

Renewable



Community development
Energy conservation and efficiency

Environment
conservation

Afforestation

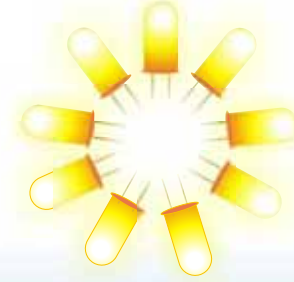
Combating climate change

Carbon Footprint reduction
Green Buildings



TATA POWER

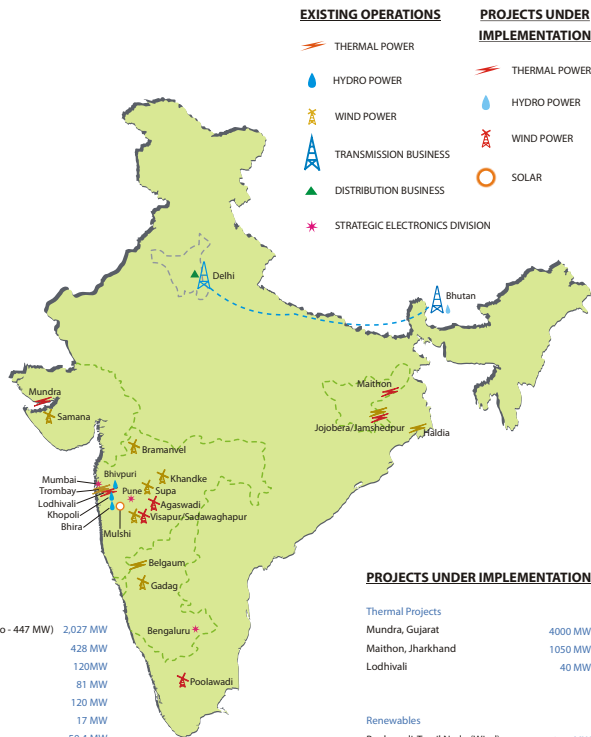
Bombay House 24, Homi Mody Street, Mumbai 400 001
Tel : 91 22 6665 8282 Fax : 91 22 6665 8801
www.tatapower.com



Powering a **Greener** Tomorrow

TATA POWER

Lighting up Lives!



EXISTING OPERATIONS

Mumbai, Maharashtra (Trombay - 1,330 MW + Unit 8 - 250 MW + Hydro - 447 MW)	2,027 MW
Jojobera, Jharkhand	428 MW
Power House # 6, Jamshedpur	120MW
Belgaum, Karnataka	81 MW
Haldia, West Bengal	120 MW
Supa, Maharashtra	17 MW
Khandke, Maharashtra	50.4 MW
Bramanvel, Maharashtra	11.25 MW
Gadag, Karnataka	50.4 MW
Samana, Gujarat	50.4 MW
Sadawagapur, Maharashtra	17.5 MW
Visapur, Maharashtra	10 MW
NDPL (Distribution)	1259 MW
Powerlinks (Tala Transmission)	1200 KM
Jojobera	120 MW
Mulshi, Maharashtra (Solar)	3 MW

PROJECTS UNDER IMPLEMENTATION

Thermal Projects	
Mundra, Gujarat	4000 MW
Maithon, Jharkhand	1050 MW
Lodhivali	40 MW
Renewables	
Poolawadi, Tamil Nadu (Wind)	97.5 MW
Agazwadi, Maharashtra (Wind)	21 MW
Hydro Project	
Bhutan	114 MW

For graphical representation only. Not to scale.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that The Tala Power Company Limited has presented its report "Sustainability Report 2020-21" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter or the quality of the information in the report.

Amsterdam, 12 December 2021

Naimera Arbes
Deputy Chief Executive
Global Reporting Initiative

The "+" has been added to this Application Level because The Tala Power Company Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and operational excellence. The GRI framework sets out the principles and indicators that organizations use to measure and report their economic, environmental, and social performance. www.globalreporting.org

(Disclaimer: Where the relevant sustainability reporting includes annual data, including its audit trail material, this statement only contains material submitted to GRI or the tool of the Check on 17 November 2021. GRI explicitly excludes the statement being applied to any later changes to such material.)

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17		Same as requirement for Level B	
G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

* Sector supplement in final version

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List of Abbreviations

AEP: American Electric Power	GHG: Greenhouse Gases	PMS: Performance Management System
AGM: Annual General Meeting	GIS: Geographic Information System	PPM: People Planning Meeting
AT & C: Aggregated Technical and Commercial	GoM: Government of Maharashtra	PSM: Process Safety Management
BCCI: Bombay Chambers of Commerce and Industry	GMI: Green Manufacturing Index	PTW: Permit to Work
BITS: Birla Institute of Technology and Science	GRI: Global Reporting Initiative	RCA: Root Cause Analysis
BNHS: Bombay Natural History Society	HR: Human Resources	RMC: Ready-Mix Concrete
BSC: Balanced Scorecard	IFC: International Finance Corporation	SAC: Sustainability Advisory Council
BRC: Business Review Committee	IPP: Independent Power Producers	SC: Scheduled Caste
CBIP: Central Board of Irrigation and Power	ILO: International Labour Organisation	SH: Stakeholder
CCM: Customer Coordination Meeting	ILP: Industrial Liaison Program	SCADA: Supervisory Control and Data Acquisition
CEC: Chief Ethics Counsellor	IREDA: Indian Renewable Energy Development Agency Limited	SED: Strategic Electronic Division
CSS: Customer satisfaction survey	JV: Joint Venture	SES: Social Engagement Scorecard
CFT: Cross-functional team	JSA: Job Safety Analysis	SMS: Safety Management System
CGPL: Coastal Gujarat Power Limited	KRA: Key Result Areas	SPCB: State Pollution Control Board
COP: Communication on Progress	KV: Kilovolts	ST: Scheduled Tribe
CNI: Community Need Index	L & L: Listening and learning	TCCo: Tata Code of Conduct
CTLC: Community Technology Learning Centre	LNG: Liquefied Natural Gas	TCs: Tata Consultancy Services
CSP: Corporate Sustainability Protocol	MPL: Maithon Power Limited	TCVM: Tata Customer Value Management
CSR: Corporate Social Responsibility	MD: Managing Director	TERI: The Energy Research Institute
CII: Confederation of Indian Industry	MIT: Massachusetts Institute of Technology	TPTCL: Tata Power Trading Company Limited
CITB: Construction Industry Training Board	MPCB: Maharashtra Pollution Control Board	UMPP: Ultra Mega Power Project
CCX: Chicago Climate Exchange	MU: Million Units	UNGC: United Nations Global Compact
CSO: Chief Sustainability Officer	MW: Megawatts	USA: United States of America
CRS: Customer Requirement Survey	NAPCC: National Action Plan for Climate Change	WBCSD: World Business Council for Sustainable Development
3C: Combat Climate Change	NCD: Non-Convertible Debentures	WREB: Western Regional Electricity Board
CPP: Captive Power Plant	NDPL: North Delhi Power Limited	
DISCOM: Distribution Company	NED: Non-Executive Directors	
DVC: Damodar Valley Corporation	NGO: Non-Government Organisation	
DG: Diesel Generator	OBC: Other Backward Classes	
DM: De-Mineralization	ODS: Ozone-Depleting Substances	
DSM: Demand Side Management	ORC: Operation Review Committee	
	OSHA: Occupational Health and Safety Administration	
	PAT: Profit after Tax	
	PCB: Polychlorinated Biphenols	



The Managing Director's Message on Sustainability

In today's age, Sustainability and 360-degree view on eco-system, environment is an imperative, if the business has to grow and run without avoidable conflicts. Most of the organizations strive to excel in economic sustainability and growth, it is equally essential that all facets related to environmental conservation and commitment to social issues are adequately integrated with such growth agenda.

For more than nine decades, Tata Power has been guided by the vision that our founder Shri Jamshetti Tata's outlined in terms of clean and affordable power for the country. The urgency in meeting the power requirement and its crucial role in ensuring the energy security for India has led us to catapult our growth.

We have a strategic intent to grow to 25 GW by 2017. However, we would like to grow in a manner that's sustainable, by addressing all the three tiers of sustainability - social, environment and economic and inculcate the aspect of 'CARE' in all the activities that we undertake. Care for the environment, society, customer, and our own people, is our definition of sustainable growth. We will be growing in generation segment through thermal as well as renewable projects. We are in the process of implementing projects that would increase our current generating capacity by three fold in the short term and multi-fold in the long term goals. As our stakeholders have asked us to take a leadership role in technology development, we are working on multiple & different technologies in the energy, power space and aim to take bold steps to implement some promising ones.

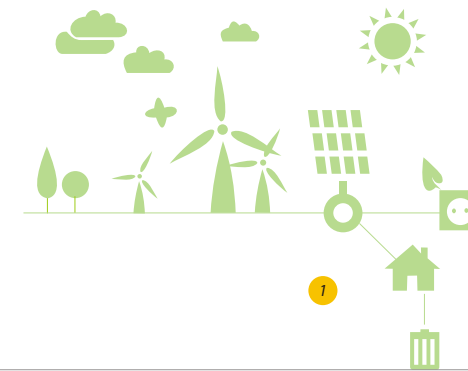
Climate Change is a reality today. It not only affects the environment, but also has an impact on the economic and societal sustainability. We have realized that being a power generating company, our operations also contribute towards it and hence, we have taken measures and will continue to take measures to address these aspects. There may be short-term difficulties but we will excel in going beyond compliance to address these issues and perform better than what is expected of us as per the applicable regulations. We are also looking at growing our international footprint and believe that we will learn and inculcate sustainable experiences around the globe.

We are proud that we are India's leading wind energy player and have a significant presence in solar energy. We have set-up the largest synchronized photo-voltaic power generation system in the state of Maharashtra and we were the first to demonstrate a grid synchronized roof-top photo-voltaic system at our office in Mumbai. We are also putting up a geothermal project in Indonesia.

From focusing on producing clean and green power to investing and implementing eco-friendly technologies; reducing our carbon footprint to joining global initiatives to combat climate change; scouting for clean power sources internationally to driving energy conservation efficiency; creating sustainable livelihood for communities to green buildings and villages; we are doing all that we can to carry forward our green legacy.

In the subsequent sections of this document, we have depicted our short term goals in projects. However, to achieve our strategic intent, we are committed to environment protection and conservation and growing responsibly.

We know we have chosen a challenging path and we look forward to growing this organization as a 'Leading torch' in the Sustainability virtue across all segments of our eco-system.



Report Profile, Scope and Boundary

Report Profile, Scope and Boundary

Tata Power had released its first Corporate Sustainability Report based on G3 Guidelines of the Global Reporting Initiative (GRI) in 2008-09. It was decided that this report will be published every two years. This report covers the period between April 1, 2010 and March 31, 2011. The applicable GRI protocols were followed for reporting on core and additional performance indicators.

Report Parameters

The process adopted for determining the contents of the report followed the core indicators of the G3 guidelines. The reporting principles of transparency, materiality, completeness, sustainability context and stakeholder inclusiveness have been met while preparing the report.

Boundary of the Report

The report covers data and information on Tata Power's Indian operations of generation, transmission and distribution of power. This includes six generating stations, seventeen receiving stations in Mumbai and the corporate office along with one Master Customer Care section and eight bill collection centres. Data for 70 of the 79 GRI performance indicators have been included in the report. Also Sector based guidelines (EUSS) have been addressed in the report.

Special-purpose vehicles such as Coastal Gujarat Power Limited (CGPL), joint ventures such as North Delhi Power Limited (NDPL), Maithon Power Limited and subsidiaries such as Tata Power Trading Company Limited are not included in this report. Tata Power has not reported on outsourced operations that are not controlled by it directly (for instance, the transportation of raw materials).

Methodology

The economic indicators in this report cover the financial results of all the business units and companies that Tata Power owns on a consolidated basis. The data presented is based on actual monitored values.

The consumption and emission figures reported in the environment section are intensity based figures. These figures reflect our growth and improvement over previous years based on these specific parameters.

Through the financial reports, Tata Power puts forth all the information related to the company's performance, in terms of business volumes, costs, profits, specific action taken for performance improvement and initiatives to enhance stakeholder

satisfaction. Tata Power follows generally accepted accounting practices in India.

Tata Power's annual report has consolidated accounts, including those of its subsidiaries. The Internal Audit function in the company is headed by a Chief Risk Officer and Internal Auditor, who reports significant audit observations to the Audit Committee to ensure 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 non-executive directors and meets periodically to review audit observations and follow up on the implementation of corrective measures. The committee also meets Tata Power's statutory auditors to ascertain their views on the adequacy of internal control systems. The committee submits its reports to the company's Board of Directors.

Tata Power has various management councils; these operate in areas such as human resources, regulation, quality, capital expenditure and corporate citizenship. The councils are entrusted with the responsibility of reviewing the company's performance in different spheres, and establishing systems and processes to improve performance.

Tata Power's operations are monitored, controlled and reviewed under the Balanced Score Card (BSC) framework, which includes factors such as financial and marketplace performance, internal processes, employee development, and environmental and social functioning. Reviews are conducted every month to identify opportunities for improvement.

Assurance

This Corporate Sustainability Report is assured by an independent external agency.

Questions pertaining to the content of the report should be directed to:

Dr. Avinash Patkar (Chief Sustainability Officer)

Tata Power Corporate Centre, A-Block, 2nd floor
34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400009
Email: apatkar@tatapower.com



Company Profile

Company Profile

Super-Critical Power Plant, Mundra, Gujarat



TATA POWER IS INDIA'S LARGEST, MOST RELIABLE, EFFICIENT AND INTEGRATED PRIVATE POWER COMPANY

Tata Power's journey over the last nine decades has been a fascinating saga of pioneering initiatives; responsible business practices that have minimal impact on environment and initiating various socio-economic changes in our community. In our quest to deliver sustainable energy, we are spreading our footprint nationwide, setting new benchmarks for operational efficiencies, investing in global resources and redefining paradigms. Our focus on building lasting and trusting relationships with our customers, partners and employees, and our legacy of caring for our communities, remains the bedrock of our continued sustainability.

Tata Power today has an installed generating capacity of 3120 MW and a presence across the entire value chain in power generation (thermal, hydro, solar, wind and geothermal) transmission, trading and distribution. The Company has a great track record for its performance, customer care and has been a frontrunner in introducing state-of-art power technologies. The Company has successful public-private partnerships in generation, transmission, and distribution such as the NDPL with Delhi Vidyut Board for Distribution in North Delhi, Power links Transmission Ltd. with Power Grid Corporation of India Ltd. For evacuation of power from Tala Hydro Project in Bhutan to Delhi, and Maithon Power Ltd. with Damodar Valley Corporation for a 1050 MW Mega

Power Project. The company is in an exclusive partnership agreement with SN Power, Norway to setup joint ventures for developing hydropower projects in India and Nepal. The overall Company profile is schematically represented in Figure 1.

An optimum mix of renewable and thermal capacity enables Tata Power to supply power at competitive rates to its customers. This is represented schematically in Figure 2.

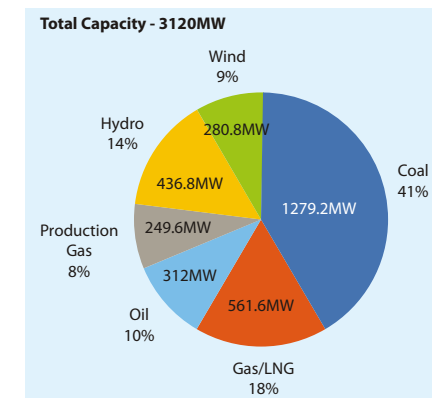


Figure 2: Sources of Power Generation

Tata Power has a customer base of over 150,000 direct customers in Mumbai, and on an average 120 million units (MU) are sold annually.

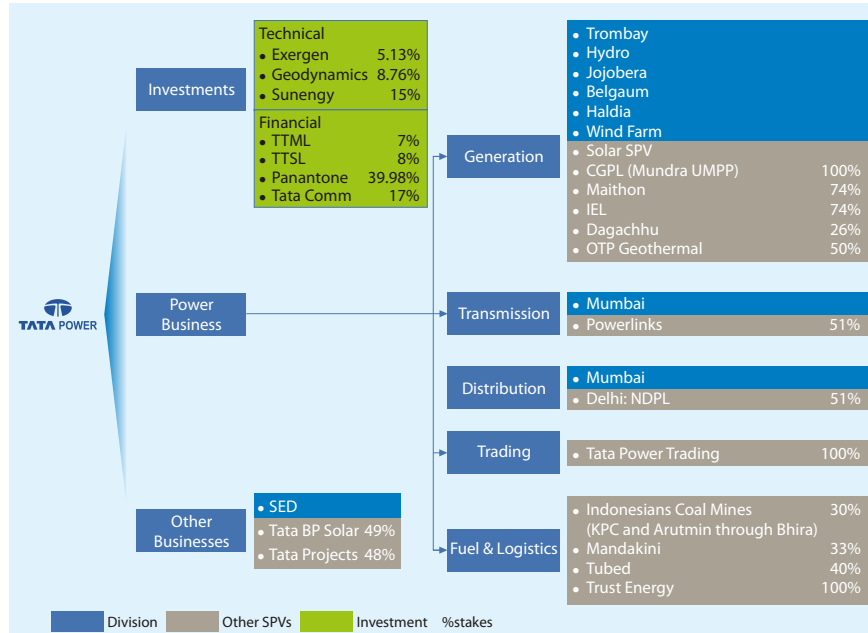


Figure 1: Company Profile - Tata Power

Some of our bulk customers are Brihanmumbai Electric Supply and Transport (BEST), Railways, Port Trust Authority, Mumbai Airports (Domestic and International), Bhaba Atomic Research Centre (BARC), Refineries and other important installations in Mumbai.

