

TATA POWER TRADING COMPANY LIMITED

DIRECTORS' REPORT

To the Members,

The Directors are pleased to present their Eighth Annual Report on the business and operations of the Company and the statement of account for the year ended 31st March 2011.

1. FINANCIAL RESULTS

	FY 2011 (Rupees Crores)	FY 2010 (Rupees Crores)
Units Traded (MUs)	4354	4075
(a) Revenue from Power Supply	1,931.28	2,275.24
(b) Income from Advisory Services/Consultancy	1.83	0.54
(b) Other Income	2.68	1.32
(c) Total Income	1,935.79	2,277.10
(d) Cost of Power Purchased	1,901.45	2,254.29
(e) Operating, Administration and other finance charges	21.89	10.93
(f) Total Expenditure	1,923.34	2,265.22
(g) Profit Before Taxes	12.45	11.88
(h) Provision for Taxation	3.31	3.64
(i) Net Profit After Tax	9.14	8.24
(j) Balance brought forward from the previous year	16.94	11.08
(k) Balance	26.08	19.32
which the Directors have appropriated as under to :		
(l) Interim Preference Dividend		1.08
(m) Interim Equity Dividend		
(n) Proposed Equity Dividend		0.40
(o) Additional Income-tax on Dividend	3.20	
(p) General Reserve	0.53	0.25
	0.70	0.65
TOTAL	4.43	2.38
(q) Balance carried to Balance Sheet	21.65	16.94

2. FINANCIAL & OPERATIONAL RESULTS

During the year, the Company reported a Profit after Tax (PAT) of Rs. 9.14 crores, as against Rs. 8.24 crores for the previous year, a growth of 10.92%. The Operating Revenue was lower at Rs. 1,933.11 crores, as against Rs. 2,275.78 crores, a decrease of 15.06%. This is due to drop in the power rates. The Company has a CAGR of 29 % in terms of power traded over the past 5 years.

In addition, to power trading business the Company also provided consultancy services for Energy Management, Coal Supply Facilitation, Project Analysis and Clean Development Mechanism (CDM). The Company earned revenues of Rs. 1.83 crores from advisory services/consultancy business during the year.

TATA POWER TRADING COMPANY LIMITED

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The Company's short term credit facility from banks was rated as 'BBB+' by Fitch Rating Agency.

2. DIVIDEND

The Directors of your Company are pleased to recommend a dividend of 20% (Rs. 2 per share) for the approval of shareholders (FY10 dividend of Rs. 2 per share)

3. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunil Wadhwa and Mr. Ashok Sethi retire by rotation. Mr. Sunil Wadhwa and Mr. Ashok Sethi being eligible offer themselves for re-appointment.

Mr. Amulya Charan was appointed as a Managing Director of the Company from 1st June 2010 to 31st March 2011. The Board, subject to approval in the Annual General Meeting, has re-appointed Mr. Amulya Charan as Managing Director of the Company from 1st April 2011 to 31st May 2011.

None of the Directors of the Company are disqualified under section 274 (1) (g) of the Companies Act, 1956.

4. AUDITORS

Members are requested, to appoint Auditors for the current year and authorise the Board of Directors to fix their remuneration. M/s. Deloitte Haskins & Sells (DHS), the present Auditors who retire at the conclusion of the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to be re-appointed and have given a certificate to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Act.

5. DISCLOSURE OF PARTICULARS

Particulars of Employees: Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is not applicable as all the managers, executives and officers are employees of The Tata Power Co. Ltd. and are deputed to the Company.

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TATA POWER TRADING COMPANY LIMITED

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6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not fall under any of the industries covered by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Hence, the requirements of disclosure in relation to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are not given.

During the year, the Company earned a Foreign Exchange of Rs.28,96,763/-(Rs 6,79,000/-) from Coal Supply Facilitation business. The outgo during the year was Rs. 21,68,996/- (Rs. 1,12,48,152/-) on account of Power Management System software platform, travelling expenses and Sales force (CRM software).

7. CORPORATE GOVERNANCE

Board of Directors of the Company has constituted Audit and Remuneration committees, even though it is not a listed company.

