 crore as entitlement towards carrying cost (which includes ₹ 25.66 crore for the year ended 31 March, 2016) thus amounting to ₹ 238.79 crore, which is included in regulatory asset. With effect from 1st October, 2012, the scheduling of power generation at Rithala plant has been done as per the instructions, directions of State Load Dispatch Center.
- (i) The Parent Company, in terms of the Share Purchase Agreement, as stated in Note 34 (b)(ii)(b), has undertaken additional "Surplus Land" obligation towards the purchase of 11,40,000 shares of Tata Communications Ltd. by Tata Sons Limited from Panatone Finvest Ltd.

### 36. Rate Regulated Activities:

- (i) As per Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI) which is applicable from 1st April, 2015, the Group's business of electricity distribution is a Rate Regulated activity where the respective State Regulators determines Tariff to be charged from consumers based on prevailing Regulations in place.
- (ii) The Multi Year Tariff Regulation issued by respective State Regulators is applicable to the Group's distribution business. According to these regulations, the regulators shall determine the manner in which the Group can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers.



## Notes forming part of the Consolidated Financial Statements

The Group determines the Revenue, Assets and Liabilities as per the terms and conditions specified in the Regulations.

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
Opening Regulatory Assets net of Liabilities ..... (A)	7,181.67	6,767.32
Regulatory Income/(Expenses) during the year		
(i) Power Purchase Cost .....	7,311.45	7,966.03
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity (ROE)...	2,262.03	2,437.37
(iii) Collected during the year as per approved Tariff.....	(10,425.65)	(9,768.62)
Regulatory Income/(Expenses) (Net) (i + ii + iii).....	(852.17)	634.78
Regulatory Income (Net) in respect of earlier years .....	(167.27)	4.50
Income/(Expenses) on account of Rate Regulated Activities..... (B)	(1,019.44)	639.28
Carrying cost recognised in the Statement of Profit and Loss relating to uncollected amounts..... (C)	220.00	151.00
Amount Collected (Net) in respect of earlier years..... (D)	(249.38)	(375.93)
Closing Regulatory Asset..... (A+B+C+D)	6,132.85	7,181.67
Current Asset disclosed in Note 21 - Other Current Assets.....	1,350.87	864.28
Non-Current Asset disclosed in Note 16 - Other Non-Current Assets.....	5,462.36	6,335.75
Current Liability disclosed in Note 12 - Other Current Liabilities.....	(680.38)	(18.36)
	6,132.85	7,181.67

**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 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.

**38. Employee Benefits:**

- (a) The Group makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees.  
As a result of the above, a sum of ₹ 58.88 crore (31st March, 2015 - ₹ 55.21 crore) has been charged to the Consolidated Statement of Profit and Loss. (Refer Note 25)
- (b) The Group operates the following unfunded/funded defined benefit plans:
- Ex-Gratia Death Benefits
  - Retirement Gifts
  - Post Retirement Medical Benefits
  - Pension (including Director pension)
  - Gratuity
- (c) The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31st March, 2016. The following tables set out the amounts recognised in the consolidated financial statements as at 31st March, 2016 for the above mentioned defined benefit plans:
- (i) Net employee benefit expense (recognised in employee cost) for the year ended 31st March, 2016:

	31st March, 2016 ₹ crore (Funded)#	31st March, 2016 ₹ crore (Unfunded)	31st March, 2015 ₹ crore (Funded)#	31st March, 2015 ₹ crore (Unfunded)
Current Service Cost .....	33.81	4.16	28.59	4.91
Interest.....	42.93	5.46	37.87	6.97
Expected Return on Plan Assets.....	(16.97)	Nil	(25.64)	Nil
Actuarial (Gain)/Loss.....	(36.07)	2.20	43.81	14.67
Settlement Cost.....	Nil	Nil	Nil	Nil
Past Service Cost .....	2.41	Nil	Nil	Nil
Total Expense .....	26.11	11.82	84.63	26.55

# Post Retirement Gratuity funded in case of Parent Company, TPDDL, CTLL, PTL, TPSSL, MPL, PAI and PKPC.

## Notes forming part of the Consolidated Financial Statements

(ii) Change in the Defined Benefit Obligation/Commitments during the year ended 31st March, 2016:

	31st March, 2016 ₹ crore (Funded)#	31st March, 2016 ₹ crore (Unfunded)	31st March, 2015 ₹ crore (Funded)#	31st March, 2015 ₹ crore (Unfunded)
Present value of Defined Benefit Obligation as at 1st April as per books	517.64	102.51	451.25	87.80
Employee Benefit Expenses .....	35.70	11.82	125.18	26.55
Acquisition Costs.....	3.76	0.49	1.16	(1.41)
Benefits Paid (Net) .....	(28.41)	(5.66)	(26.15)	(8.19)
Exchange Loss/(Gain) .....	20.21	0.19	(33.80)	(2.24)
Present value of Defined Benefit Obligation as at 31st March .....	548.90	109.35	517.64	102.51
Add/(Less): Defined Benefit Obligation transfer from unfunded to funded .....	27.61	(27.61)	Nil	Nil
Less: Fair Value of plan assets at the end of the year ...	391.66	Nil	346.65	Nil
Provision for Defined Benefit Obligation as at 31st March as per books	184.85	81.74	170.99	102.51

# Post Retirement Gratuity funded in case of Parent Company, TPDDL, CTTL, PTL, TPSSL, MPL, PAI and PKPC.

(iii) Plan Assets:

	31st March, 2016 ₹ crore	31st March, 2015 ₹ crore
Fair value of Plan Assets as on 1st April .....	346.65	280.63
Expected Return on Plan Assets .....	16.97	25.64
Contribution.....	20.91	44.22
Benefits Paid.....	(5.50)	(6.84)
Actuarial Gain/(Loss) .....	(7.38)	14.91
Exchange Gain/(Loss).....	20.01	(11.91)
Closing balance as on 31st March.....	391.66	346.65

Major category of Plan Assets as a % of the Total Plan Assets:

	31st March, 2016	31st March, 2015
Government Bonds .....	31.59%	26.10%
Government Securities.....	9.01%	9.82%
Debt Instruments .....	1.64%	1.56%
Equity and Preference shares.....	0.68%	0.98%
Mutual Funds.....	1.29%	1.23%
Other Deposits .....	3.85%	4.93%
Insurer Managed Funds* .....	51.94%	55.38%

\* In the absence of detailed information regarding plan assets funded with Insurance Companies, the composition of each major category of plan assets and the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### Notes forming part of the Consolidated Financial Statements

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

	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Discount Rate .....	7.56% to 8.20% p.a.	7.50% to 9.25% p.a.
Expected Rate of Return on Plan Assets .....	7.99% to 9.25% p.a.	7.50% to 9.25% p.a.
Salary Growth Rate .....	6% to 11 % p.a.	6% to 11 % p.a.
Turnover Rate - Age 21 to 44 years .....	0.50% to 10% p.a.	0.50% to 10% p.a.
Turnover Rate - Age 45 years and above .....	0.50% to 2.50% p.a.	0.50% to 2.50% p.a.
Pension Increase Rate .....	3% p.a.	3% p.a.
Mortality Table (in case of Indian Companies).....	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Annual Increase in Health Cost .....	8% p.a.	8% 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 2016-17 has not been ascertained.

