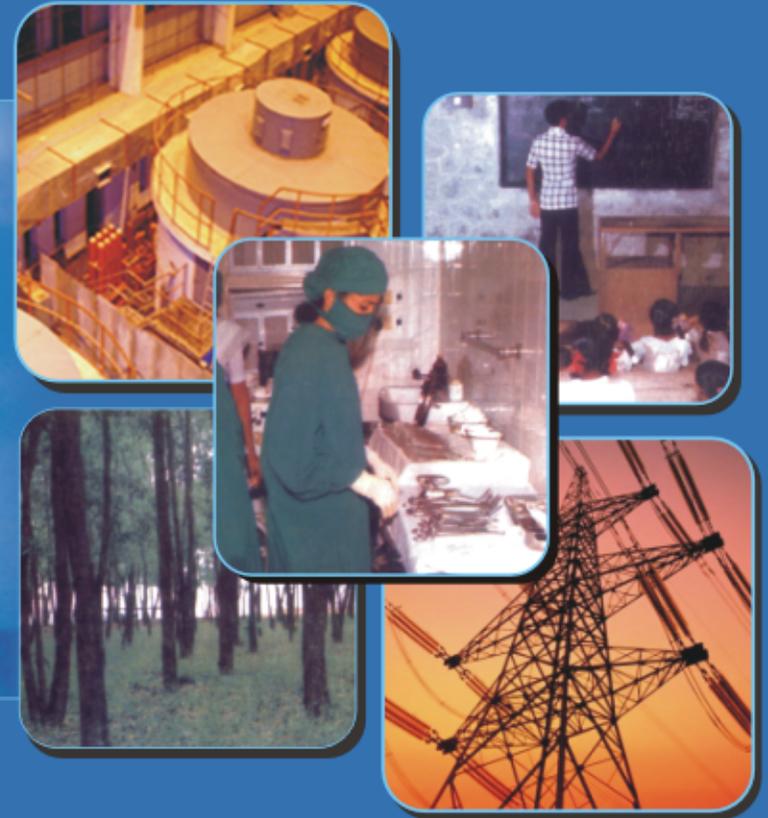




2003 SUSTAINABILITLY PERFORMANCE REPORT



TATA POWER
Improving the quality of life



J. N. TATA

Founder

The Tata Power Company Limited

“Cheap and Abundant Power is one of the Basic
Ingredients for the Economic Progress of a City,
a State or a Country”

TATA POWER
Improving the quality of life



The Tata Power Company Ltd.: 2003 Sustainability Performance Report



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MESSAGE FROM THE MANAGING DIRECTOR



Message from the Managing Director

True performance of an organization is reflected through business results - business results in the Tata Business Excellence Model parlance. It means performance not only in terms of financial results, but includes customer satisfaction and relationship, employee satisfaction, operational processes, safety and regulatory compliance, environmental performance and community support. Tata Power (TPC), being member of the Tata group, has always pursued its business success through a balanced approach to financial, non-financial, environmental enrichment and community development.

TPC has decided to adopt the Global Reporting Initiative (GRI), which makes it easier for the companies to assess their total performance - economic, environmental and social - solicit feedback and share it with all its stakeholders. This is the first such Performance Report prepared by TPC using GRI reporting guidelines.

Our Vision underlines our focus on the stakeholders, "to enjoy the journey with our stakeholders" and our Mission is "improving the quality of life". TPC's strategies and operations are managed to be aligned to this philosophy. The business results presented in other parts of this report reflect the performance which integrates economic, environmental and social benefits, year after year.

VISION
<ul style="list-style-type: none">□ To be an excellent and efficient organization□ To be a significant player in the National Power Sector□ To participate in adjacent infrastructure businesses that provide opportunities for growth□ To be the best in the Tata Group□ To enjoy the journey with our Stakeholders
MISSION
<ul style="list-style-type: none">□ Improving the Quality of Life
VALUES
<ul style="list-style-type: none">□ Customer Driven□ Result Oriented with Professional Work Culture□ Abide by Tata Code of Conduct□ Earn trust through fair business practices with all stakeholders□ Growth balanced with Environmental Protection and Enrichment□ Corporate Citizenship



TPC has always remained in the forefront of technological excellence, creating and managing assets and infrastructure with the purpose of ensuring quality and reliability of the supply. All the facilities and assets have been built by assessing the needs / expectations of the stakeholders - industries (RCF, BARC, HPCL, textile mills etc), public service utilities (Railways, BMC, MbPT, hospitals etc) licensees (BEST and BSES), bulk and retail consumers, WERB, MERC, etc. Some of the facilities like islanding system, GIS switchgear at receiving stations, use of ESPs and FGDs at Trombay unit, use of low ash coal etc. enhance safety, protection of environment and health besides the quality and reliability of power supply.

The Vision of TPC goes beyond these aspects and thrives to work on enhancing the stakeholder value through enhanced competitiveness - through business excellence, efficiency, growth in power and related businesses.

On the economic front, these actions lead to added value to the customers through increased reliability and better quality at competitive tariffs and improved revenues and profitability in the interest of investors and shareholders. TPC has surpassed the targets for revenue and profitability set for itself in FY 03.

On the environmental front, the actions aim at improving efficiency of operations, to go beyond the statutory and regulatory standards for air and water pollution requirements, reduction of the energy losses leading to conservation of natural resources, enriching the environment through afforestation, creating avenues for usage of solid wastes and increased use of renewable energy.

On the social front, the enhanced reliability and quality at competitive tariffs leads to better quality of life for the society we work in. With our support to the businesses and commercial establishments, we help the growth and improvement in the infrastructure. On the safety and health front, we have taken lead in identifying the expectations of the key communities and supporting them. The "lifeline express" at Lonavala, safety communication campaign in the residential areas in and around the transmission lines, active role in the Mutual Aid Scheme etc. underlines our focus on community support.

This report contains the information on initiatives, action-plans and performance expressed in terms of various metrics on all the three fronts, economic, environmental and social, for the past 3 years. This I am sure will help readers assess the impact we are making on all the three areas through our operations and how we are progressing to meet our vision and mission, leading to improved quality of life for all our stakeholders.

While this report has been compiled based on the GRI guidelines, I would submit that this report is only for the licensed area operations of TPC, which accounts for 85% of the turnover. However the other parts of the business like the CPP / IPP units at Jojobera, Wadi and Belgaum, the PSD, Broad Band and Strategic Electronics business are not covered under this report. We are at present in the process of consolidating and streamlining operations of these businesses and intend to include them in this report in future.

Many employees in various parts of TPC have come together to build this first report under GRI guidelines. They have spent significant time in discussing and articulating the GRI guidelines, collating, analyzing and presenting the information and integrating these with the current business processes and systems. The entire process of report preparation has proved to be significant learning experience for our employees and thrown up opportunities for improvement.

We find that reporting on GRI guidelines is yet another opportunity to look at the business holistically, something similar to what we do during the compilation of application for the TBEM assessment. These reports / applications help us look beyond the obvious financial aspect of the business and concentrate on adding



value to all stakeholders. The metrics and measurement not only help set targets and monitor performance, but also give an opportunity to look for benchmarks, best practices and opportunities for innovation.

We are looking forward to improve our future reports building on the experience of this first one. We would also equally eagerly look forward to your feedback on this report, which will help us improve and progress in our journey towards business excellence - excellence in everything we do for our partners in success - our stakeholders.

Sincerely

(F. A. Vandrevala)



Report Details



Statement from the CEO (or equivalent senior manager) describing key elements of the report

a. Highlights of report content and commitment to targets;

The report contains TPC's philosophy on the way we operate. It is communicated through the vision, mission and values. TPC has taken the dual target on PAT and the TBEM score. Performance against these targets is a measure of TPC's performance addressing all stakeholders' expectations.

b. Description of the commitment to economic, environmental, and social goals by the organization's leadership; statement of successes and failures;

In FY 03, TPC has taken the dual targets of 500 plus. The performance on the PAT front has been attained and that on TBEM front as assessed internally is not far from it. On the measure of CCI, a composite index on environmental, regulatory and social performance TPC has attained the index of 10, an indication of compliance and beyond.

c. Performance against benchmarks such as the previous year's performance and targets and industry sector norms;

TPC performance on PAT is better than the previous year and is better than its' key competitor. Also the TBEM score has improved from the level of 385 to 459, an indication of overall improvement in addressing business and stakeholder needs. CCI was introduced this year as a composite measure of performance. Given the fact that TPC thermal operations are situated in the city of Mumbai, wherein the pollution norms are lot stringent, TPC has always been in a position to meet and exceed them.

d. The organization's approach to stakeholder engagement;

Customers - TPC uses multiple approaches to gather consumer expectations, viz. CSS, CRS, consumer meets, one-on-one visits to consumers and multi functional interactions on the operations front with licensees

Investors - half yearly meeting by MD and other senior executives with investors appraising them on company operations and plans and seeking their suggestions

Shareholders - annual satisfaction survey and AGM, annual plant visit

Government and regulatory bodies - interactions by MD, ED and other senior executives on issues related to policy and reforms, environmental issues etc

Suppliers - monthly interactions with the fuel suppliers on business transactions and opportunities for improvement

Community - regular interactions with the civic / municipal bodies, BDO, Collectors / Tehsildars, local leaders, primary health centers and NGOs on issues related to community support and current issues

e. Statement of success and failures;

On the economic front TPC has exceeded the revenue and PAT targets set, an indication of efficient management. On the TBEM internal assessment front, the company has moved by 75 points, an indication of better performance on stakeholder front, on generation and transmission fronts, TPC has generated and sold



the highest annual MUs volume in FY 03. On environmental front TPC has been successfully running its operations including the pollution control equipment to ensure performance better than compliance. On social front, project Lifeline Express was a key achievement by TPC, besides the other routine areas of work viz. afforestation, infrastructure development, pisciculture etc.

- f. Major challenges for the organization and its business sector in integrating responsibilities for financial performance with those for economic, environmental, and social performance, including the implications for future business strategy;

Major challenge TPC faces today is the stringent pollution norms due to the operations in Mumbai vis-à-vis competitive tariff and the growth of slums / hutments v/s safety of the people residing around the transmission lines.

Report Scope

Contact person(s) for the report, including e-mail and web addresses : Mr.B.J.Shroff - Sr.G.M. - Corporate Affairs and Company Secretary, e-mail - bjshroff@tpc.co.in, Mr.S.S.Chandratreya - Chief - Business Excellence and Corporate Quality Head, e-mail - chandratreyass@tpc.co.in, Address: The Tata Power Co. Ltd., Bombay House, 24, Homi Mody Street, Mumbai-400 001

Reporting period (e.g., fiscal/calendar year) for information provided : FY 03 (1st April 2002 to 31st March 2003)

Date of most recent previous report (if any) : this is the first report as per GRI guidelines

Boundaries of report (countries/regions, products/services, divisions/facilities/joint ventures/subsidiaries) and any specific limitations on the scope : Power Supply Business in the Mumbai Area

- a) Countries Included - India
- b) Products and Services included - Power generation, transmission, distribution and supply in Mumbai Area
- c) Divisions included - Thermal, Hydro, T & D, HO and support services
- d) Facilities Included - Trombay, Bhira, Khopoli, Bhivpuri, 17 receiving stations all around Mumbai and the offices at HO, Carnac, Technopolis, TVK.
- e) JVs included - Nil
- f) Subsidiaries Included - Nil
- g) Any other specific limitations - Nil



Significant changes in size, structure, ownership, or products/services that have occurred since the previous report : Hydro units at Bhivpuri and Khopoli replaced over last 5-6 years (in a phased manner, significant part of the replacement job was done in the FY 02 and 03 period) by higher efficiency.

Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that can significantly affect comparability from period to period and/or between reporting organizations : The Mumbai area business corresponds to approximately 85% of the power business volume by MUs, as such it represents significant part of the TPC operations. Since this is the first year of reporting, the Company has decided to restrict the contents of the report to the Mumbai area operations and use the learnings to include the other business areas / divisions in the years to come.

Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods) : **There are no significant changes.**

Report Profile

Decisions not to apply GRI principles or protocols in the preparation of the report : This report has been prepared generally as per the GRI guidelines for reporting organizational performance.

Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits : Most of the economic data has been drawn out from annual accounts that are prepared in accordance with India GAAP. environmental and social costs and benefits have as yet not been reported and where ever reported the calculation methodology together with appropriate definitions have been provided. Environmental Expenditure reported is as per US EPA's Direct Cost/Level 1 cost allocation methods.

Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information : **No significant changes.**

Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability that can be placed on the sustainability report : Through the financial reports, the Company puts forth all the information related to the Company performance, in terms of business volumes, costs, profits, specific actions taken for performance improvement, initiatives for stakeholder satisfaction improvement etc. As explained earlier, the Company follows Indian GAAP. Annual report includes consolidated accounts including the subsidiaries. The Internal Audit function is headed by the Chief Risk Officer & Internal Auditor, who reports significant audit observations to the Audit Committee, to ensure the independence of operations. The Internal Audit Department conducts audits of various departments based on an annual audit plan. The planning and conduct of internal audits are oriented towards the review of controls in the management of risks and opportunities in the Company's activities.

The Audit Committee comprises of the non-executive Directors and meets periodically to review the audit observations and follows up on the implementation of



corrective actions. The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems in the Company. The Committee submits reports of its observations to the Board of Directors.

The Company uses BSC as a tool for the measurement of organizational performance. The performance against BSC is reviewed every month by the Core Group. The corporate BSC is cascaded down to divisions / departments to ensure organization wide alignment. Each of the senior leaders identifies his KRAs in consultation with MD. They include targets and tasks coming out of the BSC and corporate initiatives.

The Company has set up various management councils such as HR council, regulation cell, Quality Council, Capex review committee, corporate citizenship council etc. These councils are entrusted with the responsibility of reviewing the Company performance on the respective areas and set up systems and processes to improve performance.

Company performance is monitored, controlled and reviewed against the BSC. BSC includes the financial, market place, internal processes, employee development, environmental and social performance measures. Reviews are conducted monthly to identify opportunities for improvements.

Policy and current practice with regard to providing independent assurance for the full report : This is a first report.

Means by which report users can obtain additional information and reports about economic, environmental, and social aspects of the organization's activities, including facility-specific information (if available) : Contact the persons mentioned in contact address on page no. 7 or visit company website www.tatapower.com

The report contains financial data for all the business units and the companies TPC owns. Social, operational and environmental data for the Licensed Area operations is also included in this report. It does not include environmental and social data for the other businesses of the company as reported earlier. This report does not include the results of the joint ventures. We claim the achievements attributable to our actions and do not claim any upstream or downstream effects.

We have compiled the financial part of this report in accordance with the Generally Accepted Accounting Principles applied in India.

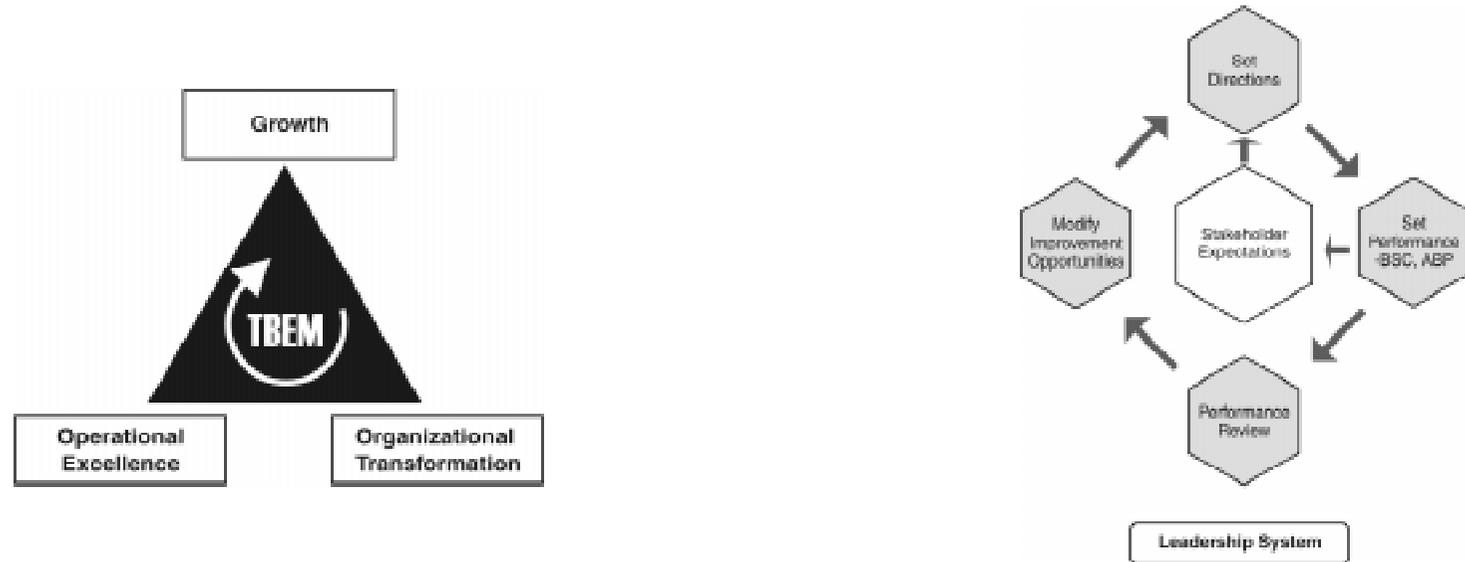


Part 1 : Vision and Strategy

Vision and Strategy

TPC Vision, Mission and Values serve as guiding principles. TPC envisions becoming an excellent and efficient organization and playing a significant role in the power sector at national level. TPC Leadership periodically reviews Vision, Mission and Values to ensure relevance in the changing business environment. This year senior leaders along with a cross section of employees including workmen revisited Vision, Mission and Value statements.

The pictorial below is used to drive focus on balancing all stakeholders' needs through business excellence. All the strategic initiatives are built around the three areas of focus of the pictorial.



Statement of the organization's vision and strategy regarding its contribution to sustainable development

a. What are the main issues for the organization related to the major themes of sustainable development?

- (1) With the power business opening up as a result of the Electricity Act 2003, TPC has to face major change in business environment. This act opens up host of new opportunities in various power sector business portfolios like generation, transmission, distribution and trading. On the other hand it also poses competitive challenges due to the issues like open access, coexistence of multiple distribution players in same area and freedom for sourcing power. TPC has created structure and processes to address these opportunities. Strategy and Business Development department looks into the investment and growth opportunities aggressively and sets up the expansion projects. Projects in Hydro generation, transmission and merchant power plants are already underway and many other proposals under scrutiny. Independent group has also been set up for handling the trading opportunities and the team has commenced work.