The Company has an Audit Committee comprising of three Directors, viz. Mr. S Ramakrishnan, Mr. Amulya Charan and Mr. Sunil Wadhwa. Mr. Sunil Wadhwa is the Chairman of the Audit Committee.

The Company has a Remuneration Committee comprising of three Directors, viz. Mr. S Ramakrishnan Mr. S Padmanabhan, and Mr. Sunil Wadhwa. Mr. S Ramakrishnan is the Chairman of the Remuneration Committee.

The Company has a Finance Committee comprising of three Directors, viz. Mr. S Ramakrishnan Mr. Amulya Charan, and Mr. Ashok Sethi. Mr. S Ramakrishnan is the Chairman of the Finance Committee.

8. SOCIAL RESPONSIBILITY

The Company is committed to discharging its responsibility as a good corporate citizen. As part of its social responsibility, the Company conducted following activities:

A training workshop on safety was conducted for various organizations/institutes like BSES Hospital (Andheri), JNPT (Uran), Income Tax Office (Andheri), etc. Also workshops on Material Handling & Safety, Safety for Apprentices and Safety for Women were conducted by the Company jointly with Tata Power for various departments of Tata Power.

The Company also conducted a workshop on security called 'Train the Trainer' for the employees of Rallis India (Turbhe)

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that :-

TATA POWER TRADING COMPANY LIMITED

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- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;

10. ACKNOWLEDGEMENT

On behalf of the Directors of the Company, I would like to place on record appreciation to our Shareholders, Clients, Business Associates and Bankers.

The Directors are thankful Ministry of Power, Government of India, CERC, the concerned state governments and all concerned statutory authorities, including regulatory authorities for their support, and look forward to their continued support in future.

The Directors place on record their appreciation of the contribution made by employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board of Directors,

Sd/-
S. Ramakrishnan
Chairman

Mumbai, 10th May 2011

Deloitte Haskins & Sells

Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai - 400 018
India

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Fax: +91 (022) 6667 9100

AUDITORS' REPORT TO THE MEMBERS OF TATA POWER TRADING COMPANY LIMITED

1. We have audited the attached Balance Sheet of **TATA POWER TRADING COMPANY LIMITED** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

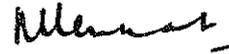
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- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

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



N. VENKATRAM
Partner
(Membership No. 71387)

MUMBAI, 10th May, 2011

Deloitte Haskins & Sells

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business/activities, clauses (ii), (x), (xiii), (xiv), and (xx) of CARO are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the Company and such disposal has, in our opinion, not affected the going status of the Company.
- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) According to the information and explanations given to us, the Company has not entered into any contracts or arrangement with parties, which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year/previous years.
- (vi) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.

Deloitte Haskins & Sells

- (vii) As informed to us by the Management, the Central Government has not prescribed maintenance of cost records for any of the product of the Company under Section 209 (1) (d) of the Companies Act, 1956.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than 6 months from the date they became payable.
- (c) Details of unpaid disputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess as at 31st March, 2011 are given below:

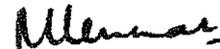
Name of the statute	Nature of the dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	188,526	Financial Year – 2007-08	Deputy Commissioner of Income Tax

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions, and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, no term loans have been availed by the Company.

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- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



N. VENKATRAM
Partner
(Membership No. 71387)

MUMBAI, 10th May, 2011

Tata Power Trading Company Limited
Balance Sheet as at 31st March, 2011

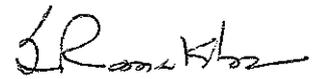
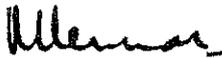
	Schedule	As at 31st March, 2010	
		Rupees	Rupees
FUNDS EMPLOYED :			
1 SHARE CAPITAL	A		160,000,000
2 RESERVES AND SURPLUS	B		452,907,054
TOTAL			612,907,054
APPLICATION OF FUNDS :			
3 FIXED ASSETS	C		
a. Gross Block		28,635,727	27,748,134
Less : Depreciation and amortisation to date		13,267,165	6,662,934
			15,368,562
4 INVESTMENTS	D		25,000,000
5 DEFERRED TAX ASSET (Net)			39,369,000
6 CURRENT ASSETS, LOANS AND ADVANCES	E		
Sundry Debtors		1,019,321,554	1,078,780,148
Cash and Bank Balances		636,689,627	673,464,990
Loans and Advances		62,663,902	52,608,278
Less :			1,718,675,083
7 CURRENT LIABILITIES AND PROVISIONS	F		
Current Liabilities		1,145,388,476	1,298,629,158
Provisions		40,117,115	2,313,060
			1,185,505,591
NET CURRENT ASSETS			533,169,492
TOTAL			612,907,054
8 Notes forming part of the Accounts	G		