- 39.** In respect of the contracts pertaining to the Strategic Engineering Business and Project Management Services of the Group, disclosures required as per AS-7 (Revised) are as follows:

- (a) Contract revenue recognised as revenue during the year ₹ 549.88 crore (31st March, 2015 - ₹ 530.50 crore).
- (b) In respect of contracts in progress –
- (i) The aggregate amount of costs incurred and recognised profits upto 31st March, 2016 - ₹ 935.78 crore (31st March, 2015 - ₹ 814.84 crore).
- (ii) Advances and progress payments received as at 31st March, 2016 ₹ 695.37 crore (31st March, 2015 - ₹ 813.25 crore).
- (iii) Retention money included as at 31st March, 2016 in Sundry Debtors ₹ 8.47 crore (31st March, 2015 - ₹ 6.32 crore).
- (c) (i) Gross amount due to customers for contract work as a liability as at 31st March, 2016 ₹ 66.00 crore (31st March, 2015 - ₹ 191.44 crore).
- (ii) Gross amount due from customers for contract work as an asset as at 31st March, 2016 ₹ 240.40 crore (31st March, 2015 - ₹ 191.89 crore).

- 40.** Related Party Disclosures:

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

Names of the related parties and description of relationship:

- (a) (i) Jointly Controlled Entities of the Group  
(where transactions have taken place during the year)
- 1) Cennergi Pty. Ltd.
  - 2) Adjaristsqali Georgia LLC
  - 3) Koromkheti Georgia LLC
  - 4) Itezhi Tezhi Power Corporation (w.e.f. 29th April, 2015)
  - 5) PT Arutmin Indonesia
  - 6) PT Kaltim Prima Coal

**Notes forming part of the Consolidated Financial Statements**

**40. Related Party Disclosures (Contd.):**

(a) (ii) Associates (where transactions have taken place during the year)

- 1) Tata Projects Ltd.
- 2) Nelito Systems Ltd.
- 3) Yashmun Engineers Ltd.
- 4) Dagachhu Hydro Power Corportion Ltd.

(iii) Promoters holding together with its Subsidiary more than 20%

Tata Sons Ltd.

(b) Key Management Personnel

Anil Sardana - CEO & Managing Director

Ashok Sethi - COO & Executive Director

Ramesh Subramanyam - Chief Financial Officer

(c) Details of Transactions:

Particulars

₹ crore

	Associates	Jointly Controlled Entities	Key Management Personnel	Promoters
Purchase of goods .....	99.83	1,816.69	-	-
Purchase of fixed assets .....	-	2,028.26	-	-
Rendering of services .....	0.14	34.04	-	0.52
Receiving of services .....	10.81	-	-	0.37
Brand equity contribution .....	-	-	-	23.92
Remuneration paid .....	-	-	11.30	-
Dividend received .....	4.90	-	-	16.02
Dividend paid .....	-	-	-	106.84
Equity shares issued .....	-	-	-	102.74
Deposits taken - towards rental accomodation	-	-	-	686.33
<b>Balances outstanding</b>				
Security deposit given .....	-	-	-	-
Other receivables .....	1.01	48.57	-	0.50
Loans given (including interest thereon) .....	1.27	29.97	-	-
Loans provided for as doubtful advances .....	1.27	-	-	-
Preference shares outstanding .....	-	-	-	-
Guarantees, collaterals etc. outstanding .....	-	-	-	Refer Note 35 (f)
Other payables .....	19.01	63.03	-	28.09
	12.53	182.47	-	26.70

Note: Previous year's figures are in italics.

### Notes forming part of the Consolidated Financial Statements

#### 40. Related Party Disclosures (Contd.):

(d) Details of material related party transactions [included under (c)]:

(a) Joint Controlled Entities:

Particulars	₹ crore			
	Itezhi Tezhi Power Corporation	PT Kaltim Prima Coal	PT Arutmin Indonesia	PT Antang Gunung Meratus
Purchase of goods .....	-	1,816.69	-	-
	-	2,028.26	-	-
Rendering of services .....	6.92	21.22	-	-
	-	-	-	7.54
<b>Balances outstanding</b>				
Other receivables .....	6.92	-	40.13	-
	-	-	38.51	-
Loans given (including interest thereon)	29.97	-	-	-
	-	-	-	-
Other payables.....	-	63.03	-	-
	-	182.47	-	-

(b) Associates [included under (c)]:

Particulars	₹ crore			
	Dagachhu Hydro Power Corporation Ltd.	Tata Projects Ltd.	Yashmun Engineers Ltd.	Nelito Systems Ltd.
Purchase of fixed assets .....	99.83	118.06	-	-
	-	191.78	-	-
Rendering of services .....	-	-	0.14	-
	-	-	0.10	-
Dividend received.....	-	4.85	-	-
	-	4.84	-	-
<b>Balances outstanding</b>				
Other receivables .....	-	-	1.01	-
	-	-	-	-
Loans given (including interest thereon)...	-	-	-	1.27
	-	-	-	1.27
Loans provided for as doubtful advances.	-	-	-	1.27
	-	-	-	1.27
Preference shares outstanding .....	-	-	-	-
	-	12.00	-	-
Other payables.....	1.07	17.15	-	-
	-	-	-	-

Note: Previous year's figures are in italics.

**Notes forming part of the Consolidated Financial Statements**

**41. Derivative Instruments and Unhedged Foreign Currency exposures:**

(i) Derivative Instruments :

The following derivative positions are open as at 31st March, 2016. These transactions have been undertaken to act as economic hedges for the Group's exposures to various risks in foreign exchange markets. 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 and currency options contracts entered into by the Group as on 31st March, 2016:

	31st March, 2016		31st March, 2015	
	Foreign Currency (in Millions)	₹ crore	Foreign Currency (in Millions)	₹ crore
Forward Contracts.....	USD 393.72	2,608.27	USD 430.55	2,690.86
	Euro 22.92	172.72	Euro 88.29	593.28
	JPY 30.94	1.82	JPY 81.36	4.24
	GBP 6.12	58.42	Nil	Nil
	Nil	Nil	ZAR 20.50	10.61
Forward Contracts (Firm Commitment) # .....	GBP 1.94	18.52	GBP 6.57	60.74
	Euro 9.68	72.96	Euro 11.02	74.07
	USD 103.38	684.86	USD 108.56	678.49
Currency Option Contracts .....	USD 611.79	4,052.93	USD 586.00	3,662.33
Currency Option Contracts (Firm Commitment) .....	USD 33.72	223.39	USD 15.39	96.18
Interest Rate Swaps.....	USD 1,104.97	7,320.15	USD 1,411.31	8,820.32
	ZAR 2,185.13	974.89	ZAR 754.41	390.63
	USD 440.00	2,914.89	USD 475.00	2,968.63
Interest Rate Cap.....				
Unrecognised Gain in respect of above Forward Contracts and Currency Option Contracts .....	Nil	60.79	Nil	57.89

# Includes forward contracts in the nature of debt servicing which are composite contracts taken for principal as well as interest repayment on loan.

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

	31st March, 2016		31st March, 2015	
	Foreign Currency (in Millions)	₹ crore	Foreign Currency (in Millions)	₹ crore
(a) Amounts receivable in foreign currency on account of the following:				
(i) Export of Goods .....	USD 1.67	10.40	USD 0.85	5.32
	Euro 0.01	0.08	Euro *	0.09
	USD 0.45	3.00	USD 0.28	1.74
(ii) Other Receivables.....				
(b) Amounts payable in foreign currency on account of the following:				
(i) Import of Goods and Services .....	USD 54.89	363.62	USD 54.40	339.98
	Euro 0.03	0.23	Euro 0.97	6.54
	GBP 0.04	0.38	GBP 2.61	24.12
	NOK 1.29	1.03	NOK 0.05	0.04
	JPY 0.35	0.02	JPY Nil	Nil
(ii) Capital Imports .....	Euro 1.37	10.34	Euro 0.40	2.65
	JPY 8.81	0.52	JPY 107.06	5.58
	USD 1.63	10.78	USD 0.58	3.64
	GBP 0.07	0.70	GBP 0.06	0.62
	SGD 0.01	0.05	SGD Nil	Nil
(iii) Interest Payable.....	USD 0.58	3.83	USD 0.26	1.66
(iv) Loans Payable.....	USD 541.92	3,590.07	USD 637.82	3,986.22
	Euro Nil	Nil	Euro 10.21	68.61
(c) Bank Balances .....	USD 0.20	1.35	USD 0.94	5.88
	ZAR 0.72	0.32	ZAR Nil	Nil
	VND 11.24	*	VND Nil	Nil
	TAKA 0.21	0.02	TAKA 0.22	0.02