The company has about 1,802 circuit Kms. of Transmission network in Mumbai operations area, comprising of 971 circuit Kms. of 220kV/110kV underground cables which Trombay and the Hydro generating stations to 17 receiving stations spread across the Mumbai operations area. With transmission and distribution losses at a mere 1.8 percent, the company is the best performer in India in this regard. Another significant quality it has is dependability. At the heart of the reliable supply that Tata Power assures Mumbai is the unique 'islanding' system, thanks to which the city enjoys uninterrupted supply of power (in case of a grid failure, the islanding system ensures power supply within city limits).

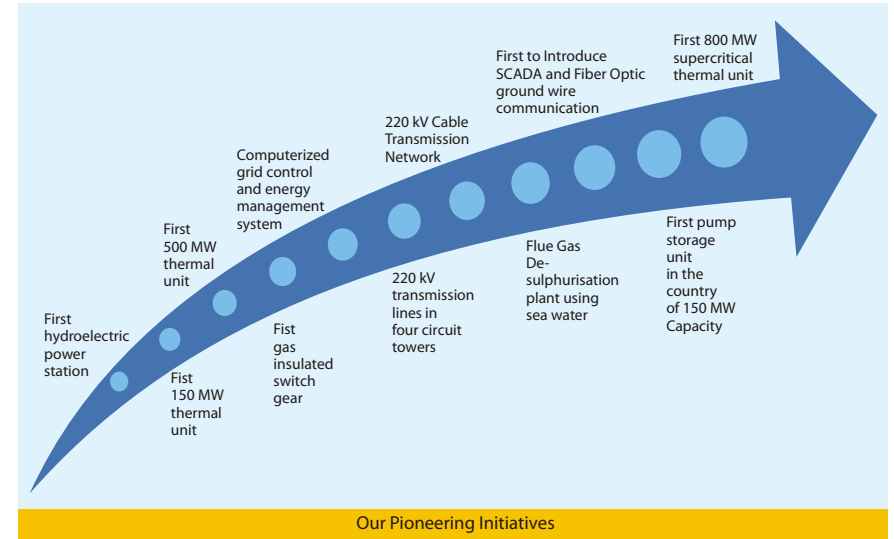
During FY11, net addition to manpower was 461 people, primarily to enhance project execution skills and build operations teams for upcoming power

plants, taking the total to 4,270. The Company registered sales of 16,060 Million Units (MUs) of Power in FY11.

Net Energy Output (Mwhr)	
Oil	1060577
Coal	8384141
Wind	324170
Hydro	1310000
Gas/LNG	3457870

Table 1: Net Energy Output FY11

The Company's partnership for distribution with the State Government of Delhi for its North Delhi customers, North Delhi Power Limited (NDPL) is the only success story of privatisation in the power sector in India. This company serves over 1 million customers (from a population of 4.5 million) spread over an area of 510 sq. kms and has a peak load of 1050 MW.



Our Pioneering Initiatives

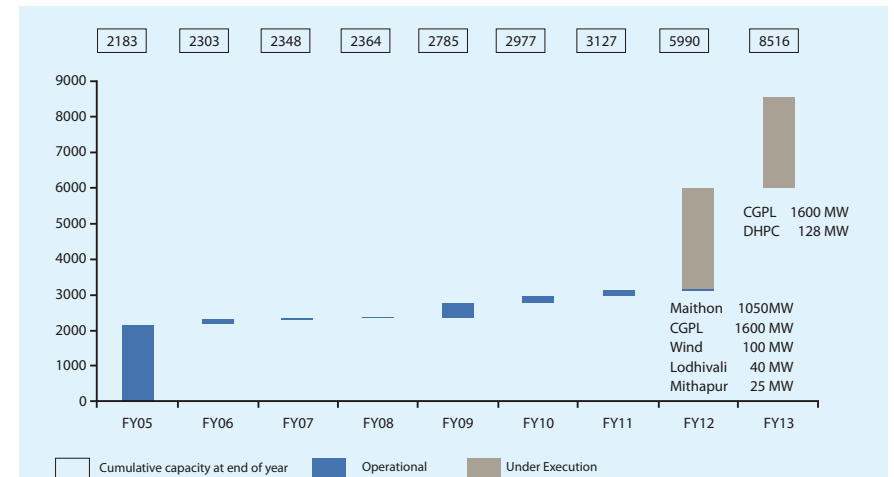


Figure 3: Planned Capacity Addition

Power is a basic necessity that ensures national growth and is charting out aggressive plans for the

future, with the goal of reaching approximately 25,000 MW of installed power generation capacity by 2017.

INDIA'S LEADING PRIVATE TRANSMISSION PLAYER

Vision

To be the most admired Integrated Power and Energy Company delivering sustainable value to all customers

Mission

We will become the most admired Company delivering sustainable value by:

- Being the supplier and partner of choice
- Achieving excellence in safety, operations and project management
 - Focusing on the culture of sustainability
- Ensuring growth and delivering value to the stakeholders
 - Caring for the community

Values

Integrity: Honesty, fairness and transparency in our conduct and transactions

Trust: Faith and belief in each other

Care: Being concerned about the well being of all employees

Collaboration: Excellence through teamwork, within employees and partners

Agility: Speedy, responsive and proactive, achieved through empowering employees

Respect: Treat all stakeholders with respect and dignity

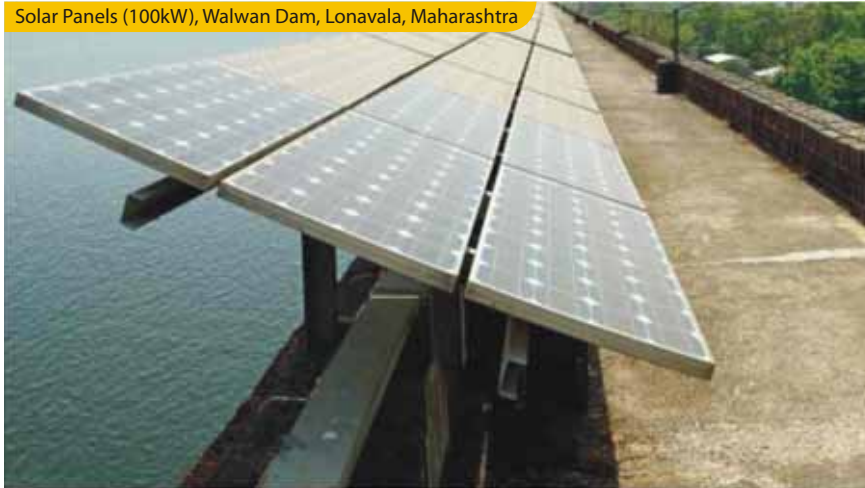
Excellence: Bettering standards continuously, with passion and pride

I TRUST and CARE

Corporate Governance

Corporate Governance

Solar Panels (100kW), Walwan Dam, Lonavala, Maharashtra



Company's Philosophy on Corporate Governance

Tata Power is a part of the Tata Group and is an independent company which is governed by a Board of Directors.

As a Tata Company, Corporate Governance is a way of life at Tata Power. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances. As a responsible corporate citizen, Tata Power has established systems to encourage and recognize employee participation in environment and social initiatives that contribute to organizational sustainability, training, learning, personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring communities.

This philosophy has been sought to be strengthened through the Tata Code of Conduct (TCOC), the Tata Business Excellence Model and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices, which form guidelines for "Leadership with Trust". The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth, and at the same time, protect the interests of all its stakeholders.

Internally Tata Power has an enforcement mechanism to deal with issues related to the Tata Code of Conduct

by creating the position of a Chief Ethics Counsellor (CEC), who is responsible for setting up processes, communicating the nuances of the code and changes to it, measuring performance on the code's parameters, and resolving concerns and issues raised by employees. 'Concern Drop Boxes' are provided at various locations across the company for the convenience of employees, and anonymity is assured to encourage freedom of expression. Given the spread of Tata Power's operations, ethics counsellors are nominated at each facility to support the CEC. Various policies have been prepared and released to practically implement the Tata Code of Conduct.

In order to keep the company prepared for its ambitious growth it is essential to identify potential risks and means to mitigate them.

Tata Power is well beyond compliance and has been practicing Risk Management since seven years. The Risk Management and Internal Audit Department is responsible for the effective functioning of the Risk Management process. A Risk Management Committee has been formed and the Risk Owners meet the Committee every quarter to discuss and review the Risk Mitigation Plans. Also there are seven Risk Management Sub-Committees which frame the Risk Plans along with the Risk Owners and monitor the mitigation measures closely.

The following 6 step process is being followed for effective implementation of Risk Management:

1. Risk Identification
2. Risk Categorisation
3. Risk Quantification
4. Mitigation Planning
5. Risk Register
6. Risk Monitoring

Once the risks were identified, they were analysed and categorized. Eleven risk categories important to Tata Power were identified as under:

1. Fuel
2. Regulation & legal
3. Environment & Safety
4. Competition, Strategy & Growth
5. Assets & catastrophe
6. Human Resources
7. Financial
8. Technology
9. Governance
10. Projects
11. Investments

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

As a means to quantify and strategically review the growth aspirations of Tata Power, 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 the status of key initiatives are reviewed by the Board at each Board meeting. The corporate BSC is cascaded down to divisions and departments to ensure organization-wide alignment. Each of the senior leaders identifies his or her Key Result Areas (KRAs) in consultation with the Managing Director (MD). They include targets and tasks coming out of the BSC and corporate initiatives.

At Tata Power, performance is directed, supervised and controlled by the Board of Directors. In order to focus on the important issues and ensure resolution of diverse matters, the Board has constituted a set of committees with specific terms of reference and scope. Each Committee is chaired by one of the Directors, the committees are as follows:

1. Audit Committee
2. Remuneration Committee
3. Executive Committee of the Board (ECOB)
4. Nominations Committee
5. Ethics and Compliance Committee

Board of Directors

Composition

As on 19th May 2011, the Board of Directors has 14 members, out of whom four are Executive Directors and ten are Non-Executive Directors (NEDs) who bring in a wide range of skills and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. None of the Directors on the Board is a Member on more than ten Committees and Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Name of the Director and Business Relationship	Category of Directorship
Mr R N Tata, Chairman	Promoter,
Mr R Gopalakrishnan	Non-Executive
Mr A J Engineer	
Dr H S Vachha	
Mr N H Mirza	
Mr D M Satwalekar	
Dr R H Patil	Independent,
Mr P G Mankad	Non-Executive
Mr A K Basu	
Mr Thomas Mathew T (Representative of LIC as Investor/Lender)	
Mr Anil Sardana, Managing Director (Appointed on 1.2.2011)	Executive
Mr S Ramakrishnan, Executive Director	
Mr S Padmanabhan, Executive Director	
Mr B Agrawala, Executive Director	

Table 2: Tata Power Board of Directors



Code of Conduct

The Board has laid down separate Codes of Conduct for Non-Executive Directors and Senior Management personnel of the Company and the same are posted on the Company's website www.tatapower.com. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.

Committees of the Board

Audit Committee

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

The Board has delegated the following powers to the Audit Committee:

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

Composition of the Audit Committee

Sl. No.	Name of the Director	Category	Remarks
1	Dr H S Vachha, Chairman	Non-Executive Independent	Dr Vachha is a former executive of ICICI Limited and accordingly has the requisite accounting / related financial management expertise
2	Mr A J Engineer	Non-Executive Non-Independent	
3	Mr D M Satwalekar	Non-Executive Independent	Financially literate
4	Mr P G Mankad (Appointed on 3.8.2010)	Non-Executive Independent	

Table 3: Composition of the Audit Committee

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

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

Remuneration Committee

Sl. No.	Name of the Director	Category
1	Mr N H Mirza, Chairman	Non-Executive, Independent
2	Mr R N Tata	Non-Executive
3	Mr R Gopalakrishnan	Non-Executive

Table 4: Composition of the Remuneration Committee

The terms of reference of the Committee include recommending to the Board of Directors specific remuneration packages for Executive Directors.

Remuneration Policy

Non-Executive Directors

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the Annual General Meeting (AGM), the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Remuneration Committee and the Board. The Commission payment for the year ended 31st March 2010 was distributed broadly on the following basis:

1. Number of meetings of the Board and substantive Committees of the Board attended;
2. Role and responsibility as Chairman/Member of the Board/Committee;
3. Individual contributions at the meetings; and
4. Time spent other than in meetings relating to the operations of the Company.

During the year, the Company paid sitting fees of Rs. 20,000/- per meeting to the NEDs for attending meetings of the Board, Executive Committee of the Board, Audit Committee, Remuneration Committee and Nominations Committee. The fees paid for other Committee meetings was Rs. 5,000/- per meeting attended.

Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director and the Executive Directors. Salary is paid within the range approved by the shareholders. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee and approved by the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board on the recommendation of the Remuneration Committee of Directors, at the end of the financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. Specific amounts payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

Management Staff

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

Shareholders'/Investors' Grievance Committee

In accordance with Clause 49(IV)(G)(iv) of the Listing Agreements with the Stock Exchanges, the Board has authorised the Company Secretary and Compliance Officer, and Chief - Legal of the Company, to severally approve share transfers/ transmissions, in addition to

Name of the Director	Category of Directorship
Dr H S Vachha (Chairman)	Non-Executive, Independent
Mr S Ramakrishnan	Executive
Mr S Padmanabhan	Executive

Table 5: Composition of the Shareholders'/Investors' Grievance Committee

the powers with the members of the Shareholders'/Investors' Grievance Committee. Share Transfer formalities are regularly attended to and at least once a fortnight. All investor complaints which cannot be settled at the level of Company Secretary and Compliance Officer, are placed before the Committee for final settlement.

Executive Committee of the Board

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

1. Business and strategy review
2. Long-term financial projections and cash flows
3. Capital and Revenue Budgets and capital expenditure programmes
4. Acquisitions, divestments and business restructuring proposals
5. Senior management succession planning
6. Any other item as may be decided by the Board

Nominations Committee

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

Ethics and Compliance Committee

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to



be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers and Employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code.

In terms of this Code, a Committee has been constituted called 'Ethics and Compliance Committee' comprising of Dr H S Vachha (Chairman) and Mr A J Engineer.

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

Commitment to External Initiatives

Tata Power follows external initiatives such as Combat Climate Change (3C), the Global Reporting Initiative (GRI), and has extended support to the International Finance Corporation (IFC)'s study for "Improving the occupational health and safety in the Power construction sector in India" for reporting economic, environmental and social performances.

Memberships in associations

Tata Power is involved with memberships in these associations:

1. Cleantech Forum
2. Confederation of Indian Industries (CII)
3. MIT-ILP
4. National Safety Council
5. Central Board of Irrigation and Power (CBIP)
6. Bombay Chambers of Commerce and Industry (BCCI)

Key Influences, Risks and Opportunities

**Key Influences,
Risks and
Opportunities**

Tata Power has charted an ambitious multi-fold growth path. To achieve any progress one has to always overcome various challenges.

Risks

Fuel Supply: Domestic coal supply remains a big concern. Levy of taxes by energy exporting countries could further increase the cost of imported energy. Shortage of domestic gas and expensive Liquefied Natural Gas (LNG) imports would impact the financial viability of gas-based power plants. In order to circumvent these risks, Tata Power has invested in coal mines in Indonesia.

Regulatory: Inability of regulatory commissions to address the issue of increased costs to consumers could result to financial stress for Distribution Companies (DISCOMS).

Delays in land acquisition, lack of water, lack of skilled manpower, availability and cost of capital, and environmental clearances remain areas of concern. Tata Power uses advocacy to address various government related issues and to overcome the above mentioned risks.

Another challenge faced by the company would be of deploying new and nascent renewable technologies to achieve the target portfolio size in the ambitious growth chart

Keeping these risks in mind and adopting a sustainable development strategy, Tata Power foresees opportunities among customers and in the market to become a leader in introducing clean technologies, with brand-enhancement efforts for socially and environmentally conscious products, services and operations.

Opportunities

Advocacy: Regulatory issues present an opportunity to boost advocacy with the government which will be in the interest of both the customer and the provider.

Tapping the renewable sector: Tata Power has already established itself as the leader in adopting and implementing new renewable technologies. With fuel linkage and fuel sourcing becoming increasingly difficult both at the

domestic and international level, the opportunity to adopt renewable technologies has become imperative. This is a huge opportunity for the company to diversify its generation business and provide affordable but sustainable power to its ever growing consumers.

The focus on renewable energy across the globe has increased multi-fold, this has brought about development in the technologies to harness various renewable sources. With sustainable development on its agenda, Tata Power is constantly reviewing various technologies for power generation.

Upcoming technologies like Carbon Capture and Reuse, Concentrated Photovoltaic (CPV) technology and geothermal are being reviewed by the company. The company is also looking to increase its capacity in already established renewable technologies like solar photovoltaic, wind and hydro.

Our Carbon Footprint

Our Carbon Footprint

The total emission of Carbon-dioxide from Tata Power operations for the year 2010-11 totalled to 11.16 million tonnes of CO₂e which corresponds to a CO₂e intensity of approximately 695 kg/MWh. In adherence with the company's Sustainability Policy, we have tried to integrate economic progress, social responsibility and environmental concerns with the objective of improving the quality of life of all its stakeholders.

In adherence with this policy, the company has appointed a Chief Sustainability Officer (CSO) and set up a separate division for Sustainability. The CSO reports directly to the MD, highlighting the management's priority towards sustainable development. Tata Power is committed to devise and implement ways to reduce its carbon footprint, its impact on the environment and the communities around its facilities, and to adopt a sustainable growth path.

In order to ingrain the concept of Carbon footprint at the individual level, a carbon footprint calculator has been setup on the company's intranet website. All employees are encouraged to calculate their carbon footprint on a monthly basis and this data is collated by the Head-Sustainability and the CSO. Based on the footprint, tips or suggestions are offered to the employees to reduce their footprint. The personal carbon footprint exercise is a voluntary action on behalf of the employees.

Strategic Alliances on Climate Change

Tata Power has established a formal system of measuring, monitoring and reporting on its economic, environmental and social performance. It is one of the 53 international companies that are part of the Combat Climate Change (3C) initiative, which seeks to integrate climate-change issues into world markets.