- (2) With the changing business scenario, one of the biggest challenges TPC faces is building competencies to acquire and manage different business portfolios. Developing leadership skills to keep pace with the speed of change in environment is another issue facing TPC. Setting up formal PMS, linking KPMs to the corporate / divisional objectives, linking compensation and performance bonuses to the individual performance, setting up multirater feedback mechanism for critical mass, process for identifying and developing high-performers etc., enable build these competencies. Additionally on the social front, TPC lives by the basic Tata Value of giving back to community. As such many social initiatives in the areas of health, education, infrastructure development and generation of employment / vocational guidance.
- (3) TPC's thermal operations are within the city of Mumbai, resulting into stringent environmental controls on emission parameters. TPC has always ensured that performance is better than these norms. Other than this, TPC has to abide by the framework of Krishna Water Tribunal, during operations of the Hydro units, to fulfill the need of the industrial, drinking and agricultural requirements downstream. TPC not only complies with these requirements, but have also taken up initiatives of afforestation and protection of endangered fish species known as Mahasheer. Environmental performance parameters are controlled and monitored regularly at all the TPC locations.

The environmental and social performance is included in the Company's Corporate Balanced Scorecard, which is reviewed every month for identifying areas for improvements.

b. How are stakeholders included in identifying these issues?

TPC ensures that the stakeholder related issues are identified by using the stakeholder inputs in the process of collection and prioritization.

Customer Satisfaction Survey and Customer Requirement Survey is conducted annually to collect customer feedback and expectations. In addition to these the information gathered through customer contacts, competitive data collection and analysis through FIBRES team, customer complaint analysis and customer meets are also used as forums for identifying customer information. Customer Account Managers and Industry Managers ensure the adequacy and efficacy of customer relations.

TPC has set up a Regulation Cell which primarily interacts with the regulatory authorities for identifying issues related to consumer requirements of reliability and competitiveness.

Senior Leaders' periodic interactions with investors help in identifying their expectations in terms of the Company performance and growth prospects and economic efficiency. In addition to this annual Shareholder Satisfaction Survey is conducted to get shareholders' inputs.

TPC has close interactions with the statutory bodies such as MPCB, CPCB, MOEF, etc. in relation to the operational as well as future requirements. These interactions ensure proactive identification of the key changes and getting them built into the system.

TPC has set up a cross functional and cross locational team for the purpose of developing appropriate community support initiatives. This team periodically interacts with the local civic authorities, NGOs, other social support organizations etc. for identifying areas of priority for community support aspects such as safety, environment, health, education, infrastructure, vocational guidance etc. Based on these issues, TPC identifies key initiatives every year. Annual operations plan at



TPC includes the resource allocation for the community development activities.

c. For each issue, which stakeholders are most affected by the organization?

As explained earlier TPC follows the BSC process driving strategy. The table below depicts how the strategic objectives selected impact the business challenges faced and how they impact the key stakeholders.

Perspective	Strategic Objective	Challenge addressed	Shareholders & Investors	Consumers	Employees	Suppliers	Regulators	Community	Business Partners
Financial	Enhance Financial Performance & Image	1	H	M	M			M	
	Reduce tariff - Licensed Area	1		H	M		M	M	
	Profitable Growth - Outside Licensed Area	1	H		L	M			
	Growth in Other Businesses		H		L				
	Maximize Asset Utilization	1	H	H	M	L			
Customer	Increase consumer base	1	H					M	M
Business Process	Enhance power sales	1	H		M	L		M	
	Build customer loyalty	1		H					M
	Wrest opportunities outside licensed area	1, 2	H		M	M		M	
	Enhance reach - licensed area	1		M	M		M	M	M
Learning and growth	Build competitive tariff structure	1		H			M		
	Build service differentiator	1, 2		H			M		
	Improve operational efficiency	1	H	M					
	Reduce cost	1, 2	H	M			M		
	Improve financial efficiency and portfolio management	1, 2	H		M				
	Strengthen corporate social responsibility	3			M			H	
	Skill building	1, 2			H				
	Create high performance culture	1, 2	M	M	H				

H - High, M - Medium and L - Low

Challenges 1 - Opportunities and threats due to EA 2003, 2 - Building capabilities, 3 - Environmental / statutory requirements



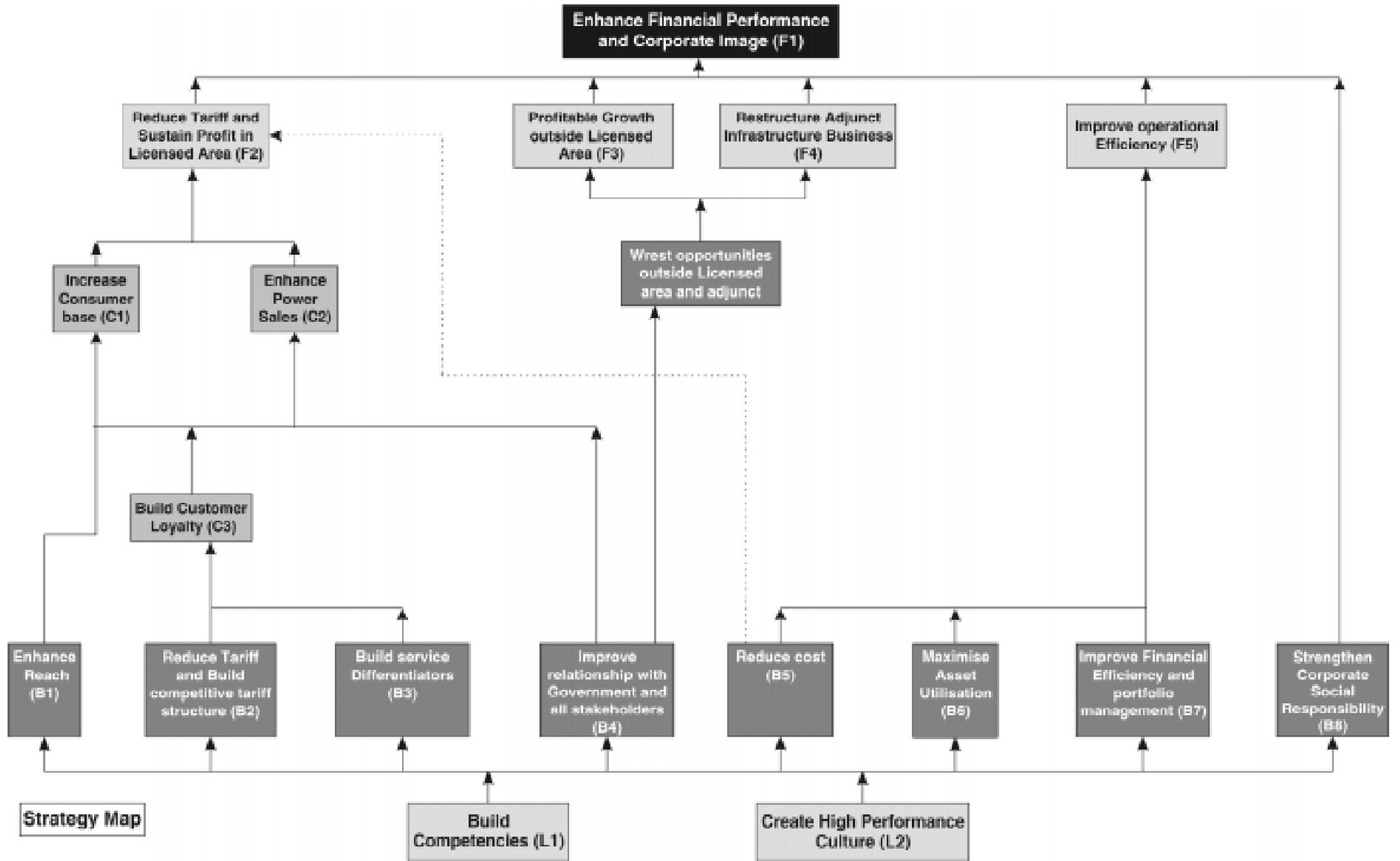
d. How are these issues reflected in the organization's values and integrated into its business strategies?

The overall strategic planning process is steered by the Management Team and coordinated by the Strategy and Business Development Group. This process has undergone a change from being purely a budgeting exercise to the development of an integrated Annual Business Plan. The planning process typically spans over about two quarters starting September and ending by March in next calendar year. It culminates into an integrated annual business plan (incorporating customer focus plan, annual operating plan, HR plan) as well as a five year strategic action plan. The process follows three major steps data collection and analysis, identification of the key success factors and assessment of various alternatives and finalization of corporate strategic objectives, performance measures & targets and corporate initiatives / action plans for accomplishment of strategy. The data collection and analysis step uses various external and internal inputs, such as macro economic scenario, regulatory environment, infrastructure development spending by government, customer and market expectations, competitive environment, social and environmental issues and internally the operational, HR and partner / supplier capabilities. Data gathered through the market research, FIBRES, various stakeholder expectation surveys and interactions as detailed earlier in the document, form the major part of the inputs. SWOT analysis is conducted based on these inputs to identify the key success factors and the areas of priority. Various alternatives are then considered to finally arrive at the ones best fitting the business direction and meeting the stakeholder requirements. Long and short term plans so made are reviewed by the Business Review Committee (Board Level Committee for oversight of the Company Strategy) and their recommendations are suitably considered.

e. What are the organization's objectives and actions on these issues?

As explained earlier, TPC uses the BSC process for driving strategy across the Company.

Strategic objectives in all four perspectives of Financial, Customer, Business Processes and Learning and Growth are identified with their interdependence / cause-effect relationships and put into a strategy map. Thereafter the performance measures and targets for accomplishment are set up as Corporate Balanced Scorecard. Various Strategic Initiatives are then taken to enable achievement of the se targets. Presented below are the Strategy Map, Corporate BSC and list of corporate initiatives taken up by TPC.



Corporate BSC

Perspective	Sr No.	Objectives	Measures	Targets	
				FY 04	Actual FY 03
Financial	F1	Enhance Financial Performance	Operating profit Rs.Cr	1304	1231
			PAT Rs.Cr	548	520
	F2	Reduce tarrif - Licensed Area	Reduce tarrif below FY 03 avg by 5p Rs./unit	3.40	3.45
	F3	Profitable Growth - Outside Licensed Area	% MUs Growth outside licensed area	23%	26%
	F4	Growth in Other Businesses	Revenue from other business Rs.Cr	195	71
			Operating profit from other business Rs.Cr	26	7
	F5	Maximise Asset Utilisation (PLF)	Trombay	78.89	78
			Hydro	34.48	34.48
			Jojobera	60.4	67.53
			Wadi	75	64.95
		Delgaum	67.25	51.7	
CUSTOMER	C2	Enhance power sales	Sales in MU in licensed area	9930	9845
	C3	Build Customer Loyalty	CSI	90	89
			CAIFI	1	1.06
			CAIDI Minutes	25	31.29
			SAIFI	1	1.7
			SAIDI Minutes	25	49.12
	C4	Wrest opportunities outside licensed area	Finaliaation of MOUs (expressed as equity MW)	500	0



INTERNAL PROCESS	B4	Improve Operational Efficiency (Availability)	Trombay	97.77	92.64
			Hydro	85.61	90.01
			T and D	99.5	99.43
			Jojobera	94	92.88
			Wadi	90	84.69
			Belgaum	97.29	89.52
	B5	Reduce Cost	Cost / Unit - Licensed Area Rs / MWh	364.36	380.23
			Cost / Unit - Jojobera Rs / MWh	120.43	120.09
			Cost / Unit - Wadi Rs / MWh	147.49	152.55
			Cost / Unit - Belgaum Rs / MWh	211.21	203.50
	B6	Improve Financial Efficiency and portfolio management	Tax Reduction Rs.Cr	Rs.25 Cr	----
			Weighted average cost of borrowings	11%	11.79%
	B7	Strengthen corporate social responsibility	CCI	10	10
LEARNING & GROWTH	L1	Skill building	Training need compliance Index = $\frac{\text{sum}(\text{persons} \times \text{need deployed})}{\text{sum}(\text{persons} \times \text{need identified})}$	80% (New)	----
	L2	Create high performance culture	% of employees Actively engaged : Actively disengaged Officers Unioned	2:1 2:1	1:1 1.5:1
			Composite corporate performance index From corporate BSC $((\#red*0+\#yellow*0.75+\#green*1)/\#BSC \text{ measures}) * 100$	100% (New)	28%
			TBEM Score	+100 of '03 TBEM external assessment score	459 (Internal) 464 (external)



List of corporate initiatives taken up and their impact on the challenges

Sr no	Initiative	Challenge
1.	Identifying and grooming "Stars"	1,2
2.	Restructuring	2
3.	Enhance operational competitiveness	1, 2
4.	Generation plant at Vile in Maharashtra	1
5.	Acquiring distribution circles	1
6.	Power trading	1
7.	Additional 120 MW unit at Jojobera	1
8.	330 MW hydro project at Shrinagar	1
9.	Maithan right bank 1000 MW – JV with DVC	1
10.	Powerlinks Transmission - JV with PGCIL	1
11.	CSR initiatives incl. rural infrastructure	3

Challenges 1 - Opportunities and threats due to EA 2003, 2 - Building capabilities, 3 - Environmental / statutory requirements

Note : Many other opportunities for growth in power sector are under active consideration at the moment.

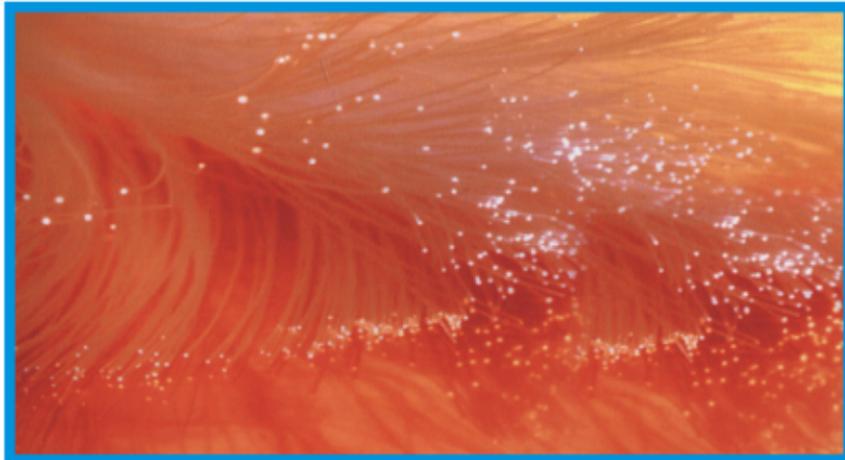
THE BUSINESS SPREAD OF TATA POWER



TROMBAY POWER PLANT, MUMBAI



OIL & GAS



BROADBAND AND COMMUNICATION



SOLAR ENERGY



Part 2 : Profile



Part 2 : Profile

History of the Tata Group in power sector dates back nearly a century when three power supply Companies viz., Tata Hydro-Electric Power Supply Company Ltd., The Andhra Valley Power Supply Company Ltd. and The Tata Power Company Limited, came into existence for electrical power generation, transmission and distribution to the areas in and around the city of Mumbai. Over the years the Company has spread its operations to other parts of the country along with other related businesses. In 2000, these three Companies were merged into a single entity, The Tata Power Company Limited (TPC), for the purpose of consolidation and synergy. Tata Power's business is broadly divided into three areas, power business in and outside licensed area and other related businesses. Power business contributes to approximately 90% of TPC's revenues (Licensed area contributes to 85%).

As of 31st March 2003, our company had an employee base of 3430, operating revenue of Rs.4453 crores, net profit of Rs.520 crores and net worth of Rs.3263 crores. Licensed area generation capacity represents approx. 80% of the total generating capacity of TPC. Its generating stations are connected to the Western Regional Grid. With its widespread network of receiving and distribution stations, overhead transmission lines and underground cables in Mumbai, it meets a total load of about 2000 MW in Mumbai and its suburbs.

TPC is a pioneer in the Indian power sector and is in the forefront of introducing new and continuously improving technologies. Several steps have been initiated to improve the efficiency of the plants and systems to improve reliability of power supply, which has since become the hallmark of Tata Power, and which other state and private owned utilities have since endeavored to follow. Listed below are some of the firsts by TPC :

Generation:

- India's First 500 MW unit with multi-fuel capability
- 150 MW Hydel pumped storage unit
- Distributed Digital Control system (first in world)
- 150 MW and 500 MW simulator for operator training

Transmission & Distribution:

- 110/220 KV gas / oil filled /XLPE underground cable system
- Four circuit transmission towers
- 220 / 145 KV GIS technology

System Reliability:

- Computerized grid control and energy management system
- SCADA and Optical Fibre Guard Wire Communication
- Islanding system for the city of Mumbai to maintain continuity of supply during major grid disturbances



Protection and Enrichment of Environment:

- Flue gas desulphurization plant
- Fly ash aggregate plant
- Mini hydel systems (tailrace units)
- Conservation of water by novel pumping schemes
- Afforestation and bio-diversity preservation

Tata Power was traditionally in the business of Bulk Supply with a customer base of approximately 130. Distribution Licensees like BEST and BSES bought power from TPC for distribution to their retail consumers. Besides these distribution licensees, TPC had other bulk consumers like large industries, Textile Mills, public service utilities, Railways etc. However, keeping in mind imminent changes in the business competitive and regulatory scenario, TPC decided to reduce its dependence on the bulk power supply segment. TPC has launched an aggressive campaign to build a visible presence in retail distribution, especially targeting large residential/commercial/industrial complexes in the Northern and Western suburbs of Mumbai, since 1997. TPC's retail consumer base has now increased to over 17000.

List of TPC Facilities	
Trombay - Mumbai (Thermal)	1350 MW
Khopoli, Bhira & Bhivpuri (Hydro)	447 MW
Supa (Wind Mills)	17 MW
220 and 110 KV transmission system	connected to the Western India grid
17 Receiving Stations	spread over Mumbai City and its Suburban Area
Distribution system for power supply	in Northern part of Mumbai
Load Despatch Centre	Trombay

TPC has followed the GRI guidelines for completing this year's report. We have attempted to address most of the GRI requirements through this report. This year's report covers the Licensed Area operations only and from next year onwards we will include other parts of operations / business.