\* Denotes figures below ₹ 50,000/-

### Notes forming part of the Consolidated Financial Statements

#### 42. Disclosures as required by Accounting Standard-29 (AS-29) "Provisions, Contingent Liabilities and Contingent Assets" as at 31st March, 2016:

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:

Particulars	₹ crore					Closing Balance
	Opening Balance	Additions during the year	Acquisition made during the year	Payments/ Adjustments made during the year	Reversal/ Regrouped during the year	
Provision for Warranties .....	63.93	37.58	-	(7.70)	(26.53)	67.28
	<i>55.32</i>	<i>33.01</i>	-	<i>(7.44)</i>	<i>(16.96)</i>	<i>63.93</i>
Provision for Premium on Redemption of FCCB .....	-	-	-	-	-	-
	<i>170.15</i>	<i>5.10</i> @	-	<i>(175.25)</i>	-	-
Provision for Premium on Redemption of Debentures .....	40.50	-	-	(40.50)	-	-
	<i>94.20</i>	-	-	<i>(53.70)</i>	-	<i>40.50</i>
Provision for Foreseeable losses on Contracts etc. ...	2.47	-	-	-	(0.86)	1.61
	<i>2.91</i>	-	-	-	<i>(0.44)</i>	<i>2.47</i>
Provision for Restoration and Rehabilitation .....	585.94	142.73	-	(13.72) #	-	714.95
	<i>579.90</i>	<i>64.14</i>	-	<i>(45.09)</i> #	<i>(13.01)</i>	<i>585.94</i>
Provision for Contingencies [Refer Note 35 (g)] .....	55.59	35.00	-	-	-	90.59
	<i>-</i>	<i>55.59</i>	-	-	-	<i>55.59</i>

**Notes:**

- @ On account of exchange loss.
- # includes exchange fluctuation.
- Previous year's figures are in italics

#### 43. Earnings Per Share:

	31st March, 2016	31st March, 2015
<b>Basic</b>		
Net Profit for the year (₹ crore) .....	873.35	167.83
Less: Contingencies Reserve for the year (₹ crore) .....	21.00	10.00
	852.35	157.83
Less: Distribution on Unsecured Perpetual Securities (Net of Tax) (₹ crore) .....	111.85	112.88
Net Profit for the year attributable to the equity shareholders (₹ crore) .....	740.50	44.95
The weighted average number of Equity Shares for Basic Earning Per Share (Nos.) .....	270,76,05,570	269,11,76,511
Par value Per Share (in ₹) .....	1.00	1.00
Basic Earnings Per Share (in ₹) .....	2.73	0.17
<b>Diluted</b>		
Net profit for the year attributable to the equity shareholders (₹ crore) .....	740.50	44.95
The weighted average number of Equity Shares for Basic Earning Per Share (Nos.) .....	270,76,05,570	269,11,76,511
Par value Per Share (in ₹) .....	1.00	1.00
Diluted Earnings Per Share (in ₹) .....	2.73	0.17
Diluted Earnings Per Share restricted to Basic Earning Per Share (in ₹) .....	2.73	0.17

**Notes forming part of the Consolidated Financial Statements**

**44. Segment Reporting:**

(a) Primary Segment Information:

The Group has identified business segments as its primary segment. Business segments are as below:

					₹ crore
	Power	Coal	Others	Eliminations	Total
<b>REVENUE</b>					
External Revenue.....	27,182.01	7,751.61	2,610.31	1,083.17	<b>36,460.76</b>
	<i>25,420.37</i>	<i>8,147.46</i>	<i>1,759.61</i>	<i>960.59</i>	<b>34,366.85</b>
<b>RESULT</b>					
Total Segment Results .....	4,765.75	771.02	185.97		5,722.74
	<i>4,202.11</i>	<i>926.07</i>	<i>39.22</i>		<i>5,167.40</i>
Finance Costs .....					(3,476.53)
					<i>(3,698.72)</i>
Exceptional Item - Power Business.....					2,252.81
					-
Exceptional Item - Coal Business .....					(2,533.35)
					-
Unallocable (Expense)/Income net of Unallocable Expense.....					(29.00)
					<i>15.67</i>
Income Taxes.....					(869.28)
					<i>(1,074.92)</i>
<b>Profit after Tax and before Share of Profit of Associates and Minority Interest .....</b>					<b>1,067.39</b>
					<b>409.43</b>
Share of Profit of Associates .....					61.62
					<i>47.77</i>
Minority Interest .....					(255.66)
					<i>(289.37)</i>
<b>Profit for the year .....</b>					<b>873.35</b>
					<b>167.83</b>
<b>OTHER INFORMATION</b>					
Segment Assets.....	56,906.61	12,483.58	2,899.10		72,289.29
	<i>52,306.39</i>	<i>15,480.53</i>	<i>2,362.56</i>		<i>70,149.48</i>
Unallocable Assets .....					5,417.21
					<i>5,041.71</i>
<b>Total Assets .....</b>					<b>77,706.50</b>
					<b>75,191.19</b>
Segment Liabilities .....	8,755.21	6,064.11	1,119.28		15,938.60
	<i>6,748.63</i>	<i>6,209.71</i>	<i>1,091.63</i>		<i>14,049.97</i>
Unallocable Liabilities.....					43,394.76
					<i>43,449.74</i>
<b>Total Liabilities .....</b>					<b>59,333.36</b>
					<b>57,499.71</b>
Capital Expenditure.....	3,509.89	195.54	280.95		3,986.38
	<i>3,091.75</i>	<i>291.00</i>	<i>110.87</i>		<i>3,493.62</i>
Non-cash Expenses other than Depreciation/Amortisation (to the extent allocable to segment)\$.....	188.60	2,676.50	18.31		2,883.41
	<i>60.74</i>	<i>79.15</i>	<i>16.94</i>		<i>156.83</i>
Depreciation/Amortisation (to the extent allocable to segment)	1,767.63	497.04	111.72		2,376.39
	<i>1,656.20</i>	<i>435.87</i>	<i>96.33</i>		<i>2,188.40</i>

	₹ crore	
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Reconciliation of Revenue		
Revenue from Operations (Net) .....	37,480.20	33,727.57
Add/Less: Regulatory Income/(Expense) (Net) .....	(852.17)	634.78
Add/(Less): Regulatory Income (Net) in respect of earlier years.....	(167.27)	4.50
Total segment revenue as reported above .....	<b>36,460.76</b>	<b>34,366.85</b>

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, Investment, Shipping and Property Development.

Notes: Previous year's figures are in italics.

\$ includes impairment of goodwill and assets.



## Notes forming part of the Consolidated Financial Statements

### (b) Secondary Segment Information:

Particulars			₹ crore
	Domestic	Overseas	Total
Revenue from External Customers.....	29,341.19	7,119.57	36,460.76
	<i>26,945.55</i>	<i>7,421.30</i>	<i>34,366.85</i>
Segment Assets.....	55,518.94	16,770.35	72,289.29
	<i>52,423.04</i>	<i>17,726.44</i>	<i>70,149.48</i>
Unallocable Assets .....			5,417.21
			<i>5,041.71</i>
Total Assets .....			77,706.50
			<i>75,191.19</i>
Capital Expenditure .....	2,464.97	1,521.41	3,986.38
	<i>2,626.77</i>	<i>866.85</i>	<i>3,493.62</i>

Note: Previous year's figures are in italics.

