

Profit and Loss Account for the year ended 31st March, 2002

	Schedule No.	Page	Rupees Crores	Rupees Crores	Previous Year Rupees Crores
INCOME :					
1. REVENUE FROM POWER SUPPLY [See Note 27(a)]			3,735.86		3,341.31
Less: Cash Discount			4.45		4.68
			3,731.41		3,336.63
Add: Wheeling Charges recoverable			24.35		24.14
				3,755.76	3,360.77
2. INCOME FROM OPERATIONS	1	66		44.09	20.84
3. OTHER INCOME	1	66		356.29	245.58
4. NET ADJUSTMENT IN RESPECT OF PREVIOUS YEARS				2.94	23.47
5. TOTAL INCOME				4,159.08	3,650.66
EXPENDITURE :					
6. COST OF POWER PURCHASED [See Note 27(b)]				399.03	401.28
7. COST OF FUEL				1,768.44	1,687.46
8. GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES	2	67		569.09	482.20
9. TAX ON SALE OF ELECTRICITY				117.17	51.24
10. DEPRECIATION				281.65	204.55
11. AMOUNT WRITTEN OFF IN RESPECT OF NET INCREASE IN FOREIGN CURRENCY LIABILITIES FOR PURCHASE OF CAPITAL ASSETS.				53.27	63.00
12. INTEREST	3	68		298.59	230.91
13. TOTAL EXPENDITURE				3,487.24	3,120.64
PROFIT BEFORE TAXES AND STATUTORY APPROPRIATIONS					
				671.84	530.02
14. PROVISION FOR TAXATION					
a. CURRENT TAX			76.88		127.21
b. DEFERRED TAX			88.33		Nil
				165.21	127.21
15. (EXCESS)/SHORT PROVISION FOR TAXATION IN RESPECT OF EARLIER YEARS				(1.95)	2.94
16. ADDITIONAL INCOME-TAX ON DIVIDEND				Nil	10.11
17. PROVISION FOR WEALTH TAX				0.35	0.17
PROFIT AFTER TAXES AND BEFORE STATUTORY APPROPRIATIONS					
				508.23	389.59
18. STATUTORY APPROPRIATIONS	4	68		126.85	26.31
DISTRIBUTABLE PROFITS					
				381.38	363.28
APPROPRIATIONS :					
19. PROPOSED DIVIDEND				Nil	99.06
20. INTERIM DIVIDEND				99.06	Nil
21. TRANSFER TO DEBENTURE REDEMPTION RESERVE				57.50	Nil
22. TRANSFER TO GENERAL RESERVE				150.00	150.00
				306.56	249.06
23. BALANCE CARRIED TO BALANCE SHEET				74.82	114.22
24. BASIC AND DILUTED EARNINGS PER SHARE (In Rs.)				19.27	18.36
(on distributable profits on shares outstanding) (Face Value Rs.10)					

Notes – Pages 70 to 79.

As per our report attached to the Balance Sheet.

For S. B. BILLIMORIA & CO.
Chartered Accountants,

For A. F. FERGUSON & CO.
Chartered Accountants,

Y. H. MALEGAM
Partner.

R. A. BANGA
Partner.

Mumbai, 30th May, 2002.

For and on behalf of the Board,

R. N. TATA
Chairman.

B. J. SHROFF
Secretary.

A. J. ENGINEER
Managing Director.

Mumbai, 30th May, 2002.