Organizational Profile

2.1 Name of reporting organization : The Tata Power Company Limited

2.2 Major products and/or services, including brands if appropriate:

Sr No	Division	Business description	Dependence on outsourcing
1	Mumbai Area – Thermal, Hydro & TRD	Generation, transmission, distribution and supply of power	Only for customer service and complaint management for retail segment
2	Jojobera and Wadi	Captive Power Producer with long term Power Purchase Agreement with captive customer (Tata Steel for Jojobera and ACC for Wadi)	Not significant
3	Belgaum	Independent Power Producer with long term Power Purchase Agreement with Karnataka Power Transmission Corporation Limited	Not significant
4	Strategic Division Electronics	Design, engineering and supply of Defence related hardware and software products	Manufacturing
5	Broad Band	Providing Infrastructure for the carriers for data transmission	Not significant
6	Power Systems Division	EPC projects for transmission lines	Manufacturing

2.3 Operational structure of the organization : Refer organization structure (Page 31)

2.4 Description of major divisions, operating companies, subsidiaries, and joint ventures :

Name of Company	Nature of business	Total Capital	TPC Share (%)
SUBSIDIARIES [Holding > 50%]			
Chemical Terminal Trombay Ltd.	Warehousing for the Imported fuel oils	21,120,000	72.00%
Af-Taab Investment Co. Ltd	Investment and financing	6,928,000	100.00%
Tata Petrodyne Ltd.	Oil Exploration	980,004,250	100.00%
Powerlinks Transmission Limited	Transmission of Power from Bhutan to Delhi in JV with Power Grid Corporation		
JOINT VENTURES			
NDPL	Distribution of Power in North East Delhi region in JV with Delhi Vidyaut Board	3,680,000,000	49.00%
Indigas	LNG supply	20,000,000	50.00%
ASSOCIATES [Holding > 20%] - Nelco Ltd			
Yashmun Engineers Ltd.	Design, engineering, supply of Industrial Electronics and Communication solutions	228,175,000	48.65%
Tata BP- Solar India Ltd.	Services for Power Distribution	3,520,000	27.27%
Tata Ceramics Ltd.	Design, engineering, supply Solar Power Equipment and systems	363,674,300	49.00%
Tata Services Ltd.	Manufacturing Ceramic products	227,755,170	40.00%
Tata Teleservices Ltd.	Services to Tata Group companies	9,000	17.36%
Panatone Finvest Ltd	Telecommunication	1,425,400,800	35.08%
The Associated Building Co. Ltd.	Investments and Finance	12,505,400,000	39.98%
Rujvalika Investments Ltd.	Property maintenance	4,956,300	25.42%
Tata Projects Ltd.	Investments and Finance	13,200,000	13.00%
Tata Teleservices (Maharashtra) Limited	EPC projects in power, water and infrastructure businesses	22,500,000	20.00%
	Telecommunication		

Within The Tata Power Company Limited the business is distributed over various divisions as follows :

Power Business - Licensed Area

- Generation, transmission, bulk distribution and retail distribution of power as a Licensee in the Licensed Area in the city of Mumbai in Maharashtra State.

Power Business - Outside Licensed Area

- Captive and Independent Power Producer at Jojobera in Jharkhand and at Wadi and Belgaum in Karnataka, supplying power to the captive consumers (Tata Steel at Jamshedpur and ACC at Wadi) and to grid at Belgaum

Power sector related business

- Power Systems Division based at Kolkata, executing EPC contracts for power transmission infrastructure projects in India and other Asian Countries
- Strategic investment in the Power Trading Corporation (PTC)

Other businesses outside power sector

- Broadband business providing "carrier for carrier" services.
- Strategic electronics (for defence application) design, development and supply of hardware and software systems for defence applications.

2.5 Countries in which the organization's operations are located : India

2.6 Nature of ownership; legal form : Public Limited Company

TPC holding pattern

SR. NO.	CATEGORY	NO. OF SHARES as on 31-3-03	%
1	TATA COMPANIES		
	Tata Sons Ltd.	56,879,052	28.74
	Chemical Terminal Trombay Ltd.	40,058	0.02
	The Tata Iron & Steel Co. Ltd.	5,681,818	2.87
	Tata Investment Corporation Ltd.	1,223,778	0.62
	Niskalp Investments & Trading Co. Ltd	33,928	0.02

	Tata Industries Ltd.	268,000	0.14
	Tata Finance Ltd.	6,000	0.00
	Ewart Investments Ltd.	195,584	0.10
	J R D Tata Trust	1,320	0.00
	Sir Dorab Tata Trust	57,288	0.03
	Sir R N Tata Trust	7,016	0.00
		64,393,842	32.54
2	INVESTMENT INSTITUTIONS		
	L.I.C.	24,555,366	12.41
	G.I.C.	7,287,253	3.68
	National Insurance Co. Ltd.	1,966,686	0.99
	New India Assurance Co. Ltd.	7,175,472	3.63
	Oriental Insurance Co. Ltd.	2,474,353	1.25
	United India Insurance Co. Ltd.	2,593,517	1.31
	U.T.I.	3,196,306	1.62
		49,248,953	24.89
3	NON-RESIDENTS		
	Individuals	3,948,190	2.00
	Foreign Institutional Investors	9,678,172	4.89
	Foreign Companies / OCBs	5,360	0.00
	Foreign Banks	9,830	0.00
	Citibank NA (GDR)	1,085,530	0.55
		14,727,082	7.44
4	FINANCIAL INSTITUTIONS		
	ICICI / IDBI / IFCI	1,423,556	0.72
5	INDIAN BANKS	688,749	0.35
6	STATE FINANCIAL CORPORATIONS	536,439	0.27
7	MUTUAL FUNDS	5,569,696	2.81
8	OTHERS	61,309,547	30.98
	TOTAL	197,897,864	100.00

2.7 Nature of markets served : Electrical Power Supply to (1) Licensees for further distribution, (2) bulk consumers like large industries, (3) public service utilities like MbPT, railways, BMC etc., (4) retail consumers like industrial / commercial viz. small industries, industrial estates, call centers, commercial complexes etc. and (5) residential consumers.

Key Market Segments and their Requirements - Mumbai Area Business

Market Segments		Key Customers	Key Customer Requirements
Broad-level	Customer Groups		
Bulk	Licensees	BSES, BEST	<ul style="list-style-type: none"> a. Competitive tariff b. Prompt service c. Back-up support for BSES in case their unit trips
	Essential Services	Railways, MbPT, BARC	<ul style="list-style-type: none"> 1. Uninterrupted supply 2. Low fluctuations in Voltage and Frequency
	Large Industrial / Commercial	BPCL, HPCL, RCF	<ul style="list-style-type: none"> a. Uninterrupted supply b. Prompt service c. Technical support
Retail	Small Industrial	Marol MIDC, Apaki Ind. Estate, Raju Ind. Estate, Nanddham Ind. Estate	<ul style="list-style-type: none"> a. Competitive tariff b. Accurate billing c. Prompt service d. Technical support
	Commercial	Bandra Kurla Complex, Bharucha Complex, Raheja Complex, Ambassador, Sky Chef, SLM Manecklal, Kohinoor Hotel	<ul style="list-style-type: none"> e. Competitive tariff f. Accurate billing g. Small sub-stations h. Prompt service
	Residential	Thakur Complex, Hiranandani, Hira, Sanskruti, Kanakia, NL Complex, Lok Sarita, Marathon, Concorde,	<ul style="list-style-type: none"> i. Product differentiation (Single w/s three phase) j. Competitive tariff k. Accurate billing l. Prompt service



Outside Licensed Area Business	
Business	Customers
Jojobera Power Plant	Tata Steel
Wadi Power Plant	ACC
Belgaum Power Plant	Karnataka State Power Supply Corporation
Strategic Electronics	Defence Services
Broad Band	Telecom companies
Power System Division	PGCIL

2.8 Scale of the reporting organization :

- a) Number of employees : 3430
- b) Products produced/services offered (quantity or volume) : 10000MU of Power also include details of other products and services offered.
- c) Net sales : Refer P&L Account (Page 81-82)
- d) Total capitalization broken down in terms of debt and equity : Refer Balance Sheet (Page 83)
- e) Value added : Refer P&L Account (Page 81-82)
- f) Total assets : Refer Balance Sheet (Page 83)
- g) Breakdowns of any or all of the following - **Not applicable**
 - (g1) Sales/revenues by countries/regions that make up 5 percent or more of
 - (g2) Total revenues
 - (g3) Major products and/or identified services
 - (g4) Costs by country/region
 - (g5) Employees by country/region

2.9 List of stakeholders, key attributes of each and relationship to the reporting organization. Stakeholders typically include the following groups (examples of attributes are shown in parentheses):



For shareholders list refer table in 2.6

For consumer details refer table in 2.7

For community details refer table below :

Community support needs / expectations

Location	Community	Attributes / expectations
Trombay, SED and Broad Band	Urban population in and around the plant / operations in the city of Mumbai / Bangalore	Environment protection, Health, Education / vocation support particularly for student community, safety
Transmission & distribution	Urban population in and around the transmission lines and receiving stations in and around the city of Mumbai	Safety and security, Health, Education / vocation support particularly for student community
Hydros	Rural population in and around the generating units and head-works and downstream of generating unit	Infrastructure, health, education, vocational guidance, environment protection, water supply for drinking and agriculture purpose for downstream population
Jojobera, Wadi & Belgaum	Urban population in the townships and rural population in the nearby villages	Environment protection, Health, Education / vocation support, additionally for villages infrastructure support and vocational guidance

For the supplier group, the attributes and expectations are listed below :

Key Supplier and partner relationships

Key Suppliers and customer partners	Product / Service	Relationship	Key Requirements	Communication Forum / mechanism
Tata International	Fuel oils and coal	Service provider for Imports	Sourcing, Competitive price and terms, Strict adherence to schedules	Weekly on Coal / Oil-market prices & shipping schedule Regular meetings before & after each tender, evaluation, delivery of cargo & post delivery issues for settlement.
BPCL; HPCL; GAIL	Fuel oils and natural gas	Supplier	Sulphur content in oil, competitive price, continuity of supplies	Monthly on Oil & Natural gas-market prices.& scheduling Contract meetings supported by Monthly meetings at senior level & daily communication at working level for assessing fuel requirements & schedules to meet mutual needs.
Railways	Transportation of fuel	Logistics provider	Timely placement and movement of rakes	Need based meetings whenever any changes are anticipated in scheduling supplies.
MbPT	Port facilities for fuel handling	Logistics provider	Timely allotment of berth and use of facilities	Fortnightly meeting of all users to decide berthing schedule for ships at fuel jetty.
MSEB	Power	Standby Power	System Reliability	System reliability
TCE Consulting Engineers	Engineering design	Design consultant	Life cycle cost, design cycle time, standardization	Engineering coordination meetings, Site meetings, Concept notes
Equipment suppliers such as ABB, Alstom, CGL, BHEL, Universal Cables, Finlex etc.	Switchyard equipment, transformers, cables and other capital project related equipment	Supplier	Competitive price, quality, timely delivery, technical information	Technical discussions, fault analysis, review of design drawings, factory inspections, QA/QC plan review, test protocol
OEMs such as: Siemens, Tata Honeywell, Toshiba, ABB, BHEL, etc.	Equipment and spares	Supplies of spares and services	Competitive price, quality, timely delivery, availability in rush hour, support through equipment life	External E-mail facility given to all Dealing assistants. There are contact persons identified for BHEL, ABB, HP, Siemens & THW for follow-up & feedback.



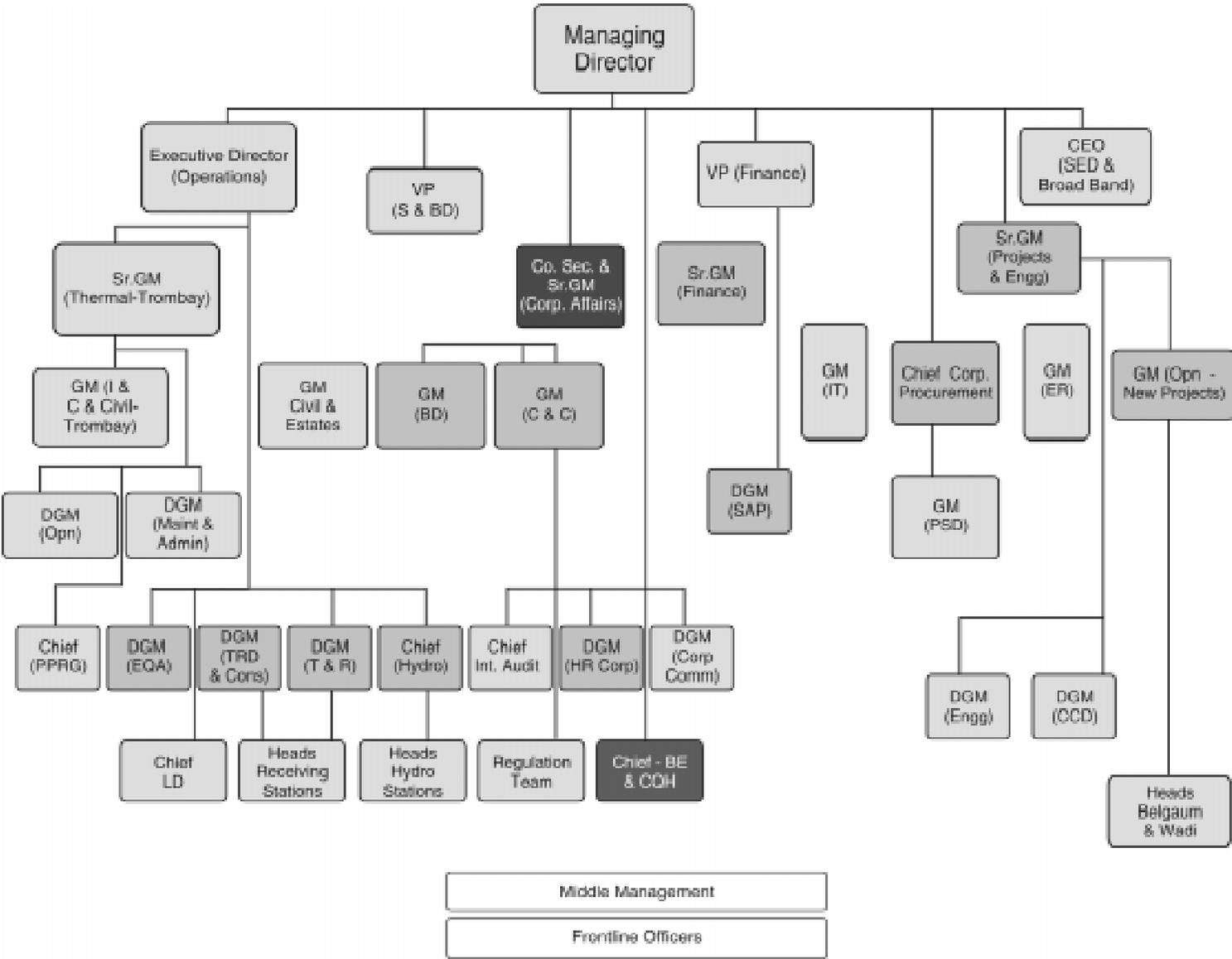
- a) Communities (locations, nature of interest) : Hydro operations - around and downstream - mainly underdeveloped areas / villages - (health, education, infrastructure, employment / means for living.), Thermal and transmission / distribution - mainly the urban areas - (health, education, safety and environment protection.)
- b) Customers (retail, wholesale, businesses, governments) : Licensees - BSES and BEST - Reliability (uninterrupted supply) and tariff, other consumers - quality and reliability (lower frequency of failures and quick restoration time), tariff, accuracy of billing
- c) Shareholders and providers of capital (stock exchange listings)
- d) Suppliers (products/services provided, local/national/international operations) : Fuels - oil and coal - continuity of business, advanced planning, Railways and MbPT - transportation and handling - efficient operations / early clearances, advanced planning, WERB / MSEB - connected to western India grid - reliability of system, TCE - design consultants - accuracy of data inputs, OEMs / equipment suppliers - application inputs / technical data
- e) Trade unions (relation to workforce and reporting organization) : For Mumbai area business - Internal Union - one union across the licensed area, for SED Bangalore - internal union and for Jojobera - internal union, in case of Wadi, Belgaum, SED Mumbai and Broad Band there are no trade unions as the units are small and mostly have officers running them. Key requirements of the employees all around are services / facilities / well-being, information on company operations and progress.
- f) Workforce, direct and indirect (size, diversity, relationship to the reporting organization) : In TPC - 1269 officers and 2161 staff / workmen, in licensed area - Officers - 1012, staff/workmen - 1959. all employees are permanent employees. While hiring, TPC adheres strictly to the "equal opportunity employer" clause in the Tata Code of Conduct. As such there are no discriminations against any cast, religion, sect or sex. As a result, in most of the locations a fairly spread mix of diverse cultures can be seen.
- g) Other stakeholders (business partners, local authorities, NGOs) : Power business has :

Regulatory and Statutory authorities / stakeholders

Regulation	Covered / governed by:
Tariff Regulation	Electricity Regulatory Commission - Central and State
Occupational health and safety regulations	Factories Inspectorate and Shops and Establishment Inspectorate, MCGM / ESI, Boiler Inspectorate / CCOE
Environmental	State Pollution Control Board, Ministry of Environment and Forests, Government of India
Financial	Electricity Regulatory Commission Central and State, SEBI
Product regulations(Electricity) Maharashtra,	State Electricity Regulatory Commission, Krishna Water Tribunal Authority, Department of Energy - Government of Maharashtra, Western Regional Electricity Board, Central Electricity Authority

In addition to the regulatory and statutory bodies listed above, BMC for Mumbai, local municipal corporations / panchayats for Hydros and other civic authorities in the respective locations are the stakeholders. They expect support to government machinery in basic infrastructure, prioritization to meet specific expectations of the local community.

Organization Structure - TPC





Part 3 : Structure and Governance



Part 3 : Structure and Governance

Principle responsibilities of Board Committees

- A Committee of the Board
 - Exercise all powers vested in the board except action regarding dividends or other distributions to the stakeholders, filling of board vacancies and other powers which by law cannot be delegated to a committee

- B Audit Committee
 - Oversee financial reporting and internal controls
 - Evaluate and review services of independent public accountants
 - Oversee litigations and regulatory compliance matters

- C Remuneration Committee
 - Provide competitive and performance based executive compensation programme

- D Shareholders' / Investors' Grievances Committee (including allotment of shares / debentures / other securities)
 - Resolution of the shareholders grievances and setting up prevention based governance processes

- E Ethics and Compliance Committee
 - Oversee legal and ethical compliance in transactions with all stakeholders

- F Business Review Committee
 - 3.1 Review strategy and long term plans of the company

Executive Compensation

Executive compensation scheme at TPC ensures that it is closely linked to the performance of the executives. This ensures that the compensations are strongly dependent upon the achievement of business results and aligned to the interests of the stakeholders.