### 45. Utilisation of Rights Issue proceeds:

Particulars			₹ crore
	Amount proposed to be financed from Net Proceeds	Amount utilised	Balance amount as at 31st March, 2016
Part funding of capital expenditure .....	300.00	300.00	-
Part repayment of borrowings .....	533.15	533.15	-
Extend facilities to Company's subsidiary towards part repayment of the subsidiary's borrowings .....	639.51	639.51	-
General corporate purposes.....	498.35	495.25	3.10
Issue related expenses.....	22.37	21.41	0.96
	1,993.38	1,989.32	4.06
Less: Value of Shares in Abeyance.....	(4.06)	-	(4.06)
Total .....	1,989.32	1,989.32	0.00

### 46. Obligations Towards Finance Leases:

	₹ crore	
	31st March, 2016	31st March, 2015
Assets acquired under finance lease:		
Minimum Lease payments:		
Within 1 year .....	147.69	168.44
Later than 1 year but not later than 5 years.....	154.91	271.75
Later than 5 years .....	1.64	12.56
	304.24	452.75
Present value of Minimum Lease Payments:		
Within 1 year .....	136.98	152.48
Later than 1 year but not later than 5 years.....	144.93	253.82
Later than 5 years .....	1.62	12.23
Finance Lease Obligation .....	283.53	418.53
Add: Future Finance Charges.....	20.71	34.22
Total .....	304.24	452.75

**Notes forming part of the Consolidated Financial Statements**

**47. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates/ Jointly Controlled Entities:**

Name of the Entity

Name of the Entity	Net Assets i.e. total assets minus total liabilities <sup>9</sup>		Share of Profit/(Loss)	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit/(loss)	Amount (₹ crore)
The Tata Power Company Ltd. ....	52.76	17,409.80	43.24	771.62
<b>Indian Subsidiaries</b>				
1. Nelco Ltd. (Consolidated) <sup>1</sup> .....	0.03	9.68	0.11	1.88
2. Chemical Terminal Trombay Ltd. ....	0.15	50.25	0.16	2.89
3. Af-Taab Investment Co. Ltd. ....	0.52	173.06	1.28	22.75
4. Powerlinks Transmission Ltd. ....	1.62	535.94	6.11	108.96
5. Tata Power Trading Co. Ltd. ....	0.45	150.17	0.90	16.12
6. Maithon Power Ltd. ....	4.98	1,643.10	10.60	189.10
7. Industrial Energy Ltd. ....	2.22	734.06	3.70	66.06
8. Coastal Gujarat Power Ltd. ....	5.59	1,844.61	112.89	2,014.04
9. Tata Power Delhi Distribution Ltd. ....	9.49	3,134.06	14.48	258.37
10. Tata Power Jamshedpur Distribution Ltd. ....	(0.01)	(2.60)	(0.09)	(1.63)
11. Industrial Power Utility Ltd. ....	0.00	*	0.00	*
12. Tata Power Renewable Energy Ltd. ....	1.67	551.67	1.08	19.35
13. Dugar Hydro Power Ltd. ....	0.26	84.44	(0.02)	(0.38)
14. Tata Power Solar Systems Ltd. ....	0.60	199.07	(1.47)	(26.23)
15. NDPL Infra Ltd. ....	0.02	8.14	0.23	4.16
16. Tata Power Green Energy Ltd. ....	0.00	0.02	0.00	*
17. Tata Ceramics Ltd. ....	(0.02)	(8.08)	(0.21)	(3.68)
18. Supa Windfarm Ltd. ....	0.00	0.04	0.00	*
19. Poolavadi Windfarm Ltd. ....	0.00	0.04	0.00	*
20. Nivade Windfarm Ltd. ....	0.00	0.04	0.00	*
<b>Foreign Subsidiaries</b>				
1. Bhira Investments Ltd. ....	(5.90)	(1,948.28)	(88.85)	(1,585.13)
2. Bhivpuri Investments Ltd. ....	3.84	1,268.75	(0.05)	(0.82)
3. Khopoli Investments Ltd. ....	0.80	265.58	(11.11)	(198.15)
4. Trust Energy Resources Pte. Ltd. ....	2.93	966.62	3.92	69.96
5. Energy Eastern Pte. Ltd. ....	0.11	34.98	0.67	11.96
6. PT Sumber Energi Andalan Tbk. ....	0.03	11.47	(0.05)	(0.85)
7. Tata Power International Pte. Ltd. ....	1.30	428.78	(5.00)	(89.21)
<b>Indian Associates</b>				
1. Nelito Systems Ltd. ....	0.07	21.46	0.04	0.80
2. Panatone Finvest Ltd. ....	2.11	697.30	1.87	33.34
3. Yashmun Engineers Ltd. ....	0.01	4.79	0.18	3.15
4. Tata Projects Ltd. ....	1.28	422.15	1.73	30.78
<b>Foreign Associates</b>				
1. Dagachhu Hydro Power Corporation Ltd. ....	0.30	99.98	(0.36)	(6.45)
<b>Indian Jointly Controlled Entities</b>				
1. Tubed Coal Mines Ltd. ....	0.00	(0.07)	(0.53)	(9.46)
2. Mandakini Coal Company Ltd. ....	(0.17)	(57.19)	(4.05)	(72.34)
3. Gamma Land Holding Ltd. ....	0.00	0.01	0.00	*
4. Solace Land Holding Ltd. ....	0.00	0.76	0.00	*
5. Beta Land Holdings Ltd. ....	0.00	0.01	0.00	*
6. Ginger Land Holdings Ltd. ....	0.00	0.01	0.00	*
Carried over...	87.04	28,734.62	91.40	1,630.96