Schedule forming part of the Profit and Loss Account

SCHEDULE "1": OTHER INCOME

	Rupees Crores	Rupees Crores	<i>Previous Year Rupees Crores</i>
1. INCOME FROM OPERATIONS –			
(a) Rental of Land, Buildings, Plant and Equipment, etc.	1.27		1.25
(b) Income in Respect of Services Rendered	7.43		7.47
(c) Sale of Electronic Products	21.89		5.33
(d) Sale of Products - Transmission EPC Business Unit	7.03		Nil
(e) Miscellaneous Revenue and Sundry Credits	6.47		6.79
		44.09	20.84
2. OTHER INCOME –			
(a) Interest on Government and Other Securities, Loans, Advances, Deposits etc. (including Rs.0.02 crore - Previous Year Rs.0.02 crore on Contingencies Reserve Investments) (including interest from subsidiaries Rs. 14.84 crores - Previous Year Rs. 7.26 crores) (including Income-tax deducted Rs. 9.33 crores - Previous Year Rs. 5.47 crores)	63.72		43.30
(b) Income on units from Unit Trust Of India (including Rs. 7.93 crores - Previous Year Rs. 9.22 crores on Contingencies Reserve Investments and Rs. 17.39 crores - Previous Year Rs. 23.91 crores on Deferred Tax Liability Fund Investments)	29.46		59.79
(c) Income from Trade Investments	0.64		13.08
(d) Dividend from Subsidiaries	0.90		Nil
(e) Income from Other Investments (including Income-tax deducted Rs. 0.03 crore - Previous Year Rs. 0.41 crore) (including Rs. 1.25 crores - Previous Year - Rs. 33.76 crores in respect of Current Investments)	6.21		38.30
(f) Profit on Sale of Investments (Net) (including Rs. 91.37 crores - Previous Year Rs. 8.25 crores in respect of Long Term Investments)	243.81		67.88
(g) Sundry Receipts	2.80		Nil
(h) Surplus on buy-back of Euro Notes	8.75		Nil
(i) Profit on repatriation of Certificates of Deposit	Nil		23.23
		356.29	245.58
		400.38	266.42

Schedule forming part of the Profit and Loss Account

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

	Rupees Crores	Rupees Crores	<i>Previous Year Rupees Crores</i>
1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES –			
(a) Salaries, Wages and Bonus (excluding Rs.0.35 crore on Repairs and Maintenance - <i>Previous Year Rs.1.28 crores</i>)	85.80		78.04
(b) Company's contribution to Provident Fund	6.81		6.53
(c) Retiring Gratuities	9.62		16.12
(d) Welfare Expenses	20.44		19.95
(e) Contribution to Superannuation Fund	8.55		8.05
(f) Leave Encashment Scheme	4.86		5.23
(g) Pension Scheme	0.77		1.40
		136.85	135.32
2. OPERATION EXPENSES –			
(a) Stores, Oil, etc. consumed (excluding Rs. 39.20 crores on Repairs and Maintenance - <i>Previous Year Rs. 31.67 crores</i> and Rs. 0.05 crore in Other Operation Expenses - <i>Previous Year Rs. 0.03 crore</i>)	10.28		8.05
(b) Rental of Land, Buildings, Plant and Equipment, etc	9.99		12.97
(c) Repairs and Maintenance-			
(i) To Buildings and Civil Works	Rs. 51.23 Crores		56.10
(ii) To Machinery and Hydraulic Works	" 71.28 Crores		58.34
(iii) To Furniture, Vehicles, etc.	" 1.61 Crores		1.30
	124.12		115.74
(d) Rates and Taxes (net of provision written back Rs. 35.63 crores)	(10.74)		34.85
(e) Excise Duty (net of provision written back Rs. 1.89 crores)	(1.09)		0.36
(f) Insurance	18.57		15.57
(g) Components consumed relating to manufacturing activities	5.82		5.51
(h) Other Operation Expenses	12.43		9.54
		169.38	202.59
3. WHEELING CHARGES PAYABLE		21.32	19.06
4. ADMINISTRATION EXPENSES –			
(a) Rent	0.75		0.59
(b) Rates and Taxes	1.08		1.03
(c) Insurance	2.53		2.97
(d) Other Administration Expenses	10.38		11.48
(e) Commission and Brokerage	3.16		1.37
(f) Guarantee Fees for Loans	13.98		15.62
(g) Directors' Fees	0.04		0.05
(h) Auditors' Fees (<i>See Note 32</i>)	0.86		0.97
(i) Government Audit Fees	0.02		0.02
(j) Cost of Services Procured	21.69		16.14
(k) Miscellaneous Expenses	36.91		29.41
(l) Provision for diminution in value of Investments	83.66		Nil
(m) Provision for Doubtful Debts and Advances (Net)	6.55		21.04
(n) Bad Debts	9.56		Nil
		191.17	100.69
Carried over		518.72	457.66

Schedules forming part of the Profit and Loss Account

SCHEDULE "2": GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES (Contd.)