In terms of our report attached.

For and on behalf of the Board,

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

S. Ramakrishnan - Chairman

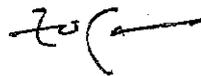



Amulya Charan-Managing Director



N. VENKATRAM
Partner

T.N. Ramakrishnan-Secretary



Mumbai: 10th May, 2011

Mumbai: 10th May, 2011

Tata Power Trading Company Limited
Profit and Loss Account for the year ended 31st March, 2011

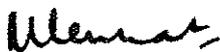
	Schedule	Current Year		Previous Year
		Rupees	Rupees	Rupees
INCOME :				
1 Revenue	1		19,331,156,306	22,757,835,459
2 Other Income	2		26,792,247	13,210,273
TOTAL INCOME			19,357,948,553	22,771,045,732
EXPENDITURE				
3 Cost of Power Purchased		19,289,540,460		22,915,562,463
Less : Cash Discount Earned		275,039,048		372,661,058
			19,014,501,412	22,542,901,405
4 Compensation Expenses/(Income) (Net)				
Compensation Incurred		236,276,804		55,256,313
Less: Compensation Earned		223,705,604		56,043,852
			12,571,200	(787,539)
4 Operating and Administration expenses	3		198,496,002	104,309,799
5 Depreciation and amortisation	C		7,209,124	5,715,575
6 Interest	4		647,112	128,977
TOTAL EXPENDITURE			19,233,424,850	22,652,268,217
PROFIT BEFORE TAXES			124,523,703	118,777,515
7 PROVISION FOR TAXATION				
a) CURRENT TAX				
For the year		63,000,000		40,000,000
In respect of earlier years		2,002,000		-
b) DEFERRED TAX			65,002,000	40,000,000
For the year		(29,611,298)		(3,578,500)
In respect of earlier years		(2,330,402)		-
			(31,941,700)	(3,578,500)
			33,060,300	36,421,500
PROFIT AFTER TAXES BEFORE APROPRIATIONS			91,463,403	82,356,015
9 APPROPRIATIONS				
Preference Shares - Interim Dividend Paid			-	10,800,000
Equity Shares - Interim Dividend			-	4,000,000
Equity Shares - Proposed Dividend		32,000,000		-
			32,000,000	14,800,000
10 Additional Income Tax on Dividend			5,314,800	2,515,260
11 Transfer to General Reserve			7,000,000	6,500,000
			44,314,800	23,815,260
12 BALANCE CARRIED TO BALANCE SHEET			47,148,603	58,540,755
13 Basic and Diluted Earning Per Share (in Rs.) (Face Value Rs.10)			5.72	34.20
14 Notes forming part of the Accounts	G			

In terms of our report attached.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS
Chartered Accountants

S. Ramakrishnan - Chairman



Amulya Charan-Managing Director

N. VENKATRAM
Partner

T.N. Ramakrishnan-Secretary

Mumbai: 10th May, 2011

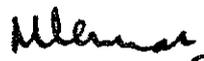
Mumbai: 10th May, 2011

Tata Power Trading Company Limited
Cash Flow Statement for year ended 31st March, 2011