The Tata Group, on its part, has formed a steering committee to frame and drive a coordinated response from across its companies to the climate change challenge. A Working Group of technical experts from major Tata companies is assisting the steering committee in the selection of consultants to create a greenhouse gases emissions inventory, and formulate the tactical and strategic plans of each Tata company to reduce its carbon footprint.

Tata Power is a signatory to the United Nations Global Compact (UNGC), a United Nations initiative that encourages businesses to adopt sustainable policies, and a member of the 'corporate roundtable' for

sustainable development in India, which is backed and promoted by The Energy and Research Institute (TERI). Furthermore, the company is an enthusiastic participant in events such as the Greentech Awards for safety and environment and the TERI award for environment and community support.

Tata Power has regular interactions with the Confederation of Indian Industry (CII) on preparing the power industry's response to the Indian government's National Action Plan on Climate Change. It is a member of the Chicago Climate Exchange - a voluntary greenhouse gases reduction and trading system - and the CSO is a member of the international advisory panel of the Cleantech Forum. Tata Power is also a member of the Industrial Liaison Program (ILP) at the Massachusetts Institute of Technology (MIT). This program offers an insight into the development of new technologies at MIT.

Carbon footprint is the measure of the environmental impact of the organisation's operation. It is expressed in equivalent carbon dioxide emissions (Tonnes of carbon dioxide/year)

Stakeholder Engagement

Stakeholder Engagement

Jojobera Power Plant, Jamshedpur, Jharkhand



Many of the hallmarks of good relationships - trust, mutual respect, and understanding - are intangibles that develop and evolve over time, based on individual and collective experiences and interactions. Tata Power takes proactive measures for engaging with their stakeholders, as we believe that our stakeholders play a significant role in the growth and development of the company. Engaging with stakeholders has been a part of the legacy of the company as our founder Mr. Jamshedji Tata and his family have always strongly committed to social issues.

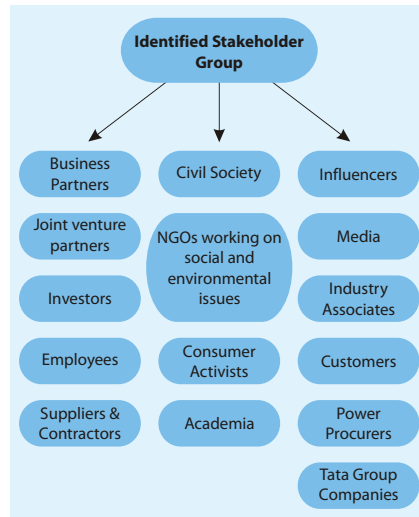
Stakeholders are engaged by the Company on an annual basis through meetings with the identified stakeholders.

Identification of Stakeholders

The first step was to identify the sustainable development issues of relevance to Tata Power. The process that was used was:

1. All relevant documents relating to Tata Power sustainability issues were analyzed and discussions were held with the key managers coordinating the company's sustainability activities.
2. Detailed discussions were held with senior management staff and the sustainability team of the company to understand:
 - a) Which stakeholder groups impacted and were impacted by the process; identification of major stakeholders

b) Identification of the environmental and social issues that were of concern to these stakeholders



The stakeholders were identified by conducting detailed discussions with internal people and once the broad groups of stakeholders were identified, specific individuals/organisations were then shortlisted in each of these broad categories. Business Partners, civil society, consumers, employees were all identified as

key stakeholders of Tata Power. A detailed study of the types of issues that other companies were looking at was carried out, based on which the final list of issues

and stakeholders was decided as depicted in the following figure and Table 5 below.

Issue	Sub-Issues
Governance and Stakeholder Engagement	Bribery and Corruption
	Institutional structure and systems to reflect accountability and transparency
	Leadership and oversight on social and environmental impacts of operations and projects
Employment Practices and Employee health and Safety	Responsible public policy and lobbying (climate change policy, tariffs)
	Safety and Occupational health
	Diversity and equal opportunity - caste/religion, geography (local/outside), abilities (differently-abled), gender, etc.
	Sensitivity to social and environmental issues among employees and management systems to support this
Supply Chain Management	Other work conditions
	Occupational Health and Safety
	Damages to roads and culverts, bridges from transportation of raw materials/equipments
	Living conditions, wages for laborers working on site
Climate Change (GHG Emissions)	Compliance to procurement standards for contractors/suppliers
	Environmental management (emissions, solid waste, effluents)
	GHG emissions in mining and transportation (F)
	Carbon mitigating measures (F, G)
Environmental Impacts	Use of fossil fuel in energy mix (G)
	Use of carbon reducing technologies in fossil fuel plants (G)
	Environmental legal compliance (G)
	Emissions (NOX, SO2, dust etc.) (G)
Solid Waste Disposal and Management	Biodiversity (flora, fauna) (G)
	Solid waste (Ash) (G)
	Sludge (G, F)
Water Usage and Management (thermal plants)	Old transmission poles, lines/wires, windmills etc. (T&D)
	Water consumption (overutilisation of cooling)
	Water discharge management/impact on marine life (in case of coal plants)
Customer Service	Water consumption in coal mines
	Service levels (outages, voltage)
	Redressing complaints
	Safety of Tata Power installations at customer site
Community Development Practices	Visual dissonance of installations
	Land purchase & compensation
	Resettlement and rehabilitation of physically displaced persons
	Livelihood protection of economically displaced persons
	Benefit sharing with local communities
	Protection of indigenous communities
	Community infrastructure development
	Visual dissonance (chimneys, windmills, transmission lines)
	Environment & political actions of other companies within Tata Power's neighbourhood & extent to which Tata Power needs to account for this in its response towards communities
	Law and order, safety and impact on social and cultural traditions on account of labour influx during construction and after

Table 6: List of key sustainability issues identified by the company

Dialogue with External Stakeholders on Sustainability

A total of 23 stakeholders were contacted and their inputs were sought using a structured questionnaire. They were asked to rank based on the significance of the sustainability issues based on their level of concern. Stakeholders were also asked to comment on strategic insights especially with reference to management accountability issues and feedback for the MD. The study produced two types of outputs- one was how these stakeholders rated each of these issues in terms of importance or criticality. The second was a rich set of qualitative insights and responses which can provide invaluable inputs into how Tata Power should develop its sustainability strategy in alignment with its core business strategy.

Each stakeholder group was given a questionnaire and asked to comment on the areas Tata Power needed to focus on. Figure 3 below summarises how the stakeholders rated these issues:

3. Use of fossil fuel in energy mix (there was a significant expectation of increasing use of renewables).
4. Use of carbon reducing technologies in fossil fuel plants.
5. Solid waste disposal and management.
6. Water consumption (overutilization) for cooling.

Interestingly, some sub-issues were considered High Concern by only Civil Society and Influencers groups but rated low by the Business Partners and hence these fell into the Medium Concern category.

1. Responsible public policy and lobbying.
2. Environmental management.
3. Damage to roads and culverts during transportation of raw material and equipment.
4. Biodiversity impacts of its operations.

Expectedly, Civil Society considered several aspects relating to Community Engagement as areas of High Concern. However, as other Stakeholders gave a very mixed response, ranging from High Concern to No

Sustainability Issue	Business Partners	Civil society	Influencers	Overall
Governance SH engagement	Medium	High	Medium	Medium
Employment practices	Medium	High	Low	Medium
Supply chain management	Medium	High	High	High
Climate change	Medium	High	High	High
Environmental impacts	Medium	High	Medium	Medium
Solid waste	Medium	High	Medium	Medium
Water usage	Medium	High	Medium	High
Customer service	Low	High	Low	Medium
Community development	Medium	High	Medium	Medium
High concern ■ Medium concern ■ Low concern ■				

Figure 4: Matrix representing Level of Concern for identified issues by Stakeholders

Climate Change and Water Usage were of high concern on an overall basis. Civil Society has associated high concern for most issues other than Employment Practices and Community Development. The following sub-issues were rated as High Concern:

1. GHG emissions in mining (especially use of diesel generators) and transportation.
2. Carbon mitigation measures.

Concern, these issues fell in the low concern region. Very few sub-issues were considered unimportant:

1. Bribery and corruption (reflecting the still positive image that the Tatas enjoy).
2. Visual dissonance of installations, both at customer sites and in communities.
3. Safety of Tata Power installations at customer sites, Impacts on law and order and local communities

of labour influx, Diversity and equal Opportunity at workplace

Creating Value for Stakeholders

Our goal is to integrate our stakeholder engagement with our business activities. Tata Power collaborates with various stakeholders on projects where our collective expertise can contribute to ensuring a greater impact.

Engagement with the community has been a key undertaking by Tata Power since the beginning of its operations. Currently Tata Power spends nearly 1 percent of its net income before tax on community initiatives, donations and in-kind support; this amounted to Rs. 52.6million in 2010-2011

Tata Power's community programmes are apolitical and non-religious, and in line with our approach to inclusion and diversity. To ensure that we achieve and maintain a leadership position in our community-impact programmes, we benchmark our approach and continually look for better ways to measure the impact of our interventions.

We endeavour to regularly assess the expectations of our stakeholders and ensure that all issues are properly addressed. A structured system for understanding issues and problems and a regular system of review have been put in place to help this process.

Tata Power reveals all relevant data related to finance, environment, health and safety. Statutory bodies are kept informed about new developments and are given the required information. In addition, societal initiatives are shared with stakeholders. The sharing of such information happens in many ways, including through displays, annual reports and meetings with communities and other stakeholders.



Sustainability at Tata Power

Sustainability at Tata Power

3MW Solar PV Farm, Mulshi, Maharashtra



Tata Power has always set a standard in adopting sustainable practices in its business. Tata Power is currently the leader in installed Wind Power capacity in India; various new technologies in the renewable space are being adopted by the company. However Sustainability at Tata Power does not stop only at renewable initiatives, we believe in Sustainability being a lifestyle that each individual must adopt.

Economic Sustainability is an important factor for any business. However, overall sustainability of an organization, in the long run, will be on a positive growth if the organization cares for the environment, society, customers and its employees. With this view we have developed the Sustainability Model at Tata

Power, as shown in Figure 4. This model forms a template to develop Tata Power's Sustainability Strategy

The intent of our Sustainability model is 'Leadership with Care' with four key elements - Care for the Environment; Care for the Community; Care for our Customers / Partners and Care for our People. To support these elements, there are four enablers of New Technology, Advocacy / Mutual learning, Excellence and Architecture of Care (AoC).

Care for the Environment addresses various aspects of resource conservation, energy efficiency, carbon footprint, renewable power generation, biodiversity



Figure 5: Tata Power Sustainability Model

and green buildings. Our various locations have been working on different initiatives that have been and will continue to address these aspects. The Green Manufacturing Index (GMI) which we have adopted for all manufacturing locations, addresses some of these aspects. Further, we have also developed the Corporate Sustainability Protocol (CSP), which addresses issues on environment and community. The CSP is applicable to manufacturing locations, projects and other offices. Project and Operational locations are being assessed for their impact on biodiversity and appropriate mitigation measures are being prepared for conservation of the same. Fossil fuel power generation is a significant contributor to the green house gases viz. CO₂. As per our objective, we are tracking our Carbon Footprint and also encouraging our own employees to monitor their personal contribution to this global issue.

We are developing new projects across the country and our intent is to be the 'neighbour of choice'. We want to build up a relationship with the community and bring in prosperity for the organization as well as to the community. We have developed our Principles of Community Engagement which address our actions in 'Caring for the Community'. The Tata Group has always worked with the community and taken steps to build a stronger India. We provide power, one of the necessities for national growth and we would work with the community to develop a fully electrified India.

Our economic sustainability depends on our customers and it is one of our prime objectives to care for our Customers. Our product is very unique as the same has no shelf life and gets consumed immediately as the switch is turned on. Yes our product is a necessity to society and hence it becomes more important for us to be humble to our customers and extend our care to them. We have started working at our customers end in the form of the Demand Side Management Projects, the Tata Power Energy Club and working with customers to develop small renewable energy systems. In a fast place world, we as individuals sometimes need a person to talk to. Our Customer Care Centres that have been built with the Architecture of Care provide such an opportunity to our customers. We will start working with our partners to help them develop in a sustainable manner over the years to come.

As an organization, we care for our employees and have different initiatives that are spear headed by the human resources function for the learning and

development of our employees. Safety and health are of prime importance and all efforts are made to make safety the top most agenda in all aspects of our operations as well as our day-to-day living. Other initiatives like organizational transformation and LASER have been implemented to enhance the individual understanding of an employee.

Our enablers like advocacy / mutual learning, new technologies, excellence and architecture of care are cutting across all the elements and contribute significantly to the development of each element. By developing each element, we as an organization will be able to attain our overall sustainability objective of Leadership with Care.

Thus we have defined our Sustainability Model which defines the organisation's Sustainability portfolio.

Fostering a Culture of Sustainable Development

While continuing to develop cutting-edge eco-friendly technologies, we have announced the initiative to bring carbon capture and use technologies from research to full application. Through collaboration with policymakers and regulators, we hope to accomplish this task as well as develop cost-effective energy-efficiency programmes while managing the increasing consumer demand for electricity. We believe we have the confidence and ability - nine decades of innovation and leadership in the energy industry - to find ways to address the climate change challenge that will deliver benefits to our customers, our shareholders and society.

Initiatives to Reduce Greenhouse Gas Emissions

Tata Power is among the frontrunners in India in introducing technologies that cut greenhouse gas emissions. Several steps - such as exploring renewable energy opportunities and initiating energy efficiency projects have been framed to reduce greenhouse gas emissions and improve environmental performance.

Dagacchu 126 MW Hydro project	<ul style="list-style-type: none"> 2 x 63 MW run of the river Hydro project with Tata Power holding 26% and Govt. of Bhutan holding 74% Project cost - US\$200mm with debt equity of 60:40 PPA signed with Tata Power Trading Commissioning expected by FY 13
OTP Geothermal	<ul style="list-style-type: none"> Tata Power and Origin Energy of Australia, in consortium with PT Supraco, have awarded the geothermal exploration concession in Indonesia Concession to develop 200 MW that needs an investment of c. INR30bn Won project through competitive process which saw participation from Chevron, PT Medco Energi International
JV with SN Power	<ul style="list-style-type: none"> Exclusive partnership agreement with SN Power, Norway to develop joint hydropower projects in India and Nepal Aim to have 2,000 MW under construction or in operation by 2015 Won a bid for the 236 MW for Dugar hydroelectric project in Chenab valley (HP) Currently exploring possibility to develop hydro projects in Himachal region and Sikkim
Mulshi solar power plant	<ul style="list-style-type: none"> One of the largest grid-connected solar power plant in Maharashtra Capacity of 3 MW, based on crystalline silicon modules technology 25 yr PPA signed with Tata Power Company Commissioned in March 2011
Mithapur solar power plant	<ul style="list-style-type: none"> Capacity of 25 MW, based on crystalline silicon modules technology 25 yr PPA signed with Gujarat Urja Vikas Nigam Ltd at a tariff of INR 15/unit for first 12 yrs Commissioning expected by FY12

Renewable Portfolio

Total installed Wind farm capacity of Tata Power is 228 MW

Tata Power has installed a 60kW Solar Rooftop system on one of its buildings at the Corporate Centre, Mumbai. This is the first rooftop solar that has been grid synchronized!



Economic Performance

Economic Performance

Bhira Hydro Generating Station, Maharashtra



Disclosure on Management Approach

Over the years Tata Power has registered robust growth. We intend to provide profitable growth and value to all our stakeholders. To improve our financial performance various initiatives have been set up with the objective of improving system and process efficiencies and thus improve operating profits.

Tata Power has a system of policies that guide and define its management's approach to economic performance. Goals are set at the business-unit level and monitored against targets. There are Operation Review Committee (ORC) and Business Review Committee (BRC) meetings where performances are evaluated against budgets and corrective actions initiated, if necessary. At the individual level, too, targets are set at the beginning of the financial year and reviewed periodically, forming the basis of the company's Performance Management System.

An integrated and computerised financial accounting system, supported by inbuilt controls, ensures reliable and timely financial reporting. Audit systems periodically review the controls and compliance with laws and regulations, and the environment under which internal controls exist. The financial accounting and audit systems also provide control on fraud and negligence. All financial and audit systems are reviewed by the Audit Committee of the Board of Directors.

Enhancing Shareholder Value

During the 2010-2011 year, Tata Power reported a Profit after Tax (PAT) of Rs. 941.49 crore, as against Rs. 938.76 crore for the previous year. Operating revenue was Rs. 6,918.48 crore, as against Rs. 7,098.27 crore in 2009-2010. Operating revenue was lower mainly due to higher coal costs. Operating profit was also lower by 15% mainly due to lower generation and lower merchant tariffs in the fiscal year. It was also due to a one-time impact of an order of the Appellate Tribunal of Electricity (ATE) in the previous year (2009-2010). Tata Power's consolidated operating revenue grew by 1% at Rs. 19,861.26 crore against Rs. 19,574.72 crore (2009-2010) with PAT growing by 5% at Rs. 2,059.60 crore against Rs. 1,966.84 crore (2009-2010) from the previous year. There was a net capitalisation of Rs. 362.84 crores on account of deferred stripping cost in FY11. Highlights of the economic performance for 2010-2011 are given below:

Investor Relations

Tata Power engages with investors on various issues including sustainable development issues. We have been involved in a 10 year term loan from Indian Renewable Energy Development Agency Limited (IREDA) to fund wind projects in Gujarat and Karnataka. To prepay an existing 10.95%, Tata Power has issued 1 year Non-Convertible Debentures (NCD)

Highlights in Rs. Billion	FY07	FY08	FY09	FY10	FY11
Revenues from operations	47.15	59.16	72.36	70.98	69.18
Other Income	3.44	4.98	6.32	2.82	4.94
Profit Before Tax (PBT)	5.86	9.70	11.17	12.59	11.12
Profit After Tax (PAT)	6.97	8.70	9.22	9.39	9.41
Net Profit after Tax and Statutory Appropriations	6.74	8.11	9.68	9.48	9.70
Earnings per share (EPS) Rs./Share	34.02	38.64	43.69	40.77	41
Dividend per share (%)	95	105	115	120	125
Return on Capital Employed (RCOE) (%)	12	12	11	11	10
Return on Net worth (RONW) (%)	15	13	14	10	10
Total Debt/Equity	0.6	0.38	0.6	0.55	0.58
Net Worth (Rs. Billion)	44.67	63.63	71.85	91.32	106.42

Table 7: Financial Highlights of Tata Power for five years

In July 2010, Tata Power issued further 15 year NCD's in September 2010 for meeting general corporate objectives and part funding wind power project requirements. Tata Power has also availed a term loan from ICICI Bank Limited in July 2010 for partly funding capital expenditure requirements of its Mumbai Operations, and has availed an unsecured term loan from ICICI Bank used for developing a few critical technologies in the area of CO2 capture and reuse (using algae) for the power sector and advanced electronics for defence sector.