	Rupees Crores	Rupees Crores	Previous Year Rupees Crores
Brought forward ...		518.72	457.66
5. DECREASE/(INCREASE) IN WORK-IN-PROGRESS –			
Opening Balance	44.27		18.17
Add - Acquired on amalgamation	Nil		18.17
Less- Closing Balance	34.42		44.27
		9.85	(7.93)
6. AMOUNT WRITTEN OFF – MISCELLANEOUS EXPENDITURE – (Schedule "I")		13.81	13.51
7. LOSS ON EXCHANGE (NET)		20.56	17.82
8. LOSS ON SALE/RETIREMENT OF ASSETS (NET)		0.57	1.14
9. PURCHASE OF PRODUCTS – TRANSMISSION EPC BUSINESS UNIT		5.70	Nil
10. TRANSFER OF REVENUE EXPENSES TO CAPITAL		(0.12)	Nil
		569.09	482.20

SCHEDULE "3": INTEREST

	Rupees Crores	Previous Year Rupees Crores
(a) INTEREST ON DEBENTURE LOANS	108.50	73.87
(b) INTEREST ON FIXED PERIOD LOANS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL FINANCE CORPORATION	28.12	31.62
(c) INTEREST ON FIXED PERIOD EURO NOTES	108.85	98.25
(d) OTHER INTEREST AND COMMITMENT CHARGES (including Rs. 19.80 crores on Fixed Period Loans - Previous Year Rs. 17.83 crores)	73.49	78.09
	318.96	281.83
Less: INTEREST CAPITALISED	20.37	50.92
	298.59	230.91

SCHEDULE "4": STATUTORY APPROPRIATIONS

	Rupees Crores	Previous Year Rupees Crores
(a) CONTINGENCIES RESERVE	8.77	8.23
(b) SPECIAL APPROPRIATION TOWARDS PROJECT COST	11.45	18.08
(c) DEFERRED TAXATION LIABILITY FUND	106.63	Nil
	126.85	26.31

Schedule forming part of the Profit and Loss Account

SCHEDULE "5" : COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956 AND COMMISSION PAYABLE TO THE WHOLE-TIME AND OTHER DIRECTORS

	Rupees Crores	Rupees Crores	<i>Previous Year Rupees Crores</i>
Profit before Taxes and Statutory Appropriations as per Profit and Loss Account.		671.84	530.02
Add – Managerial Remuneration	2.03		1.71
Provision for diminution in value of Investments	83.66		Nil
Provision for Doubtful Debts and Advances (Net)	6.55		21.04
		92.24	22.75
		764.08	552.77
Less – Profit on Sale of Investments (Net)	243.81		67.88
Profit on repatriation of Certificates of Deposit	Nil		23.23
Surplus on buy-back of Euro Notes	8.75		Nil
		252.56	91.11
Net Profit as per Section 309(5)		511.52	461.66
Commission payable to:			
(a) Whole-time Directors (net of excess provision of Rs.0.22 crore of previous year written back - <i>Previous Year Rs.0.18 crore</i>)		0.78	0.82
(b) Non Whole-time Directors (net of excess provision of Rs.0.08 crore of previous year written back - <i>Previous Year Rs. 0.11 crore</i>) restricted to		0.22	0.09
		1.00	0.91

Notes :

(i) For the purpose of the above computation, in respect of assets relating to the electricity business of the Company, depreciation for the year and in respect of discarded assets, has been considered as per the provisions of the Electricity (Supply) Act, 1948, in lieu of depreciation under Section 350 of the Companies Act, 1956. The Company has also received legal opinion supporting this treatment.

(ii) The Company has been legally advised that commission payable to the non Whole-time Directors in terms of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, does not require the approval of the Central Government. The Company has, therefore, not applied for such approval.

Signatures to Notes and Schedules "A" to "1" and "1" to "5"

For and on behalf of the Board,

R. N. TATA
Chairman.

A. J. ENGINEER
Managing Director.

B. J. SHROFF
Secretary.

Mumbai, 30th May, 2002.