		(In Rupees)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
A.	Cash Flow from Operating Activities		
	Profit before Taxes	124,523,703	118,777,515
	Adjustments for:		
	Depreciation	7,209,124	5,715,575
	Interest	647,112	128,977
	Dividend from Current Investments	(26,750,687)	(13,053,392)
	Profit on Sale of Current Investments	-	(31,338)
	Loss on sale of Fixed Assets	434,417	-
	Provision for Doubtful debts	96,389,609	17,057,806
	Operating Profit before Working Capital Changes	77,929,575	9,817,628
		202,453,278	128,595,143
	Adjustments for:		
	Trade and Other Receivables	(46,986,639)	55,326,622
	Trade and Other Payables	(146,725,422)	34,006,465
	Net Cash Generated from Operations	(193,712,061)	89,333,087
		8,741,217	217,928,230
	Taxes Paid	(64,512,745)	(39,598,547)
	Net Cash from/(used in) Operating Activities	(64,512,745)	(39,598,547)
		(55,771,528)	178,329,683
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets and CWIP	(2,252,014)	(13,396,385)
	Sale of Fixed Assets	325,111	-
	Purchase of Investment	(17,614,114,986)	(19,470,084,527)
	Sale of Investment	17,615,449,739	19,444,837,950
	Dividend Income	26,750,687	13,053,392
	Net Cash from/(used in) Investing Activities	26,158,537	(25,589,570)
		26,158,537	(25,589,570)
C.	Cash Flow from Financing Activities		
	Issue of Equity Shares (net of Issue expenses)	-	348,950,000
	Redemption of Preference Shares	-	(180,000,000)
	Dividend Paid	(4,000,000)	(25,600,000)
	Dividend Tax Paid	(2,515,260)	(2,515,260)
	Interest Paid	(647,112)	(128,977)
	Net Cash from/(used in) Financing Activities	(7,162,372)	140,705,763
		(7,162,372)	140,705,763
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(36,775,363)	293,445,876
	Cash and Cash Equivalents as at 1st April, 2010, 2009 (Opening Balance)	673,464,990	380,019,114
	Cash and Cash Equivalents as at 31st March, 2011, 2010 (Closing Balance)	636,689,627	673,464,990

In terms of our report attached.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

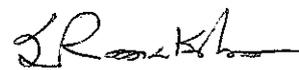


N. VENKATRAM
Partner

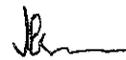
Mumbai: 10th May, 2011

For and on behalf of the Board,

S. Ramakrishnan - Chairman

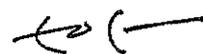


Amulya Charan-Managing Director



T.N. Ramakrishnan-Secretary

Mumbai: 10th May, 2011



Tata Power Trading Company Limited
Schedules forming part of the Balance Sheet as at 31st March, 2011