Tata Power has invested in Geodynamics, a leading Australian company for a pilot project using enhanced geothermal technology with a view to bring the learning from this investment to India. Tata Power has invested AUD 50 Million in the project thus far. There has been an increase in investments from Tata Power from Rs.7,939.91 crore in 2011 against Rs.6,688.62 crore in 2010, a 19% change due to additional equity contributed by Tata Power to CGPL (Rs.1,096.50 crore) and Maithon Power Limited (MPL) (Rs.318.20 crore) during 2010-2011.

	FY11	FY10	Change	% Change
Investments in	50.60	35.95	14.61	41
Subsidiary Companies				
Others	28.79	30.89	2.09	7
Total Investments	79.39	66.88	12.51	19

Table 8: Investments made by Tata Power (Figures in Rs. Billion)

Apart from financial resources, Tata Power celebrates a strong and dedicated workforce to ensure sustainable

development. The relationship that binds Tata Power and its people is one of give and take. For the long-term benefit of its employees, the company has well-defined plans. There are three of these:

Type	
Provident Fund	Managed by trust; Contributed money given to employee on superannuation or when leaving the company. Employee and company contribute 12 percent of his or her basic salary towards this fund.
Gratuity	Employees entitled to gratuity at end of service. At end of service, employees are paid a sum that is based on duration of service and last salary drawn,
Superannuation	Retirement benefit available to employees of the 'staff superannuation fund'. The company makes annual contribution to the fund, 15 percent of consolidated salary in case of officers, and 15 percent of Basic and Dearness Allowance received by unionized employees.

Table 9: Employee Long term Benefit Plans

The employee and the company contribute 12 percent of his or her basic salary towards this fund. Wages for permanent category of non-management employees many times more than minimum wages as it includes not only statutory but other benefits also. Tata Power operates independent of any financial assistance from the Indian government. The following table represents staff expenses incurred by the company.

	FY11	FY10	Change	% Change
Staff Expenses (Rs. Million)	3411	3003	407.7	14

Table 10: Staff Expenses

Giving Back to Society

The traditional commitment of Tata companies has been to develop infrastructure facilities around their operating units for the sustainable social growth of the communities living there. Tata Power shares this commitment. Besides, the indirect economic impact of electricity generation is beneficial to society. Reliable power supply spurs industrial growth, makes education and superior healthcare possible, and provides jobs and employment in ancillary industries and in areas surrounding power-generating facilities. The following graph represents the total amount spent by Tata Power on community relation activities from 2008-2011.

A significant amount of infrastructure development was completed in the previous financial year (09-10), R&R expenditure of upcoming projects was also a significant contributor to the expenses in 09-10. Thus the total amount spent in 09-10 was higher than 10-11.

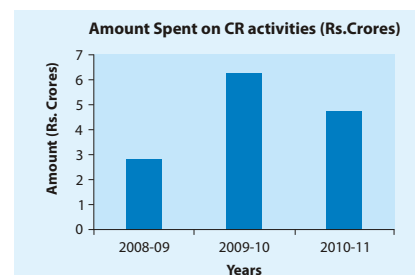


Figure 6: Amount Spent on Community Relation Activities



Environmental Performance

Environmental Performance

Trombay Thermal Plant, Mumbai, Maharashtra



Management Approach

Tata Power strives to minimise the negative effects on the environment caused by the generation of energy. We continue to abide by regulations concerning the environment by allocating substantial investments and resources on a continuous basis to adopt and implement pollution-control measures.

Combating and coping with challenges on climate change has become a 'core value' for Tata Power. Therefore, a Sustainability Council, with branches spread across the company, has been formed for the following objectives:

1. Reduce carbon intensity by improving thermal efficiency in existing fossil fuel-based plants; use clean-coal technology in future plants.
2. Place emphasis on renewable power, such as from biogas, hydro, solar and wind.
3. Evaluate geothermal power and other sources for zero-carbon base load plants.
4. Recruit and train young professionals to work in the sustainability sphere.
5. Be a repository of knowledge on sustainability for the Tata group of companies.
6. Get involved in advocacy for clean energy with regulating agencies.

Being a signatory to the United Nations Global Compact (UNGC) - a UN initiative that encourages business to adopt sustainable policies- we have submitted six Communications on Progress (COP),

since 2002. We continue to believe that businesses should take a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environment-friendly technologies.

Corporate Environmental Policy

We remain committed to a clean, safe and healthy environment. We continue to respect our obligation to environmental and stewardship by:

1. Complying with regulatory requirements and the spirit of applicable environmental laws, and working to go beyond required levels of compliance wherever possible.
2. Ensuring that our employees are trained to acquire the necessary skills to meet environmental standards.
3. Conserving natural resources through improved efficiency and the reduction of wastage.
4. Making business decisions that support and stay true to the doctrine of sustainable development.
5. Engaging with stakeholders to create awareness on sustainability.

Tata Power remains committed to our Corporate Sustainability Policy to articulate, guide and help with the implementation of our sustainable development objectives

Corporate Sustainability Policy

We will meet the expectations of our customers,



employees, partners, investors, the communities around our facilities and the wider public by:

1. Implementing sustainable community development programmes through public/private partnerships in and around the places where we operate.
2. Constantly protecting the environment, maintaining and renewing biodiversity and conserving and protecting wildlife, especially endangered species.
3. Encouraging our employees to serve communities through volunteering and by sharing their skills and expertise.
4. Striving to deploy sustainable technologies and processes in all our operations, and using natural resources efficiently at all our facilities.

E-Waste Management Policy

We remain committed to proper management of electronic waste. We are aware that the increasing adoption of technology creates a substantial generation of e-waste. Through this policy, we will:

1. Procure IT and OT system hardware from vendors who are likely to take back e-waste in the future
2. Minimize generation of e-waste by extending the useful life of electronic hardware.
3. Carry out e-waste disposal only through e-waste handlers/recyclers authorized by Central or State Pollution Control Boards
4. Educate the employees on the hazards of e-waste

Energy Conservation Policy

We believe that energy is a key factor for the economic development and growth of a company. However, we believe that it should be used in a responsible and environmentally sound manner. Tata Power is committed to energy conservation and delivering consumer services by adopting the following principles:

1. Create awareness amongst employees, consumers and public about energy conservation
2. Adopt energy efficient technology and increase investment in all cost effective energy saving measures
3. Conduct and arrange energy audits to identify energy conservation opportunities for continual improvements
4. Ensure speedy execution of energy conservation projects in areas of operation
5. Comply with energy legislation and national regulations
6. Promote energy efficient products and services
7. Provide knowledge support for energy conservation to consumers

8. Promote 'Demand Side Management (DSM) initiatives for our consumers

We have had no fines and penalties.

Greenhouse Gas Emissions & Air Quality

Tata Power has devised and executed measures to minimise the impact of emissions emitted from the generation of thermal power (carbon dioxide, sulphur dioxide and particulate matter). We have made considerable investments for the construction and operation of emissions controls at our power plants such as associating with several international organisations and research projects devoted to reducing greenhouse gas emissions while achieving higher levels of efficiency in performance.

Category	Emissions (Tonnes of CO ₂)
Direct emissions from operations	11,162 million
Indirect emissions (due to purchase of electricity)	0
Other relevant emissions (Due to business travel)	3201
Total Carbon Footprint of the company	11,166 million

Table 11: Total CO₂ Emissions of the Company

Carbon footprint assessment study is done every year to help quantify our emissions and explore possible opportunities of decreasing these emissions. The first Carbon Footprint report was developed for the financial year 07-08. This was done according to guideline prescribed by the World Business Council for Sustainable Development (WBCSD), and ISO 16040. Tata Power has set real, aggressive and forward-looking targets for reduction of CO₂ Intensity. Primary areas of focus are to improve the energy efficiency of all our operations and to increase the renewable portion of our fuel portfolio.

Carbon footprint of Tata Power for the year 2010-11 was a total of 11.166 million tonnes of CO₂e which worked out to a CO₂e intensity of approximately 695 kg/ MWh.

We are actively looking at options to switch to gas and low-ash, low- sulphur coal in our existing generation facilities and are critically evaluating clean coal technologies (dry ash removal and moisture removal). The objective is to bring the emissions, expressed in g/kWh or kg/MWh, close to the world standards.

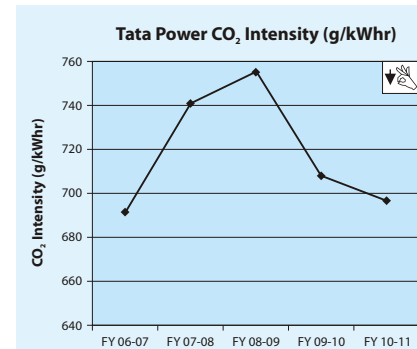


Figure 7: Tata Power CO₂ Intensity (g/kWh)

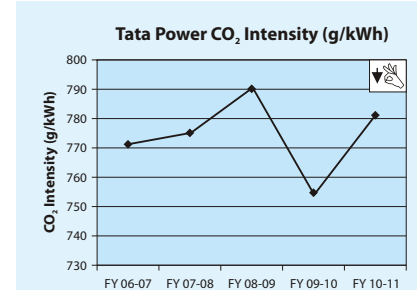


Figure 8: CO₂ Intensity of Trombay

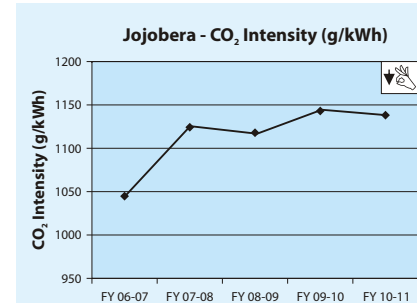


Figure 9: CO₂ Intensity of Jojobera

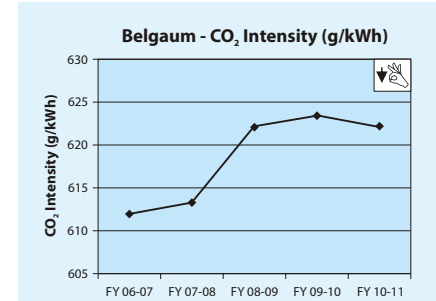


Figure 10: CO₂ Intensity of Belgaum

Tata Power complies with all statutory requirements to measure, monitor and report on suspended particulate matter, and oxides of sulphur (SO_x) and

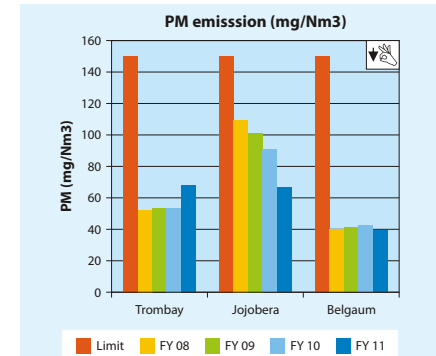


Figure 11: Tata Power overall Particulate Matter (PM) emissions

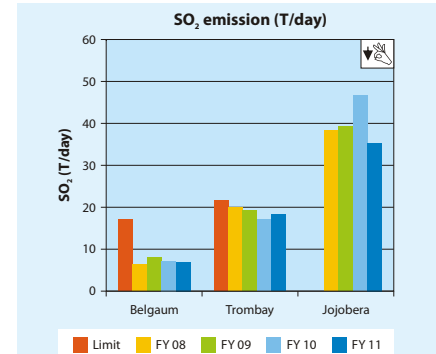


Figure 12: Tata Power overall SO₂ emissions

nitrogen (NOx) emissions. We have online monitoring systems that analyse stack emissions. As our figures illustrate, we are well below the prescribed emission levels for these substances.

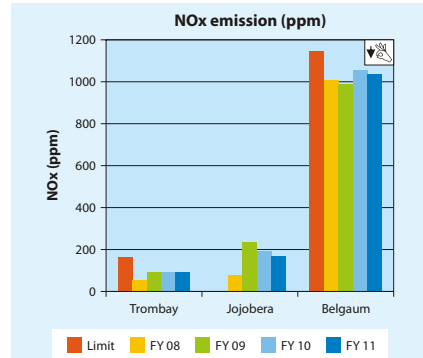


Figure 13: Tata Power overall NOx emissions

Reducing Our Transport Footprint

Tata Power provides bus services for employees who work at our power plants. Car-pooling and the use of video-conferencing facilities are widely encouraged in the company.

Materials (Fuels)

Fuel consumption is an important indicator of efficiency. As a major electrical utility company in the business of generating, transmitting and distributing power, our main materials are coal, oil (including lubricating and transformer oils) and gas. The major raw materials used by Tata Power's generating divisions, in terms of quantity, are given in Table below.

Raw material	Trombay	Jojobera	Belgaum
Coal (tonnes/MWh)	490	690	NA
Oil (tonnes/MWh)	233	-	206
Gas (tonnes/MWh)	152	NA	NA

Note: Figures have been rounded off.

Table 12: Raw materials usage

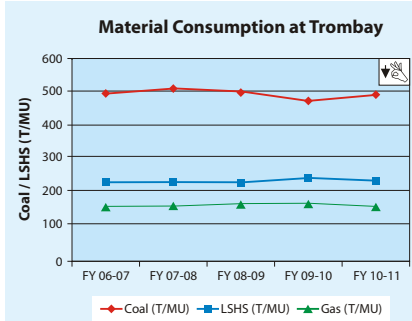


Figure 14: Material Consumption at Trombay

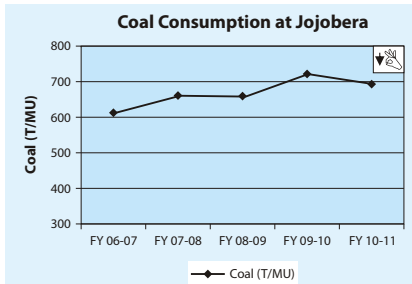


Figure 15: Coal Consumption at Jojobera

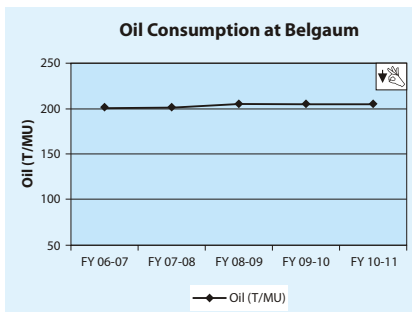


Figure 16: Oil Consumption at Belgaum

Energy

In order to generate electricity, Tata Power consumes energy, in recognition of the drawbacks of using non-renewable energy, we are committed to energy conservation and increasing the amount of energy that is generated from renewable sources. Through a process of continuous improvements, we are reducing

our energy consumption by replacing and retrofitting inefficient machinery.

Location	Million Units (MU)	Gigajoules (GJ)
Trombay	446	1,605,6000
Jojobera	316	1,137,600
Hydro	7	25,200
Belgaum	5	18,000
Transmission and distribution	10	36,000

Table 13: Direct and Indirect Energy Consumption

There was no significant purchase of electricity at any of our operating sites

Wind	Trombay	Jojobera	Belgaum	Hydro
17.62	68.86	97.00	42.07	33

Table 14: Average Generation Efficiency of the Power Plants

Energy Efficiency and Conservation Initiatives

Using energy efficiently is a key strategy in combating climate change. Tata Power supports efficient energy technologies that have a direct impact on operational cost and reduce future dependency on non-renewable energy sources. A cross-functional team has been formed at our Trombay facility to evaluate projects with the potential for reduction in auxiliary consumption. Some of the projects initiated to maximise energy conservation are:

1. Replacement of seawater pumps with energy-efficient alternatives.
2. Variable-frequency drives for motors.
3. Replacement of ordinary tube lights with T5 lamps (this will save 70,080 units per year).
4. Replaced 250-wattage halogen lamps with 75-wattage CFL lamps.

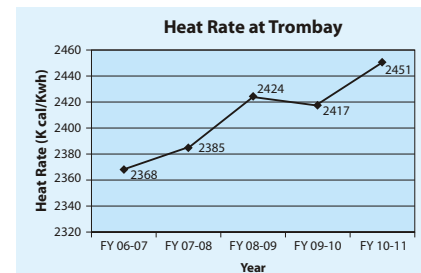


Figure 17: Heat Rate at Trombay

Some of the energy efficiency features of a power plant which are tracked in the company are described as follows:

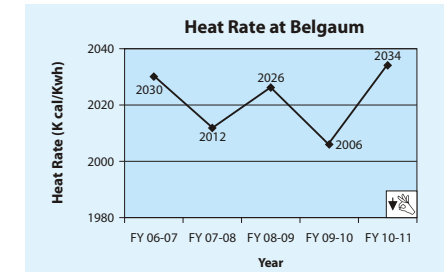


Figure 18: Heat Rate at Belgaum

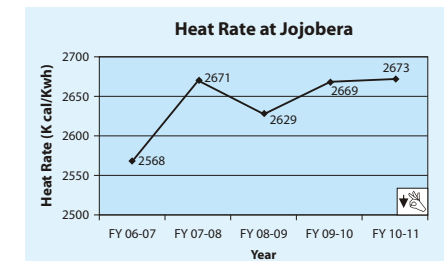


Figure 19: Heat Rate at Jojobera

The **Heat Rate** of generating units is a measure of the amount of heat input required to produce one unit (kWh) of electricity.