The annual bonuses paid to the senior executives and the annual pay-rise given to all the officers are linked to their performance against the targets set. TPC uses the BSC approach for driving strategy focused performance across the organization. This ensures that the performance targets consider an approach balanced



towards all the stakeholders and performance targets for individuals are tightly linked to the company strategy / objectives. This approach has helped TPC drive employee performance for meeting / exceeding stakeholder expectations. Variable part of the compensation of senior executives is linked to their performance. In case of the other levels, fixed slabs of pay-rise are given based on the performance levels of the individual.

Corporate Management

Key individuals responsible for oversight, implementation and audit of economic, environmental, social and related policies at TPC include :

Mr.F.A.Vandrevala : Managing Director

Mr.P.K.Kukde : Executive Director (Operations)

Mr.S.Mohan Gurunath : Vice President (Strategy and Business Development)

Mr.Amulya Charan : Vice President (Finance)

Mr.Rahul Chaudhry : CEO (Broad Band and Strategic Electronics Division)

Mrs. C. Baliga : Senior General Manager (Projects and Engineering)

Mr.B.J.Shroff : Senior General Manager and Company Secretary

Mr.R.K.Kanga : Senior General Manager (Finance)

Mr.S.D.Deshpande : Senior General Manager (Trombay)

Code of Business Conduct

As a member of the Tata Group, TPC, follows the Tata Code of Conduct in all its transactions with all the stakeholders. The code has been adopted by TPC for past several years. Regular communication cascades are circulated to all employees for keeping the awareness levels current and reinforce the code. All employees of the company have signed the code as an undertaking to abide by it. TPC has set up an enforcement mechanism to deal with the issues related to the code. Chief Ethics Counselor at the company level is responsible for setting up processes, communication of the code and changes in it as and when appropriate, measuring the performance against the code, resolving concerns / issues raised by employees if any. Concern Drop Boxes are provided at various locations across the company for convenience of the employees to raise issues. Anonymity of the person is assured to encourage environment for freedom of expression. To support the Chief Ethics Counselor, due to the vast spread of the operations, locational ethics counselors are nominated, including one lady ethics counselor.



Stockholders' Inputs

TPC stockholders suggestions for improvements in company operations / governance are replied on priority as and when received. All suggestions / queries raised during the AGM are replied immediately.

In addition to this, TPC conducts an annual shareholder satisfaction survey to seek inputs on the operations, administration and management of the registry and suggestions received from them are taken into account for improving processes.

Management Systems

Major Stakeholders

TPC has identified following key stakeholders

- Investors
- Shareholders
- Licensees
- Consumers
- Regulators / Government
- Employees
- Suppliers
- Service Providers
- Community

Some of the stakeholders are further divided into smaller groups / segments depending upon the nature of business transactions, type of services provided, needs and expectations and impact on the business eg: within consumers, first level segmentation is Bulk and Retail consumers and the next level is large industries and service utilities in Bulk segment whereas industrial, commercial and residential in retail segment. Owners for each type of stakeholder are identified and they are assigned the responsibility to monitor and improve processes involving stakeholder transactions. Depending upon the nature and importance of the transactions, the owner decides the level and intensity of stakeholders' interactions.

Approaches to stakeholder consultations

Various approaches / methods are used for keeping contact with the stakeholders and gathering their inputs / advices for improving transactions and stakeholder experience during these transactions. Some of the key methods are listed below



Investors

- Formal half yearly meeting by MD / VP with investors

Shareholders

- Shareholder Satisfaction Surveys - Annual
- Correspondence / mails / grievances - On-going
- AGM - Annual
- Annual Plant Visit

Licensees

- Customer Satisfaction Survey - Annual
- Customer contacts by senior management - On-going
- Technical interactions by field personnel - On-going

Consumers

- Customer Satisfaction Survey - Annual
- Mailer Survey - Annual
- Happy calls - 5 consumers / day
- Customer meets - Annual
- Customer contacts by customer account managers / industry managers - On-going
- Customer contact by the operations personnel at receiving stations - On-going
- Customer contact by field personnel during service / complaints - As and when

Regulators / Government

- Meetings / contacts by senior management - As appropriate - once a month minimum
- Meetings contact by the Regulation Team - As appropriate
- Interactive forums - As and when required



Employees

- Employee engagement survey - Annual
- Open dialogues (for officers) - Quarterly
- Divisional / departmental meetings / dialogues (for all employees) - Monthly
- Management by Walk - On-going
- Union-Management meetings - Monthly
- Employee participation in improvement teams - On-going
- You Can Make the Difference (suggestion) scheme - On-going
- One-on-one interactions by senior leaders - On-going

Suppliers

- Meetings / contacts with senior management - As appropriate
- Meetings / contacts with the Corporate Procurement Group - Monthly
- Meetings / contacts by technical / performance cell - Monthly

Service Providers

- Annual performance review / target setting meeting - Annual
- Interactions with field personnel - On-going

Community

- Local Municipal / Government authorities - As appropriate
- Educational institutions - As appropriate
- NGOs / voluntary social workers - As appropriate
- Direct contacts with community in and around the TPC operations - On-going

News Media : Our corporate communications department is responsible for the relationships with media. This team works out and implements media contact and corporate communications strategy. Regular contacts with media are maintained to ensure positive and open relationships. This group handles responsibility of keeping media informed on the key events / performances / milestones achieved / initiatives undertaken. They arrange for news conferences by senior leaders of the company to discuss issues / events having significant impact on the stakeholder transactions / public interest.



Information collected and collated through all stakeholders is further analyzed by the stakeholder teams / cross functional teams to identify opportunities for improvements / development of important action plans for addressing the needs / expectations of stakeholders.

Practicing the precautionary principle

TPC has always kept itself on the forefront of technology for improving operations as well as controlling the environmental / social impacts. Use of low sulphur fuel (oil / coal), installation of FGD and ESPs, use of GIS system for enhanced safety and reliability are some of the examples of proactive actions by TPC.

Participation in externally developed initiatives and principal memberships

TPC is a member of many government / industrial forums and participate actively in the setting up of systems / policies and processes for the power sector. Some of the key institutions which TPC is member of are as follows :

- Bureau of Indian Standards
- Western Regional Electricity Boards - Protection Committee
- SIGRE
- Confederation of Indian Industries
- Bombay Chamber of Commerce and Industry - Energy Sub-committee
- Council of Power Utilities
- Federation of Electricity Undertakings etc.

Supply Chain Cost Management Initiative

Efficient management of supply chain plays a major role in TPC as it has direct impact on the consumer costs. TPC has set up systems to develop partnership relations with its' suppliers and service providers to ensure long term commitments in terms of quality and reliability.

On the equipment and project front, TPC works in close coordination with the key suppliers of equipment and systems to develop value added solutions for improving quality and reliability of supply to consumers. Total Life Cycle concept is actively used during procurement of equipment and systems to improve long-term performance of the TPC systems.

Performance of the vendors is assessed based on the cost, quality, delivery and service fronts and is feedback to them for improvements and mutual developments.

Suppliers with certifications such as ISO 9000, EMS 14000 etc are given higher priority for ensuring their compliance and performance on environmental and social issues.



Product and Service Stewardship Initiatives

Following are some of the key initiatives taken up by TPC

- Islanding system (social performance part)
- Ring feeder system (social performance part)
- Environmental management
- Enhanced reliability (reliability related performance measures)

Major changes in operations / locations over the past 5 years

- Commissioning of the phase II of FGD
- Takeover of CPP operations for Jojobera
- Expansion of capacity at Jojobera
- Replacement of Hydro units by higher efficiency units at Bhivpuri and Khopoli stations
- Takeover and expansion of Wadi CPP
- IPP operations at Belgaum
- Joint Venture in distribution business at New Delhi
- Joint Venture for the TALA project
- Creating stake in the PTC

Target setting, improvement and review process

Short and long term planning process at TPC includes the business plans for economic, social and environmental performance. The process starts with the BRC reviews, which addresses the long and short term plans for the Company. Based on the BRC inputs, the competitive business environment and growth opportunities, short and long term business targets are set. VMV statements are reviewed and the BSC and ABP at corporate level are set. These are further drilled down to division, department and individual level.

Based on the objectives and targets set, various initiatives are taken across the organization for performance improvements. For example, in FY 03, initiatives such as, improving fuel mix for cost-reduction, getting ISO / EMS certifications for overall improvement in processes and environmental performance, lifeline express at Lonavala for addressing major health related problems of the community around etc. were taken and successfully completed (except EMS which is in advanced stage).

Communication of BSC and ABP, key initiatives and performance targets is done across the company through the leadership system. Various training and development programmes are held in the company to train employees on various tools, systems and methods. Training of ISO / EMS auditors, substantial enhancement in TBEM assessor base, training on QC tools, six-sigma and cost reduction techniques are some of the examples of inputs given to employees for



improving company performance and processes.

Performance against targets set in BSC & ABP and progress against milestones against various initiatives are reviewed across the organization at company as well as divisional / departmental level and key findings / gaps are taken up for actions on priority. Regular (daily / weekly / monthly / quarterly) reviews are conducted for assessing performance and identifying areas for improvement.

Internal / external audits for financial performance, internal audits for various systems and processes, internal / external ISO audits and TBEM assessments are conducted to verify systems, their use and performance outcomes. Audit findings are again considered for identifying the areas for improvement.

Status of certifications

TPC has already got ISO 9000 - 2000 certification for its key operations divisions (Trombay, Hydro and T & D). Process for certification under EMS 14000 is underway and expected to be complete by middle of FY 04.



Governance

3.1 Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for over-sight of the organization :

At TPC, the performance of the Company is directed, supervised and controlled by the Board of Directors through various committees. The Shareholders of the Company have elected all but two of the members of the Board of Directors. The Board consists of ten Directors comprising four non-executive Directors as representatives of the promoters, two non-executive independent Directors, two other non-executive Directors as nominees of the State Government and LIC and a Managing Director and an Executive Director. (Independent directors - definition as per the clause 49 of the Listing Agreement with Stock Exchange)

The day-to-day affairs of the Company are managed by the Managing Director and the Executive Director.

In order to focus on important issues and ensure resolution of diverse matters, the Board of Directors has constituted a set of Committees with specific terms of reference/scope. Each committee is chaired by one of the Directors. Nomination of the Chairmen of various committees is made by the Board in accordance to the Clause 49 of the Listing Agreement. These committees are:

Principle responsibilities of Board Committees

G. Committee of the Board

- Exercise all powers vested in the board except action regarding dividends or other distributions to the stakeholders, filling of board vacancies and other powers which by law cannot be delegated to a committee

H. Audit Committee

- Oversee financial reporting and internal controls
- Evaluate and review services of independent public accountants
- Oversee litigations and regulatory compliance matters

I. Remuneration Committee

- Provide competitive and performance based executive compensation programme

J. Shareholders' / Investors' Grievances Committee (including allotment of shares / debentures / other securities)

- Resolution of the shareholders grievances and setting up prevention based governance processes

- K. Ethics and Compliance Committee
- Oversee legal and ethical compliance in transactions with all stakeholders
- L. Business Review Committee
- Review strategy and long term plans of the company

List of various directors and their role in the Board committees is described in table below:

Roles of directors in committees (Y = member of committee, Y / C = chairman of the committee)

Name of the director	Executive / Non-executive, (E / NE) and independent (I)	Membership of Board Committees				
		Committee of Board	Audit Committee	Remuneration committee	Shareholders' / investors' grievance committee	Ethics and compliance committee
Mr.Ratan N. Tata (Chairman)	NE	Y / C				
Mr.R.Gopalkrishanan	NE	Y		Y		
Mr.Syamal Gupta	NE	Y	Y	Y	Y / C	
Mr.C.P.Mistry	NE, I			Y / C		
Dr.H.S.Vachha	NE, I		Y / C			Y / C
Mr.R.K.Misra (LIC Nominee)	NE, I		Y			
Mr.Jayant Kawale (GoM nominee)	NE, I					
Mr.A.J.Engineer	NE	Recently inducted into the Board				
Mr.F.A.Vandrevala (Managing Director)	E	Y			Y	Y
Mr.P.K.Kukde (Executive Director)	E					



3.2 Percentage of the board of directors that are independent, non-executive directors :

The Board consists of ten Directors comprising four non-executive Directors as representatives of the promoters, two non-executive independent Directors, two other non-executive Directors as nominees of the State Government and LIC and a Managing Director and an Executive Director. (Independent directors - definition as per the clause 49 of the SEBI guidelines)

3.3 Process for determining the expertise board members need to guide the strategic direction of the organization, including issues related to environmental and social risks and opportunities : **No formal process at present.**

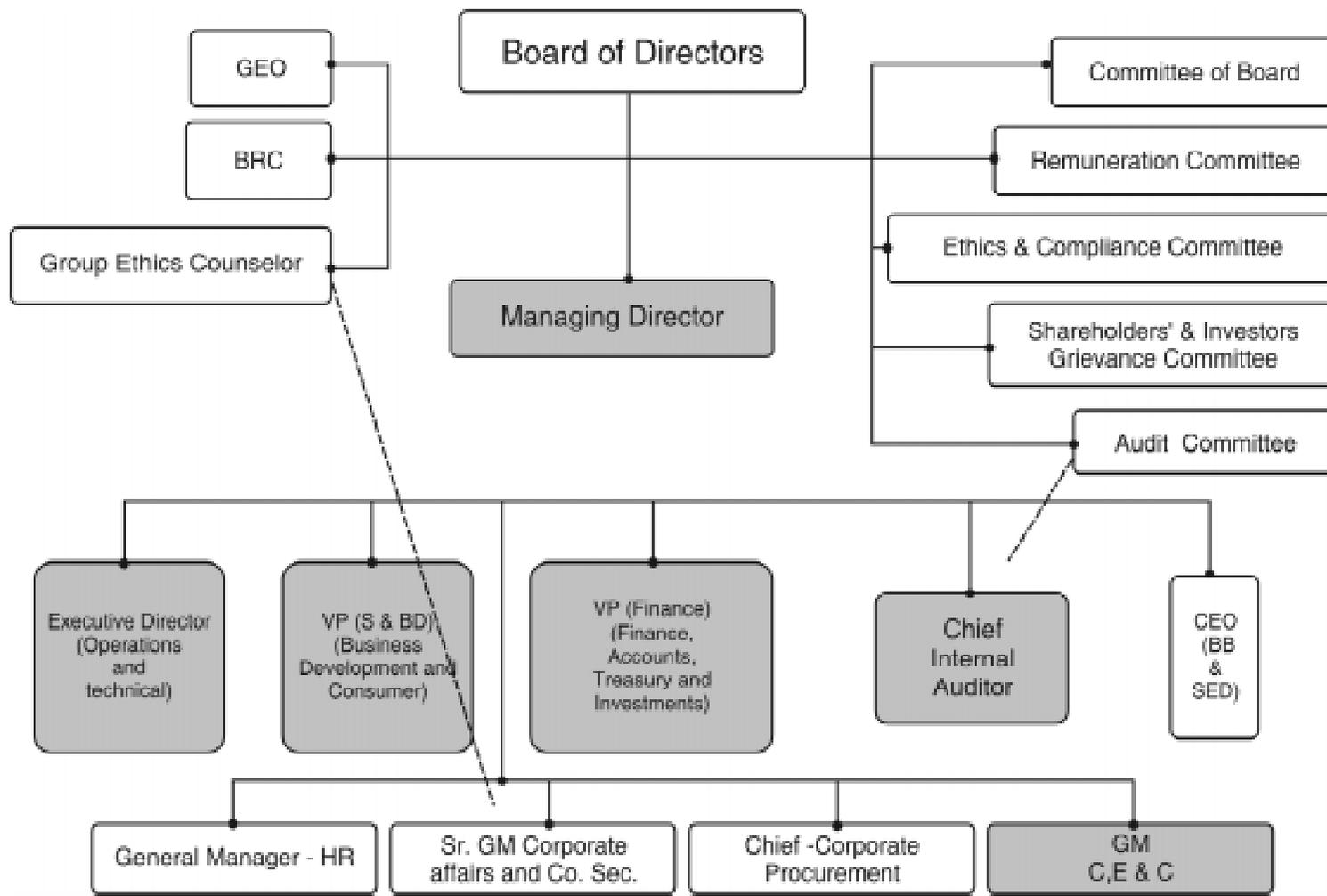
3.4 Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities :

Strategic Plans of the Company are presented to the Business Review Committee, which is set up by the promoters. This committee is chaired by the Company Chairman and has senior Group directors as members. Some other Directors in other Group companies are invitee members based on the issues discussed and their domain knowledge. Tata strategic Management Group also has representative on this committee. This committee provides guidelines for the short and long term plans, through their domain knowledge and business experience. BRC reviews the plans at least twice a year. The strategic action plans are presented to the Board once a year.

The Company uses Balanced Scorecard (BSC) as a tool for deployment of strategy, wherein strategic objectives, measures of performance and their targets and strategic initiatives for business growth and performance improvement are clearly articulated. Performance against the BSC is tracked and reviewed every month. BSC performance and progress / status of key initiatives is reviewed by the Board in each Board meeting.

3.5 Linkage between executive compensation and achievement of the organization's financial and non-financial goals (e.g., environmental performance, labour practices) :

The Remuneration Committee decides compensation to be paid to the Executive Directors. The compensation comprises of salary, perquisites and allowances which form the fixed component and incentive and commission, which form the variable component. Variable component is directly linked to the Company performance and within the stipulations under section 198 and 309 of the Companies Act 1956. Board of Directors decides the commission to be paid to the non-executive directors. The quantum of bonus is based on the attendance of the members at Board and Committee meetings and their contribution.



3.6 Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies : TPC Board of Directors has set up various board level committees for overseeing the stakeholder interests. These committees and their roles are as described in 3.1

The Governance and management structure with key positions and their responsibilities is as shown above.