Sch No.	Rupees	Rupees	
		As at 31st March, 2011	As at 31st March, 2010
A	SHARE CAPITAL		
	AUTHORISED CAPITAL		
	20,000,000 Equity Shares of Rs. 10 each	200,000,000	200,000,000
	18,000,000 6% Non-Cumulative Redeemable Preference Shares of Rs 10 each	180,000,000	180,000,000
		380,000,000	380,000,000
	ISSUED, SUBSCRIBED AND PAID UP		
	16,000,000 (16,000,000 as on 31st March, 2010) Equity Shares of Rs.10 each fully paid. (Limited)	160,000,000	160,000,000
		160,000,000	160,000,000
B	RESERVES AND SURPLUS		
	SECURITIES PREMIUM		
	Opening Balance	208,950,000	-
	Add: Received during the previous year (net of issue expenses of Rs.1,050,000)	-	208,950,000
		208,950,000	208,950,000
	GENERAL RESERVE		
	Opening Balance	20,500,000	14,000,000
	Add: Transfer from Profit and Loss account	7,000,000	6,500,000
		27,500,000	20,500,000
	PROFIT AND LOSS ACCOUNT		
Opening Balance	169,308,451	110,767,696	
Add: Profit for the Period	47,148,603	58,540,755	
Closing Balance	216,457,054	169,308,451	
	452,907,054	398,758,451	
E	CURRENT ASSETS, LOANS AND ADVANCES		
	a) Sundry Debtors (Unsecured)		
	Debts outstanding for more than six months	108,207,344	29,150,324
	Other Debts	1,035,637,993	1,078,780,148
	Sundry Debtors	1,143,845,337	1,107,930,472
	Less: Provision for Doubtful debts	124,523,783	29,150,324
	Note:		
	Sundry Debtors considered good	1,019,321,554	1,078,780,148
	Sundry Debtors considered doubtful	124,523,783	29,150,324
		1,143,845,337	1,107,930,472
b) Cash and Bank Balances			
Current Accounts with Scheduled Banks	636,689,627	673,464,990	
Total Current Assets	1,656,011,181	1,752,245,138	
c) Loans and Advances			
Unsecured Considered good-unless otherwise stated			
(i) Other Advances	4,144,488	948,533	
(ii) Deposits	59,535,864	51,659,745	
Less: Provision for Doubtful advances	63,680,052	52,608,278	
	1,016,150	-	
	62,663,902	52,608,278	
Total Loans and Advances	62,663,902	52,608,278	
Total Current Assets, Loans and Advances	1,718,675,083	1,804,853,416	
F	CURRENT LIABILITIES AND PROVISIONS		
	CURRENT LIABILITIES		
	Sundry Creditors -Micro and Small Enterprises (Refer Note no.2 to Schedule 'G')	-	-
	Sundry Creditors -Others	1,125,734,588	1,279,489,177
	Deposit received from Customers	3,935,000	2,835,000
	Interim Dividend Payable	-	4,000,000
	Additional Income-tax on Dividends Payable	-	2,515,260
	Other Liabilities	15,718,888	9,789,721
	Total Current Liabilities	1,145,388,476	1,298,629,158
	PROVISIONS		
Provision for Taxation (Net)	2,802,315	2,313,060	
Provision for Proposed Dividends	32,000,000	-	
Provision for Additional Income-tax on Dividends	5,314,800	-	
Total Provisions	40,117,115	2,313,060	
Total Current Liabilities and Provisions	1,185,505,591	1,300,942,218	

Tata Power Trading Company Limited
Schedules forming part of the Balance Sheet as at 31st March, 2011
Schedule "C"
FIXED ASSETS

Particulars	GROSS BLOCK (at cost)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1st April, 2010 Rupees	Additions For the Year Rupees	Deductions For the Year Rupees	As at 31st March, 2011 Rupees	As at 1st April, 2010 Rupees	For the Year Rupees	Deductions for the Year Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
A INTANGIBLE ASSETS										
Computer Software	20,459,726	-	-	20,459,726	4,603,438	6,137,918	-	10,741,356	9,718,370	15,856,288
B TANGIBLE ASSETS										
1 Computers	2,079,263	943,554	-	3,022,817	624,785	429,351	-	1,054,136	1,968,681	1,454,478
2 Furniture, Fixtures and Office Equipment	2,317,335	1,308,460	-	3,625,795	778,870	475,150	-	1,254,020	2,371,775	1,538,465
3 Motor Vehicles	2,891,810	-	1,364,421	1,527,389	655,841	166,705	604,893	217,653	1,309,736	2,235,969
2010 - 11	27,748,134	2,252,014	1,364,421	28,635,727	6,662,934	7,209,124	604,893	13,267,165	15,368,562	21,085,200
2009 - 10	3,638,944	24,109,190	-	27,748,134	947,359	5,715,575	-	6,662,934	21,085,200	-

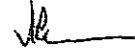


Tata Power Trading Company Limited
Schedules forming part of the Balance Sheet as at 31st March, 2011
SCHEDULE "D"
INVESTMENTS

INVESTMENTS	Opening (Units)	Purchased (Units)	Sold (Units)	Closing Balance (Units)	Face Value as at 31st March, 2011	Cost as at 31st March, 2011	Cost as at 31st March, 2010
					Rupees	Rupees	Rupees
a) TRADE INVESTMENTS							
Ordinary Shares - (Unquoted) fully paid up Power Exchange India Ltd.	2,500,000	-	-	2,500,000	25,000,000	25,000,000	25,000,000
b) OTHER INVESTMENTS - CURRENT							
Other Securities - (Unquoted)							
Templeton India Cash Management - Dividend Reinvestment	133,475	4,147	137,622	-	-	-	1,334,753
						25,000,000	26,334,753