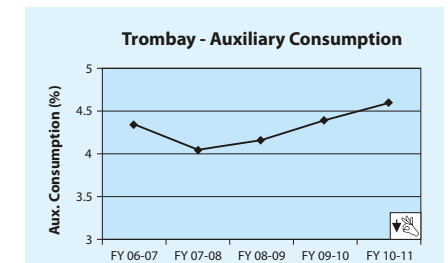


Figure 20: Auxiliary Consumption at Trombay

Auxiliary consumption is the energy used by fans and pumps in the company's power plants.

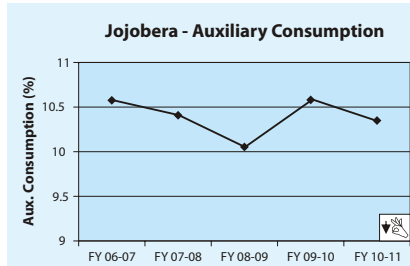


Figure 21: Auxiliary Consumption at Jojobera

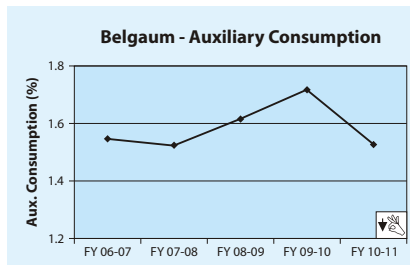


Figure 22: Auxiliary Consumption at Belgaum

From the above graphs (Fig.16-21) it is evident that by reducing the heat-rate and auxiliary power consumption of the power plants, a significant amount of energy has been saved.

Water

We recognise the criticality of protecting water sources and conserving water, given its importance to people everywhere, to agriculture and to industry. None of our manufacturing facilities utilize PCBs in any of the processes.

At Tata Power's Trombay plant, water is supplied through the local municipal connection and seawater is used for condenser cooling. This water gets a few degrees hotter during the condenser-cooling process; consequently, it is released back into the sea only after its temperature is no more than 70C higher than the sea water. This is achieved by discharging the water into a large discharge channel. During the passage of water through this channel and into the sea, the water temperature reduces.

At Jojobera, water is supplied by way of a municipal connection. At Belgaum, water is supplied through a

municipal connection and a rainwater harvesting system is also used.

Our hydro units draw surface water from lakes. Water withdrawal at our locations does not pose any known threat to water bodies or plant and animal species. At all our office complexes, water consumption is mainly for drinking and sanitation purposes.

The treated water in Trombay and Jojobera is used for gardening and irrigation purposes. De-mineralization (DM) effluents and Boiler blow-down from the Trombay power station is discharged into sea after meeting norms stipulated by the Maharashtra Pollution Control Board (MPCB). Condenser cooling water at Trombay is discharged into the sea after passing through the cooling water channel to maintain the temperature stipulated by the MPCB. Tata Power endeavours to constantly improve the efficiency of its water usage, to increase recycling and reuse of water, and expand rainwater-harvesting efforts

Water source	Trombay	Jojobera	Belgaum	Hydros
Municipal	0.21	3.42	0.85	-
Surface	-	-	-	0.83
Sea water	138	-	-	-

Table 15: Water Consumption at all Locations (m³/MWhr)

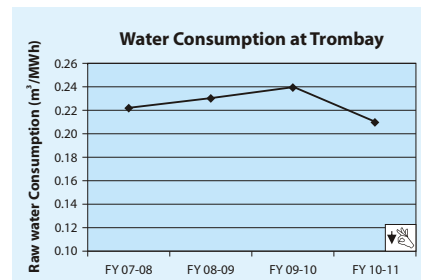


Figure 23: Water Consumption at Trombay

There is no discharge of waste water from Jojobera and Belgaum; the treated water is used for gardening and irrigation purpose.

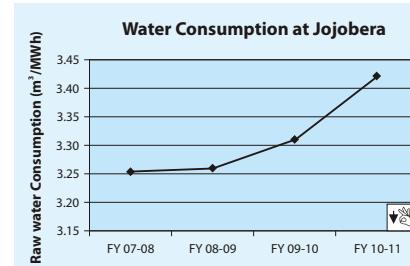


Figure 24: Water Consumption at Jojobera

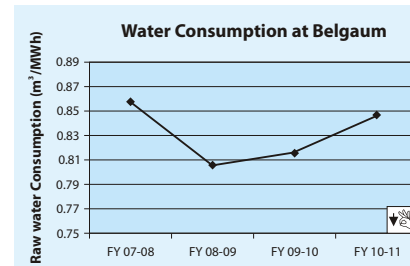


Figure 25: Water Consumption at Belgaum

Tata Power endeavours to constantly improve the efficiency of its water usage, to increase recycling and reuse of water, and expand rainwater-harvesting efforts. Rainwater harvesting has been completed in various transmission locations across Mumbai. The collected water is used for non-potable purposes. A sewage treatment plant (125m³/hr) has been setup at Trombay Power Plant, the treated water is also used for non-potable purpose in the plant.

Station	Quantity (m ³ /MWh)
Trombay	138
Hydro Units	830

Table 16: Total Water Usage (m³/MWh)

Managing Solid Waste

- A bioremediation process (with assistance from TERI) at Trombay continues to handle sludge from oily
- In Trombay and Jojobera, waste lubricating oil continues to be given to authorised agencies for recycling and fly ash generated continues to be given to vendors for use in Ready-Mix concrete

(RMC) plants, brick-block manufacturing plants and cement plants.

- Bottom ash is deposited in designated ash-pond areas.
- The Jojobera station has been awarded by the Jharkhand State Pollution Control Board for 100 percent fly-ash utilisation.

Station	Hazardous Waste	Non-Hazardous Waste (kg/MWh)	
		Fly ash	Bottom ash
Trombay	14 t/annum	6.50	1.63
Jojobera	27 t/annum	240.16	60.04
Belgaum	340 t/annum	-	-
Hydro	0.05t/annum of oil	-	-

Table 17: Waste Generated Across the locations

During 2010-2011, there were no spills reported at any of the generating stations or transmission and distribution divisions of Tata Power.

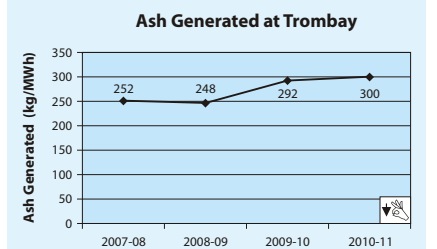


Figure 26: Ash Generated at Trombay

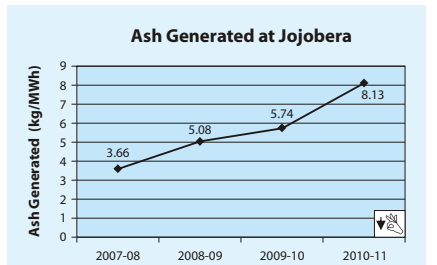


Figure 27: Ash Generated at Jojobera

Disposal of E-waste

We have E-waste management policy derived from corporate Environment Policy, which reaffirms our commitment to environment protection by ensuring proper management of e-waste. As we are ahead in adopting technologies in all areas of operations, there is substantial generation of e-waste. In order to dispose off e-waste in responsible manner we are compiling data for its authorized disposal in entire Mumbai operations.

Compliance

Tata Power takes all necessary approvals from government authorities and regulators before starting any project. Environmental compliance is monitored at all stages of the project's execution and operation. During the reporting period, no incident of non-compliance was reported and no fines were imposed on Tata Power.

The aspects discussed above on emission compliance, water utilization, and waste generation, have been integrated into a 'Green Manufacturing Index' (GMI). The various parameters specific to each division or location have been included in the GMI. To score high on the index, each location has to excel in the targets that are set over the baseline. The GMI is monitored monthly in the review by division heads up to the MD.

Expenditure for Environment pollution abatement & monitoring

Tata Power spends more than Rs.8 crore every year on pollution control and monitoring.

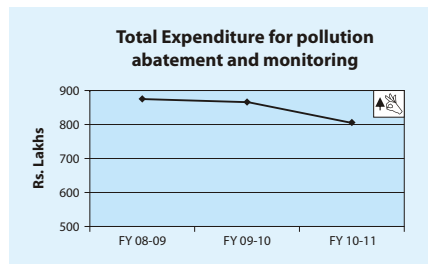


Figure 28: Total Expenditure for Pollution Abatement and Monitoring

Biodiversity



Tata Power's hydroelectric plants are located in the biodiversity-rich Western Ghats of Maharashtra. Some of our operations in this region are almost 100 years old, and we have been actively involved in conservation efforts and the protection of biodiversity in the catchment areas.

The catchment areas around the lakes are blessed with a large assortment of flora and fauna. Leopards, porcupines, mouse deer, pangolins and soft-shell turtles are fairly common in these areas. A half-day trip can yield an observed bird list of about 100 species. Tata Power has undertaken efforts to document the biodiversity of the entire catchment area.

100 species of Birds, 16 species of Butterflies, 55 species of Plants, 22 species of Reptiles.

Birds like the Malabar parakeet, White cheeked barbet etc which are endemic to the Western Ghats are also spotted in our catchment areas.

Protection of critically endangered bird species like - Indian White rumped Vulture & Oriental Darter Painted Stork.

Rescuing and rehabilitation of orphaned and injured wildlife like Mouse Deer, Pangolin, Soft-shelled turtles, egrets, Red Spur Fowl, Wild boars, Barking Deer

Over 50,000 species of butterflies congregate each year at one specific place inside the Tata Power premises, a unique phenomenon that occurs in few places in the world. We have marked this site for the long-term monitoring and protection of this butterfly.

Tata Power has developed two water bodies as habitats for migratory water birds. A small hide provides a terrific opportunity for bird lovers to see these birds without disturbing them

Books released on the Biodiversity of our Catchment regions. Birds of Lonavala and Khandala - which details 328 species of birds, and 25 each of butterflies, reptiles, amphibians and mammals. All the birds sighted and recorded in the region till date has been photographically illustrated. It gives common names, scientific names, habits, habitats, food choices, nesting details and key identification features of its subjects.

A revised edition of the book on birds of Lonavala & Khandala was again published which included additional information on nesting habits of birds. These books have been co-authored by Mr. Vivek Vishwasrao from our Hydro division.

Wild Orchids of Northern Western Ghats was released this year. This is the first photographic guide to the wild orchids of this important Hot spot. The book highlights 99 valuable species of the wild orchids which includes 41 endemics and 44 threatened species with over 1400 colour photographs. The book covers a larger area of Maharashtra Goa and Belgaum.

Presently a study on the aquatic biodiversity of all our hydro lakes is in progress and the results are encouraging.

Afforestation

There are six lakes in the vicinity of Tata Power's Hydro Generating stations which contribute around 475 MW of power to Mumbai and its adjacent areas. The lakes are situated in lush green biodiversity rich areas. The catchment areas are under the canopy of Tata Power's environment policy, in which Afforestation programmes play an important part.

Tata Power spends more than Rs.3million a year on afforestation projects since early 1970s - with the focus on planting indigenous and endangered species like the Saraca asoka. Fuel-wood species are also planted,



especially in the catchment areas' fringes, where a large number of people reside. Systematic plantation efforts have seen lands that were once barren come alive with greenery.

Afforestation has helped Tata Power in many ways. First, it has increased the water-retention capacity of the land, rejuvenating numerous wells in the 107 villages downstream of the catchment areas and benefiting some 20,000 people. Second, the fauna of the area has increased significantly. And third, it has provided us with a great ambience and sylvan surroundings to conduct environmental education activities.

In the last two years, 19.6lakh trees have been planted in and around the operating plants/ projects. This has significantly increased the water table in lakes. It has also created employment opportunity for local people by means of nursery and plantation of saplings. On World Environment Day, Tata Power pledged to protect the environment by planting trees, creating awareness, campaigning for free plastic etc.



Every year, 6-700000 saplings are planted. College students and rural women have also participated in our tree-plantation programmes, which provide an ideal opportunity to educate them about environmental conservation.

Tata Power maintains a large garden at Walvan, spending about Rs.5million a year for this purpose. The garden is a standout model for the promotion of organic farming, given that no pesticides or fertilizers go into its upkeep. It is used primarily to impart environmental education, besides which the company also gives training on medicinal plants to the farmers of neighbouring villages. The training, aimed at research and development and providing market linkages, has helped farmers grow medicinal plants.

Biodiversity mapping of existing locations will be completed soon and based on the mapping exercise plans for conservation will be laid out. All new locations of Tata Power will be mapped for biodiversity and green belt will be developed as per MoEF notification

1,30,00,000 saplings have been planted by Tata Power since 1970!

Environmental Education

The Walvan garden has helped create awareness about the environment among the numerous schoolchildren and schoolteachers who have gone there for visits. Around 3,000 students and 200 teachers continue to come to the garden every year to learn about different types of medicinal plants, indoor and outdoor flora, gardening techniques, etc. Also, experiments are conducted on medicinal plants to help local farmers cultivate them.



Other conservations efforts of Tata Power

Mahseer - King of Game Fish

As part of an eco-restoration and eco-development project for the lakes, farming of mahseers and the Indian trout was undertaken in the 1970s. The world-famous Golden Mahseer was one of the four Mahseer species that were bred. Tata Power accomplished something quite remarkable in conservation with this endeavour, and we continue to be recognized for this achievement.

In the years since Tata Power started breeding the Mahseer, we have developed a simple breeding and hatchery technology for the production of fry and fingerlings on a large scale. The company has till date produced in excess of 10 million seed of Mahseer and distributed them all over India.

Earlier a book on the conservation of the Mighty Mahseer of India was released by Tata Power. Tata Power has plans to collaborate with an initiative taken by an NGO for reviving the Mahseer in the Indrayani river.



Flamingos at Trombay

Tata Power's Trombay power station has preserved the natural habitat for flamingos, which migrate in winter to the marshy areas near the facility to feed on weeds that grow in the submerged water.

In collaboration with the Bombay Natural History Society (BNHS), a study of flamingos will be conducted in the tidal waters of Mumbai's Mahul creek and nearby areas.

The objective of the Flamingo study are:

- Estimate the population of flamingos
- Understand the food and feeding habits
- Gauge the effect of pollution on the population trends of flamingos near at sewri
- Understand why the migratory flamingos come to the Trombay - Sewri belt.
- Detail the effects of climate change on the migratory patterns of flamingos



Labour Practices and Human Rights

Management Approach

Tata Power continues to follow the conventions of the International Labour Organization. We continue to hold initiatives for our employees like induction training programs, interactive sessions, and intranet programs on policies, health, safety, environment and sustainability. We also hold annual performance appraisals of our employees to determine the quality of their work as well as the overall achievements of the company.

Our People, Our Asset

Our Human Resources department (HR) follows three objectives of recruiting quality people, identifying talent within the company, and ensuring the retention of employees. The senior-most officer responsible for labour practices heads the corporate HR departments. Each head of the human resources department from distinct Company units reports to the corporate head on any updates or local requirements.

Manpower

Tata Power has established a process to ensure that we attract and hire people with personal attributes and aspirations that closely mirror our corporate culture. To

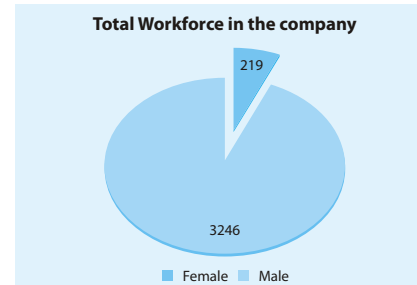


Figure 29: Total Workforce in the company

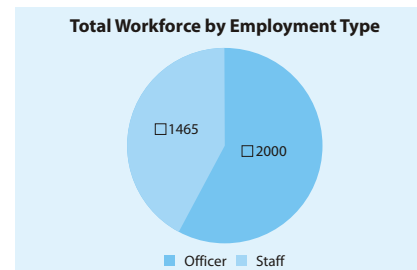


Figure 30: Total Workforce in the company By Employment Type

support our global business, we engage people with diverse expertise and knowledge. Continuous training and development opportunities are offered to equip us with the capability and skill to achieve best business results for the Company. The competitive remuneration and comprehensive employee wellness programmes are keys to attract and retain talents.

Equal Opportunities

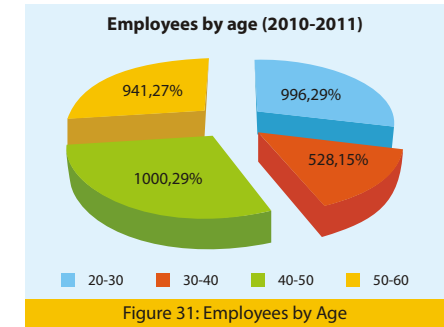


Figure 31: Employees by Age

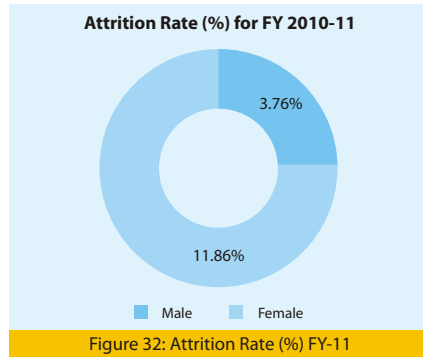
Being an equal opportunity employer, we are committed to providing equal opportunities in relation to all human resources matters of any individual or in any other activities during employment including recruitment, training, promotion, transfer, compensation, benefits provision and termination, regardless of age, gender, physical or mental state, marital status, family status, race, color, nationality, religion, political affiliation or sexual orientation etc. Our employees are recognized and rewarded according to their contribution, performance and skill.

Succession Planning

Tata Power has a well defined Succession Planning process. Successors are identified for critical positions across Tata Power. These critical positions are identified based on their impact to the business operations, bottom line, span of control over people and processes. For each critical position, there are three successors identified 'Ready Now (Drop Dead)', Ready in 1-2 years, Ready in 3-5 years'. Development plans are prepared for these successors so that they can take charge of the critical positions within the defined time frame and are regularly monitored for effective implementation. There has been a stronger focus on identifying and developing successors for critical positions where the current incumbents will be retiring in next five years.