3.7 Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation :

VISION

- To be an excellent and efficient organization
- To be a significant player in the National Power Sector
- To participate in adjacent infrastructure businesses that provide opportunities for growth
- To be the best in the Tata Group
- To enjoy the journey with our Stakeholders

MISSION

Improving quality of life

VALUES

- Customer Driven
- Result Oriented with Professional Work Culture
- Abide by Tata Code of Conduct
- Earn trust through fair business practices with all stakeholders
- Growth balanced with Environmental Protection and Enrichment
- Corporate Citizenship

3.8 Mechanisms for shareholders to provide recommendations or direction to the board of directors

Investors : Senior management team members (MD, ED, VPs) meet investors periodically for interacting on the business performance and future plans.

Shareholders : Shareholders have multiple forums for interactions. The Company conducts a shareholder satisfaction survey every year to identify the key issues and expectations of the shareholders. In addition the shareholder grievance redressal committee also looks into the shareholder issues, grievances and expectations. AGM is yet another forum wherein the shareholder inputs are collected on improvements and changes.



Stakeholder Engagement

Stakeholder engagement activities should reflect the organization's stakeholders as identified in the Profile section

3.9 Basis for identification and selection of major stakeholders : Based on the impact of company performance on their interests

TPC has identified the key stakeholders as :

- Investors
- Shareholders
- Licensees
- Consumers
- Regulators / Government
- Employees
- Suppliers
- Service Providers
- Community

Further the stakeholders are categorized into various sub-groups / segments based on the impact of TPC performance on their interests.

- **Investors and shareholders** : The major categorization in this case is institutional / professional investors and individuals. In case of the institutional investors, TPC senior management meets them periodically, to understand their expectations and concerns and to keep them apprised of the company performance and future plans. For individual investors, approaches like shareholder grievance forum are used for resolving concerns / issues. They are given an opportunity to give suggestions and feedback through shareholder satisfaction survey and the AGM. Other than the two above, promoters are also major stakeholders. Their interest is represented by the promoter-members on the Board and through the BRC process, which looks at the Company's long term plans.
- **Licensees and consumers** : Primarily both of them are customers. Licensees buy power for distribution to consumers whereas consumers are directly buying from TPC. In case of licensees, continuous interactions at various levels ensure better understanding of their concerns and expectations on operational as well as business related issues. In case of consumers they are segmented into two major groups - Bulk and Retail. Bulk consumers include licensees, industrial / commercial buyers and public service utilities. TPC has set up structure of Customer Account Managers and Industry Managers, who meet consumers regularly to identify their expectations and priorities. In these cases the engagement is also at the operational level wherein the engineers at receiving stations interact with the consumers for resolving service related issues and help



them in terms of technical inputs for improving their performance. Customer meet for bulk customers is held at least once a year to give the bulk consumers an opportunity to come together and represent issues of common interest. Retail consumers include residential, small industrial and commercial consumers. In case of the retail consumers, the Company engages in interactions through the mailer surveys, happy call surveys and consumer meet at least once a year. Formal customer requirement survey and customer satisfaction survey is also conducted on a stratified sample through third party (ORG MARG) for collecting customer expectations and feedback.

- **Regulators** : Regulators form a major stakeholder interest in power sector. Their responsibility includes setting the guidelines for operations and management so as to ensure protection of interest of all concerned like consumers, government, suppliers and general public / community. TPC has set up Regulation Cell. They meet the regulatory authorities frequently, to interact on the policy and regulation related issues, providing them with the inputs based on our engagement with licensees and consumers.
- **Employees** : TPC operations demand high technology knowledge and skills. Since the reliability of supply has a major impact on the community and civic services, high standards of operations become a necessity. As such the employees play a key role. Employee engagement is ensured through many formal and informal processes. Formal processes include employee engagement survey, management of business ethics survey, business excellence assurance survey, multi-rater feedback for leadership all annually conducted - engagement survey includes one dip-stick survey conducted mid-year on stratified sample), open dialogues at various levels (held quarterly), union-management meetings etc. one on one interactions, engagement in various work related as well as non-work related activities, management by walk-around etc. also give opportunity for employees to provide feedback and raise relevant issues / concerns.
- **Suppliers and service providers** : Suppliers are mainly grouped into three major sub-groups. Fuels, equipment & spares and services. Fuel forms the dominant part of cost built-up and has direct impact on the power tariffs. Suppliers of fuel thus play a key role in TPC performance. Regular interactions are held with the fuel suppliers for discussing key changes in business environment, areas of mutual interest for performance improvement and long term business relationships. Other group i.e. equipment and spares suppliers, impact the TPC performance on system improvements and enhancing reliability of power supply. TPC interacts with these suppliers on technology front for identifying the opportunities for system improvements, for long term engagements and for sourcing the needs for growth and network developments. Service providers are the third set of supplier partners, which include the customer service partners, call centre and service providers for maintenance services. TPC has set up a formal process for evaluating the performance of these supplier groups on the quality, delivery and service parameters and providing them feedback on opportunities for improvements in areas of mutual interest. For the service providers engaged in the customer service, training and development inputs are also provided by TPC to ensure consistency of performance.
- **Community** : TPC groups the community into three major areas. Community in and around the TPC operational locations, urban population in the Mumbai area and rural population in and around the Hydro operations. Engagement with the community in the operational areas is mainly focused

in terms of safety and environment issues. TPC engages with the local civic bodies as well as the statutory agencies like pollution control board in these areas for identification of areas of priority for the community interest. For the urban population, TPC engages into the community development activities like education and support for social causes. For the rural communities, engagement with the NGOs / voluntary social workers and civic bodies ensures identification of the priorities for community support. TPC plays a major role in community support activities on health, education, infrastructure development, protection of the environment and vocational guidance in the areas in and around Hydro locations.

- 3.10 Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group : As detailed in 3.9.
- 3.11 Type of information generated by stakeholder consultations - as detailed in 3.9
- 3.12 Use of information resulting from stakeholder engagements - as detailed in 3.9

Stakeholder	Mode of Engagement and frequency	Information Generated	Use of Information	Strategic Objective /Action Plan/ Strategic Challenge
Investors	Half yearly Senior leaders' interaction	Investor expectations	Management of operations and investments	Enhance financial performance and Image
Shareholders	Annual Shareholder satisfaction survey, AGM, shareholder grievance committee, Annual Plant Visit	Shareholder concerns, expectations and feedback	Management of operations and investments	Enhance financial performance and Image
Licensees	Interactions – ongoing, annual customer requirement survey, annual customer satisfaction survey	Expectations, concerns and feedback	Operational improvements and customer service	Enhance power sales, build customer loyalty
Bulk customers	Interactions by CAM, IM and receiving station personnel – ongoing, annual customer requirement survey, annual customer satisfaction survey, annual customer meet	Expectations, complaints, concerns and feedback	Operational improvements and customer service	Enhance power sales, build customer loyalty
Retail Customers	Interactions by customer service agency and receiving station personnel – ongoing, annual customer requirement survey, annual customer satisfaction survey, annual customer meet, annual mailer survey, happy call random selection	Expectations, complaints, concerns and feedback	Operational improvements and customer service	Enhance power sales, build customer loyalty



Regulatory authorities	Interaction by regulation cell and senior management - ongoing	Policy framework and consumer / competition related issues	Short and long term plans, operational improvements	Enhance financial performance and image, wrest opportunities for growth
Employees	Ongoing interactions, quarterly open dialogues, annual employee engagement surveys, annual multilater feedback, regular union-management meetings	Expectations, grievances, concerns, well-being and feedback	Process and system improvements, relationship management	Create high performance culture, improve operational efficiencies, build skills
Suppliers	Ongoing interactions	Performance feedback, expectations, areas of mutual interest, long-term relationship	Operational improvements, improvement of systems and processes	Improve operational efficiencies
Community	Ongoing interactions	Expectations, areas of priority	Resource allocation to priority areas, taking up community development projects	Strengthen corporate social responsibility

3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organization: Internal Audit function is responsible for the assessment and mitigation of the business risks, on three fronts; operations, investments and new projects. Operational risks are assessed through the internal audit processes, which ensure coverage of wide range of the Company's financial and non-financial processes and transactions. The audit scope includes suggesting improvements in business processes for mitigation of risks and improving performance. In case of new projects / investments, in view of the large stakes involved (generally the investments in any power structure project are of high order), the Company has deployed a formal process for assessment of business case, which includes financial, environmental and other potential risks. All new investments / projects ensure formal assessment of regulatory and statutory requirements and impact on community.

In case of the ongoing operations all issues of public impact, related to the safety aspects in particular are acted on priority and actions for mitigation of such risks are taken. E.g. every year around the Sankranti festival time, 'Jan Jagran Abhiyan' is conducted in the areas around the transmission network to communicate the risks associated with accidents due to kite flying near transmission lines. Similarly regular interactions are held with the vehicle service agencies on safe disposal of clutch-wires which are cause of accidents / disruptions.



- 3.14 Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organization subscribes or which it endorses : TPC is a signatory to the UN Global Compact and CORE TERI Roundtable. Additionally TPC actively participates in the Greentech award process for safety and environment, TERI award for environment and community support etc.
- 3.15 Principal memberships in industry and business associations, and/or national/international advocacy organizations : TPC is member of CII, WREB (Western Regional Electricity Boards), Association of IPPs (Independent Power Producers)
- 3.16 Policies and/or systems for managing upstream and downstream impacts, including
- a. Supply chain management as it pertains to outsourcing and supplier environmental and social performance :
TPC communicates Tata Code of Conduct to the suppliers, which encompass abidance to the ethical, legal, statutory and regulatory requirements. The contracts entered with suppliers and service-providers include explicit commitment from them on abidance to the regulatory, statutory and labour laws such as payment of wages act, minimum wages act, employee provident fund act etc. Currently thermal and hydro operations are in process of obtaining EMS 14000, which will encompass management of key supplier processes for environmental and pollution related issues.
 - b. Product and service stewardship initiatives : Currently TPC ensures adherence to all the statutory and regulatory requirements related to consumption, storage, use and disposal of the pollutants. Performance against these requirements is regularly tracked through a set of performance measures and corresponding targets as well as through the periodic audits.
- 3.17 Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities :
No formal process at present.
- 3.18 Major decisions during the reporting period regarding the location of, or changes in, operations:
No significant changes.
- 3.19 Programmes and procedures pertaining to economic, environmental, and social performance. Include discussion of
- a. **Priority and target setting**
The strategic planning process typically spans over about two quarters starting September and ending by March in next calendar year. It culminates into an integrated annual business plan (incorporating customer focus plan, annual operating plan, HR plan) as well as a five year strategic action plan.



Following inputs are considered

- a) Organizational capabilities, past performance, strengths and weakness of TPC
- b) External environment scan such as threats, concerns and opportunities as well as customers / market needs and requirements
- c) The expectations of key stakeholders like customers, investors, employees, suppliers and partners, community, society, government

Strategic plan is updated periodically based on changes in business environment.

The information regarding various factors impacting business is gathered / analyzed and the findings are used by senior leaders while developing strategic action plans. Based on the inputs and their importance / alignment to TPC's business direction, critical success factors (CSF) are determined. The strategic objectives and key action plans emanating therefrom are mapped with the strategic challenges being faced by TPC. TPC uses BSC for tracking performance against strategic objectives. Corporate BSC, derived from strategy map, is cascaded down to all division / department level. These are drilled down up to Manager level as KRAs. BSC addresses stakeholder expectation and includes the targets and measures. The setting of targets takes into account the competitive business scenario, projection of competitors' performance, opportunities available and current capabilities / past performance. The BSC includes financial, customer focused, internal process, employee performance and development and environmental / social performance measures and targets for them.

b. Major programmes to improve performance

With the rapid change in the business environment, TPC made major changes in the way the business is operated. Firstly, a comprehensive BSC process has been introduced to focus on key strategic challenges and drill them down across the organization. Some of the approaches adopted and being regularly used for performance improvements are listed below:

- Reengineering of some of the key business processes through white papers worked out by CFTs and benchmarking (PMS, business development)
- Regular review of Company performance through CGMs to identify areas for improvements / innovation. Daily / weekly / monthly reviews at divisions / departments
- Use of ISO for setting consistent processes and identifying opportunities for improvements through audits
- Customer coordination team (cross-functional team) to resolve issues related to new customer connections and customer complaints
- SLAs between various internal supplier-customer divisions to create customer focus
- Departmental teams and CFTs for working on performance improvement in their respective work areas / cross functional issues



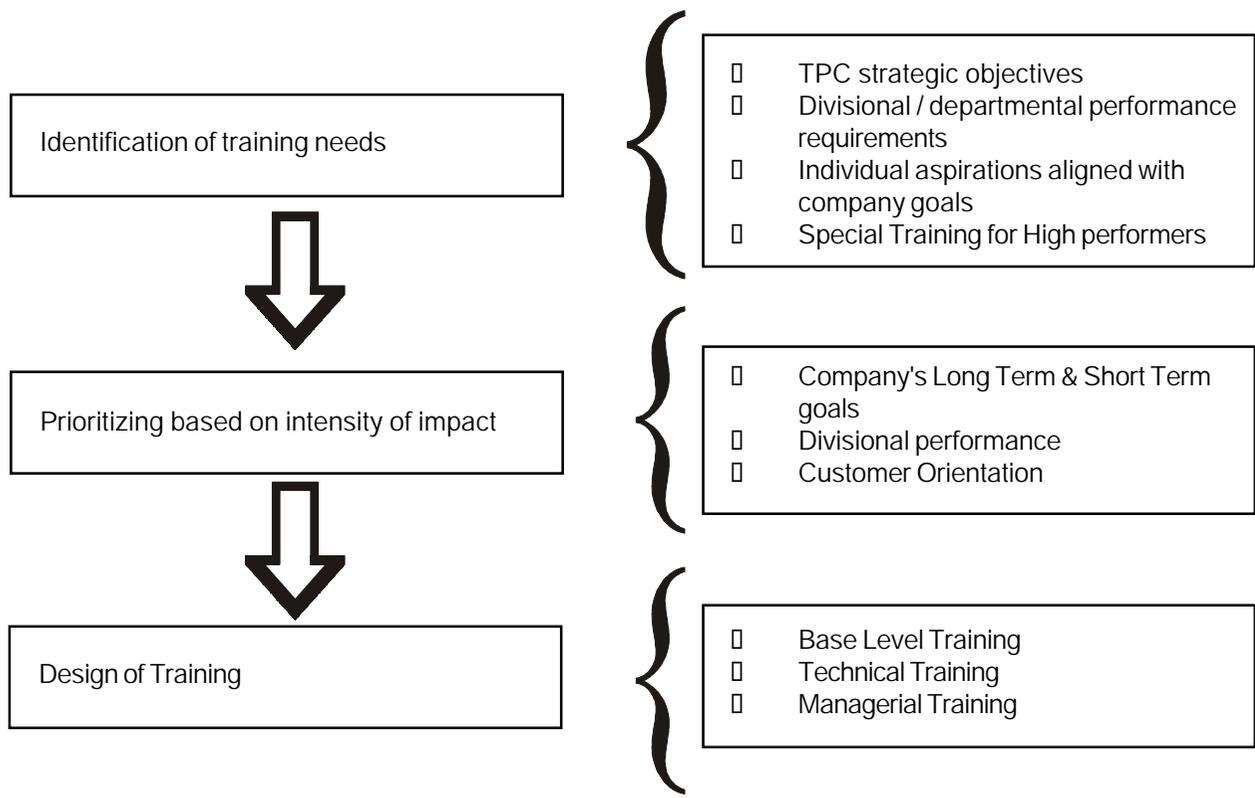
- TBEM internal and inter division assessments
- Sharing the improvements across the organization for leveraging in similar processes through Occurrence Analysis Reports, Technical Information Notes (TINs) and Maintenance Information Notes (MINs), deputation of employees across the divisions in and outside licensed area, knowledge sharing sessions, skill sharing sessions within divisions, K-Hub (knowledge portal on the intranet), communication through communication cascades and Sangam (intranet)

c Internal communication and training

TPC has adopted "Balanced Score Card (BSC)" for communicating and monitoring progress of ABP and AOP objectives. Corporate BSC comprise of five perspectives of finance, customer, internal learning and social responsibility. It is further cascaded to SBU / divisional / departmental performance scorecards and managerial KRAs ensuring company wide alignment. Further, TPC Leadership uses multiple channels to communicate business directions, values and performance expectations to all employees through various forums as shown below:

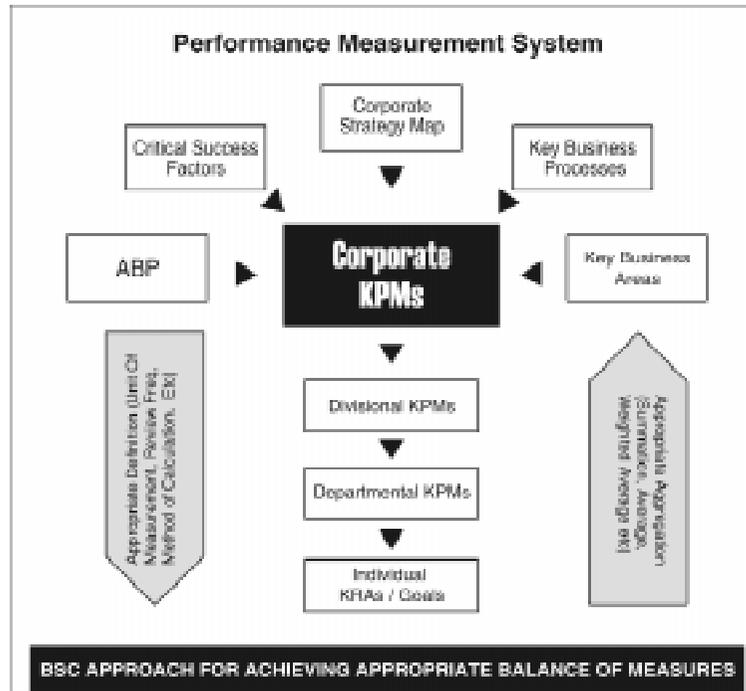
- CGMs, SOMs, ABP reviews, BSC reviews, divisional / departmental reviews, daily departmental meetings
- Open dialogue
- MD / ED meet employees at regular intervals to discuss organizational issues face to face
- MD's letters to all employees
- Management By Walk Around (MBWA)
- Sports Meets, Cultural Programs, Safety Day, Founder's Day, and Long Service Award functions
- Formal and informal meetings with the officers and union staff.
- In-house bimonthly magazine "Transmission Lines"
- Intranet portal "Sangam"

Training need identification of employees includes three major inputs, (a) TPC strategic objectives, (b) divisional / departmental performance requirements and (c) individual aspirations aligned with company goals. e.g. consumer division and receiving station employees in consumer service area were given inputs on business orientation and customer orientation in view of the strategic objectives of growth in retail business, employees in operations were trained on QC tools and Six-sigma, in view of the cost reduction objective. Process of identification of training needs and their deployment is shown below:



d. Performance monitoring

TPC uses integrated Organizational Performance Management System (OPMS) for monitoring organizational performance. The performance measurement is shown in the graphic below:



Performance is measured and monitored against the KPMs at divisional / departmental / sectional levels daily / weekly / monthly as appropriate. Daily performance on key performance measures is communicated to the Senior Leadership Team for prioritizing improvement action plans and supporting decision making. OPMS indicates the KPMs with their current performance compared to the YTD targets and past performance. Status of performance is indicated using signal indicators (red, yellow and green) with a drill down on the red areas to identify the root cause for the performance gap. Such a process ensures quick identification of problem areas and setting of improvement plans.

e Internal and external auditing

Audit of the financial performance - Internal and external audits are conducted at the frequency stipulated by statutory bodies for verification of the financial performance reporting to the legal / statutory framework and GAAP. Reports are also submitted to the regulators for verification of fairness of consumer related transactions.