During the year, the company acquired and sold the following Investments:

Particulars	No. of units	Purchase Cost
a) HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	104,202,552	1,108,340,028
b) HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend	27,454,008	275,404,880
c) ICICI Prudential Flexible Income Plan Premium - Daily Dividend	3,368,409	356,158,732
d) ICICI Prudential Liquid Super Institutional Plan - Dividend Daily	38,649,264	3,865,792,805
e) SBI - Magnum Insta Cash Fund - Daily Dividend Option	497,293,033	8,329,807,494
f) Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment	279,543,960	2,800,890,707
g) Birla Sun Life Saving Fund - Institutional - Daily Dividend - Reinvestment	87,708,245	877,678,867
h) Templeton India Cash Management - Dividend Reinvestment	4,147	41,473
		17,614,114,986



Tata Power Trading Company Limited
Schedules forming part of the Profit and Loss Account

Sch No.		Rupees	Rupees	Rupees
				31st March, 2010
1	REVENUE:			
a)	Revenue from Power Supply	19,512,696,138		23,067,590,908
	Less: Cash Discount allowed	214,349,080		327,929,026
b)	Revenue from Power Banking Sale		19,298,347,058	22,739,661,882
c)	Income from Advisory Services		3,903,271	3,365,853
d)	Liability Written back		18,298,723	5,429,000
			10,607,254	9,378,724
			19,331,156,306	22,757,835,459
2	OTHER INCOME:			
a)	Dividend from Current Investments		26,750,687	13,053,392
b)	Profit on sale of Current Investments		-	31,338
c)	Delay Payment Charges received		-	125,543
d)	Gain on Exchange		41,560	-
			26,792,247	13,210,273
3	OPERATION AND ADMINISTRATION EXPENSES:			
a)	Stores, Oil etc. consumed		10,602	449,332
b)	Rental of Land, Buildings, Plant and Equipment etc.		7,161,997	5,907,724
c)	Repairs and Maintenance to Furniture, Vehicles etc.		635,817	125,087
d)	Other Operation Expenses		20,118,386	16,281,910
e)	Auditors' Remuneration (Refer note 3 of Schedule "G")		1,870,688	1,792,440
f)	Cost of Services Procured		38,249,412	30,153,181
g)	Miscellaneous Expenses		25,837,682	16,080,710
h)	Tata Brand Equity		7,743,966	7,015,056
i)	Insurance		43,426	18,031
j)	Bad Debts		-	9,428,522
k)	Provision for Doubtful Debts (Net)		96,389,609	17,057,806
l)	Loss on sale of Fixed Assets		434,417	-
			198,496,002	104,309,799
4	INTEREST AND FINANCE CHARGES:			
a)	Interest on Short Term Borrowings		123,010	128,977
b)	Interest on delayed payment of Advance Tax		524,102	-
			647,112	128,977



Tata Power Trading Company Limited

Schedule "G"

Notes forming part of the Accounts

Background:

Tata Power Trading Company Limited is a wholly owned subsidiary of The Tata Power Company Limited. The Company is engaged in the business of trading of electricity across the country. CERC has granted Category "F" certificate to the Company for purposes of power trading, which allows the Company to trade power units without any quantitative restrictions. The Company sources power from different public and private sectors utilities and supplies to various consumers being public and private sectors power utilities. Further, the Company also provides consultancy services relating to procurement/sale of power, coal and Clean Development Mechanism (CDM) advisory services.

1. Significant Accounting Policies :

a) Basis of Preparation of Financial Statements:

The financial statements are prepared under historical cost convention, on accrual basis and in accordance with requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act, which have been notified by the Companies (Accounting Standards) Rules, 2006.

b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialized.

c) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation, amortisation and impairment loss if any. Cost includes purchase price, borrowing costs and all other applicable expenses incurred to bring the assets to its present location and condition.

d) Depreciation:

The Company is providing depreciation on fixed assets at the rate prescribed in the Schedule XIV of the Companies Act, 1956 on Straight Line Method (SLM) basis. Depreciation on addition/deduction of assets is provided on pro-rata basis. Assets costing less than Rs. 5,000 and mobile phones are depreciated at the rate of 100%.

Leasehold improvements are depreciated over period of four years on Straight Line Method.

Cost of Computer Software recognized as intangible asset, is amortised on Straight Line Method over a period of legal right to use.

e) Investments:

Long term investments are carried at cost, less provision for diminution other than temporary, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.



f) Revenue Recognition:

- i. Revenue from sale of power is accounted for based on rates agreed with the Customers and is inclusive of trading margin.
- ii. For sale of power under Banking Arrangements only margin earned on the transactions is accounted for as Revenue.
- iii. Revenue in the nature of advisory services rendered towards finalization of power purchase agreements, CDM services, load management etc. is recognized when the fees are determined under the terms of respective agreements.
- iv. Delayed payment charges for power supply on grounds of prudence are recognized when recovery is virtually certain.
- v. Compensation recoverable from customers/suppliers for default in purchase/sale of power is accrued as determined under the terms of respective agreements and acknowledged by customers/suppliers.

g) Segment Reporting:

As the Company's business activity consists only of Power Trading and related consultancy activities, as such there are no separate reportable segments as per the requirements of Accounting Standard (AS-17) "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006.

h) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax, which is computed on the basis of enacted / substantively enacted rates, is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is reasonable certainty of realization of such assets. Other deferred tax assets are recognised only to the extent there is virtual certainty of realization in future.

i) Provision, Contingent Liabilities and Contingent Assets:

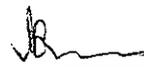
Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in financial statements.

2. No enterprises have been identified as "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the Company. This has been relied upon by the Auditors.

3. Details of Auditors' Remuneration: (inclusive of service tax)

Particulars	2010-11	2009-10
Audit Fees	1,103,000	976,220
Taxation Matters	165,450	165,450
Other Services	602,238	650,770
Out of Pocket Expenses	Nil	Nil
Total	1,870,688	1,792,440

The remuneration disclosed above excludes fees of Rs. Nil (31st March, 2010 - Rs.330,900) for professional services rendered by firm of accountants in which some partners of the firm of statutory auditors are partners.



4. **Deferred Tax:**

Deferred Tax (Liability) / Asset as at 31st March, 2011 comprises of:

Particulars	2010-11	2009-10
Deferred Tax Liability:		
- Depreciation	(2,335,400)	(2,480,700)
Total Deferred Tax Liability	(2,335,400)	(2,480,700)
Deferred Tax Asset:		
- Provision for Doubtful debts and advances	41,704,400	9,908,000
Total Deferred Tax Asset	41,704,400	9,908,000
Net	39,369,000	7,427,300

5. (a) **Managerial Remuneration:**

Particulars	2010-11	2009-10
1) Salaries and Allowances	Nil	Nil
2) Contribution to Provident Fund	Nil	Nil
3) Commission to Director	Nil	Nil
4) Remuneration paid to Managing Director on deputation from the Holding Company*	Nil	1,800,000
Total	Nil	1,800,000

* Represents amounts charged by the Holding Company.

(b) (i) C.I.F. Value of Imports:

Capital Goods	2010-11	2009-10
	Nil	8,599,482

(ii) Expenditure in foreign currency:

Professional and consultation fess	2,168,996	2,648,670
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6. **Disclosure as required by Accounting Standard 18 (AS-18) "Related Party Disclosures" as notified under the Companies (Accounting Standards) Rules, 2006 is as follows:**

(a) Names of the related parties and description of relationship:

Sr. No	Name of the related party	Country of origin
Holding Company:		
	The Tata Power Company Ltd. (TPCL)	India
Fellow Subsidiaries (where transactions have taken place during the year):		
1.	North Delhi Power Ltd. (NDPL)	India
2.	Trust Energy Resources Pte. Ltd. (TERPL)	Singapore
Key Management Personnel		
	Amulya Charan	



(b) Details of Transactions/Balances outstanding:

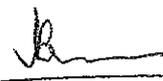
Particulars	TPCL	NDPL	TERPL
Transactions during the year			
Purchase of Power	6,142,133,595 <i>6,167,024,027</i>	- <i>74,726,675</i>	-
Cash Discount earned	92,557,579 <i>104,760,347</i>	- <i>1,494,534</i>	-
Sale of Power	3,381,920,806 <i>133,761,120</i>	2,586,274,766 <i>1,895,830,589</i>	-
Cash Discount given	47,936,858 <i>2,615,203</i>	2,296,320 <i>717,976</i>	-
Revenue from Power Banking Sale	-	265,555 <i>1,957,442</i>	-
Rendering of services	200,000	-	2,896,763 <i>679,000</i>
Receiving of services	31,200,000 <i>30,559,162</i>	-	-
Compensation paid (Net)	96,966,400 <i>16,417,585</i>	-	-
Dividend paid	- <i>25,600,000</i>	-	-
Deposit Given	-	5,000,000	-
Repayment of Preference Shares	- <i>180,000,000</i>	-	-
Balance outstanding as at 31st March, 2011			
Other receivable	-	17,523,104 <i>29,581,132</i>	- <i>679,000</i>
Equity Dividend payable	- <i>4,000,000</i>	-	-
Other payable	392,493,488 <i>791,260,216</i>	-	-
Guarantees given on behalf of the Company	- <i>500,000,000</i>	-	-

Note: Previous year's figures are in italics

(c) Details of transactions with Key Management Personnel for the current year:

Key Management Personnel	As at 31 st March 11 (Rs.)	As at 31 st March 10 (Rs.)
Mr. Amulya Charan*	Nil	1,800,000
Total	Nil	1,800,000

* included in Cost of Services provided.



7. Earning in Foreign exchange:

	2010-11	2009-10
Consultancy Income	2,896,763	679,000

8. The year-end foreign currency exposures of Rs. Nil [(31st March, 2010 - USD 15,037.08 (Rs.679,000))] for amount receivable on account of rendering of services have not been hedged by a derivative instrument or otherwise.

9. Earnings Per Share:

Particulars	FY 2010-11	FY 2009-10
Net Profit after tax but before appropriations	91,463,403	82,356,015
Less: Dividend on Preference Shares	Nil	(10,800,000)
Less: Additional Income Tax on Preference Dividend	Nil	(1,835,460)
Profit Attributable to Equity Share Holders	91,463,403	69,720,555
The weighted average number of Equity Shares	16,000,000	2,038,356
Basic/Diluted Earnings Per Share	5.72	34.20

10. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

Particulars	FY 2010-11	FY 2009-10
Net Profit before Taxes as per Profit & Loss Account	124,523,703	118,777,515
Add: Managerial Remuneration	Nil	1,800,000
Add: Provision for Doubtful Debts	96,389,609	17,057,806
Less: Profit on sale of Investments	Nil	31,338
Add: Loss on sale of Investments	Nil	Nil
Net Profit as per Section 349 of the Companies Act, 1956	220,913,312	137,603,983
Limits specified under the Companies Act, 1956 - 5%	11,045,666	6,880,199
Commission payable to Managing Director/Whole time Director	Nil	Nil

The Company has not paid any remuneration to Mr. Amulya Charan (Managing Director) and no reimbursements have been made in respect of his remuneration, if any, paid by The Tata Power Company Ltd.

11. Contingent Liabilities on account of:-

- Contractual Commitment - Rs. Nil (31st March, 2010 - Rs. 32,566,630) and
- Power Banking Arrangement - Rs. 355,624,500 (31st March, 2010 - Rs. Nil)
- Taxation Matters - Rs. 188,526 (31st March, 2010 - Rs. Nil)

12. Capital Commitment not provided for Rs. Nil (31st March, 2010 Rs. Nil).

13. Total number of units purchased and sold during the year - 4,238 MUs (31st March, 2010 - 3,991 MUs) excluding under banking arrangement - 116 MUs (31st March, 2010 - 84 MUs).

14. Previous year's figures are regrouped wherever necessary, to confirm to this year's classification.

For and on behalf of the Board,

S. Ramakrishnan
Chairman

Amulya Charan
Managing Director

T. N. Ramakrishnan
Secretary

Mumbai: 10th May, 2011