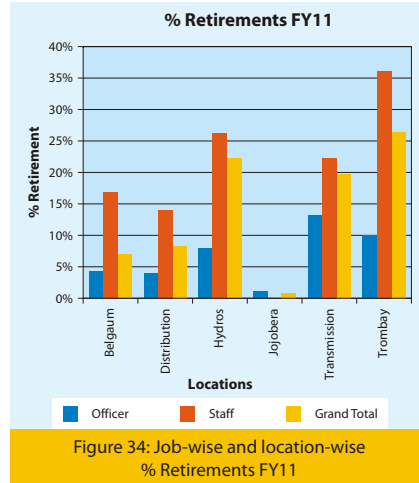
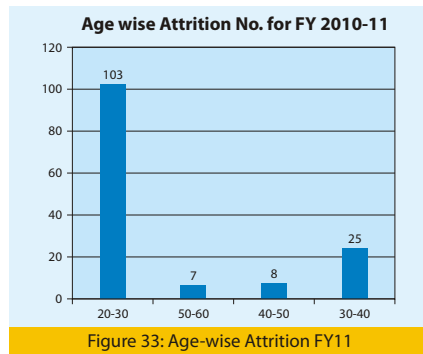
People Retention

Tata Power has an average attrition rate of 4 percent (the industry average is 12 percent). As a set of planned initiatives, identified Job Rotation are carried out internally across various functions and locations.



Also Employees are given challenging assignments to improve Engagement Level, Online Performance Management System (PMS), Setting up of Key Result Areas (KRA), Goals Cascaded from Organization BSC and Individual Performance is linked to Reward / Bonus in a Transparent manner, Competency Mapping and Gap identification initiate Training needs for future Leaders,

Employees are then sponsored for executive MBA programmes and for 'group catalyst' programmes, Senior Employees are offered Board posting in subsidiary companies (with enhanced responsibilities) for job-enrichment Employee Engagement Satisfaction surveys are carried out on Annual Basis. Post survey feedback sessions are conducted across Organisation for developing action Plans for



improvements. This culture of Transparency, Care, Openness, Recognitions and Candid Feedback helps in managing the attrition. The minimum notice period for any operational changes is about 30 days.

Labour and Management Relations

We respect the right of our employees to form associations in accordance with applicable Trade Union laws. None of our operations pose any threat or risk to the freedom of association and collective bargaining. The Trade Union is permitted to conduct its elections on our premises and appropriate time off is granted to employees to participate in the Unions polling process. The elected Union Office Bearers are recognized by the Management as the representative body of the employees. The recognized Trade Union is a party to decide on wages, allowances and benefits/welfare of its members, through collective bargaining process. There are regular meetings between management representatives and representatives of the Trade Union. The Union is also permitted to hold its internal meetings on our premises with prior permission.

All of Tata Power's unionised employees, who comprise about 50 percent of the company's permanent workforce, are members of an internal trade union. It is pertinent to note that the trade union has no political affiliations. They are covered by four year collective bargaining agreements, which cover Salary, Allowances & Benefits and also include productivity clauses, which are in line with the

business requirements. The Union is consulted by the Management on any significant change within the Company. The practice of continual engagement and communication with the Union regarding the Company's policies, procedures have ensured harmonious relations. Union Office Bearers are regularly updated on the business scenario and growth plans. Regular communication cascades with the employees on the shop floor takes place.

The Tata Code of Conduct (TCOC) is our ethical foundation- An elaborate TCOC implementation and investigation structure is in place. Any violation is investigated with direct supervision by Senior Leadership.

Apart from this, we have an on line legal compliance monitoring system, to ensure compliance with labour laws. Compliances are monitored by an apex committee with top management participation. There are internal and external audits to verify compliances at shop floor level. In accordance with law, we also have Standing Orders in place, which provides guidance in disciplinary matters. All instances of indiscipline are dealt with in accordance with the procedure laid down in the Standing Orders. The labour Union and all employees covered by the Standing Orders are conversant with the problems.

Structured meetings take place with local Union representatives where issues, including general business communication, are addressed.

Grievances of individual employees are addressed through the Union, or through the locational Head. There have been no lockouts or strikes at Tata Power which is an indicator of the mutual respect and cordial relations between the company and its employees. We have a formal promotion policy in place for Unionised employees to ensure career development.

Occupational Health and Safety

Tata Power believes that the safety of its employees, outside work force and larger community of utmost importance. In order to maintain high safety standards Tata Power benchmarked its safety processes with world class safety Processes of Dupont. Dupont expert services were utilized for assessing the safety standards, developing trainers/skills for enhancement of safety culture across Tata Power. The senior leaders of Tata Power conduct site safety visits to ensure that safe practices are followed at all locations.

1. Awards & Accreditations

- Jojobera Division was conferred with Shreshtha Suraksha Puraskar from National Safety Council of India
- Trombay Division was bestowed with Greentech Gold award for safety

2. Safety Management System (SMS)

An integrated Safety Management System (SMS) based on Occupational Health & Safety Administration (OSHA) Process Safety Management (PSM) model was developed and implemented across Tata Power.

3. Audits & Inspections

Audit is an improvement tool. Safety audits at project sites, Hazard Identification and Risk Assessment (HIRA), Hazard hunt, safety observations too detect safe and unsafe conditions and behaviours during work, Daily Incidents Reports (DIR) are submitted by all locations to the Corporate Safety department, such practices are followed to ensure Safe conditions. The following technical safety audits were conducted during FY'11:

- Fuel oil unloading, storage & handling safety audit in Belgaum
- Electrical Safety audit in LA Receiving stations and in Mundra
- Gas and liquid fuel storage handling system audit in Lodhivali
- Fire safety audit in LA, Jobjera, Maithon & CGPL
- New Permit To Work (PTW) system audit was introduced
- Safety inspections in Carnac, Back bay and Dharavi offices

4. Training/ Capability building:

Building safety capability is one of the key areas of focus. The following were the examples of few need-based training provided.

- Pre Start-Up Safety Review (PSSR) in Maithon & Mundra
- Construction Industry Training Board (CITB), UK based safety training for middle and first level line managers/supervisors of Maithon and Mundra
- New safety modules were introduced in National Institute of Construction Management and Research (NICMAR) Executive Development program
- Office safety training was provided to Carnac and Bombay House employees



- SMS internal auditor course was conducted covering 20 participants from various Tata Power assets
- A short safety movie in Hindi was produced for the education of contract workers
- Apart from the above, number of Job-need based safety programs were delivered by Safety Capability Building sub-committee.
- Extensive safety interventions in the form of safety capability, quiz, visuals like posters and charts, safety day celebrations, safety manuals are used to spread awareness on safety.

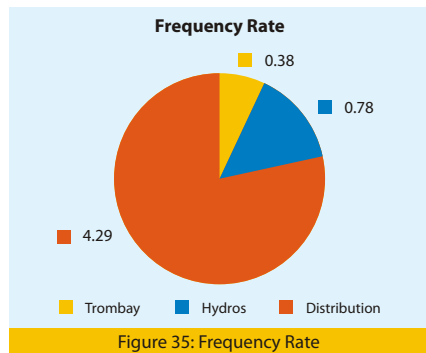
Along with safety audits and inspections of all the locations, periodic safety trainings and workshops are held for contractors and sub-contractors in-order to sensitize them about various safety issues.

5. Safety Meets & collaborations:

Three tier safety committees (Apex, Corporate and division level) have been formed to review safety performance at all three levels. These committees propose and deploy improvements in various processes impacting safety. At the local divisional levels, safety stewards and co-ordinators of contractors contribute in safety monitoring and increasing safety awareness. The following meets were organised to synergise the safety efforts within Tata Power.

- Construction safety meet was organized at Maithon on 26th and 27th April, 2010.
- Safety Strategy meet was organized on 7th May, 2010 which was facilitated by DuPont
- Annual Safety Meet of safety professionals was conducted, focused action plan was agreed

6. New Policies & procedures:



- Consequence Management Policy (Safety) was implemented for managing willful safety violations
- Root Cause Analysis (RCA) was introduced in SURAKSHA software
- Disaster Management Plan was revised and updated, mock drills conducted
- Working on live equipment procedure etc

7. Safety tools & equipment:

- Technical guidance for selection, procurement and use of safety tools and equipment were issued.
- Arc Suits (415 V - 6.6 KV) for Electrical Operational Jobs were introduced, Usage of Insulated fiber glass ladders and in sub-stations were introduced.

8. Risk Assessment/ JSA

Job Safety Analysis (JSA) competitions were organised across Tata Power to raise the awareness on this critical risk assessment process.

9. Application of technology for safety

Tata Power strives to use Best Available Technology for the advent of safety. Few examples are-

- 65 GPS based Vehicle Tracking System devices were provided on vehicles of Tata Power /on contract of Tata Power plying in side Jojobera plant and city
- Magnetic sticks were introduced at project sites

	Trombay		Jojobera		Belgaum	
	A	B	A	B	A	B
Frequency rate	0.56	0.29	0	0	0	0
Fatal accidents	0	1	0	0	0	0
First-aid cases	27	24	2	6	1	3
Near misses	191	1	69	2	11	9

	Hydro		Transmission		Distribution	
	A	B	A	B	A	B
Frequency rate	0	1.75	0	0	2.96	5.05
Fatal accidents	0	0	0	0	0	0
First-aid cases	2	0	12	6	3	4
Near misses	54	2	49	40	33	14

Notes:
A: Tata Power employees
B: Contract employees
Frequency rate is calculated as the number of reportable accidents per million man-hours worked as per IS 3786:1983 standards.

Table 18: Tata Power's accident statistics for FY11

- to pick up scattered nails for improving housekeeping & to reduce foot injuries
- Inherently safer Life line arrangements were provided for working on Power Transformers and 100kV GODs

Health

Tata Power tracks the health of its employees through annual checkups conducted by resident medical officers. Post examination advice and counseling is offered to the employees to improve their health indicators. Prior to joining the company, prospective employees have to undergo pre-employment medical check-ups to determine their suitability for the job. The contract staff is also subjected to similar medical checkups.

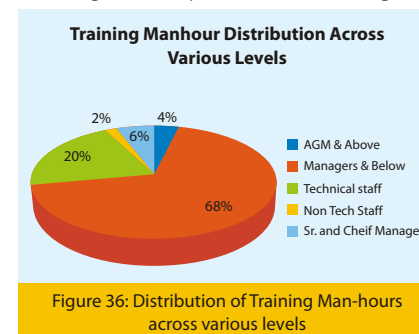
Special medical tests are conducted based on location of posting: for example, Audiometry test is performed on employees at our Power Generating units and Spirometry test is conducted on employees working in the coal handling plant to check their lung function. Medical facilities are available at all our locations to respond quickly in case of health-related incidents. Additionally, health-awareness programs are conducted regularly for employees.

The Vision Mission and Values statement of Tata Power covers the health and safety aspects of all its employees which includes the union category members of the Company.

Training and Education

We continue to strive to create an environment that supports continuous learning through training and development.

Employee development is directly linked with the organizational growth. With this philosophy, a variety of learning and development initiatives are designed



and rolled out in keeping with the emerging requirements of a growing organization. Sustainability forms an important part of the training curriculum. The new GETs are exposed to the latest in green technology during their induction training along with interaction with the sustainability group. Sustainability champions are identified and training imparted to them in collaboration with TQMS. Various knowledge sharing sessions are organized under various platforms like TARANG which help in imparting and creating the culture of sustainability.

The various initiatives undertaken by our Training & Education team for the employee development includes the following major initiatives:



To cope up with our business growth we need to develop the managerial and leadership skills in our employees to build the leadership pipeline. STEP has been introduced to develop the managerial skills of the employees for handling greater responsibilities.



Gyan Jyoti - a self-paced e-learning system covers the modules in General Management and has been introduced in dual collaboration with TMTC and Harvard Business Publishing. The system has been designed keeping in view participants, who like to learn at their own pace. The 'Gyan Jyoti' e-learning system has 42 general management courses to choose from.



WORK INTEGRATED LEARNING PROGRAM: Technical competency is one of the prime requirements for the organization. This year, we have partnered with Birla Institute of Technology and Science (BITS), Pilani in Rajasthan and initiated a unique scheme called the Work Integrated Learning Program (WILP) for our diploma engineers. This consists of three year course spread across six semesters and would enable the successful candidates to attain a B.S (Power Engineering) from BITS while working full time.



ACE is the in-house fast track program at Tata Power started 3 years ago. It provides an opportunity to young officers not only to accelerate career growth but also explore different work areas and develop their potential.





FLOW OF UNIQUE SKILL INTELLIGENCE FROM OLD TO NEW

'FUSION' has been rolled out with the objective of creating a fusion of rich technical knowledge of our senior employees with the ability of our young talent to learn and apply. The objective of fusion includes:

- To develop young technical talent by leveraging the technical competence available with experienced employees of Tata Power
- To make 'Tata Power' a technologically competent organization in power sector
- To lead and provide technology services to other organization in power sector



As the organization grows and diversifies into various geographies both in India and globally, it becomes of utmost importance to disseminate the knowledge and experiences. TARANG (Technical Acumen Rejuvenation - Aspire, Nurture and Grow) is one of the major initiatives launched to achieve the above objective. Tarang sessions are conducted as webinars across all locations.



A study on Career Progression was carried out this year and a 'Career Map Manual' which indicates 'what are the various career options available, what competencies are required to develop these career options', has been prepared. It helps the employees to make the career decisions for the mutual benefit of the individual and the organization. It is an attempt to facilitate judicious and correct career decisions amalgamated with business needs and development of employees.



"SPARSH - Touching Lives" celebrated its second anniversary in January 2011. This in-house newsletter for HR department tries to reach out to the employees across the organization. It captures the people initiatives at different divisions and departments and gives a platform for the readers to share their thoughts. A quarterly newsletter; it promises infotainment for its readers and exciting prizes for the winners in the fun segment.

Performance Management System (PMS)

Performance Management System at Tata Power is

based on Balanced Scorecard and evaluates individuals on both Key Result Areas (KRAs) as well as Key Behavioural Attributes (KBAs). The Corporate BSC is cascaded through Strategy Development Matrix (SDM) workshops into individual KRAs by using the SDM tool. The performance of the individual is evaluated based on the achievement vis-à-vis the KRAs and potential assessment is conducted through KBAs which are based on Tata Leadership Practices.

As a step further, PMS communication sessions are also conducted across locations to communicate these improvisations and to bring in a clear understanding about the various aspects of the PMS process.

Recently the Company has started a separate PMS process for unionized staff also based on quality and quantity of work, workplace attitude and participation in various organizational initiatives. This process has been successfully implemented for last two years.

People Development and Talent Management

People Planning Meetings (PPMs): As part of the talent management process, Tata Power conducts systematic and periodic discussions for identifying high potential managerial employees. These discussions are held to review the depth and width of managerial talent. They are held annually and followed up with systematic development plans for growth of identified high potential officers which are regularly tracked. Last year, total of 125 high potential officers have been identified across all levels in Tata Power. The below mentioned chart shows the talent pool in Tata Power has strengthened over the past 5 years.

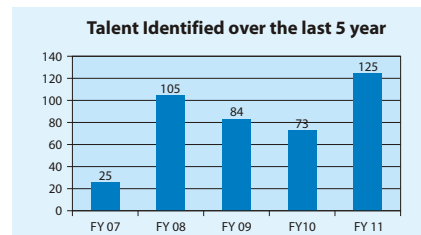


Figure 37: Talent Identified in the company over the last 5 years

Human Rights

Tata Power deals with internal and external stakeholders on individual merit, and is unwavering in making sure that its workplaces are free of all forms of discrimination and harassment, whether based on

age, caste, sex, religion or on any other ground. This zero-discrimination principle extends to recruitment, employee development and the rewarding of individual performance. There were no incidents of discrimination at Tata Power during the reporting period.

We respect the right of our employees to form associations in accordance with applicable laws and Tata Code of Conduct. None of our operations pose any threat or risk to the freedom of association and collective bargaining. The total number of unionised employees covered by collective bargaining agreements is 1,480.

Tata Power strictly prohibits child labour. Every new recruit is required to submit proof of age at the time of joining. The risk of children being employed exists in some operations carried out by contract labour. To make certain that this does not happen, care and caution is used at the time of issuing entry passes to operational areas to contract labourers. Tata Power ensures that its contractors do not to violate child labour laws.

At none of our operations has there been any incident of forced or compulsory labour. On joining, the company and employees sign an agreement that clearly stipulates the terms and conditions of their association with Tata Power. They are free to leave the company if and when they so desire, according to conditions jointly agreed upon.

There are no indigenous people or groups residing around Tata Power's plant locations; consequently, there is no possibility of the company's operations affecting them.

Currently there is no formal screening at Tata Power of suppliers and contractors for human rights issues and infringements. However, we ensure that our suppliers and contractors do not violate basic human rights while carrying out work in our premises, abide by all safety standards and statutory Regulations.

All security personnel when recruited in the company are trained in the Company's aspects of Human Rights.



Social Performance

Social Performance

Management Approach

The mission of the company is to become the most admired company delivering sustainable value to all stakeholders including care for the community. Social responsibility has become part of the Tata ethos thanks to management support and involvement, thoughtful planning and deployment of resources, engagement of employees and the sharing of knowledge.

Following the thought of our founder, Mr. Jamshedji Tata that "in a free enterprise, the community is not just another stakeholder in the business but is in fact the very purpose of its existence", we believe that the community around us gives us valuable opportunities to learn and work together for growth of business and community development. Therefore, several development programmes have been implemented under triple bottom line (Adding Economic Value, Harmonising Environmental Factors and Building Social Capital in the community) aiming at building trust and improving the quality of life in and around the places where we operate. Anti-competitive behaviour is addressed in the Tata Code of Conduct document and is applicable to all employees of Tata companies including Tata Power.