Other audits / assessments:

- TBEM assessment - Business operations are assessed internally and externally once a year against the Tata Business Excellence Model (Malcom Baldrige criteria) for identifying key opportunities for improvement
- TBEM Assurance - TBEM assurance survey is conducted once a year to assess soundness of structure and process for driving the business excellence model
- MBE assurance - MBE assurance survey is conducted once a year to assess soundness of the structure and processes for driving Tata Code of Conduct across the Company.
- ISO audits - Internal and external audits are conducted to assess compliance to the set systems under the ISO 9000 guidelines.

f Senior management review

TPC leadership reviews company performance through various forums such as CGM, BSC reviews, review of initiatives and projects. The key organizational performance measures have been included in the Balanced Score Card. In the performance reviews at board level and in CGM, besides performance against ABP, BSC targets and action plans, issues like business environment, market share vis-à-vis competitor, competitors' financial performance, major steps taken by competitor in market place, etc. are reviewed. Sourcing of information and analysis for these reviews is done through data gathered by S & BD group, consumer division, media reports and business analyst reports.

ED conducts monthly review of operational performance in Trombay and Hydro + T and D. Divisions / departments conduct their own daily / weekly / monthly reviews to support organizational reviews. The operational performance of TPC is available on-line on WAN and DPIS and corrective actions are taken real time. Operational performance is daily communicated to ED / MD. Daily report includes the generation performance, highlights of system operation including incidents of interruptions to the consumers, fuel report etc.

Since the cost of power and environmental considerations are very critical to the operation of the thermal plant, and Fuel Firing pattern changes depending on price fluctuations and availability, senior management at Divisional level closely monitors the fuel firing and procurement process on day to day basis.

ABP, which includes Expenditure Budget and Capex Budget, is reviewed at regular intervals to control the expenditure and timely completion of improvements projects to increase reliability, efficiency and flexibility of operations as well as achieve the growth targets.

- g Status of certification pertaining to economic, environmental and social management systems** - TPC has already got ISO 9000 - 2000 certification for its key operations divisions (Trombay, Hydro and T and D). Process for certification under EMS 14000 is underway and expected to be complete by middle of FY 04.



Part 4 : Performance In Different Segments

Part 4 : Performance In Different Segments

Environmental Performance

Materials (tonnes, Kgs, volume)

EN1 Total materials used (other than water) by type

At Trombay thermal plant

Details	Unit	2001 - 2002		2002 - 2003	
		QTY Issued	Total Value	QTY Issued	Total Value
Consumption value of consumables			76658015		53205513
Lubricants	LR	35280	13353964	24500	9273586
Gases (H2, O2, C2H2)	M3	17312	1079450	12022	749618
Gases Chlorine Tonners	TO	431	7740526	299	5375365
Cables	M	97039	6857453	67388	4762120
Pipes and Tubes	M	8302	3642322	5765	2529390
Valves	EA	1021	4353028	709	3022936

At Hydro plants - Bhivpuri

and

Khopoli

Sr. No.	Item	Unit	Consumption	
			2001-02	2002-03
1	Oil, Turbinol - 68	Litres	Nil	210
2	Oil, Turbinol - 52/68	Litres	1250	850
3	Oil, Perfecto T-46	Litres	210	210
4	Oil, Perfecto T-68	Litres	410	410
5	Wondrex spray	Litres	0.81	20.81
6	Alkyl red oxide paint	Litres	60	200
7	Trichloroethylene	Litres	50	Nil
8	Multipurpose grease	kg	345	184

FY 2001-02	FY 2002-03
1) Fluorescent Tube / Bulbs	1) Fluorescent Tube / Bulbs
2) Cotton waste	2) Cotton waste
3) Cheese cloth	3) Cheese cloth
4) Homacol Liquid soap	4) Homacol Liquid soap
5) Hack saw blades	5) Hack saw blades

At T & D

Details	Unit	2001 - 2002	2002 - 2003
		Quantity	Quantity
Transformer Oil	Litres	106,768	67,548
Lubricating Oil	Litres	1,055	3,477
Cable Oil	Litres	3,570	7,808
Cables	Metres	39,176	27,961
Grease	Kg	90	69
Tubes, Bulbs	Numbers	3,539	3,223
Hecksaw blades	Numbers	1,476	1,280
Cotton Waste	Kg	840	929

EN2 Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organization : Nil

Energy (joules)

EN3 Direct energy use segmented by primary source : Auxiliary Consumptions

Division / Location	Consumption MU/yr
Trombay	400
Bhivpuri	2.6
Khopoli	10
Bhira	6
T & D	10

EN4 Indirect energy use : Not applicable

EN17 Initiatives to move towards renewable energy use and to increase energy efficiency : Auxiliary consumption audit and initiatives to reduce auxiliary consumption already undertaken. Investments being made in Wind Power, current 17MW Wind power unit successfully in operation. Small installation of solar panels done and in use at Lonavla. Various initiatives like "switching on" of equipments on demand, use of low energy / high efficiency lighting etc.

EN18 Energy consumption footprint (i.e. annualized lifetime energy requirement of the major products) : Not applicable

TATA POWER - FRIENDS OF THE ENVIRONMENT



DAM ACROSS SHIRAWTA LAKE



ROWS OF RAIN-ATTRACTION TREE ON THE "ISLAND" LONAVLA LAKE



AFFORESTATION ALONG THE PENSTOCKS AT THE BHIRA POWER STATION



GREEN PASTURE-LAND DOWNSTREAM OF THE BHIVPURI HYDEL STATION



EN19 Other indirect (upstream/downstream) energy use and implications, such as organizational travel, product lifecycle management, and use of energy-intensive material : Petrol and diesel consumption for company vehicles Trombay - FY03 - Petrol - 21KL, Diesel - 145.3KL, (trombay-energy.xls), T&D - Petrol 7 KL and Diesel 35 KL.

Water

EN5 Total water use :

Division / Location	Consumption MCM
Trombay	1250
Bhivpuri	215
Khopoli	235
Bhira	675
T & D	0.2

EN20 Water sources and related ecosystems/habitats significantly affected by use of water : Water released for drinking, industrial and irrigation downstream, At Trombay, sea water used for cooling purpose. The water is released back into sea. Temperature rise is controlled within permissible limits.

EN21 Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from the sources : In Hydros as well as Trombay, all the rain water and sea water used is discharged back to surface water system barring the evaporation loss in Hydros, which is negligible.

EN22 Total recycling and reuse of water : Nil

Biodiversity

EN6 Location and size of land owned, leased, or managed in biodiversity-rich habitats : 34543 acres

EN7 Description of major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments : Nil (Sea water used for condenser-cooling is released back - temperature rise is controlled).

EN23 Total amount of land owned, leased, or managed for production activities or extractive use: Trombay - owned land - 488 acres, T&D - owned land - 1368 acres, leased land - 25 acres, Hydro - 38512 acres, Owned land - 36339 acres, Leased land - 2 acres.

EN24 Amount of impermeable surface as a percentage of land purchased or leased : Trombay has 2.3%, T&D has 5% of owned land and 6% of leased land as garden area. Rest all is developed or constructed land. In Hydros most of the land is under lake or in catchment area.



- EN25 Impacts of activities and operations on protected and sensitive areas : No adverse impact. Infact the hydro operations have helped in conservation of biodiversity in catchment area.
- EN26 Changes to natural habitats resulting from activities and operations and percentage of habitat protected or restored.
- EN27 Objectives, programs, and targets for protecting and restoring native ecosystems and species in degraded areas :
- Study conducted in Tata Power Company Mawal & Mulshi catchment to design rational conservation strategy.
 - Tata Power Company plans over 6 lakhs saplings every year. The cummulative number has cross 92 lakhs.
 - Breeding of Mahasheer species of fish - to support central and State Government facility design is used as a benchmark by The World Bank.
 - Environment Education in 85 schools as well as for civic bodies around the catchment areas.
- EN28 No. of IUCN red list species with habitats in areas affected by operations: 1. Mammals - Leopard, Sambar, Giant Squirral & Mouse Deer.
2. Reptile - Pangolin 3. Fish - Mahasheer
- EN29 Business units currently operating or planning operations in or around protected or sensitive areas : Hydro operations in the Western Ghats area, Borivli Receiving Station on border of National Park, Kolshet Receiving Station on border of Yeur forest area, part of National Park, Backbay Receiving Station in CRZ area, Trombay operations in CRZ (both were constructed before the CRZ rule came into being).

Emissions, Effluents & Wastes

- EN8 Greenhouse Gas emissions (as per Kyoto Protocol definition) in tonnes and in tonnes of CO2 equivalent for the following
- a) Direct emissions from sources owned or controlled by the reporting entity : Stack Emissions and ambient air at Trombay are as detailed below. At Hydro and T & D no emissions.

Stack Emissions	GENERATION M U	SO2 MT/DAY	SPM MT/DAY	SPM mg / Nm3	NOx(# 7) P P M
Actual 02-03	9087	16.10	0.42	10.29	24.41
Actual 01-02	8475	13.92	0.42		25.46
Regulatory std		24*	2.35	150**	50

Ambiant air	SO2 mg/M3	Nox mg/M3	SPM mg/M3
Actual 02-03	48	63	91
Actual 01-02	49	70	80
Regulatory std	120	120	500

b) Indirect emissions from imported electricity, heat or steam - Not applicable

EN9 Use and emissions of ozone depleting substances (as per Montreal protocol definition) in tonnes of CFC-11 equivalent : Appx 500 KG of R22 gas in air-conditioning systems in Trombay and 150KG in T&D in FY 03, SF6 consumed in FY03 - 450KG in Trombay and 250 KG in T&D

EN10 NOx, SOX, and other significant air emissions by type, including emission of substances regulated under : details in EN8 a.

EN11 Total amount of waste by type and destination : Detailed below

Trombay - Details	Unit	2001 - 2002		2002 - 2003	
		QTY Issued	Total Value	QTY Issued	Total Value
Non Hazardous					
Metallic	MT	561	6923453	573	5839085
Non Metallic	MT	43	215510	50	344931
	LOT	5		20	5929071
Hazardous					
Lube / waste oil	LR	9580	95766	NIL	NIL

Trombay - Collection and transportation of GARBAGE (canteen leftover, kitchen waste, filth, dry leaves etc) to BMC Dumping yard	
2001-02	3100 cubic metre
2002-03	3250 cubic metre

T & D - Details	Unit	2001 - 2002	2002 - 2003
		Quantity	Quantity
Non Hazardous			
Metallic	MT	452.8	576.2
Non-metallic	MT	58.4	80.3

T & D - Collection and Transportation of Garbage (Canteen waste, Filth, Dry leaves etc.)	
2001-02	2,435.9 Cubic Metres
2002-03	2,593.2 Cubic Metres

Hazardous			
Lube / waste oil	LR	70.0	80.0

EN12 Significant discharges to water by type : In case of the Trombay unit, water is used for cooling, flue gas discharge, ash handling etc. in case of T & D and Hydros no significant use of water for such applications.

Comparative statement of environmental parameters (water)(yearly statement)													
Month	Temp.diff	Cl2 con.	Boiler blowdown				Dm effluent					Fgd effluent	
	Across condenser	In seawater	Total iron	Total copper	Susp. solids	Oil & grease	Ph	Susp. solids	Bod	Cod	Oil & grease	Ph	D.o.
	Degree celsius	Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.		Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.	Units	Mg/lit.
April	9.00	0.00	0.030	0.014	0.0	0.0	7.700	10.20	1.70	12.90	0.00	7.60	6.00
May	9.00	0.00	0.035	0.015	0.0	0.0	8.000	12.60	1.60	18.20	0.00	7.50	6.10
June	9.00	0.00	0.030	0.020	0.0	0.0	7.950	12.60	2.10	22.30	0.00	7.40	6.00
July	9.00	0.00	0.030	0.020	0.0	0.0	8.100	19.80	3.70	29.90	0.00	7.60	5.90
August	9.00	0.10	0.030	0.015	0.0	0.0	7.800	17.60	2.40	21.20	0.00	7.50	5.70
September	9.00	0.15	0.030	0.018	0.0	0.0	7.500	10.20	1.80	18.60	0.00	7.20	5.80
October	9.50	0.15	0.025	0.020	0.0	0.0	7.450	8.20	1.90	13.40	0.00	7.00	5.60
November	9.50	0.20	0.025	0.015	0.0	0.0	7.550	3.80	1.50	15.60	0.00	7.10	5.50
December	9.00	0.00	0.020	0.010	0.0	0.0	7.800	6.90	9.90	28.40	0.00		
January	8.50	0.10	0.030	0.012	0.0	0.0	8.000	4.70	3.90	46.00	0.00	6.90	5.60
February	9.00	0.10	0.026	0.010	0.0	0.0	8.100	8.20	6.40	30.20	0.00	6.85	5.70
March	9.50	0.00	0.030	0.015	0.0	0.0	7.900	5.20	5.10	67.00	0.00	7.20	5.60
Maximum	9.50	0.20	0.035	0.020	0.0	0.0	8.100	19.80	9.90	67.00	0.00	7.60	6.10
Minimum	8.50	0.00	0.020	0.010	0.0	0.0	7.450	3.80	1.50	12.90	0.00	6.85	5.50
Average	9.08	0.07	0.028	0.015	0.0	0.0	7.821	10.00	3.50	26.98	0.00	7.26	5.77
Limiting standard	Less than 10 deg.c	1.00 mg/lit	1.00 mg/lit	1.00 mg/lit	100 mg/lit	10 mg/lit	5.5-9.0	100 mg/lit	100 mg/lit	250 mg/lit	10 mg/lit	6.5-8.5	--



Comparative statement of environmental parameters (water)(yearly statement)													
Month	Temp.diff	CIP con.	Boiler blowdown				Dm effluent					Fgd effluent	
	Across condenser		In seawater	Total iron	Total copper	Susp. solids	Oil & grease	Ph	Susp. solids	Bod	Cod	Oil & grease	Ph
	Degree celsius	Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.		Mg/lit.	Mg/lit.	Mg/lit.	Mg/lit.	Units	Mg/lit.
April	9.00	0.00	0.030	0.014	0.0	0.0	7.700	10.20	1.70	12.90	0.00	7.60	6.00
May	9.00	0.00	0.035	0.015	0.0	0.0	8.000	12.60	1.60	18.20	0.00	7.90	6.10
June	9.00	0.00	0.030	0.020	0.0	0.0	7.950	12.60	2.10	22.30	0.00	7.40	6.00
July	9.00	0.00	0.030	0.020	0.0	0.0	8.100	19.80	3.70	29.90	0.00	7.60	5.90
August	9.00	0.10	0.030	0.015	0.0	0.0	7.800	17.60	2.40	21.20	0.00	7.90	5.70
September	9.00	0.15	0.030	0.018	0.0	0.0	7.500	10.20	1.80	18.60	0.00	7.20	5.80
October	9.50	0.15	0.025	0.020	0.0	0.0	7.450	8.20	1.90	13.40	0.00	7.00	5.60
November	9.50	0.20	0.025	0.016	0.0	0.0	7.550	3.90	1.50	15.60	0.00	7.10	5.50
December	9.00	0.00	0.020	0.010	0.0	0.0	7.800	6.90	9.90	28.40	0.00		
January	8.50	0.10	0.030	0.012	0.0	0.0	8.000	4.70	3.90	46.00	0.00	6.90	5.60
February	9.00	0.10	0.026	0.010	0.0	0.0	8.100	8.20	6.40	30.20	0.00	6.85	5.70
March	9.50	0.00	0.030	0.015	0.0	0.0	7.900	5.20	5.10	67.00	0.00	7.20	5.60
Maximum	9.50	0.20	0.035	0.020	0.0	0.0	8.100	19.80	9.90	67.00	0.00	7.60	6.10
Minimum	8.50	0.00	0.020	0.010	0.0	0.0	7.450	3.80	1.50	12.90	0.00	6.85	5.50
Average	9.08	0.07	0.028	0.015	0.0	0.0	7.821	10.00	3.50	26.98	0.00	7.26	5.77
Limiting standard	Less than 10 deg.c	1.00 mg/lit	1.00 mg/lit	1.00 mg/lit	100 mg/lit	10 mg/lit	5.5-9.0	100 mg/lit	100 mg/lit	250 mg/lit	10 mg/lit	6.5-8.5	--

*Fgd was out of service due to unit outage

EN13 Significant spills of chemicals, oils, and fuels in terms of total number and total volume : Use of lube oils, chemicals, fuels etc. is mainly in the Trombay unit.