## Notes forming part of the Consolidated Financial Statements

### 47. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates/ Jointly Controlled Entities: (Contd.)

Name of the Entity	Net Assets i.e. total assets minus total liabilities <sup>9</sup>		Share of Profit/(Loss)	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit/(loss)	Amount (₹ crore)
Brought forward...	87.04	28,734.62	91.40	1,630.96
<b>Foreign Jointly Controlled Entities</b>				
1. Cennergi Pty. Ltd. (Consolidated) <sup>2</sup> .....	0.36	120.31	0.55	9.74
2. PT Mitratama Perkasa (Consolidated) <sup>3</sup> .....	2.52	832.65	6.90	123.03
3. PT Arutmin Indonesia.....	1.57	517.53	(7.61)	(135.78)
4. PT Kaltim Prima Coal.....	1.10	364.42	1.22	21.77
5. Indocoal Resources (Cayman) Ltd.....	1.96	647.57	0.16	2.83
6. PT Indocoal Kalsel Resources.....	0.00	(0.03)	0.00	*
7. PT Indocoal Kaltim Resources.....	0.00	0.08	0.00	*
8. Candice Investments Pte. Ltd.....	0.06	20.67	0.49	8.71
9. PT Nusa Tambang Pratama.....	2.02	665.83	4.29	76.51
10. PT Marvel Capital Indonesia.....	0.00	0.19	0.00	*
11. PT Dwikarya Prima Abadi.....	0.62	203.79	1.29	22.94
12. PT Kalimantan Prima Power (Consolidated) <sup>4</sup> .....	0.52	170.65	3.26	58.12
13. OTP Geothermal Pte. Ltd. (Consolidated) <sup>5</sup> .....	0.58	190.96	(3.83)	(68.31)
14. PT Baramulti Sukessarana Tbk (Consolidated) <sup>6</sup> .....	0.54	177.23	2.32	41.36
15. Adjaristsqali Netherlands BV (Consolidated) <sup>7</sup> .....	0.85	280.56	(0.28)	(4.94)
16. Koromkheti Netherlands BV (Consolidated) <sup>8</sup> .....	(0.01)	(2.86)	(0.17)	(3.08)
17. Itezhi Tezhi Power Corporation.....	0.27	88.71	0.00	-
18. Indocoal KPC Resources (Cayman) Ltd.....	0.00	0.19	0.01	0.15
	<b>100.00</b>	<b>33,013.07</b>	<b>100.00</b>	<b>1,784.01</b>
(a) Less: Adjustments arising out of consolidation.....		(14,639.93)		(655.00)
(b) Less: Minority Interest				
<b>Indian Subsidiaries</b>				
1. Powerlinks Transmission Ltd.....		(267.17)		(53.40)
2. Nelco Ltd. (Consolidated) <sup>1</sup> .....		(4.00)		(1.05)
3. Maithon Power Ltd.....		(426.74)		(49.17)
4. Industrial Energy Ltd.....		(203.83)		(17.10)
5. Tata Power Delhi Distribution Ltd.....		(1,597.86)		(126.60)
6. NDPL Infra Ltd.....		(3.97)		(1.95)
7. Dugar Hydro Power Ltd.....		(42.21)		0.19
8. Tata Ceramics Ltd.....		-		-
<b>Foreign Subsidiaries</b>				
1. PT Sumber Energi Andalan Tbk.....		(0.43)		0.05
<b>Foreign Jointly Controlled Entities</b>				
1. Cennergi Pty. Ltd. (Consolidated) <sup>2</sup> .....		(3.90)		*
2. PT Mitratama Perkasa (Consolidated) <sup>3</sup> .....		(31.27)		(6.63)
<b>Total</b> .....		<u>(2,581.38)</u>		<u>(255.66)</u>
<b>Consolidated Net Assets/Profit after tax</b> .....		<u><b>15,791.76</b></u>		<u><b>873.35</b></u>

#### Notes:

- Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
- Accounts of Amakhala Emoyeni RE Project 1 (Pty) Ltd. and Tsitsikamma Community Wind Farm (Pty) Ltd. have been consolidated with Cennergi Pty. Ltd.
- Accounts of PT Mitratama Usaha have been consolidated with PT Mitratama Perkasa.
- Accounts of PT Citra Prima Buana, PT Guruh Agung and PT Citra Kusuma Perdana have been consolidated with PT Kalimantan Prima Power.
- Accounts of PT OTP Geothermal Services Indonesia and PT Sorik Marapi Geothermal Power have been consolidated with OTP Geothermal Pte Ltd.
- Accounts of PT Antang Gunung Meratus have been consolidated with PT Baramulti Sukessarana Tbk.
- Accounts of Adjaristsqali Georgia LLC have been consolidated with Adjaristsqali Netherlands BV.
- Accounts of Koromkheti Georgia LLC have been consolidated with Koromkheti Netherlands BV.
- Net Assets exclude unsecured perpetual securities, special appropriation towards project cost and statutory consumer reserves.
- Refer Note 2.1 (ix) for list of associates which have not been considered for consolidation being not material to the Group.
- Figures below ₹ 50,000/- are denoted by "\*\*".

**Notes forming part of the Consolidated Financial Statements**

**48. Interest in Jointly Controlled Entities:**

The Group's share of total assets, liabilities, income, expenses, contingent liabilities and capital commitments in jointly controlled entities considered in these Consolidated Financial Statements are as under:

	<b>31st March, 2016</b> ₹ crore	<b>31st March, 2015</b> ₹ crore
<b>I. NON-CURRENT LIABILITIES</b>		
a) Long-term Borrowings .....	1,972.99	836.80
b) Deferred Tax Liabilities .....	216.70	266.73
c) Other Long-term Liabilities.....	82.86	66.72
d) Long-term Provisions.....	793.41	683.09
<b>(A)</b>	<u>3,065.96</u>	<u>1,853.34</u>
<b>II. CURRENT LIABILITIES</b>		
a) Short-term Borrowings .....	29.22	18.66
b) Trade Payables.....	1,710.14	2,447.34
c) Other Current Liabilities.....	3,969.05	3,516.13
d) Short-term Provisions.....	430.52	119.06
<b>(B)</b>	<u>6,138.93</u>	<u>6,101.19</u>
<b>(A+B)</b>	<u>9,204.89</u>	<u>7,954.53</u>
<b>III. NON-CURRENT ASSETS</b>		
a) Fixed Assets .....	5,784.28	4,311.48
b) Goodwill .....	34.88	32.91
c) Long-term Loans and Advances .....	371.12	313.36
d) Other Non-current Assets .....	58.24	39.97
e) Deferred Tax Assets.....	11.01	5.82
<b>(C)</b>	<u>6,259.53</u>	<u>4,703.54</u>
<b>IV. CURRENT ASSETS</b>		
a) Inventories .....	367.03	383.72
b) Trade Receivables.....	1,163.38	2,092.17
c) Cash and Bank Balances.....	467.55	357.28
d) Short-term Loans and Advances.....	3,729.74	2,700.99
e) Other Current Assets.....	0.10	0.09
<b>(D)</b>	<u>5,727.80</u>	<u>5,534.25</u>
<b>(C+D)</b>	<u>11,987.33</u>	<u>10,237.79</u>
<b>V. REVENUE</b>		
a) Revenue from Operations .....	6,838.68	7,278.02
b) Other Income.....	12.63	271.09
	<u>6,851.31</u>	<u>7,549.11</u>
<b>VI. EXPENSES</b>		
a) Royalty towards Coal Mining .....	939.13	1,034.68
b) Cost of Fuel .....	899.03	1,162.15
c) Coal Processing Charges.....	2,036.83	2,162.69
d) Decrease/(Increase) in Stock-in-Trade and Work-in-Progress.....	(4.50)	169.68
e) Employee Benefits Expense.....	280.92	323.53
f) Other Expenses .....	2,305.20	2,326.44
g) Depreciation and Amortisation .....	497.35	436.81
h) Finance Costs .....	99.98	234.46
i) Tax Expense.....	209.52	177.98
	<u>7,263.46</u>	<u>8,028.42</u>
<b>VII. LOSS AFTER TAX.....</b>	<u>(412.15)</u>	<u>(479.31)</u>
<b>VIII. OTHER MATTERS</b>		
a) Contingent Liabilities.....	3,407.65	3,237.10
b) Capital Commitments.....	719.02	1,067.21
	<u>4,126.67</u>	<u>4,304.31</u>

**49.** Previous year's figures have been re-classified/re-arranged/re-grouped, wherever necessary to conform with the current year's classification/disclosure. Figures below ₹ 50,000/- are denoted by \*.

**Form AOC-I**  
**Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures**  
**Part "A": Subsidiaries**

SN	Name of the Subsidiary	Reporting period for the subsidiary concerned	Reporting currency	Exchange Rate as at 31st March, 2016	Share capital (Incl. Pref. shares)	Reserves & surplus (Incl. Pref. shares)	Total assets	Total Liabilities (Excl. Sh. Capital & Reserves)	Investments	Turnover <sup>13</sup>	Other income	Total Revenue	Profit/ (Loss) taxation (Incl. Deferred tax)	Profit/ (Loss) taxation	Provision for taxation (Incl. Deferred tax)	Profit/ (Loss) taxation	Proposed Dividend on Equity Shares (%)	Proposed Dividend on Equity Shares	% of shareholding
1	Nelco Ltd. (Consolidated) <sup>1</sup>	31st March, 2016	Indian Rupee	1.00	22.82	(13.14)	149.96	140.28	8.74	135.14	2.78	137.92	2.18	2.18	Nil	2.18	Nil	Nil	50.04
2	Chemical Terminal Trombay Ltd.	31st March, 2016	Indian Rupee	1.00	1.86	48.39	53.99	3.74	39.49	21.14	0.88	22.02	3.76	2.89	0.87	2.89	Nil	Nil	100.00
3	Af-Taab Investment Co. Ltd.	31st March, 2016	Indian Rupee	1.00	10.73	162.33	177.52	4.46	133.48	28.32	1.38	29.70	27.04	22.75	4.29	22.75	Nil	Nil	100.00
4	Powerlinks Transmission Ltd.	31st March, 2016	Indian Rupee	1.00	468.00	67.94	1,039.78	503.84	27.86	233.93	14.32	248.25	116.92	108.96	7.96	108.96	2.00	9.36	51.00
5	Tata Power Trading Co. Ltd.	31st March, 2016	Indian Rupee	1.00	16.00	134.17	918.96	768.79	3.00	5,942.37	0.65	5,943.02	25.09	16.12	8.97	16.12	30.00	4.80	100.00
6	Maithon Power Ltd.	31st March, 2016	Indian Rupee	1.00	1,508.92	134.18	5,022.15	3,379.05	Nil	2,349.24	1.50	2,350.74	242.79	189.10	53.69	242.79	Nil	Nil	74.00
7	Industrial Energy Ltd.	31st March, 2016	Indian Rupee	1.00	666.00	68.06	2,038.60	1,304.54	125.42	513.83	12.46	526.29	102.06	66.06	36.00	66.06	7.50	49.95	74.00
8	Coastal Gujarat Power Ltd.	31st March, 2016	Indian Rupee	1.00	6,030.42	(4,185.81)	18,584.55	16,739.94	94.33	6,000.36	29.62	6,029.98	2,014.04	Nil	2,014.04	Nil	Nil	Nil	100.00
9	Bhira Investments Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	4.10	(1,952.38)	4,998.43	6,946.71	2,759.51	109.97	140.02	249.99	(1,576.05)	9.08	(1,585.13)	Nil	Nil	Nil	100.00
10	Bhivpuri Investments Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	4.08	1,264.67	2,867.22	1,598.47	2,864.02	Nil	Nil	Nil	(0.82)	Nil	Nil	(0.82)	Nil	Nil	100.00
11	Khopoli Investments Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	255.20	10.38	3,755.97	3,490.39	421.73	325.67	66.62	392.29	(166.83)	31.32	(198.15)	31.32	Nil	Nil	100.00
12	Trust Energy Resources Pte. Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	604.10	362.52	1,719.65	753.03	5.23	310.35	2.65	313.00	75.41	69.96	5.45	69.96	Nil	Nil	100.00
13	Tata Power Delhi Distribution Ltd.	31st March, 2016	Indian Rupee	1.00	1,052.00	2,082.06	9,399.93	6,265.87	0.05	6,116.11	57.99	6,174.10	334.70	258.37	76.33	258.37	14.00	77.28	51.00
14	Tata Power Jamsheer Distribution Ltd.	31st March, 2016	Indian Rupee	1.00	8.05	(10.65)	0.39	2.99	Nil	Nil	Nil	Nil	(1.63)	Nil	Nil	(1.63)	Nil	Nil	100.00
15	Industrial Power Utility Ltd.	31st March, 2016	Indian Rupee	1.00	0.11	(0.11)	0.01	0.01	Nil	Nil	Nil	Nil	*	*	Nil	*	Nil	Nil	100.00
16	Tata Power Renewable Energy Ltd.	31st March, 2016	Indian Rupee	1.00	506.11	45.56	2,156.95	1,605.28	138.44	240.43	9.96	250.39	33.04	19.35	13.69	19.35	Nil	Nil	100.00
17	Dugar Hydro Power Ltd.	31st March, 2016	Indian Rupee	1.00	86.50	(2.06)	86.32	1.88	4.00	Nil	0.26	0.26	(0.38)	Nil	Nil	(0.38)	Nil	Nil	50.00
18	Tata Power Solar Systems Ltd.	31st March, 2016	Indian Rupee	1.00	229.78	(30.71)	939.46	740.39	Nil	1,489.44	10.09	1,499.53	(26.23)	(26.23)	Nil	(26.23)	Nil	Nil	100.00
19	Tata Power International Pte. Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	500.62	(71.84)	1,473.29	1,044.51	1,302.52	205.69	9.18	214.87	(75.02)	(89.21)	14.19	(89.21)	Nil	Nil	100.00
20	NDPL Infra Ltd.	31st March, 2016	Indian Rupee	1.00	0.05	8.09	9.05	0.91	Nil	9.91	0.36	10.27	6.70	4.16	2.54	4.16	Nil	Nil	51.00
21	Tata Power Green Energy Ltd	31st March, 2016	Indian Rupee	1.00	0.05	(0.03)	0.02	*	Nil	Nil	Nil	Nil	*	*	Nil	*	Nil	Nil	100.00
22	Energy Eastern Pte. Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	3.40	31.58	202.59	167.61	Nil	333.63	2.26	335.89	12.78	11.96	0.82	11.96	Nil	Nil	100.00
23	PT Sumber Energi Andalan Tbk <sup>12</sup>	31st March, 2016	US Dollar	66.25	26.93	(15.46)	11.66	0.19	Nil	0.93	0.47	1.40	(0.85)	(0.85)	Nil	(0.85)	Nil	Nil	94.61
24	Supa Windfarm Ltd.	31st March, 2016	Indian Rupee	1.00	0.05	(0.01)	0.05	0.01	Nil	Nil	Nil	Nil	(0.01)	(0.01)	Nil	(0.01)	Nil	Nil	100.00
25	Nivade Windfarm Ltd.	31st March, 2016	Indian Rupee	1.00	0.05	(0.01)	0.05	0.01	Nil	Nil	Nil	Nil	(0.01)	(0.01)	Nil	(0.01)	Nil	Nil	100.00
26	Poolavadi Windfarm Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	0.05	(0.01)	0.05	0.01	Nil	Nil	Nil	Nil	(0.01)	(0.01)	Nil	(0.01)	Nil	Nil	100.00
27	Tata Ceramics Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	31.52	(23.44)	33.49	25.41	0.02	38.10	0.71	38.81	(3.68)	(3.68)	Nil	(3.68)	Nil	Nil	57.07

Form AOC-I  
Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures (Contd.)  
Part "B": Associates and Joint Ventures

SN	Name of the Associate / Joint Venture Company	Latest audited Balance Sheet Date	Reporting currency	Exchange Rate as at 31st March, 2016	Shares of Associate/ Joint Venture company held by the company on the year end (No.)	Amount of Investment in Associate/ Joint Venture companies	Extent of Holding %	Description of how there is significant influence	Reason why the associate company is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/ (Loss) after tax	Consolidated in	Not considered in Consolidation
<b>Joint Ventures</b>													
1	Gennergi Pty. Ltd. (Consolidated) <sup>2,8,12</sup>	31st March, 2016	ZAR	4.46	84	392.41	50%	Note 9	-	116.41	19.48	9.74	-
2	PT Mitratama Perkasa (Consolidated) <sup>3,8,12</sup>	31st March, 2016	US Dollar	66.25	3,420	*	30%	Note 9	-	832.65	410.10	123.03	-
3	PT Arutmin Indonesia <sup>12</sup>	31st March, 2016	US Dollar	66.25	3,000	662.86	30%	Note 9	-	517.52	(452.61)	(135.78)	-
4	PT Kalim Prima Coal <sup>12</sup>	31st March, 2016	US Dollar	66.25	123,540	4,095.39	30%	Note 9	-	364.42	72.57	21.77	-
5	Indocoal Resources (Cayman) Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	300	2,864.02	30%	Note 9	-	647.57	9.42	2.83	-
6	PT Indocoal Kalsel Resources <sup>11,8,12</sup>	31st March, 2016	IDR Rupaiwa	0.005	60,000	0.21	30%	Note 9	-	(0.03)	*	*	-
7	PT Indocoal Kaltim Resources <sup>11,8,12</sup>	31st March, 2016	IDR Rupaiwa	0.005	82,380	0.33	30%	Note 9	-	0.09	(0.01)	*	-
8	Tubed Coal Mines Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	18,117,800	18.12	40%	Note 9	-	(0.07)	(23.65)	(9.46)	-
9	Mandakini Coal Company Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	39,300,000	39.30	33.33%	Note 9	-	(57.18)	(217.05)	(72.34)	-
10	Gamma Land Holding Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	16,667	0.02	33.33%	Note 9	-	0.01	*	*	-
11	Solace Land Holding Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	766,667	0.77	33.33%	Note 9	-	0.76	*	*	-
12	Beta Land Holdings Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	16,667	0.02	33.33%	Note 9	-	0.02	*	*	-
13	GINGER Land Holdings Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	16,667	0.02	33.33%	Note 9	-	0.01	*	*	-
14	Candice Investments Pte. Ltd. <sup>12</sup>	31st March, 2016	US Dollar	66.25	3	*	30%	Note 9	-	20.67	29.02	8.71	-
15	PT Nusa Tambang Pratama <sup>12</sup>	31st March, 2016	US Dollar	66.25	7	*	30%	Note 9	-	665.83	255.03	76.51	-
16	PT Marvel Capital Indonesia <sup>11,8,12</sup>	31st March, 2016	US Dollar	66.25	1,089	0.01	30%	Note 9	-	0.19	*	*	-
17	PT Dwikarya Prima Abadi <sup>11,8,12</sup>	31st March, 2016	US Dollar	66.25	99	0.01	30%	Note 9	-	203.79	76.46	22.94	-
18	PT Kalimantan Prima Power (Consolidated) <sup>4,8,12</sup>	31st March, 2016	US Dollar	66.25	7,500	4.97	30%	Note 9	-	170.66	193.73	58.12	-
19	OIP Geothermal Pte. Ltd. (Consolidated) <sup>5,11,8,12</sup>	31st March, 2016	US Dollar	66.25	44,807,876	296.85	50%	Note 9	-	190.96	(136.62)	(68.31)	-
20	PT Barumuli Sukessarana Tbk (Consolidated) <sup>6,8,12</sup>	31st March, 2016	US Dollar	66.25	680,290,000	1,005.00	26%	Note 9	-	177.23	159.07	41.36	-
21	Adjaristqali Netherlands BV (Consolidated) <sup>7,8,12</sup>	31st March, 2016	Euro	75.37	15,671	451.46	40%	Note 9	-	280.56	(12.34)	(4.94)	-
22	Indocoal KPC Resources (Cayman) Ltd. <sup>11,8,12</sup>	31st March, 2016	US Dollar	66.25	300	*	30%	Note 9	-	0.19	0.51	0.15	-
23	Koromkheti Netherlands BV (Consolidated) <sup>8,11,8,12</sup>	31st March, 2016	Euro	75.37	500	*	40%	Note 9	-	(2.86)	(7.70)	(3.08)	-
24	Tezhi Tezhi Power Corporation Ltd. <sup>12</sup>	31st March, 2016	ZMW	6.54	452,500	275.74	50%	Note 9	-	88.71	Nil	Nil	-
<b>Associates</b>													
1	Tata Projects Ltd.	31st March, 2016	Indian Rupee	1.00	967,500	66.78	47.78%	Note 10	-	411.32	66.57	31.81	-
2	Panatone Finvest Ltd.	31st March, 2016	Indian Rupee	1.00	590,882,000	600.00	39.98%	Note 10	-	696.32	83.38	33.34	-
3	Nelito Systems Ltd.	31st March, 2016	Indian Rupee	1.00	1,020,000	4.34	49.89%	Note 10	-	19.52	1.61	0.80	-
4	Yashmun Engineers Ltd.	31st March, 2016	Indian Rupee	1.00	19,200	0.01	27.27%	Note 10	-	3.88	8.73	2.38	-
5	Daqachhu Hydro Power corporation Ltd.	31st March, 2016	Bhutan Nu	1.00	1,074,320	107.43	26.00%	Note 10	-	99.98	(24.81)	(6.45)	-
6	The Associated Building Co. Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	1,825	0.17	33.14%	Note 10	Not material to the group	0.43	0.45	-	0.15
7	ASL Advanced Systems Pvt. Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	555,000	0.56	37.00%	Note 10	-	(0.28)	0.32	-	0.12
8	Brihat Trading Pvt. Ltd. <sup>11</sup>	31st March, 2016	Indian Rupee	1.00	3,350	0.01	33.50%	Note 10	-	(0.01)	*	*	-

Notes:

- Accounts of Tatanet Services Ltd. have been consolidated with Nelco Ltd.
- Accounts of Anakhala Enoyeni RE Project 1 (Pty) Ltd. and Itisiskamma Community Wind Farm (Pty) Ltd. have been consolidated with Cenmergi Pty. Ltd.
- Accounts of PT Mitratama Usaha have been consolidated with PT Mitratama Perkasa.
- Accounts of PT Citra Prima Buana, PT Guruh Agung and PT Citra Kusuma Perdana have been consolidated with PT Mitratama Prima Power.
- Accounts of OIP Geothermal Services Indonesia and PT Sank Marapi Geothermal Power have been consolidated with OIP Geothermal Pte. Ltd.
- Accounts of PT Antang Gunung Meratus have been consolidated with PT Barumuli Sukessarana Tbk
- Accounts of Adjaristqali Georgia LLC have been consolidated with Adjaristqali Netherlands BV.
- Accounts of Koromkheti Georgia LLC have been consolidated with Koromkheti Netherlands BV.
- There is significant influence due to shareholding and joint control over the economic activities.
- There is significant influence due to shareholding.
- Based on Management Accounts for FY 2015-16.
- Figures of foreign subsidiaries and Joint Ventures are as per their accounts prepared under the respective GAAP, converted to Indian GAAP.
- Turnover includes rate regulatory income/(expenses).
- The Group has sold its entire holding in Rujuvalka Investments Limited during the year.
- Figures below ₹ 50,000 are denoted by \*.

For and on behalf of the Board,

CYRUS P. MISTRY  
Chairman

ANIL SARDANA  
CEO & Managing Director

RAMESH SUBRAMANYAM  
Chief Financial Officer

H. M. MISTRY  
Company Secretary

Mumbai, 23rd May, 2016.

## Shareholder Information

To,  
TSR Darashaw Limited  
**Unit: The Tata Power Company Limited**  
6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio),  
20, Dr. E. Moses Road, Mahalaxmi 400 011.

### Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

**General Information:**

Folio No.	
Name of the first named Shareholder	
PAN *	
CIN/Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code	
Mobile No.	
E-mail Id	

\* Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we shall not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:  
Date:  
Encl:

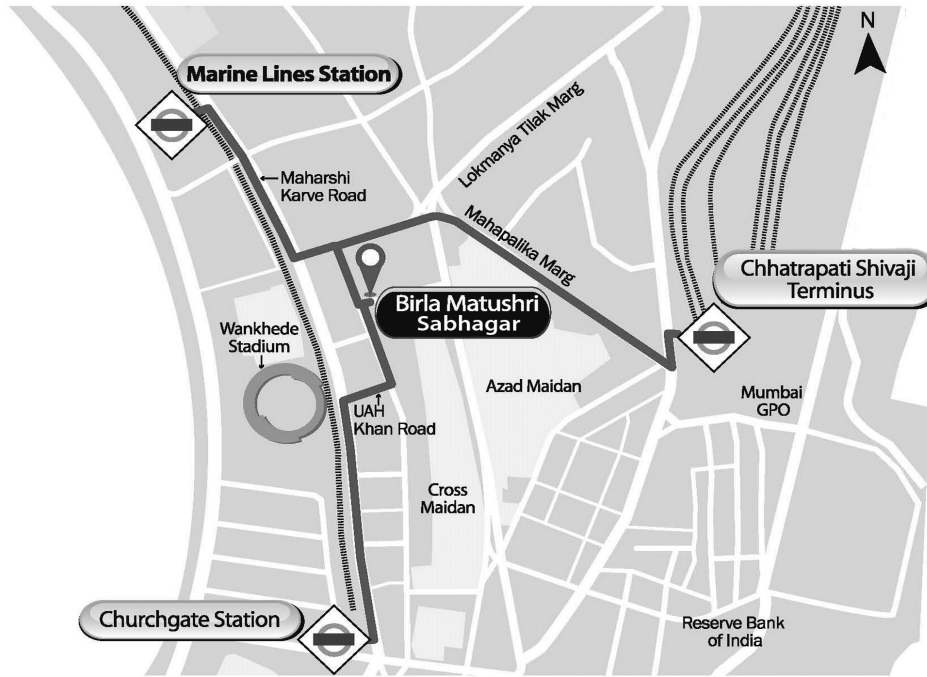
\_\_\_\_\_  
Signature of Sole/First holder







## Route Map to the AGM Venue



### Venue

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

**Landmark:** Next to Bombay Hospital

Distance from **Churchgate Station:** 1 km

Distance from **Chhatrapati Shivaji Terminus:** 1.2 km

Distance from **Marine Lines Station:** 0.8 km



### The Tata Power Company Limited

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Tel.: 022 6665 8282 Fax: 022 6665 8801 E-mail: tatapower@tatapower.com Website: www.tatapower.com

## Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28920MH1919PLC000567

Name of the company : **The Tata Power Company Limited**

Registered Office : Bombay House, 24, Homi Mody Street, Mumbai 400 001.

Name of the member(s) .....	E-mail ID : .....
Registered address : .....	
Folio No. / Client ID : .....	DP ID : .....

I / We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name :..... E-mail ID :.....

Address :.....

Signature : .....or failing him

2. Name :..... E-mail ID :.....

Address :.....

Signature : .....or failing him

3. Name :..... E-mail ID :.....

Address :.....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 97<sup>th</sup> Annual General Meeting of the Company, to be held on the 21<sup>st</sup> day of September 2016 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



Resolution No.		For	Against
1	Adoption of Audited Standalone Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2016 together with the Reports of the Board of Directors and the Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
2	Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2016 together with the Report of the Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
3	Declaration of dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March 2016	<input type="checkbox"/>	<input type="checkbox"/>
4	Appointment of Director in place of Mr. Anil Sardana, who retires by rotation and is eligible for re-appointment	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>
6	Appointment of Mr. Pravin H. Kutumbe as a Director	<input type="checkbox"/>	<input type="checkbox"/>
7	Appointment of Ms. Sandhya S. Kudtarkar as a Director	<input type="checkbox"/>	<input type="checkbox"/>
8	Re-appointment of Mr. Anil Sardana as CEO and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>
9	Private placement of Non-Convertible Debentures	<input type="checkbox"/>	<input type="checkbox"/>
10	Increase in limits of investments in other bodies corporate	<input type="checkbox"/>	<input type="checkbox"/>
11	Appointment of Branch Auditors	<input type="checkbox"/>	<input type="checkbox"/>
12	Ratification of Cost Auditor's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>

Signed this .....day of ..... 2016

Signature of shareholder.....

Signature of Proxy holder(s).....

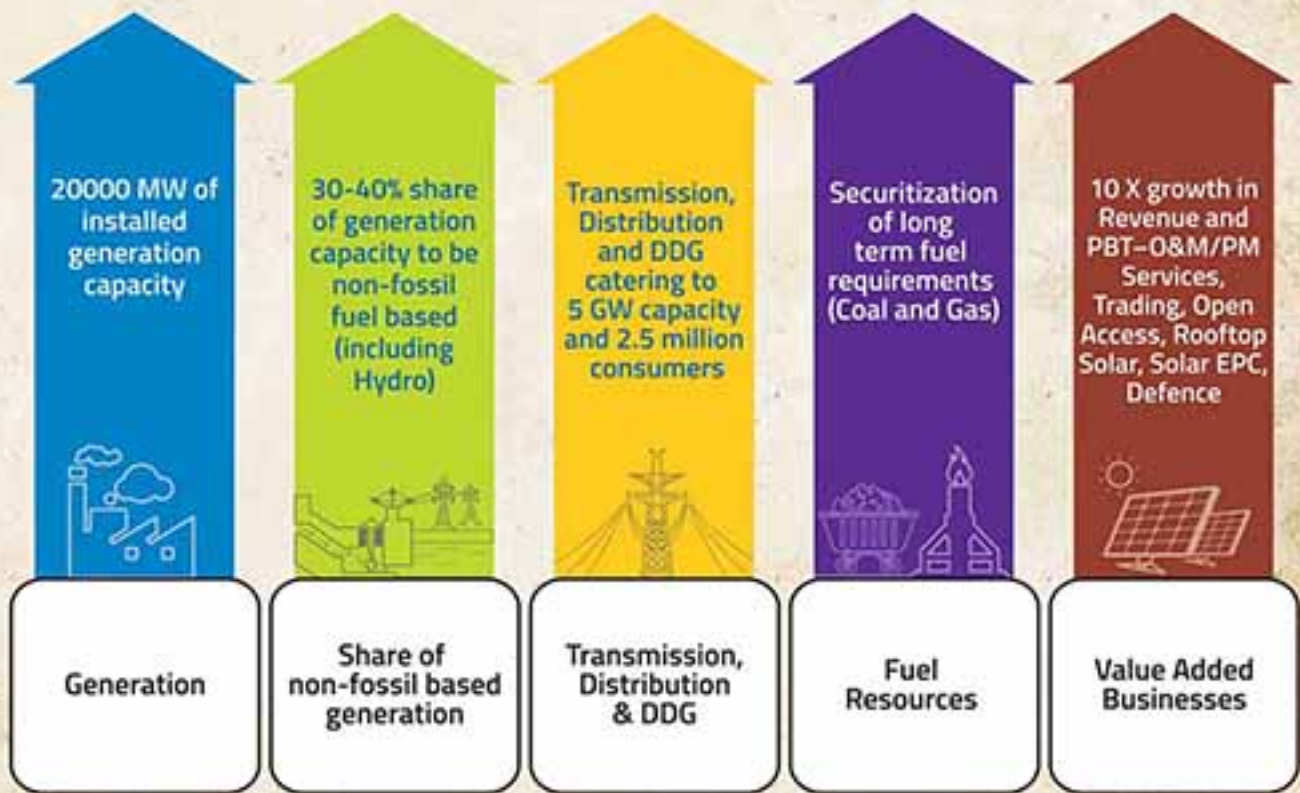
Affix  
Revenue  
Stamp

- Notes**
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting.
  2. Those Members who have multiple folios with different jointholders may use copies of the Proxy Form.



# Tata Power Strategic Intent 2025

Sustainable Profitable Growth: ROCE\*  $\geq$  WACC\*\*



\*ROCE- Return on Capital Employed

\*\*WACC- Weighted Average Cost of Capital



## TATA POWER

The Tata Power Company Limited

Bombay House 24 Homi Mody Street Mumbai 400 001

Call on TOLL FREE investor Helpline for any shareholder information at 1800-209-8484  
www.tatapower.com e-mail: [tatapower@tatapower.com](mailto:tatapower@tatapower.com) CIN: L28920MH1919PLC000567