The Community Relations (CR) Department at Tata Power was set up in 2007, the body driving and overseeing all our social development initiatives. It functions as per Tata Power's vision, mission, CR policy and CR strategy and guided by Sustainability Advisory Council (SAC). We focus our activities in the areas of livelihood/ income generation, environment, energy, education, health, infrastructure and social welfare. To create a sense of ownership and to ensure that projects and programmes in each of these spheres are sustained, Tata Power strives to get local communities involved in them.

Sustainability Advisory Council (SAC)

The year saw Community Relations at Tata Power initiate a consultative process to develop the strategic canvass for this function. The strategy is currently being reviewed by the leadership. With a view to bring in external views and insights into the sustainability process, a Sustainability Advisory Council (SAC) was constituted to provide thought leadership, guidance, advice and policies to drive the Sustainability agenda of the organization. SAC comprises of senior leaders of Tata Power and independent external members with expertise in environmental policy, biodiversity and coastal regulations. SAC is led by the Managing Director.

Community Relations (CR) Strategy

Tata Power is developing Community Relations Strategy keeping in mind the business process and growth path formulated until 2017. This process includes referring to Tata Group's philosophy, Tata Power enterprise strategy, sustainability model, CR policy, risk etc. It includes inputs from Tata Power's various functional heads, plant/ project heads, Tata Community Council Initiative (TCCI) members and external experts. The scope of the strategy is as follows:

- This strategy is for the company's relations with communities and so would be owned and executed by various departments including CR division as also Joint Ventures and other operations both within India and internationally, wherever Tata Power has an interest
 - The scope is from 2010 to 2017, coterminous with enterprise strategy of the company.
 - It aspires to demonstrate leadership with care to mitigate risks, explore opportunities, growth and innovations in community domain.
 - While the focus is on community issues, the scope includes stakeholder perspectives to communities
- The CR strategy is currently being discussed by the leadership. Subsequently, each plant/ project is in the process of preparing their strategy for execution including stakeholder engagement.

Internal CR Process

Tata Power designed new internal processes (Enterprise Process Model – EPM and Standard Operating Procedures-SOP) for deployment of CR strategy. These processes provide a complete overview of how the CR department would function systematically by standardising all activities. There are three new processes (1) To improve living conditions of communities of affected villages in projects, (2) To be a neighbour of choice to communities around operations and (3) To learn and co-create caring solutions (including employee volunteering) internal processes with detailed steps, timeframe and responsibility for each and every activity have been prepared.

Demography

The Community Relations of Tata Power is operating in 176 villages of 14 districts in seven states of India. It covers 50,353 households and 2,80,826 population, where 12% belong to Scheduled Caste (SC), 18% Scheduled Tribe (ST) and remaining 41% Other Backward Classes (OBC) and remaining 29% belong to General community.



Income Generation/ Livelihood

A total 1305 youth have undergone skill development training through initiatives like the BPO, Electrician, Welder, Driving etc. Currently, 214 youth have been employed at our rural BPO. Beyond this, 1619 villagers have been supported with high yield seeds, mango saplings, sericulture etc. There are a total of 116 Self-Help Groups with 1773 members, who have saved over Rs.1.2million including 7 groups formed by 150 members during the year. The SHG leaders have been trained to manage their groups. A Gaushala (Cattle shed) supported by Tata Power at Mundra is feeding over 2000 cattle daily. These activities have helped to increase income of local people.



Supply of Milk to Manpower



Mr Rabari Lakhu Lakhmir (farmer, 40 years) from Vandh village, Mundra, Gujrat used to support his family by supplying milk. After selling his land, he joined as a worker in Tata Power. Now, he has been awarded the work of manpower supply,

maintenance work at the labour colony and green belt development at field hostel. He thanks Tata Power for



the support and guidance for substantially increasing his annual income almost 10 times. Few others have also started supplying essential materials.

Energy

Several villages around our operation don't have electricity and demand us to provide the same.



Therefore, Tata Power has installed around 200 solar lights in last two years. This has enhanced electricity in unreachable areas and reduced community risks too. In addition to that, we have started electrical safety and energy conservation awareness programs reaching out to more than 8000 students. This has increased safety concern among people living under transmission lines and saving consumption of electricity too. A total of 2000 efficient chullah and 11 bio-gas plants have been provided to create alternative energy sources in rural areas for our community.

Healthcare

Due to the lack of basic health care infrastructures in most of our villages, Tata Power gives special importance to its health care programs. Tata Power has started mobile medical vans, which provide healthcare facilities at the doorstep in the interiors of villages. Health camps have benefited around 39000 villagers in last two years saving opportunity cost approx. by



one crore rupees. HIV/AIDS Awareness programs have reached out to nearly 12 lakh people in urban areas especially among transport staff (vendors and suppliers). Drinking water facilities have been created through 44 bore wells, supporting 16 villages for piped drinking water and renovating ponds. 204 sanitation units (toilet and bathing rooms) were constructed for needy villages. This has facilitated to build social capital around operational areas by building trust of community.

Education

Health care education is another important pillar of development. Tata Power has started special

education programs for its communities. Its joint venture company, Maithon Power Limited (MPL) has covered all schools of Nirsa block in Jharkhand district thus benefiting over 13,000 students. A total of 762 community volunteers have been identified, trained and attached to government schools for providing special education. A total of 482 students have been provided computer education.



Infrastructure Development

To enhance community infrastructure, a total of 57 class rooms have been constructed. In addition to three community halls have been built to organize community events etc during the past two years. A

total of 11.6 Km roads have been laid down and 15 pick up sheds have been built to give shelter to passengers in thereby helping to improve commuting facility.



Social Welfare

So far, a total of 952 volunteers have spent 12,757 man-hours for various social-environmental causes such as increasing awareness on HIV/AIDS, electrical safety and energy conservation, environmental care, working with senior citizens, orphans and blind people. A total of 1155 youths have participated in various sports Programmes.

National R&R policies are followed and internal R&R policy is being developed. In case of displacement for

any new projects, compensation by the means of property, economic welfare (livelihood, land) is provided.

Budget

	2010-11	2009-10	2008-09
Social & Community Development Projects	5.26	6.84	3.48

Table 19: Budget used for CR initiatives in FY 11

Impact Assessment

Tata Power approached the leading social science institute, Tata Institute of Social Sciences (TISS), Mumbai to carry out social audit of Community Relations for the year 2009-2010 and 2010-2011. TISS has conducted the study in five locations of Tata Power (Hydros in Maharashtra, Trombay in Mumbai, Mundra in Gujarat, Maithon in Jharkhand and only one year at Jojobera in Jharkhand).

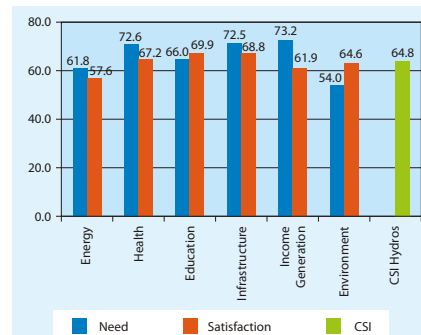
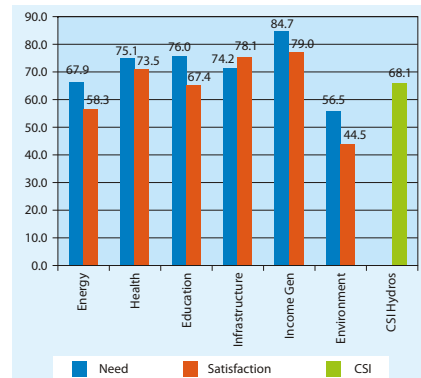


Figure 38: Community Satisfaction Index (CSI) of Hydros of last two years

Compliance

Tata Power adheres to an ethical professional code, complying with all applicable laws and regulations.

There were no financial or non-monetary sanctions imposed on the company in 2010-2011.



Product Responsibility

Product Responsibility

Management Approach

Tata Power is committed to provide safe and reliable supply to its customers, by adhering to applicable statutory rules and regulations. Tata Power has posted vital SAFETY TIPS for the benefit of its customers through its website. A unique feature of the Tata Power's customer care is the variety of services which are available to its clients:

1. Energy audit, energy conservation study and energy management
2. System Protection Studies, for parallel operation of the captive generation or diesel generating sets with the grid supply
3. Review of the equipment at the consumer substations for upgrading and modernizing to enhance reliability levels by analysis of operation and maintenance performance data of consumers' substations
4. Diagnostic Testing Services
5. Providing Selective Load Trimming Scheme for non-essential loads in the consumer premises by Load Trimming Devices to avoid total interruption of power supply to the consumer under system emergency operations
6. Fault Detection on the distribution cables inside the consumer premises
7. Assistance / guidance in maintaining safety to the consumer's equipment, personnel, etc.
8. Technical training of consumers' operation and maintenance staff at the Company's training centres

Jan Jagruti Abhiyan

The Jan Jagruti Abhiyaan (people-awakening movement) is a forum that spreads information on electrical safety and conservation, the aim being to minimise accidents in areas where high-tension lines run. Under the initiative- an awareness campaign for community safety and overhead line fault reduction was held for school children at Borivali and Kalyan sections covering 2150 students from 5 schools.

Tata Power Energy Club

Tata Power Energy Club started with a pilot program of educating and sensitizing 12 schools in Mumbai in 2007 and covered 28 schools across Mumbai and Belgaum since its inception till 2008. This is an Energy Conservation Club that focuses on bringing about a first-hand realisation of the energy crisis.



Tata Power recognises the immense value of the contribution that schools and schoolchildren along with youth, parents, teachers, partners and the society at large can make to help curb the wasteful usage of power. As the demand for power in the country is steadily increasing and energy resources are being rapidly depleted, it is vital to involve our youth, as decision-makers of tomorrow, and join them in an initiative to avert a crippling power crisis.

Phase I: Sensitization

Sensitization of school children (Grades 6 to 8) and also college youth about conservation through various visual college media and a guided trip to the power plant

Phase II: Impact Assessment

This phase of the project focuses on sharing the understanding acquired through Phase I with others in the community

Phase III: Peer Group Education

Three to four dedicated school teams are identified to carry out the sensitization process on energy conservation in other schools. We provide expertise, information and necessary tools to the teams to carry out the campaign

Figure 39: Tata Power Energy Club Activities

This informal Energy Conservation Club comprising schools and school children, youth, parents, teachers and the society at large has been formed to spark off an initiative for curbing energy-wastage through active measures, and also popularising the importance of this mission among fellow citizens. Tata Power Energy Club provides the platform for all communities in the society to share and expand their understanding, and bring about a chain-reaction that can significantly reduce wastage of energy in the country. The club activities are divided into three main phases:

Each Phase of the Program has been devised to produce a certain output-

In the Phase I of the program, the importance of energy conservation, impact of power production on the environment; tips to prevent wastage of power in everyday life are discussed. Energy Champion Team from each school is selected in this phase.

Every student attempts to recognize the wasteful usage of energy in their schools and homes. Students are encouraged to monitor their energy bills and observe the decline in consumption due to the energy conservation initiatives practiced at their residence. They are expected to share the conservation practices with their families and other community members.

By selecting three to four dedicated teams from schools for sensitization in the Phase III of the programs, the sensitization drive is accelerated multi-fold and the outreach of the program is increased as peer influence is a very important factor in rousing interest and enthusiasm in children.

Tata Power Energy Club became a nationwide movement in 2009 and covered more than 250 schools across Mumbai, Delhi, Pune, Ahmedabad, Bengaluru, Kolkata, Belgaum, Jamshedpur and Lonavala on the subject of energy conservation. Over one million citizens have been sensitized since the Club became a nationwide phenomenon.

HIGHLIGHTS OF ENERGY CLUB PERFORMANCE IN 2010

- Mega Watt Millionaire Program, which is an advanced Training program for its Energy Champions was initiated in 2010
- Total No. of people sensitized in 2011 Over 1 million
- Nationwide 285 schools were covered in 2011
- 154 self sustaining Mini Energy Clubs were formed
- No. of energy Ambassadors in 2011 39,356
- No. of Energy Champions in 2011 26,895

The Megawatt Millionaire club has now joined hands with Rotary Club of Mumbai, Housing societies and other communities to spread its message of energy conservation.

Since its inception, the club has now reached out to more than 400 schools, nationwide, sensitised more than 2 million citizens, saved more than 3.4 million units and has received more than 40,445 energy Champions and 70,450 Energy Ambassadors.

'Most Innovative Campaign' award at The Energy Daily's 2010 Leadership Award, USA

The Association of Business

Communicators of India has bestowed a gold award on the Club for Environment Communications and it has also ranked 2nd among 22 participants in Earth Care category for Siemens Ecovative Award 2010

Rashi Gupta from Ryan International, Noida expresses her involvement in the Tata Power Energy Club as "I conserve electricity by changing bulbs to CFLs, by keeping the AC's temperature on 24°C and by not switching on fans and tube lights unnecessarily. I also switch off appliances from their main point".

Involvement of Parents and teachers in such initiatives is imperative to its success.

Mr. Anoop Lalwani, father of (student) Miss Ritika Anoop Lalwani, Queen Mary School: This initiative taken by "Tata Power" to save electricity is a timely step in the direction of saving our Planet Earth from the ill effects of increasing carbon levels in our air- as we are using excessive fossil fuels for transportation and electrification. By effectively utilizing the limited electric energy, "Tata Power" intends to give a better and cleaner future to the young citizens of India. I, Mr. Anoop Lalwani- am myself a consultant for regenerative products like solar panels, solar lights, caps, torches etc as well as offer guidance in solar/wind energy based solutions- since the last 5/6 years.

Customer and Market Knowledge

Tata Power's exponential increase in customer base will increase substantially in the near future, both in terms of numbers and load, following the commissioning of its thermal-generating plants in Haldia, Jamshedpur and Trombay, and its wind-generation projects in Maharashtra and Gujarat. MERC's order on allowing customers to choose their power supplier has helped Tata Power to grow in the Retail segment. We have strengthened our processes and included 'Customer Centricity' in our mission statement to highlight our commitments to our consumers.

Singapore Power - International Benchmarking Partner

NDPL - National Benchmarking Partner

Tata Power has been studying the processes and parameters of its competitors and the best companies in the industry. Other initiatives to improve service delivery to the customers, both technological and infrastructural arrangements have been made.

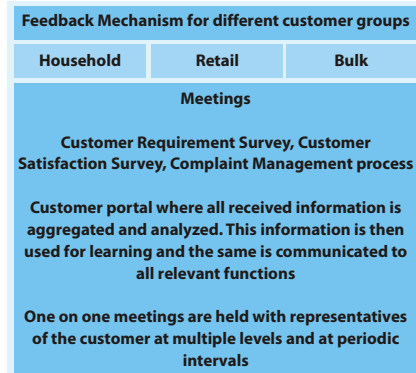
Based on the 2003 Electricity Act and engagement with the government, access to electricity has been improved. As the power demand is high and also as the option of choosing the energy provider is available a specific study on the unserved population by Tata Power has not been carried out.

Integrated structures with GIS
Supervisory Control and Data Acquisition System (SCADA)
Video Surveillance
Control Centres with Main, backup and emergency control
Mobile Service vans
Online Bill pay/ECS system

Figure 40: Initiatives to provide best services to the Customers

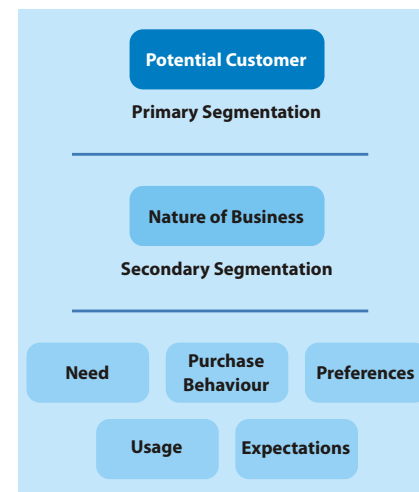
Understanding the Customer

Tata Power uses both formal and informal approaches to understand requirements of former, current and potential customers. Factors affecting their Power Purchase & Service requirements and other preferences are systematically collected.



Customer Groups and Market Segments

Tata Power follows a systematic process for customer segmentation. Inputs from various listening mechanisms including relevant reports from industry, regulators, government agencies, city planners are analysed to identify current and future customer groups and market segments. This determination covers customers of competitors and potential customers.



The following figure gives details about various customer segments. Tata Power uses both formal and informal approaches to understand requirements of customers as per process. This process provides inputs which are captured and analysed through QFD to arrive at prioritised requirements of various customer segments and product / service features to address these requirements.

The Business Development team identifies new generation opportunities and based on the business model identified power purchase agreements are drawn. The customer listening approaches are kept current through reviews and customer inputs.

Employees across the organisation, and especially from customer-service departments, are trained to be sensitive to all customer requirements. Inputs from the various "Listening & Learning" mechanisms, relationship-building measures, and Customer Requirement and Customer Satisfaction Surveys are used to improve the segmentation methodology.

Continuous power supply availability is and will continue to be the major customer requirement across all segments of the market. This is particularly so given the huge demand-supply gap in India. Tata Power's strategic intent is to bridge the gap in installed generation capacity in the country by leveraging its core competencies of Power System Management and Project Management. Consequently, it is concentrating on distribution companies and customers who want to install captive power plants.

Tata Power has been keen on the retail distribution business because of its skills in power-system management, but distribution circles are not being privatized in India. Even in the company's existing license area of Mumbai, the issue of retail distribution had been awaiting a judicial ruling. Further, as a result of the recent Supreme Court order on retail distribution in the city, Tata Power is poised to re-launch itself aggressively in distribution, and push for retail customers in the residential, industrial, essential and commercial segments. The company has restructured itself, with distribution and retail divisions as well as a separate project management group, for speedier implementation of power supply networks.

Residential	250000
Industrial	7200
Commercial	33000

Table 20: Total Number of Customers

Key Access Mechanisms

Customers have 24/7 access to Tata Power through Call centres, customer care centres and online customer care sites.