In case of T & D there is not much use of them and as such it is not applicable. Details for Trombay are as follows :

FY 2001

DATE	TIME-hrs.	SPILLAGE INCIDENCE	TYPE/ specification	QTY. Ltrs.	COST/ltr,	TOTAL COST
3/14/2001	320	TANK HHS 5B OVERFLOW	LSHS/FUEL	1000	7500	7500
8/13/2001	434	STBFP 5C test oil supply line union joint leak	Lubeoil/ sp-68	800	70	56000
9/15/2001	NA	PA fan 5A servo hose leak	Lubeoil/ sp-68	140	70	9800
10/7/2001	130	CM 5E PJHS OIL LEAK	Lubeoil/ sp-68	150	70	10500
10/9/2001	300	CM 5B PJHA OIL LEAK	Lubeoil/ sp-68	70	70	4900
11/12/2001	NA	CM 5D PJHS OIL LEAK	Lubeoil/ sp-68	170	70	11900
12/26/2001	1212	CM 5E PJHS OIL LEAK	Lubeoil/ sp-68	90	70	6300
			TOTAL	2420		106900
FY 2002						
28/02/02	1115	CM 5B PJHS LEAK FR. ACCMULATOR	lubeoil/ sp-68	100	70	7000
2/3/2002	NA	CM 5E PJHS LEAK FR. ACCMULATOR	lubeoil/ sp-68	195	70	13600
3/9/2002		CM 5FB PJHS LEAK FR. ACCMULATOR	lubeoil/ sp-68	160	70	11200
3/18/2002		CM 5B PJHS LEAK FR. ACCMULATOR NE	lubeoil/ sp-68	190	70	18300
4/9/2002	800	STBFP 5B CENTRIFUGE LEAK	lubeoil/ sp-68	300	70	21000
5/23/2002	2230	CM 5C PJHS LEAK FROM SE ACCUMULATOR	lubeoil/ sp-68	41	70	2870
5/30/2002	NA	CM 5C PJHS LEAK FROM SE hydr. Cyld. Supply line	lubeoil/ sp-68	40	70	2800
6/14/2002	2300	CM 5A PJHS OIL LEAK FROM W. Accumulator	lubeoil/ sp-68	41	70	2870
6/17/2002	NA	U-6 HP BYPASS HYDRALIC oil fr. Filter unit	HLP 46	60	59	3560
7/31/2002	2210	U6 CF Leak from iso.v/v from trip fluid pr sw of ATRS	chemical/CF	420	650	273000
9/11/2002	NA	CM 5D PJHS NW ACCUMULTOR	lubeoil/ sp-68	100	70	7000
10/4/2002	42	CM 5E PJHS NW ACCUMULATOR	lubeoil/ sp-68	48	70	3360
	NA	CM 5D PJHS fr. 4 way solinoid v/v	lubeoil/ sp-68	90	70	6300
	NA	GEN U 5 seal oil relief hdr. Flange leak	lubeoil/ sp-46	150	65	9750
			TOTAL	1935		382610

FY 2003 UP TO JUNE 2nd

1/6/2003	1336	FD fan 5a oil leak from servomotor oil pipe	lubeoil/sp68	360	70	25200
		fr.FERRULE				
3/11/2003	2027	FD fan 6A oil leak from plug of servo motor	lubeoil/sp68	500	70	35000
3/10/2003	945	STBFP 6C oil leak from plug of servomotor	lubeoil/sp46	1000	65	65000
5/14/2003	410	CM 5B PJHS OIL LEAK	lubeoil/sp68	20	70	1400
6/2/2003	1658	FD FAN 5A SERVO HOSE PIPE LEAK	lubeoil/sp68	400	70	28000
6/2/2003	1000	PA FAN5A SERVO HOSE PIPE LEAK	lubeoil/sp68	60	70	4200
			TOTAL	2340		158800
GRAND TOTAL fr. FY 2001/2002/2003				6693		648360
SUMMARY SIGNI. SPILL FUEL/OIL/CHEMICAL						
2001		LSHS	FUEL	1000		7500
2001		LUBE OIL	OIL	1420		99400
2002		LUBE OIL	OIL	1515		109660
2002		CHEMICAL/CONTROL FLUID	CHEMICAL	420		273000
2003		LUBE OIL	OIL	2340		158800
			TOTAL	6695		648360
SPILLAGE DUE TO COAL MILLS						
2001			lubeoil/sp68	480		33600
2002				1005		75350
2003	up to june			20		1400
			TOTAL	1505		110350

CONTROLLING POLLUTION, THE GREEN WAY



THIS FLUE GAS DESULPHURISATION PLANT IS THE FIRST SUCH ENVIRONMENT CONTROL FACILITY INSTALLED ON ANY THERMAL POWER UNIT IN INDIA



HIGH-EFFICIENCY PRECIPITATOR AND ITS ASH DISPOSAL SYSTEM



AFFORESTATION OF THE HILLSIDES NEAR TROMBAY THERMAL POWER STATION



TALL CHIMNEYS ENABLE TO CONTROL THE GROUND LEVEL CONCENTRATION



Additional Indicators

- EN30 Other relevant indirect greenhouse gas emissions : Not applicable
- EN31 All production, transport, import, or export of any waste deemed "hazardous" under the terms of Basel Convention : Coverage will include only the waste from medical divisions / dispensaries (dressing material and disposable syringes) however the quantities are not significant. Currently they are being disposed off with other solid waste / garbage.
- EN32 Water sources and related ecosystems/habitats significantly affected by discharges of water and run-off : Currently only discharge of condenser water from Trombay is discharged into sea. The control on temperature ensures no ill-effect on eco-system or habitat.
- EN33 Performance of suppliers relative to environmental components of programs and procedures described in response to Governance Structure and Management systems section : No formal approach at present.

Products and services

- EN14 Significant environmental impacts of principal products and services : Not applicable
- EN15 Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed : Not applicable

Compliance (countries of operation)

- EN16 Incidents of and fines for non-compliance with all applicable international declarations/convention/treaties, and national, sub-national, regional, and local regulations associated with environmental issues : Notice for charging cess at penal rates received but cess charged at normal rates (withdrawal of claim for penal rate) after presentation of facts to MPCB, No other claims / sanctions raised

Transport

- EN34 Significant environmental impacts of transportation used for logistical purposes : Fuel is the major item transported. For most of the liquid and gaseous fuels bought in India - transportation used is pipelines. For all the imported fuels as well as few local fuels, ship / rail and trucks are used as means of transportation. TPC ensures that shipping lines and transportation contractors used are reputed and the contract terms specify abidance to all statutory and regulatory requirements. Distances of travel for various modes / means of transport are detailed below.

Fuel type	Origin	Mode	Distance
LSHS	Local	Pipeline	2 km
LSHS	Local-Koyali	Rail	476km
LSWR	Indonesia	Ship-pipe	3450nm/4km
Coal	Indonesia/ china	Ship- barge-truck-rail	5250nm / 322km
Gas	Local -urban	Pipeline	25km
FO	Local	Pipeline	2km
HSD/SKO	Local	Truck tanker	5km

EN35 Total environmental expenditures by type : Most of the pollution control related issues are related to the operations at Trombay unit. The costs incurred for the pollution control measures at Trombay are detailed below

Costs in Rs.	2001-02	2002-03
CAPITAL		2981083
O&M - ASH HANDLING SYSTEM, FGD , FAA PLANT	18179049	9497149
POLLUTION MONITORING EQPT	87678	96000
ASH DISPOSAL COST	56308544	16405539

Economic Performance

- EC1 Net Sales : Total sales revenue for TPC for the year ending 31st March 2003 is Rs.4453 Cr out of which Rs.4194 Cr is from power business & Rs. 3755 Cr. for licensed area.
- EC2 Geographic breakdown of markets : Not applicable
- EC3 Cost of all Goods, services and materials purchased : Rs.2709 Cr
- EC4 Percentage of contracts that were paid in accordance with agreed terms excluding agreed penalty arrangements : Not specifically being tracked at present.
- EC11 Supplier breakdown by organization and country : See table below



Key Suppliers and Partners	Product/Service
Adaro and Kideco, Indonesia	Coal
BPCL, HPCL, IOCL, GAIL	Fuel oils and natural gas
Railways	Transportation of fuel
MbPT	Port facilities for fuel handling
TCE Consulting Engineers	Engineering design
Equipment suppliers (e.g. ABB, Alstom...)	Switchyard equipment, transformers, cables and other capital project related equipment
OEMs like Siemens, Tata Honeywell...	Equipment and spares

- EC5 Total Payroll and benefits (including wages, pension, other benefits, redundancy payments) broken down by country or region : Rs.142 Cr., for licensed area Rs. 125 Cr.
- EC6 Distribution to providers of capital broken down by interest on debt and borrowings, dividends on all classes of shares, with any arrears or preferred dividends : Rs.417 Cr. (dividend - 98, interest - 308, guarantees for loans - 11)
- EC7 Increase/decrease in retained earnings : Rs.459 Cr
- EC8 Total sum of taxes of all types paid broken down by country : Rs.284 Cr
- EC9 Subsidies received broken down by country or region : Nil
- EC10 Donations to community, civil society and other groups broken down in terms of cash and in kind donations per type of group : Expenses incurred are accounted for under independent account head, however donations are not included therein. Tata Power Comany has spend Rs. 39 lakhs in donations and also donated in kind like computers, bus/vehicles etc.
- EC12 Total spent on non-core business infrastructure development : Tata Power Company has send for community support in terms of road building in Hydro areas and building school units for small villeges.
- EC13 The organization's indirect economic impacts : No significant information to report.

Social Performance

Labour Practices and Decent Work

LA1 Breakdown of workforce, where possible, by region/country, status (employee/non-employee), employment type (fulltime/part time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employers (temporary agency workers or workers in co-employment relationships), segmented by region/country : Status of permanent employees of TPC is detailed in table below

Areas	Officers	Union	Total
Corporate	6	-	6
Generation - Thermal	304	768	1072
Generation - Hydro	89	392	481
T & D	218	527	745
Projects	36	36	72
Corporate Procurement	17	6	23
Support Services *	342	230	572
Sub-total - Licensed Area	1012	1959	2971
Total TPC Strength	1269	2161	3430
% in Licensed Area	80%	91%	87%
Employee strength and spread			

*Corporate office, support services and shared services' employees included in Licensed Area

The information provided is as of 31.03.2003

Contract employees are used for executing project works, during major outages and for some of the support services.

LA2 Net employment creation and average turnover segmented by region/country :

	Officers	Union
'01-02	1.26%	0%
'02-03	0.69%	0.09%

*Attrition rate is calculated considering attrition by resignation in permanent employees

EMPLOYEE WELFARE AT TATA POWER



SAFETY DRILL



INTERIOR OF THE OPERATION THEATRE AT ONE OF THE FAMILY PLANNING CAMPS



PRIMARY EDUCATION-A CLASS IN PROGRESS AT THE BHIVPURI SCHOOL



ASSISTANCE AT A POLIO IMMUNISATION CAMPAIGN



LA12 Employee benefits beyond those legally mandated. (E.g., contributions to health care, disability, maternity, education, and retirement) : Gradewise Annual Medical Re-imburement (for domiciliary treatment) on producing vouchers. Special sanctions taken for cases with chronic illness/ cases on life saving medication exceeding Annual Limit. Health Insurance for employee & dependents, granting gradewise coverage. Hospitalization Fund grants reimbursement exceeding Annual Limit in cases of major illnesses, Transplants, Life saving surgeries etc. Reimbursement granted as per formula for calculation for reimbursement. Special leave for employees suffering from diseases like cancer, cases of organ transplant or those requiring long term treatment. VRMG facility for those suffering from diseases with poor prognosis, or for cases which cannot return to work. Education benefits upto three Children. Hostel subsidies for employees' children studying away from home. Education benefits upto three Children. Hostel subsidies for employees' children studying away from home. Self Education Aid for employees desiring to pursue higher education. One time incentive payment for acquiring higher qualifications. Merit scholarships to meritorious children of employees (40 nos.) Retirement Gift to retiring employees.

Labour - Management relations

- LA3 Percentage of employees represented by independent trade union organizations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country : 66% of the employees in the Licensed area operations are represented by an independent trade union. Rest of the employees are in management / supervisory grades.
- LA4 Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring) : Any changes made to the operations in terms of restructuring / reorganization are done with consultations / involvement of the managerial / supervisory employees, as appropriate. In cases of business decisions impacting cross functional areas, a cross functional team is formed to assess the impacts of the changes on the business processes and their recommendations are used as a basis for finalizing changes.
- LA13 Provision for formal worker representation in decision making or management, including corporate governance : No formal process at present.

Health and Safety

- LA5 Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases :
- The occupational accidents (or dangerous occurrences) are notified to the Statutory Regulatory bodies viz Directorate of Industrial Safety & Health as per the provisions of Factories Act 1948 and Maharashtra Factories Rules 115, in Form 24 (or Form 24A incase of dangerous occurrence) by the divisional head and these are recorded in Accident Register by the Safety Officer / Divisional Head.
 - Electrical Accidents are reported to Electrical Inspectorate of the region in Annexure 13 as specified in Indian Electricity Rules 1956 by the Electrical Maintenance Department and also to The Directorate of Industrial Safety & Health by the divisional head.
 - The applicable Notifiable Diseases are Noise Induced Hearing Loss (NIHL) & Coal Miners Pnuomoconiosis listed as item 22 & 25 respectively in

The Third Schedule of Factories Act 1948 (Section 89 & 90). These are notifiable to Directorate of Industrial Safety & Health & recorded in Health Register maintained by Medical Officer of the division.

- LA6 Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees : We have formal safety committees at Trombay, Bhira, Bhivpuri, Khopoli, Distribution Division with equal number of participation from Management & Union Representatives as per the provision of Factories Act 1948 (Section 41 & 41 G and Maharashtra Factories Rule 73-J). The tenure of the safety committee is two years after which it is reconstituted. The committees' coverage addresses 80% of the employee strength of the company.
- LA7 Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers) :

Safety Statistics : 2002 (Jan to Dec)

A. Safety Statistics for TATA Power Employees (Permanent) :

<i>Ser. #</i>	<i>Division</i>	<i>No. of Reportable Injuries</i>	<i>Man-days Lost</i>	<i>Frequency Rate</i>	<i>Severity Rate</i>	<i>No. of Employees</i>
1	Hydro	0	0	0.0	0.0	492
2	T&D	3	141	1.6	76.4	769
3	Trombay	17	486	6.6	189.1	1071

B. Safety Statistics for Contractor Employees :

<i>Ser. #</i>	<i>Division</i>	<i>No. of Reportable Injuries</i>	<i>Man-days Lost</i>	<i>Frequency Rate</i>	<i>Severity Rate</i>	<i>No. of Employees</i>
1	Hydro	0	0	0.0	0.0	215
2	T&D	1	69	1.1	73.7	390
3	Trombay	2	84	1.9	81.8	428

Safety Statistics : 2001 (Jan to Dec)

A. Safety Statistics for TATA Power Employees (Permanent) :

<i>Ser. #</i>	<i>Division</i>	<i>No. of Reportable Injuries</i>	<i>Man-days Lost</i>	<i>Frequency Rate</i>	<i>Severity Rate</i>	<i>No. of Employees</i>
1	Hydro	1	72	0.8	60.5	496
2	T&D	4	244	2.2	132.9	765
3	Trombay	12	282	4.7	2444.0	1071

B. Safety Statistics for Contractor Employees :

<i>Ser. #</i>	<i>Division</i>	<i>No. of Reportable Injuries</i>	<i>Man-days Lost</i>	<i>Frequency Rate</i>	<i>Severity Rate</i>	<i>No. of Employees</i>
1	Hydro	2	169	2.1	181.0	389
2	T&D	1	90	0.9	80.3	467
3	Trombay	1	30	1.2	37.0	338

- LA8 Description of policies or programmes (for the workplace and beyond) on HIV/AIDS : Policy Draft underway. Aids awareness programmes conducted by Co. Doctors.
- LA14 Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems : Not available.
- LA15 Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements :

Union Terms of Settlement dated 1st January 1998

Section III

Point 16. (Medical)

- 16.1 That the Companies' Medical Schemes viz. Reimbursement towards medical expenses (domiciliary), Mediclaim coverage for hospitalisation and Hospitalisation Scheme are applicable to the employees not covered under Employees State Insurance Scheme.
- 16.2 That in case employees availing of any benefits/reimbursement from the Companies are covered under Employees State Insurance Act, due to amendment or for any other reason whatsoever, they shall forthwith cease to be eligible for any medical reimbursement from the Companies.
- 16.3 That in the event such of the employees who are covered under the Employees State Insurance Scheme cease to be covered under the Act and once benefit under the Act is over such employee/employees shall be entitled to the same benefits as other permanent employees.

16.4 Reimbursement towards medical expenses (Domiciliary)

That subject to 16.1, 16.2 and 16.3 above, Companies shall reimburse towards domiciliary medical expenses, per annum as under :-

Basic Salary Slab (Rs.p.m.)	Amount (Rs.p.a.)
Upto 500	8500
501 - 999	9500
1000 & above	11200

- 16.5 That the existing rules with regard to reimbursement of medical expenses (domiciliary) remain unchanged subject to 16.7 of this settlement.
- 16.6 Premium towards Mediclaim coverage for Hospitalisation :
That the present premium payment towards Mediclaim for Hospitalisation stands modified with effect from 1.4.2000 as follows :
- a) That Companies' shall continue to bear 50% of the premium for more than two children and dependant parents, as per the existing practice.
 - b) That employee shall bear 100% premium in respect of other dependants, such as, brothers and sisters.
 - c) That dependant parents shall be covered upto the age of 75 years. However, re-coverage of parents whose coverage was discontinued on completion of the age of 70 years shall be subject to medical examination as per General
 - d) Insurance Company (GIC) rules. This would be implemented effective 1.4.2000, subject to GIC rules including waiting period of one month.
- 16.7 In-house dispensing of medicines :
- a) In-house dispensing of medicines shall be administered only for a period of three days per illness at all the divisions. However, in Hydro locations the value of medicines dispensed to an individual/his family members from the 4th day onwards will be adjusted against his entitlement for domiciliary medical reimbursement.
 - b) It is further agreed that in case of chronic illnesses in respect of the employee/his/her spouse/dependant children and the dependant parents, dispensing of medicines may be done on the recommendation of CMO, subject to Management's approval and payment of income tax, if any. However, no deduction in this regard shall be made from the entitlement of the employees.

c) That 16.7 (a) & (b) will be effective from the next month in which the settlement is signed.

16.8 Hospitals

a) That a Joint Committee of the Management and the Union shall be constituted within 3 months from the date of signing of this settlement, for identifying 4/5 hospitals, deciding eligibility of coverage and operation of the scheme, to take care of hospitalisation cases. The said committee shall also formulate a detailed scheme.

b) That Companies shall appoint the Chairman of this Committee and his decision shall be final.

16.9 Hospitalisation Scheme

a) That employees' contribution shall be increased from Rs.15/- per month to Rs.30/- per month to cater to enhanced limits of the scheme. Dependant parents who are covered under Mediclaim shall also be included in the hospitalisation scheme prospectively. However, the Companies' contribution towards this scheme shall remain unaltered i.e. Rs.15/- per month per employee.

That 16.9 (a) were effected from 1.1.2000.

LA9 Average hours of training per year per employee by category of employee. (E.g., senior management, middle management, professional, technical, administrative, production, and maintenance) :

	Trombay	T and D	Others	Hydro
'00-01	2.7	2.2	0.8	2.9
'01-02	2.2	3.2	2.4	4
'02-03	4.3	3.6	3	4.6

	Sr. Mgmt.	Middle Mgmt.	Jr. Mgmt.	Supervisors	Skilled/ Semi Skilled
Man days/emp/yr	4.14	5.26	2.86	2.33	1.46

2003 Distribution of training by levels

* From 2004 compliance to the training needs identified at Division/Department level is also being tracked.

LA16 Description of programmes to support the continued employability of employees and to manage career endings : Training needs are collected annually and efforts are made to tailor training programmes to address the needs to support continued employability of employees. Some of the programmes aimed at this purpose and also to manage career endings are given below:

- 1 Computer training to all employees
- 2 Functional training programmes in their respective fields of work
- 3 Finance for non-finance executives
- 4 Management development programmes



- 5 Training on SAP
- 6 Programmes on various quality tools, such as six sigma, TBEM, ISO etc

LA17 Specific policies and programmes for skills management or for lifelong learning : Reimbursing part of the expenditure incurred on education for officers in grades M5b and above for acquiring management qualifications. In addition company gives facility of educational expenses' reimbursement for learning new skills / knowledge in work related areas.

Diversity and Opportunity

LA10 Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring. Equal opportunity policies may address workplace harassment and affirmative action relative to historical patterns of discrimination : Equal opportunity employer is one of the clauses in the TCOC which is followed by TPC. To address the issues related to gender bias, one lady ethics counselor is appointed. Enforcement mechanism in TCOC structure helps monitor performance against the TCOC requirements.

LA11 Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate : No women representation in the Board of Directors. In senior management out of 88 persons, 3 are ladies.

Human Rights

Strategy and Management

HR1 Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results. State how policies relate to existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO : data not available.

HR2 Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors : no formal process / policy at the moment.

HR3 Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring. "Human rights performance" refers to the aspects of human rights identified as reporting aspects in the GRI performance indicators : no formal process / policy at the moment.

HR8 Employee training on policies and practices concerning all aspects of human rights relevant to operations. Include type of training, number of employees trained, and average training duration : Details not available at present.



Non discrimination

HR4 Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring : Adherence to equal opportunity employer clause of the TCOC ensures non-discrimination on caste, colour, gender etc.

Freedom of association and collective bargaining

HR5 Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue : TCOC allows individuals for freedom of association. In terms of employment, employees are not bound with any types of bonds / securities as a part of employment terms. Only in case of major investments / expenses / facilities provided by the company to employees, such expenses are secured through appropriate bonds / securities / guarantees.

Child labour

HR6 Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/ programmes to address this issue, including monitoring systems and results of monitoring : No formal process at the moment.

Forced and compulsory labour

HR7 Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2 : TPC abides by all the labour laws and statutes as a part of the TCOC.

Disciplinary practices

HR9 Description of appeal practices, including, but not limited to, human rights issues. Describe the representation and appeals process : no formal process in place

HR10 Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights) : No formal process in place

Security practices

HR11 Human rights training for security personnel. Include type of training, number of persons trained, and average training duration : Not addressed at present

Indigenous rights

HR12 Description of policies, guidelines, and procedures to address the needs of indigenous people. This includes indigenous people in the workforce and in communities where the organization currently operates or intends to operate : No formal policy at present

HR13 Description of jointly managed community grievance mechanisms/authority : no formal process at present

HR14 Share of operating revenues from the area of operations that are redistributed to local communities : Details being worked out



Society

Community

SO1 Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/ programmes to address this issue, including monitoring systems and results of monitoring. Include explanation of procedures for identifying and engaging in dialogue with community stakeholders :

TPC has a formal environment and community support policy in place. In terms of management structure, cross functional team with representation from all the work areas is formed and this team works on the programmes / initiatives on various fronts like environment protection and enrichment, energy conservation, health, education, infrastructure development and other community support activities. Key areas of community support are identified based on the interactions with the local civic authorities and in consultation with the divisional / locational operations heads. Targets for the various aspects are set at the beginning of the year and performance is tracked monthly. Some of the initiatives taken in this direction are afforestation, pisciculture, health support - regular consultancy / medicines for villagers in and around hydro locations, specific projects like "lifeline express" or health check-up camps, construction of roads, school blocks in remote villages, vocational guidance etc. For environmental issues, relevant measures are taken as detailed in environmental performance. TPC has included a composite measure - CCI (corporate citizenship index) in its' corporate balanced scorecard and the performance is 10 points on target of 10 points for the past two years.

SO4 Received FICCI Award on Environment Protection-1994, Received Good Corporate Citizen Award-1994-1995 & 2001-2002 from Bombay Chamber of Commerce, Received NM Gidwani Rolling Trophy from 1991 to 1999 for the maintenance of SumanNagar Garden in Mumbai bestowed by Friends of Trees, Received Greentech Safety Awards in Gold & Silver category for Jojobera and Trombay power plants, Won FICCI Awards for Family Planning.

Statistics of Project Life Line Express	
1. Area Covered	Over 1000 sq.kms in the areas of Mulshi, Maval, Karjat, Khopoli and Khalapur. Covered a population of 8 lakhs in 1000 villages
2. Total Number of Patients who attended OPD:	10692
3. Total Number of Sugeries Performed :	1009
4. Number of Appliances given to Polio Patients:	196
5. Number of Hearing Aids Provide:	385

Discharging Social Responsibility in Rural Areas - Lifeline Express



Surgeon conducting an eye operation



Cataract patient after surgery



Before Surgery



After Surgery

Cleft Lip Surgery



Polio Patients

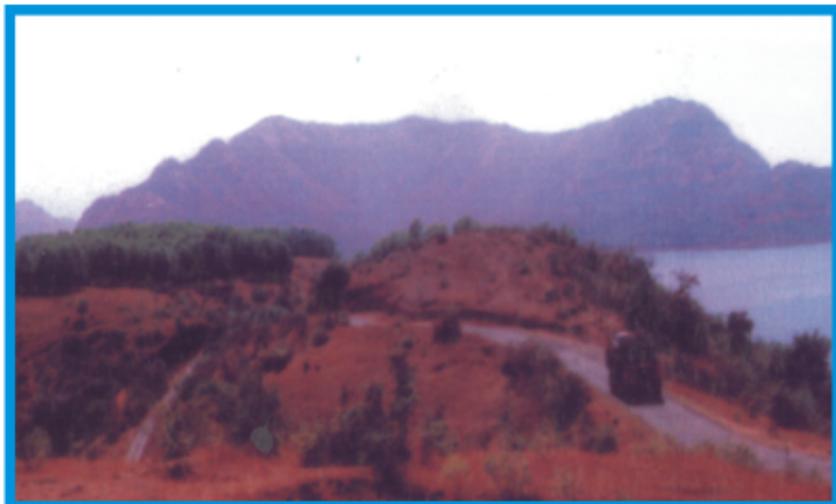


Polio patient visiting the camp



Operation Theatre - Polio Surgery

RURAL DEVELOPMENT



ASPHALTED ROAD AT MULSHI



DEEPENING AND DESILTING OF WELLS BEING CARRIED OUT



A PRIMARY SCHOOL AT DEOGHAR, MULSHI TALUKA



PARISAR VIKAS-A CLEANING DRIVE ORGANISED
BY THE STREE MUKTI SANGHATANA



Bribery and corruption

- SO2 Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption. Include a description of how the organization meets the requirements of the OECD Convention on Combating Bribery :
- a. TPC has instituted Tata Code of Conduct throughout all the levels of our Organisation. Every staff member is aware of its contents and all the officers have given their written compliance for the same.
 - b. The Managing Director of the Company is the Principal Ethics Officer and to provide assistance to him we have Ethics Officer for the Company, who in turn is assisted by the Locational Ethics Officer stationed at various locations of our Company.
 - c. Several Lacterns have been installed at various locations together with their insertions which are periodically changed giving a message on the importance of the Code of Conduct. This message continuously reminds all the staff members about honest behavior and good corporate governance.
 - d. Periodically personal discussions are held by the Ethics Officer with various Divisions and Departments throughout the organisation where personal inter-action takes place on the subject of Tata Code of Conduct and doubts, problems if any are clarified and resolved. The staff members are also encouraged to express their "concerns". The concern boxes are attached to the lecterns at all locations.
 - e. The Ethics Officer also arranges personal discussions with the operators/workers in various divisions and talks in local languages better understood by them. This has proved useful and effective.
 - f. At regular intervals appropriate articles on "Business Ethics" is circulated to all the staff members with the result continuous importance is given and message sent to all the employees that Management of Business Ethics is most important aspect for good Corporate Governance.

Political contributions

- SO3 Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions : As per the TCOC guidelines, the Company has no alignment to any political parties or movements.
- SO5 Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates : Not applicable

Competition and pricing

- SO6 Court decisions regarding cases pertaining to anti-trust and monopoly regulations : Matter regarding case filed on anti-competitive practices of competitor is pending at MRTP Commission, Delhi
- SO7 Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior : TCOC addresses issues related to the free and fair competition. TPC does not offer any rebates/discounts or gratifications to customers as a measure to beat competition. Its tariff and other miscellaneous charges are based on Government approved rates duly notified to the consumers and in accordance with Indian Electricity Act.



Product responsibility

Customer health and safety

- PR1 Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. Explain rationale for any use of multiple standards in marketing and sales of products : TPC has a document called "Guide book to Power Consumers". This contains information regarding the TPC's area of supply, safety hints/ instructions, energy conservation, etc. During the design and finalisation of power supply/ equipment installations, TPC has built-in the safety features. Also, before commissioning of equipment at Consumer end, TPC ensures measurement of ground resistances. Similarly, the fault levels, surge level requirements, etc. are monitored. TPC also puts in place protection devices to clear the faults in TPC's equipment as well as circuit breakers at each consumer's end for ensuring safety to the power users. TPC also has installed safety signs at prominent locations and at its substation equipment. TPC closely associate with organisations like National Safety Council and evolve various programmes to educate its consumers about safety. TPC also periodically conducts workshops/meetings with representatives of all categories to educate regarding safety. TPC periodically monitors the safety, accidents, etc. and submits to Statutory Bodies reports for information and for corrective actions. For power Industry, there are no multiple marketing/ sales standards applicable.
- PR4 Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches : Nil
- PR5 Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services : Nil
- PR6 Voluntary code compliance, product labels or awards with respect to social and/or environmental responsibility that the reporter is qualified to use or has received. Include explanation of the process and criteria involved : TPC has received the Green Tech Award for environment as well as is in the process of acquiring ISO 14001 accreditation for its Trombay Thermal Station

Products and services

- PR2 Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling : From application stage the consumer is kept aware of product and its features and is apprised of relevant Indian Electricity Rules
- PR7 Number and type of instances of non-compliance with regulations concerning product information and labeling, including any penalties or fines assessed for these breaches : None.
- PR8 Description of policy, procedures/management systems, and compliance mechanisms related to customer satisfaction, including results of surveys measuring customer satisfaction. Identify geographic areas covered by policy : TPC conducts regular customer satisfaction survey through external Agencies, to ascertain consumers' feedback on product and services and to measure their satisfaction levels. The results for the past 3 years is given under:



Year	CSI
2000-01	85
2001-02	85
2002-03	89

Advertising

PR9 Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising. Identify geographic areas covered by policy : Tata Power follows the code of conduct issued by Advertising Standard Council Of India pertaining to laws and guidelines which controls advertising through legislation, which includes items such as communal harmony, emblems and names, consumer protection act, indecent representation of women, and statutory payment of commission to advertising agencies conforming to IENS guidelines.

PR10 Number and types of breaches of advertising and marketing regulations : None

Respect for privacy

PR3 Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy. Identify geographic areas covered by policy : TPC does not reveal consumers' data/information except to statutory bodies, if any when requisitioned. No formal policy at present.

PR11 Number of substantiated complaints regarding breaches of consumer privacy : None

Profit and Loss Account for the year ended 31st March, 2003

	Schedule No.	Page	Rupees	Rupees	Previous Year Rupees
INCOME:					
1. REVENUE FROM POWER SUPPLY [See Note].....			4175,18,16,858		3735,88,41,815
Less: Cash Discount.....			4,46,39,862		4,45,00,292
			4170,71,76,794		3731,41,41,523
Add: Wheeling Charges recoverable			22,81,31,570		24,35,08,739
				4183,53,08,364	3755,76,48,262
2. INCOME FROM OPERATIONS....				106,97,16,154	44,09,31,479
3. OTHER INCOME.....	1			152,02,51,249	356,28,45,772
4. NET ADJUSTMENT IN RESPECT OF PREVIOUS YEARS...					2,93,53,938
5. TOTAL INCOME.....				4452,52,75,767	4159,07,79,452
EXPENDITURE :					
6. COST OF POWER PURCHASED [See Note].....				406,89,91,659	389,03,45,621
7. COST OF FUEL.....				2062,59,30,235	1768,44,33,525
8. GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES.....	2			431,69,56,071	518,40,99,412
NET ADJUSTMENT IN RESPECT OF PREVIOUS YEARS...				1,17,49,886	Nil
10. TAX ON SALE OF ELECTRICITY.....				123,34,49,635	117,16,67,402
11. DEPRECIATION.....				318,03,93,981	291,65,37,490
12. AMOUNT WRITTEN OFF IN RESPECT OF NET INCREASE IN FOREIGN CURRENCY LIABILITIES FOR PURCHASE OF CAPITAL ASSETS. [See Note]				90,62,91,056	53,27,05,579
13. INTEREST AND FINANCE CHARGES.....	3			341,21,01,168	348,26,59,460
14. TOTAL EXPENDITURE.....				3775,58,63,691	3487,24,48,459

PROFIT BEFORE TAXES AND STATUTORY APPROPRIATIONS.....			676,94,12,075	671,83,30,993
15. PROVISION FOR TAXATION				
a) CURRENT TAX.....		189,76,06,000		76,86,06,000
b) DEFERRED TAX.....		-58,25,16,129		88,33,59,720
			141,50,89,871	165,21,65,720
16. (EXCESS)/SHORT PROVISION FOR TAXATION IN RESPECT OF EARLIER YEARS.....			(139,54,039)	(1,95,44,295)
17. ADDITIONAL INCOME-TAX ON DIVIDEND.....			16,50,03,618	...
18. PROVISION FOR WEALTH TAX.....			40,37,000	35,46,000
PROFIT AFTER TAXES AND BEFORE STATUTORY APPROPRIATIONS			519,92,35,625	508,21,63,588
19. STATUTORY APPROPRIATIONS.....	4			
			68,91,41,041	326,84,48,164
DISTRIBUTABLE PROFITS			450,00,94,584	381,37,15,404
APPROPRIATIONS:				
20. PROPOSED DIVIDEND.....			128,78,33,118	...
21. INTERIM DIVIDEND	89,06,40,880
22. TRANSFER TO DEBENTURE REDEMPTION RESERVE...			48,68,72,000	57,46,88,000
23. TRANSFER TO GENERAL RESERVE			150,00,00,000	150,00,00,000
			328,47,05,118	306,56,28,880
24. BALANCE CARRIED TO BALANCE SHEET			121,53,89,466	74,80,86,544
25. BASIC AND DILUTED EARNINGS PER SHARE (In Rs.)			22.74	19.27
<i>Notes - Pages</i>				

As per our report attached to the Balance Sheet.

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

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

Chairman

Partner.

Partner.

Secretary.

Managing Director

Mumbai, 28th May, 2003

Mumbai, 28th May, 2003

Balance Sheet as at 31st March, 2003

	Schedule No.	Rupees	Rupees	31-3-2002 Rupees
FUNDS EMPLOYED:				
1. SHARE CAPITAL.....	"A"		197,31,34,319	197,31,34,319
2. RESERVES AND SURPLUS.....	"B"	3959,44,04,551		3500,59,82,959
3. SPECIAL APPROPRIATION TOWARDS PROJECT COST.....		521,08,66,410		492,33,00,352
4. CAPITAL CONTRIBUTIONS FROM CONSUMERS.....		41,79,99,017		41,79,99,017
5. SECURED LOANS.....	"C"	1340,37,50,977		1506,54,41,119
6. UNSECURED LOANS.....	"D"	1058,03,01,914		1292,38,86,329
7. TOTAL FUNDS EMPLOYED.....			<u>7119,44,56,289</u>	<u>7021,57,43,292</u>
APPLICATION OF FUNDS:				
B. FIXED ASSETS				
Gross Block.....	"E"	5370,79,21,583		4975,48,49,229
Less: Depreciation to date.....		2026,74,36,354		1724,67,67,624
			3344,04,85,229	3250,80,81,605
Capital Work in - Progress (including advances against capital expenditure).....			191,31,99,542	265,16,90,915
Increase in foreign currency liabilities (net) for purchase of capital assets (See Note 3).....		661,94,27,888		615,54,66,694
Less: Amount written off to date.....		505,31,04,394		414,68,13,338
			146,63,23,494	200,86,53,356
			<u>3874,03,97,243</u>	<u>3696,59,35,147</u>
9. INVESTMENTS.....	"F"		2451,81,94,792	1662,69,92,139
10. CURRENT ASSETS, LOANS AND ADVANCES				
Current Assets.....	"G"	1350,83,50,171		1399,01,56,229
Loans and Advances.....		1115,51,53,354		1254,83,25,045
Less:			2466,17,11,535	2753,84,81,274
11. CURRENT LIABILITIES AND PROVISIONS	"H"			
Current Liabilities.....		1067,31,69,519		1096,47,24,999
Provisions.....		454,43,41,693		573,81,30,269
		1521,75,00,212		1670,28,55,268
12. NET CURRENT ASSETS.....			844,62,10,664	1424,32,26,333
13. DEFERRED TAX ASSET (NET) (See Note....)			29,59,88,209	139,67,16,993
14. MISCELLANEOUS EXPENDITURE (to the extent not written off)....				
	"I"		28,53,55,160	42,17,56,537
15. TOTAL APPLICATION OF FUNDS.....			<u>7119,44,56,289</u>	<u>7021,57,43,292</u>

Notes - Pages

As per our report attached.

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

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

Chairman

Partner.

Partner.

Secretary.

Managing Director

Mumbai, 28th May, 2003

Mumbai, 28th May, 2003