To help meet customer requirements in the retail business and to prepare for the future, a number of customer Care Centers/ Bill payment centers are set up in various zones in Mumbai. This will enable our customers to seek information and assistance at any time, in the nearest location.

In all 253 customers were disconnected for non-payment of their dues ranging for a period of one month to six months.

Customer Satisfaction Determination

Tata Power associates high importance to Customer Satisfaction, Dissatisfaction and Engagement. Internal processes have been designed to cover all segments of customers in Generation and Distribution business on engagement and satisfaction. Customers of Transmission business - DISCOMS are approached directly to get feedback. Feedback from customer of service businesses are sought separately as this business is emerging. The survey also covers competitors' customers and other utilities' customers for appropriate comparison. The questionnaire is based on the needs of different segments identified through and other listening approaches. Satisfaction levels are obtained for various attributes related to product & services, customer support & communication mechanism. This survey also captures customer's growth plan and potential for positive referrals.

Tata Power has been ranked highest in the Overall Customer Satisfaction Index in Mumbai for 201011 in the Direct and Changeover Customer Category

Keeping Customer Satisfaction Current

The systems designed for customer satisfaction are reviewed periodically after taking in to account the feedback from "listening and learning" posts, customer requirement surveys both previous and current and changes in the business environment.

An Energy Conservation Award has been instituted for the Most Energy Conscious Company



Awards and Recognition

Awards and Recognition



Tata Power has been ranked No. 38 as India's Best Companies to work with as per the study done by Great Place to Work Institute.

Tata Power was conferred two awards by Platts for top 250 Global Energy Companies, viz. Number 42 in overall in Asia and Number 4 Fastest Growing in Asia.

Tata Power was bestowed the prestigious "Vasundhara Award" (in the industry category) towards protection of environment in the State of Maharashtra by Maharashtra Pollution Control Board (MPCB).

Tata Power Energy Club, Tata Power's nationwide energy conservation movement led by school children, has been bestowed the 'Most Innovative Campaign' award at USA's The Energy Daily's 2010 Leadership Awards. 14th March 2011.

Tata Power Energy Club awarded "GOLD" in Environmental Communication category by Association of Business Communicators of India (ABCI). October 2010

Tata Power was conferred the prestigious BML Munjal Award for Excellence in Learning & Development for the year 2011 in Private sector category.

Trombay Thermal Power Station has bagged the prestigious Greentech Safety Award 2011 in the gold category (in thermal power sector) for outstanding achievement in Safety Management

Jojobera Thermal Power Station was awarded the Shrestha Suraksha Purashkar (Silver trophy and certificate) by National Safety Council under the NSCI Safety Awards scheme.

Tata Power Strategic Electronics Division team was awarded the Frost & Sullivan's Competitive Leadership Award for successfully bidding for the Indian Air Force project involving the up gradation of 30 airfields.

Tata Power Energy Club ranked 2nd among 22 participants in "Earth Care" category for Siemens Ecovative Award 2010

The Company received 'Best performer in the Power Industry' at the Financial Express - Emergent Ventures India Green Business Leadership Awards

The Company received Certificate of Merit - Global CSR Awards 2010.



GRI Content Index

GRI Content Index

G3 Content Index							
	Application Level	A		Assured by	Ernst and Young Pvt. Ltd.		
STANDARD DISCLOSURES PART I: Profile Disclosures							
1. Strategy and Analysis							
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
1.1	Statement from the most senior decision-maker of the organization.	Fully	Pages 1				
1.2	Description of key impacts, risks, and opportunities.	Fully	Page 16				
2. Organizational Profile							
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
2.1	Name of the organization.	Fully	Cover Page				
2.2	Primary brands, products, and/or services.	Fully	Page 5				
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Page 5				
2.4	Location of organization's headquarters.	Fully	Page 3				
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Page 5				
2.6	Nature of ownership and legal form.	Fully	Pages 5-6				
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Pages 5-7				
2.8	Scale of the reporting organization.	Fully	Pages 7, 29				



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	Page 3				
2.10	Awards received in the reporting period.	Fully	Page 64				
3. Report Parameters							
Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Page 3				
3.2	Date of most recent previous report (if any).	Fully	Page 3				
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Page 3				
3.4	Contact point for questions regarding the report or its contents.	Fully	Page 3				
3.5	Process for defining report content.	Fully	Page 3				
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Page 3				
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Page 3				
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period	Fully	Page 3				

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	to period and/or between organizations.						
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Page 3				
3.10	Explanation of the 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).	Fully	No re-statements were issued by the Company				
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	Page 3				
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	Page 67				
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	Page 3				
4. Governance, Commitments, and Engagement							
Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
4.1	Governance structure of the organization, including committees under the highest governance body	Fully	Page 11				



Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	responsible for specific tasks, such as setting strategy or organizational oversight.						
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Page 11				
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Page 11				
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Page 13				
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Fully	Page 12				
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Page 13				
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Fully	Page 11				

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Page 8				
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Page 11				
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	Page 11, 12 & 13				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Page 33				
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Page 14				
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in	Fully	Page 14				



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.						
4.14	List of stakeholder groups engaged by the organization.	Fully	Page 20				
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Page 20				
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Page 20				
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Pages 21-22				
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)							
G3 DMA	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
DMA EC	Disclosure on Management Approach EC	Fully	Page 29				
Aspects	Economic performance	Fully	Page 29				
	Market presence	Fully	Page 29-30				
	Indirect economic impacts	Fully	Page 31				
DMA EN	Disclosure on Management Approach EN	Fully	Page 33				
Aspects	Materials	Fully	Page 36				

G3 DMA	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	Energy	Fully	Page 36				
	Water	Fully	Page 38				
	Biodiversity	Fully	Page 40				
	Emissions, effluents and waste	Fully	Page 39				
	Products and services	Fully	Page 34-36				
	Compliance	Fully	Page 40				
	Transport	Fully	Page 36				
	Overall	Fully	Page 33-43				
DMA LA	Disclosure on Management Approach LA	Fully	Page 45				
Aspects	Employment	Fully	Page 45				
	Labor/management relations	Fully	Page 46				
	Occupational health and safety	Fully	Page 47				
	Training and education	Fully	Page 48				
	Diversity and equal opportunity	Fully	Page 45				
DMA HR	Disclosure on Management Approach HR	Fully	Page 45				
Aspects	Investment and procurement practices	Fully	Page 51				
	Non-discrimination	Fully	Page 50				
	Freedom of association and collective bargaining	Fully	Page 50				
	Child labor	Fully	Page 51				
	Forced and compulsory labor	Fully	Page 51				
	Security practices	Fully	Page 51				
	Indigenous rights	Fully	Page 51				



G3 DMA	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
DMA SO	Disclosure on Management Approach SO	Fully	Page 53				
Aspects	Community	Fully	Pages 53-56				
	Corruption	Fully	Tata Power does not at present formally analyse its business units for risks related to corruption. However clear guidelines have been laid down by the company, in the form of the Tata Code of Conduct and the Whistleblower policy to deal with instances of corruption				
DMA PR	Disclosure on Management Approach PR	Fully	Page 59				
Aspects	Customer health and safety	Fully	Page 59				
	Product and service labelling	Fully	Page 60				
	Marketing communications	Fully	Pages 60-61				
	Customer privacy	Fully	Page 61				
	Compliance	Fully	No fines were				

G3 DMA	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
			levied on the company in the reporting period				
STANDARD DISCLOSURES PART III: Performance Indicators							
Economic							
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Page 29				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	Page 16	Financial implications due to climate change	Will be reported in 2015	Not available	Currently there are no regulatory mandates on climate change in India, all initiatives are voluntary
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Page 29-30				
EC4	Significant financial assistance received from government.	Fully	Page 30				
Market presence							
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	Page 30				



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not			Will be reported in 2015	Not available	Existing operations do not require such policies to be in place
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Though we do not have a formal policy in place for locally hiring employees, we do try to recruit people from local areas around our operations to boost employment in those areas.				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Page 30				
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not					Currently these impacts have not been calculated however they will be evaluated in the future

Environmental							
Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
EN1	Materials used by weight or volume.	Fully	Page 36				
EN2	Percentage of materials used that are recycled input materials.	Not			Will be reported in Next reporting cycle	Not available	Tata Power uses coal, oil, gas for generation of electricity. There is no scope to use recycled input material
EN3	Direct energy consumption by primary energy source.	Partially	Page 36	Energy consumption by primary energy source	Will be reported in Next reporting cycle	Not available	
EN4	Indirect energy consumption by primary source.	Partially	Page 37	Energy consumption by primary energy source	Will be reported in Next reporting cycle	Not available	
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Pages 36-38				
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	Page 27				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	Page 37				
EN8	Total water withdrawal by source.	Fully	Page 38				
EN9	Water sources significantly affected by withdrawal of water.	Fully	Page 38				



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
EN10	Percentage and total volume of water recycled and reused.	Fully	Page 39				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	Pages 40-42				
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Pages 40-42				
EN13	Habitats protected or restored.	Fully	Pages 40-43				
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	Pages 40-43				
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Pages 40-43				
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Pages 34-36				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Page 35-36				
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Pages 27, 36-38				
EN19	Emissions of ozone-depleting substances by weight.	Fully	We do not use ozone depleting substances in any operations				

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	Page 35-36				
EN21	Total water discharge by quality and destination.	Fully	Page 38-39				
EN22	Total weight of waste by type and disposal method.	Fully	Page 39				
EN23	Total number and volume of significant spills.	Fully	Page 39				
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not					Tata Power does not produce any hazardous wastes
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Fully	No significant impact has been ascertained on the biodiversity value of water bodies and related habitats surrounding our operations				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Our product is electricity and there is no significant impact of product or services				



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	No packaging is required since the product is electricity				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Page 33-34				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not					As on date these impacts have not been considered for calculation as they are not of significant proportion
EN30	Total environmental protection expenditures and investments by type.	Partially	Page 40	Investments by type	Will be reported	Not available	
Social: Labor Practices and Decent Work							
Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
LA1	Total workforce by employment type, employment contract, and region.	Fully	Page 45				
LA2	Total number and rate of employee turnover by age group, gender, and region.	Partially	Page 45	Employee turnover by region	Will be reported in Next reporting cycle	Not available	
LA3	Benefits provided to full-time employees that are not provided to temporary	Fully	Page 45				

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	or part-time employees, by major operations.						
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Page 51				
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Page 46				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	Page 49				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Pages 48-49				
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Page 49				
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Page 49				
LA10	Average hours of training per year per employee by employee category.	Not	The data addressed in the report is based on training manpower distribution across	Average hours of training per year per employee by employee category	Will be reported in Next reporting cycle	Not available	



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
			employee category. However from the next reporting exercise we will mention it according to training/year/employee by employee category				
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Pages 49-50				
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Pages 49-50				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	There are no female directors in the Tata Power Board				No specific data is maintained; opportunities are given based on skill and requirement and availability
LA14	Ratio of basic salary of men to women by employee category.	Fully	Page 45-46				

Social: Human Rights							
Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Page 51				
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Page 51				
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	Page 51				
HR4	Total number of incidents of discrimination and actions taken.	Fully	Page 50				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Page 51				
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	Page 51				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	Page 51				



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Page 51				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Page 51				

Social: Society

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	Page 56				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	Tata Power does not at present formally analyse its business units for risks related to corruption. However clear guidelines have been laid down by the company, in the form of the Tata Code of Conduct and the Whistleblo				

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
			wer policy to deal with instances of corruption				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	All employees are made aware of the Tata Code of Conduct during their induction in the company. This document specifies Company's anti-corruption policies				
SO4	Actions taken in response to incidents of corruption.	Fully	No incidents of corruption were found during the reporting period				
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	Page 23				
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Page 23				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly	Fully	No incidences of legal				



Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
	practices and their outcomes.		action against the company were recorded against the company				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No fines were levied on the company in the reporting period				
Social: Product Responsibility							
Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	Page 59				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No incidents of non-compliance were registered in the reporting period				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Page 60				There are no such requirements related to power as a product

Performance Indicator	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	To be reported in	Reason for omission	Explanation
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	No incidents of non-compliance were registered in the reporting period				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Pages 60-62				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Only electricity specific laws are applicable to Tata Power; others are not applicable				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	Page 62				
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines were levied on the company in the reporting period				



GRI Content Electric Utility Sector Supplement

GRI Content Electric Utility Sector Supplement

G3 Content Index - Electric Utilities Sector Supplement						
Application Level		A		Assured by		Ernst and Young Pvt. Ltd.
STANDARD DISCLOSURES PART I: Profile Disclosures						
1. Strategy and Analysis						
2. Organizational Profile						
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	Fully	Page 5			
EU2	Net energy output broken down by primary energy source and by regulatory regime.	Fully	Page 6			
EU3	Number of residential, industrial, institutional and commercial customer accounts.	Fully	Page 61			
EU4	Length of above and underground transmission and distribution lines by regulatory regime.	Fully	Page 6			
EU5	Allocation of CO2e emissions allowances or equivalent, broken down by carbon trading framework.	Not				Emission allowances have not been allocated by the Company but may be evaluated in the future
3. Report Parameters						
4. Governance, Commitments, and Engagement						
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)						
DMA EC	Disclosure on Management Approach EC					
EU6	Management approach to ensure short and long-term electricity availability and reliability	Fully	Pages 61-62			
EU7	Demand-side management programs including residential, commercial, institutional and industrial programs	Fully	Pages 26, 34			



Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Fully	EUSS Index			In-house research and development activity is carried out for ensuring reliable electric supply
EU9	Provisions for decommissioning of nuclear power sites	Not				Tata Power's business does not involve nuclear power plants
DMA EN	Disclosure on Management Approach EN					
DMA LA	Disclosure on Management Approach LA					
EU14	Processes and processes to ensure the availability of a skilled workforce	Fully	Pages 45, 48-50			
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Fully	Page 46			
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Fully	Pages 46-47			
DMA HR	Disclosure on Management Approach HR					
DMA SO	Disclosure on Management Approach SO					
EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development.	Fully	Pages 20-23			
EU20	Approach to managing the impacts of displacement	Fully	Page 56			
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans.	Fully	Page 47			

DMA PR	Disclosure on Management Approach PR					
Profile Disclosure	Description	Reported	Cross-reference/Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services.	Fully	Page 60-61			
EU24	Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	Partially	Page 62			
STANDARD DISCLOSURES PART III: Performance Indicators						
Economic						
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.	Fully	Page 7			
EU11	Average generation efficiency of thermal plants by energy source and regulatory regime.	Fully	Page 37			
EU12	Transmission and distribution losses as a percentage of total energy.	Fully	Page 7			
Environmental						
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	Fully	Pages 40-43			
Social: Labour Practices and Decent Work						
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities. Percentage of contractor	Not				Specific records on no. of man-days worked by contractors are not maintained. However Company will initiate this in the future



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Explanation
EU18	and subcontractor employees that have undergone relevant health and safety training.	Partially	Page 47			
Social: Human Rights						
Social: Society						
EU22	Number of people physically or economically displaced and compensation, broken down by type of project.	Partially	Page 56			
Social: Product Responsibility						
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases.	Not				Injuries caused by Tata Power operations to the general public have not occurred
EU26	Percentage of population unserved in licensed distribution or service areas.	Fully	Page 61			
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime.	Fully	Page 61			
EU28	Power outage frequency.	Fully	EUSS Index			Tata Power takes care that power outages and power disruptions do not take place by efficiently managing its power production
EU29	Average power outage duration.	Fully	EUSS Index			Tata Power takes care that power outages and power disruptions do not take place by efficiently managing its power production
EU30	Average plant availability factor by energy source and by regulatory regime.	Fully	Page 37			

Assurance Letter

Assurance Letter

The Management and Board of Directors

Tata Power Company Limited
Mumbai, India.

Independent Assurance Statement

Ernst & Young Pvt. Ltd. (EY) has been engaged by Tata Power Company Limited (the 'Company') to provide independent assurance to its Corporate Sustainability Report (the 'Report') covering the Company's sustainability performance from April 1, 2010 to March 31, 2011.

The Company's management is responsible for the contents of the report, identification of the key issues, engagement with stakeholders and its presentation. EY's responsibility, as agreed with the management, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Reporting criteria and assurance standard

The Company has stated that it has developed the Report based on Global Reporting Initiative 2006 (GRI-G3) guidelines and the accompanying electric utilities sector supplement (EUSS). The assurance engagement was planned and performed in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusions. Moreover, for sustainability performance indicators we used the criteria of the reporting principles and indicators of GRI-G3 and EUSS.

Scope of assurance and methodology

The scope of the assurance was limited to review of information pertaining to sustainability performance of the Company during the period April 1, 2010 to March 31, 2011. The assurance

was based on interaction with key personnel of the Company to identify the processes in place; capture sustainability performance data as per GRI-G3 guidelines and EUSS.

The review was carried out by EY's multidisciplinary team of professionals who visited the Company's power generating station at Trombay and corporate office at Mumbai. We reviewed the Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data. The data and information reviewed were limited to energy, emissions, workforce, training, occupational health & safety, water, waste, product and service labeling.

Limitations of our engagement

The assurance scope excludes:

- Aspects of the Report other than those mentioned above;
- Data and information outside the defined reporting period (April 1, 2010 to March 31, 2011) and other than the indicators mentioned above;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Data and information on economic and financial performance of the Company.

Observations and opportunities for improvement

The key observations during the review process are the following:

- The Company has developed the Report in keeping with the GRI-G3 reporting guidelines and EUSS;
- The Company has conducted an independent stakeholder study and has a well-established process to determine key sustainability issues;
- Safety is a priority for the Company and it has established online data reporting and monitoring systems for improved safety at the workplace. However, the Company may consider streamlining its online reporting and manual reporting mechanisms to ensure data accuracy;
- While the environment data is being generated at site and collated centrally, the Company may consider establishing internal review processes for ensuring the robustness of data received from different sites.

Conclusions

On the basis of our scope of review and approach, nothing has come to our attention that causes us not to believe that:

