


A Century of Invisible Goodness



Sustainability Report 2014-2015



Lighting up Lives!



***"In a free enterprise, the community
is not just another stakeholder
in business but is in fact the very
purpose of its existence."***

***Jamsetji N. Tata (1839-1904)
Founder, Tata Group***



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CEO & Managing Director's Address

Dear Stakeholder,

Tata Power, India's largest integrated power company, accomplished 100 years of operations in February 2015. We take pride in sharing the Centenary year celebrations with our stakeholders who have helped us serve the nation for over 100 years. Buoyed by the vision of our Founder, Jamsetji N. Tata, that clean, cheap and abundant power is one of the basic ingredients for the economic progress of a city, a state, or a country, Tata Power began its operations in 1915 by commissioning India's first hydroelectric project in Khopoli, Maharashtra. Since we commissioned first Hydro unit of 12 MW in 1915, symbolically, we commit to commission 120 MW of new Hydro Power Project during the 100th year. Also, we plan Hydro development of yet another 450 MW starting this year; and train 2,00,000 skilled workforce by 2025, through Tata Power Skill Development Institute (TPSDI).

Beginning our journey hundred years ago, Tata Power today has a significant presence across the power value

chain. From Fuel and Logistics, to Generation, Transmission, Distribution and Trading, the Company is poised for a multi-fold growth, as a national player in the power sector, by expanding its footprint across the country and overseas. Tata Power believes that enabling self-sustained communities not only contributes towards the company's growth, but becomes an effective partner in the business ecosystem.

With this I present to you Tata Power's 6th Sustainability Report for the year 2014-15, and the first one to be prepared in accordance with the latest G4 Guidelines of the Global Reporting Initiative (GRI), The Netherlands. Besides conforming to the new reporting guidelines, the uniqueness of the report is the approach used for its preparation, keeping in mind the key issues for the company. To aid this, we conducted a Stakeholder Engagement and Materiality Analysis to revisit our materiality matrix, keeping in mind the major stakeholders' perception. This exercise helped us to prioritise key sustainability issues and enabled us to

develop a more meaningful roadmap to be future ready. This Sustainability Report presents our achievements against the set targets in the economic, social and environmental areas, mainly known as the triple bottom line performance, with the focus on good governance. It provides information on the various governance structures, operational values, outreach and success stories, which ultimately lead us towards achieving the Mission of the company.

Tata Power has been operational in a highly technological sector that is vital to economic and social development. In addition to producing an essential good, our business also creates wellbeing for the community, dividends to shareholders, value to employees and partners, service to customers and many more, as a responsible corporate citizen. We strive to make ourselves and our group companies a source of technical skill and innovation. This is evident from the Tata Power SED's (Strategic Engineering Division) unflinching commitment to achieving Substantive Self Reliance and in-house R&D is demonstrated by its contribution to the launch of Agni V from SED Launcher. The Secured Rugged Ground Computers' and 'Missile Interface Units' were developed by SED. Another such initiative is venture into the gasification of biomass which is emerging as a viable source of energy for power generation. This fuel source also holds significant social and business benefits and being a clean and sustainable source, it promises to be a long term growth area. To explore and harness the opportunities, Tata Power has set up a dedicated Bio-fuels Division.

The year saw two successful additions to the business portfolio in wind and thermal. One is the commissioning of 8 MW of the 32 MW wind farm at Girijashankarwadi in Satara, Maharashtra, adding to total wind generation capacity of 470.6 MW. Tata Power signed a SPA (Share Purchase Agreement) for acquisition of 100% shareholding in Ideal Energy Projects Limited (IEPL) which owns a 540 MW coal-based thermal power project in Nagpur, Maharashtra. We also achieved full commissioning of 126 MW Dagachhu Hydroelectric Power Project, Bhutan and clean power generated by this plant will be sold to India, thereby helping to reduce carbon emission. The Dagachhu project is a Joint Venture initiative between Tata Power and Druk Green Power Corporation, owned by Royal Government of Bhutan (RGoB) and is the first cross-border project registered under UNFCCC's Clean Development Mechanism (CDM).

Tata Power espouses the belief that safety, health and wellbeing of its stakeholders are of the utmost importance and take precedence in all business decisions. In pursuit of

this belief and commitment, safety remains one of the prime core values for Tata Power. The year saw strengthening of the Safety Governance Mechanism with a 3-tier Structure for oversight. Our continued focus on ensuring emergency preparedness, Disaster Management Plan (DMP)/Business Continuity Process (BCP) implementation, thrust on trainings and audits, and Corrective and Preventive Action Plan (CAPA), etc. helps in the reinforcement of the company's values.

Our efforts were recognised at various platforms and a testimony to this are the various awards bestowed to us. Tata Power has been adjudged the Best Governed Company and conferred with the prestigious National Award for Excellence in Corporate Governance, by The Institute of Company Secretaries of India (ICSI). We are also proud to share that Tata Power, Trombay plant has been adjudged in top 3 for the Green rating by Centre for Science Environment (CSE), New Delhi. The UMPP Mundra was also received special recognition for energy efficiency.

Reaching the centenary milestone, I would like to take this opportunity to thank all our employees, partners and stakeholders who have contributed to the company's achievements over the years, and we are confident that they will continue to be part of our future growth too. Moving forward, we value our stakeholder's opinions as they help us in the pursuit towards Sustainability and would like to have suggestions on this report.

With best regards,



Anil Sardana
CEO & Managing Director



Report Contour



Tata Power always strives to deliver the best to all its stakeholders with the highest ethical practices. In the constant pursuit to grow, the Company has adopted the latest Global Reporting Initiative (GRI) G4 Guidelines for the Sustainability Report 2014-15. With this, Tata Power will be among the early adopters of the new guidelines in the Indian business fraternity. This is the Sixth Sustainability Report of The Tata Power Company Limited and the last Sustainability Report was published in August, 2014. The details on the purpose, reporting period, scope and boundary, methodology and scope limitations of the report are provided in the next sections.

Purpose

Tata Power's Sustainability Report is published annually to provide the economic, social and environmental performance and a cross-sectional view of the business with strong Corporate governance and good sustainability practices to live up to the expectations of its key stakeholders.

Reporting Period

The reporting period for the report is April 1, 2014 to March 31, 2015. Tata Power has aligned the report in accordance to the G4 reporting framework of GRI, The Netherlands and Electric Utilities Sector Supplement (EUSS). To ensure transparency and to showcase the best practices in Tata Power, it was decided to adopt the 'in accordance Comprehensive level' of disclosure of the G4 Guidelines, and the processes were found to be capable of addressing them positively. An in-house team has worked exhaustively to create reporting process, review mechanism, collection and assimilation of data with a constructive approach to adapt to GRI G4 guidelines.

Though materiality assessment was revisited internally in FY 13, during this reporting year, for the purpose of G4 reporting framework, Tata Power revisited the Stakeholder engagement and Materiality study with the help of a global consulting firm. The results of this study have been presented in the report.

The report also addresses the requirements of the National Voluntary Guidelines on Social, Environmental, and Economic responsibilities of Business (NVG-SEE) of Ministry of Corporate Affairs, Business Responsibility Reporting (BRR) by Securities and Exchange Board of India (SEBI), Carbon Disclosure Project (CDP) UK, United Nation Global Compact (UNGC), Schedule VII of The Companies Act 2013, and Millennium Development Goals (MDGs) of the United Nations. The Sustainability Report is brought out in addition to the Integrated Report and Tata Power Community Development Trust (TPCDT) Annual Report, accessible at www.tatapower.com and www.tpcdt.org respectively. TPCDT Annual Report provides the detailed activities regarding Corporate Social Responsibility in the area of drinking water and energy.

Report Scope and Boundary

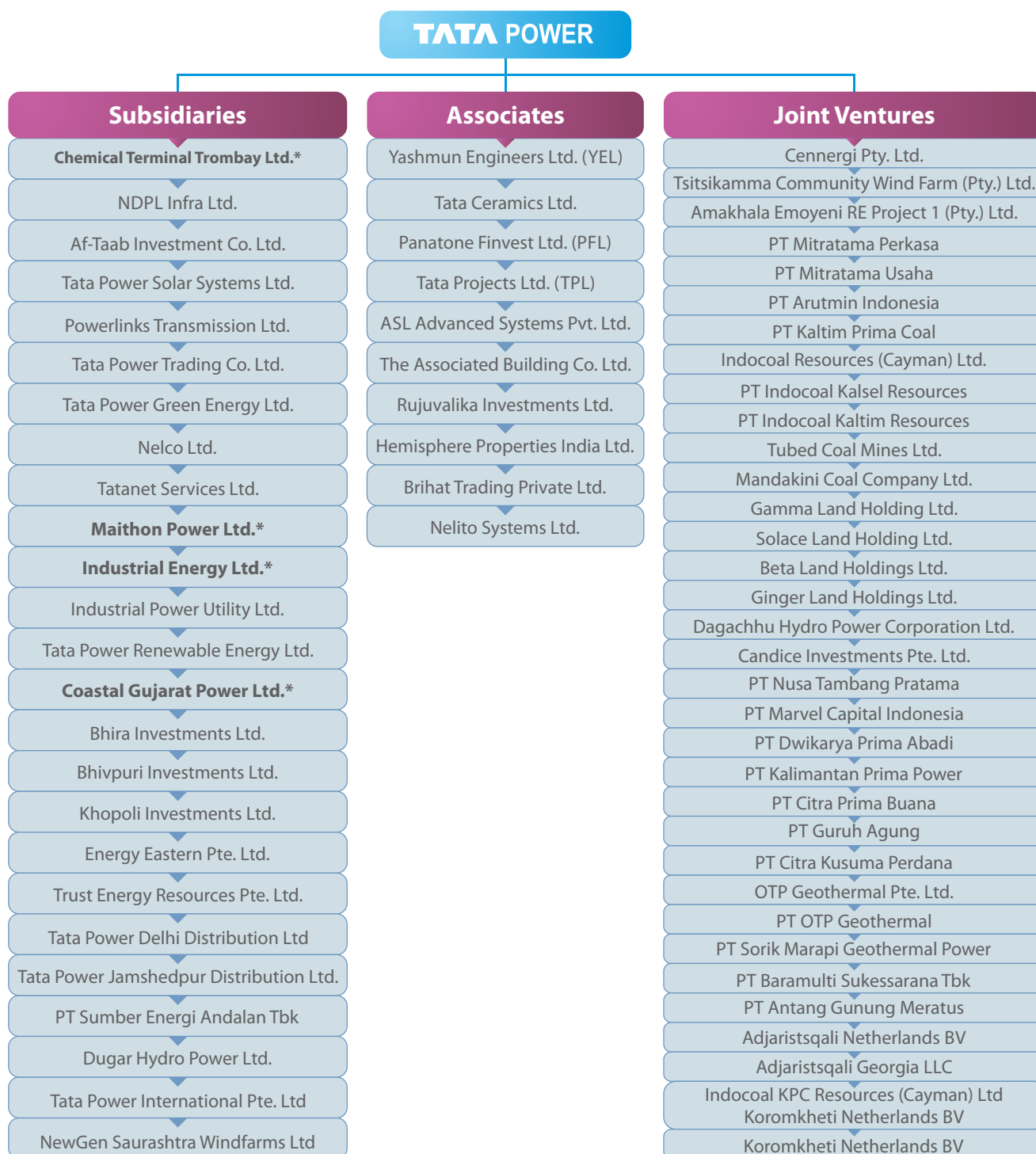
The Report is specific to the Indian operations of Tata Power, viz. Generation, Transmission and Distribution of power. These includes seven generating stations namely Trombay; Coastal Gujarat Power Limited (CGPL), Mundra; Maithon Power limited (MPL), Maithon; Jojobera; Haldia; Industrial Energy Limited (IEL), Jamshedpur (Plant 5 and Power House 6) and 3 generating stations (Hydro), namely Khopoli, Bhira and Bhivpuri. However, the total installed capacity also includes wind and solar generation, but these are not in the scope of the report. Like last year, two major

divisions/subsidiaries, viz. Strategic Electronics Division (SED) and Chemical Trombay Terminal Limited (CTTL) continue to be part of the scope. Data pertaining to G4 GRI reporting framework of all 91 performance indicators have been included in the report. There have been no significant changes in the structure or ownership, data measurement method, etc. during the reporting period. Therefore, the reporting basis does not contain any change, nor affects the comparability principle. There are two re-statements of data in the report for Net Power Generation at Trombay for

reporting years FY 13 and 14, these have been rectified and reported. Also, the average plant availability factor for Trombay and Average Generation Efficiency Trombay (Unit # 7) has been corrected.

Report Scope Limitations

This Report excludes all International Operations, Joint Ventures (JV), Associates and Upcoming projects. The table below presents the Subsidiaries, JVs and Associates and main Divisions of Tata Power.



*Entities included for reporting

Methodology

Tata Power's sustainability performance is process-based for all the parameters pertaining to the triple bottom line. The SAP-based or other web-based systems ensure financial data management, environment, Corporate Social Responsibility (CSR), Human Resources (HR), Occupational Health and Safety (OHS), CO₂ emission, etc. The data on environmental parameters, consumption/emission-related is intensity-based and reflects the trends over the previous years. The data provided in the report is externally assured by Ernst & Young as per ISAE 3000 and AA 1000 AS Standards. The report is GRI checked in accordance to Comprehensive level of disclosure.

The report is reviewed and approved by the Chief Sustainability Officer. Tata Power appreciates feedback from its stakeholders to improve any aspect pertinent to the report. To aid this, a form is attached at the end of the report to collect feedback which can be sent to sustainability.reporting@tatapower.com or mailed to the address:

Chief Sustainability Officer
The Tata Power Company Limited
34, Sant Tukaram Road,
Mumbai 400009





Company Profile



“As a responsible corporate citizen, we introspect our behaviour in society, impact on climate, and

align our future strategy in the best interest of humankind. This has become part of our lives as a result of the moral and selfless principles displayed traditionally over centuries by Tata's. We have adopted new challenges in the fields like safety, operational efficiency, biodiversity, carbon emissions, energy conservation, community development, and dealing with disasters. Tata Power has balanced its generation portfolio with a significant portion of the installed capacity coming from clean and green sources. Tata Power is confident that it will continue to scale new heights and significantly contribute towards making the planet a better place to live for its present and future generations.”

Mr. Ashok Sethi
COO & Executive Director

Tata Power is one of the companies of the diversified Tata Group conglomerate which is well recognized and rated as the world's 34th most valuable brand (Brand Finance Global 500). Tata Power is in 5th position in terms of Market Capital (US\$ 3.60 bn) when compared among the other group companies with a Compounded Annual Growth Rate (CAGR) of 9.1% as compared to last year, as of March 31, 2015. The major businesses of the Company are in Generation, Transmission, Distribution-cum-Retail, Power Trading, Power Services, Coal Mines and Logistics, Strategic Engineering for defence applications, Solar Photovoltaic (PV) manufacturing and associated project management services (Engineering, Procurement, Construction).

Tata Power presently generates electricity from Thermal, Hydro, Wind and Solar, as well as from Waste Heat recovery. Along with generating, transmitting and distributing electricity, Tata Power is also delivering progress and possibility for millions of people and businesses. This Report is about Tata Power's commitment to more - broader social prosperity, deeper environmental responsibility, and greater empowerment for 4234 diverse individuals who make Tata Power a leader.

At Tata Power, success depends on knowing what matters to its stakeholders, and delivering it so they can do more. Sustainability Reporting is one of the media for reaching out to the stakeholders. The current report entitled “A Century of Invisible Goodness” throws light on the legacy of the Tata's by which it has served the people thereby serving the country through reliable power supply.

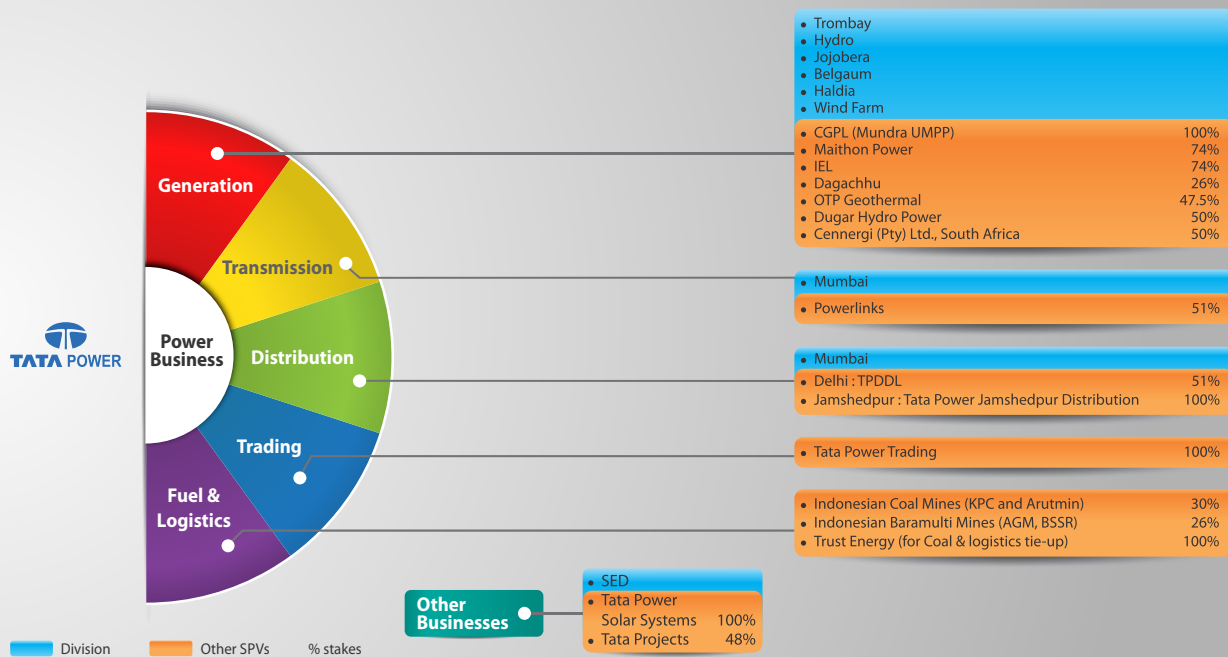
Business Overview

Tata Power is among the leading private power generating companies in India with gross power generation capacity of 8726 MW and value chain existence in all the segments;

viz. Generation, Transmission, Distribution, Trading and has assets for ensuring fuel supply. The portfolio has a balanced mix of operating, under construction and development projects with new capacity of 1720 MW under execution. Further, there exists a broad mix of tariff models including regulated returns, captive, IPP, UMPP and merchant sales. Tata Power is one of the first companies to participate in public-private partnership projects such as Tata Power Delhi Distribution Limited (TPDDL) and Powerlinks Transmission Ltd.

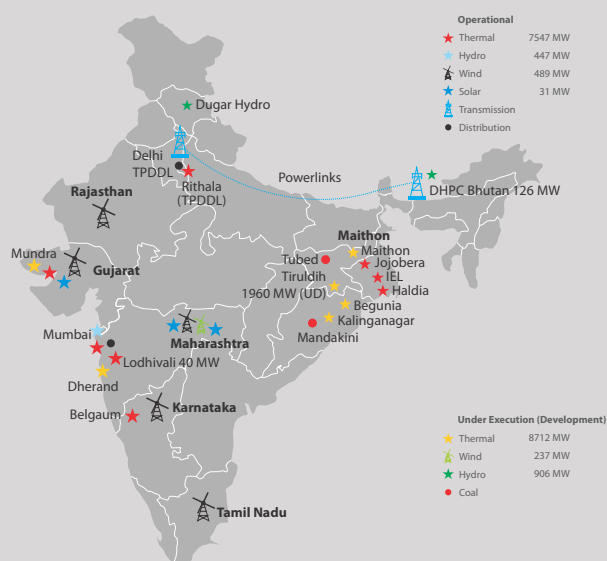
To reduce reliance on conventional energy sources, the strategy is to diversify into renewable energy including hydro, wind and solar with 1120 MW existing capacity and approx. 1278 MW in new capacity under construction; which makes Tata Power as one of the largest non-conventional energy players in the country. Tata Power does not operate in nuclear power being a private sector power player. Tata Power has international presence in Indonesia, Bhutan, Georgia, South Africa and Zambia. These projects are under various stages of execution and development.

Tata Power Business Overview



Global portfolio of Assets across Value Chain

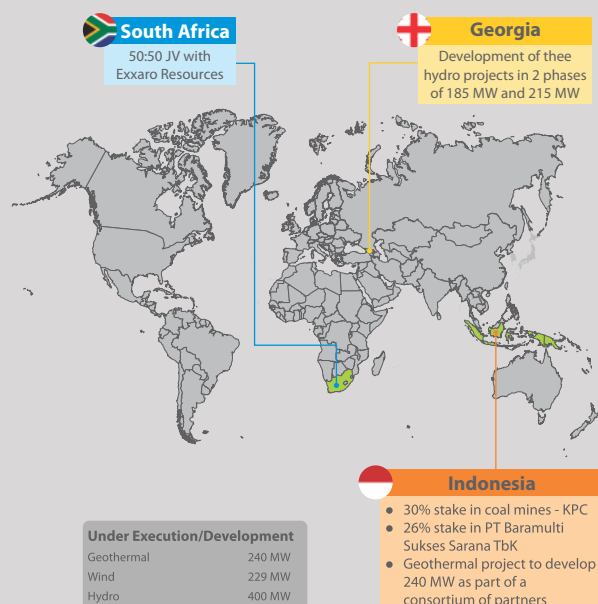
India & Neighboring Countries



Notes:

- Mumbai includes the power plants in Trombay, Bhira, Bhivpuri, Khopoli and certain Wind projects
- Projects under execution / development UE - under execution, UD - under development
- Some projects under execution / development are overseas

International Presence



Tata Power has signed a Memorandum of Understanding (MoU) with the Russian Direct Investment Fund (RDIF) and Siberian Coal Energy Company (SUEK) to develop investment opportunities in the energy sector. RDIF and Tata Power will co-operate on identifying and targeting investment opportunities across Russia in order to develop mutually beneficial transactions. SUEK and Tata Power will cooperate on identifying and targeting opportunities in the energy sector in Russia and other geographies of common interest.

Fuel

Tata Power has secured the supply of fuel for its operations through long term contracts. The details of fuel supply are given below. Tata Power will continue to tap new fuel assets

Project	Requirement	Source
Trombay	3 MTPA coal	Coal Mines, Indonesia
	Oil	Nearby refineries
	1 MMSCMD of Gas	GAIL
Mundra	12 MTPA coal	Coal Mines, Indonesia
Maithon	4.5 MTPA coal	Coal India Ltd
Jojobera	Coal	West Bokaro Coal Fields and Mahanadi Coal Fields
Haldia	Flue Gas	Tata Steel, Haldia
IEL	Furnace & Coke oven Gas	Tata Steel, Jamshedpur
	Coal	West Bokaro Coal Fields

from across the globe as and when the need arises for sustainable supply for its operation.

Fuel Transportation

Tata Power's Trust Energy Resources is a wholly owned subsidiary in Singapore. Trust Energy's scope of business is to securitise regular coal supply and the shipping of coal for Tata Power's thermal power generation operations. There have been no environmental impacts reported during transportation of fuel for the company's operation. However, Tata Power is not quantifying the emissions from coal logistics during sea transportation.

Generation

Tata Power's present portfolio in power generation is 8726 MW and has over 9,000 MW projects in various stages of execution and development. Tata Power Hydro generating stations are in Khopoli, Bhivpuri and Bhira. The thermal power generating stations are at Trombay, Mundra, Maithon, Jojobera, Haldia, and Jamshedpur. In this reporting year, there was an addition of 163 MW to the generation capacity from thermal, hydro, wind and solar power. Tata Power signed a SPA (Share Purchase Agreement) for acquisition of 100% shareholding in Ideal Energy Projects Limited (IEPL) which owns a 540 MW coal-based thermal power project in Nagpur, Maharashtra. The details of installed capacity are provided in the table below.

Installed Capacity				
Fuel Source	Location	State	Installed Capacity (MW)	Total Capacity (MW)
Thermal	Trombay	Maharashtra	1580	7178
	Mundra	Gujarat	4000	
	Maithon	Jharkhand	1050	
	Jojobera	Jharkhand	548	
Oil/Gas	Rithala*	New Delhi	108	189
	Belgaum*	Karnataka	81	
Thermal Waste	Jamshedpur	Jharkhand	120	120
Heat Recovery	Haldia	West Bengal	120	120
Hydro	Bhira	Maharashtra	300	573
	Khopoli	Maharashtra	72	
	Bhivpuri	Maharashtra	75	
	Dagachhu	Bhutan	126	
Renewable	Wind Farms	Maharashtra	208.6	487
		Gujarat	89.6	
		Karnataka	50.4	
		Tamil Nadu	99	
		Rajasthan	21	
	Solar	Maharashtra	3	60
		Gujarat	25	
		Maharashtra	29	
		Delhi	1.65	
Total				8726

* Not Operational

Renewable Portfolio

Tata Power is conscious of its role as a sustainability steward and embraces the challenges of climate change. Tata Power strives to lead the path towards growth with responsibility and committed for generating electricity using clean and green sources. Tata Power has 16% of MW capacity through clean and green sources which is aligned to the strategic intent to generate 20-25% of total installed capacity from clean and green sources, as on March 31, 2015.

Tata Power successfully commissioned 126 MW Dagachhu Hydro Power Corporation (DHPC) in Bhutan. This Project is in line with Tata Power's commitment to commission 120 MW of new Hydro Power Project as part of the centenary year celebration theme of 'Invisible Goodness', and is the first cross-border project registered under UNFCCC's Clean Development Mechanism (CDM). The Dagachhu Project is a Joint Venture initiative between Tata Power (and Druk Green Power Corporation, owned by Royal Government of Bhutan (RGoB)), and National Pension & Provident Fund of Bhutan. With the commissioning of the project, Tata Power's total hydro generation capacity today stands at 573 MW and overall capacity at 8726 MW. The Dagachhu Project is 126 MW (2X63 MW) run of river hydro project located in Dagana Dzongkhag, Bhutan. DHPC has entered into a 25 year Power Purchase Agreement (PPA) with Tata Power Trading Company Limited (TPTCL, a company of Tata Power) for sale of power from the project. The power generated from the project shall be sold by TPTCL in the Indian power market.

In the Solar portfolio, Tata Power successfully commissioned a 29 MW solar photovoltaic (PV) power project at Palaswadi, Satara, Maharashtra, through its subsidiary, Tata Power Renewable Energy Limited (TPREL). The solar plant is expected to generate approximately 46 MU per year which will enable Tata Power to meet its Solar Renewable Purchase Obligations (RPO). The successful additions to the business portfolio was also made in wind generation through commissioning of 8 MW of the 32 MW wind farm at Girijashankarwadi, Satara, Maharashtra. With these projects, Tata Power now has a strong portfolio of 60 MW of Solar and 487 MW of Wind making it the largest renewable utility player in India. To meet its strategic intent, various projects of in India and internationally respectively, are under execution and development.

Forthcoming Projects on a Multi-Fold Growth path

Tata Power is on a multi-fold growth path. By 2022, Tata Power plans to increase the generation capacity to 18,000

MW, distribution networks by 4000 MW, energy resources by 25 million tonnes per annum and 10-X growth in value-added businesses. To achieve the set target, various projects are under execution and development stage both domestic as well as international as given below;

Domestic Projects

Kalinganagar, Odisha - 202.5 MW (3 x 67.5 MW): The project is being executed through Industrial Energy Limited (IEL), a JV of the Company (74%) with Tata Steel Limited (26%) for its steel plant in Kalinganagar, Odisha. The project is in an advanced stage of execution and will utilise flue gases from blast furnace and coke oven of Tata Steel. In addition, gas is also fed due to the low calorific value of blast furnace flue gases. This is one more example from environmental angle to convert waste into useful resource.

Renewable Energy Projects

Tata Power Renewable Energy Limited (TPREL): Two wind projects at Rojmal, Gujarat (54 MW) and Dangri, Rajasthan (118 MW) are under development stages. These projects have been partially commissioned in the reporting period and are expected to be fully commissioned during FY 16.

International Projects

Cennergi Projects: The Company's JV in South Africa, Cennergi (Proprietary) Limited, achieved financial closure of 134 MW Amakhala Emoyeni Wind Farm and 95 MW Tsitsikamma Community Wind Farm in May and June 2013 respectively. Currently, engineering and planning activities are in progress.

Zambia: The Company has acquired 50% shares held by Tata Africa Holdings (SA) (Pty) Limited (Tata Africa) in Itezhi Tezhi Power Corporation Limited during the year, which is implementing the 120 MW Itezhi Tezhi Hydro Project in Zambia.

Georgia: The Company acquired 40% shares in Adjaristsqali Netherlands BV, which is implementing hydro projects in Georgia through its 100% subsidiary, Adjaristsqali Georgia LLC. The construction of 187 MW Shuakhevi Hydro Project has commenced with all major contracts having been awarded. Activities to achieve the financial closure are at an advanced stage. The Company achieved the financial closure for Shuakhevi Hydro Project in the reporting period. The development of 150 MW Koromkheti Hydro Project has also commenced.

The details of other both domestic and international projects are provided below.

Project Name	Fuel	Capacity (MW)
Domestic		
IEL Kalinganagar	Flue Gas	202.5
Rojmal, Gujarat	Wind	54
Dangri, Rajasthan	Wind	100
Dugar, Himachal Pradesh	Hydro	449
International		
Cennergi - AEW	Wind	138
Cennergi - TCW	Wind	95
Georgia - Phase I	Hydro	184
Georgia - Phase II	Hydro	140
Georgia - Phase III	Hydro	75
ITPC Zambia	Hydro	120
OTP Geothermal, Indonesia	Geothermal	240
Total		1722.5

Transmission

Tata Power has always worked towards improving reliability of power supply to Mumbai. Mumbai's electricity demand is primarily catered by Tata Power's transmission network through its transmission license which was renewed for the next 25 years effective 2014. Based on the projected load demand for Mumbai, a 400 KVA project is under development which is expected to be completed by 2017. Transmission operations in Mumbai License is spread over the entire city of Mumbai with 21 receiving stations, including its suburbs and extended up to the hydro generating stations in Raigad district of Maharashtra. This utility with more than 1,174 CKT KM of transmission network in Mumbai License meet the power needs of the city. The entire transmission system is centrally controlled from Power System Control Centre (PSCC) through state of the art unified SCADA system. As part of Powerlinks Transmission Limited, the installed 400 kV Transmission lines to evacuate and transmit surplus power from Eastern/North Eastern region (Siliguri) to Uttar Pradesh (Mandaula) covers a distance of 1,166 km.

Tata Power Transmission has grid availability above 99.5% and is one of the most reliable systems in the country and carries 60% to 70% of the bulk power consumed by Mumbai city. It is the key interlink between the generation and distribution of power and links the city transmission system with the Maharashtra state grid. Tata Power transmission is continuously upgrading and augmenting the transmission system to cater to the increasing demand of customers.

The Company completed the uprating of existing transmission line between Maharashtra State Electricity Transmission Company Limited (MSETCL) Kalwa Receiving

Station and Tata Power Salsette Receiving Station (8 km route length) by replacing the existing conductor with high ampacity conductor (capacity increased from 900 amps to 1800 amps). This uprated 220kV line will relieve critical loading of the Kalwa-Salsette lines and will enhance transmission capacity for bringing power from outside to Mumbai city.

The acute shortage of power has made it necessary for power to be imported from outside the city. Tata Power has pioneered many initiatives and one such key initiative is the islanding system in the network of the city of Mumbai, which isolates it from blackouts caused by faults in the national grid. The transmission system is the link between the generating stations and the distribution companies for transmitting power from the generating stations and also is the corridor for bringing in power from outside Mumbai. This will be commissioned in April 2015.

Tata Power is implementing 400 kV Transmission Line project from Kharghar to Vikhroli, Mumbai (about 20 kms line length), along with 400 kV Switching Station at Ghatkopar, Mumbai and 400 kV Receiving Station at Vikhroli. The above transmission line is in the advanced stage of various approvals such as environment, forest, Airport Authority of India, etc. The project is expected to be commissioned within 3-4 years. This will bring about 1,000 MW power into Mumbai city initially, with a provision of additional capacity increase of another 1,000 MW.

Tata Power organises special safety awareness programmes in the vicinity of High Tension lines in Mumbai, under its Jan Jagruti Abhiyaan initiative. The objective is to spread the message amongst as many citizens as possible to reduce the electrical accidents that can be caused while living in areas which are close to high voltage transmission lines. Also various initiatives have been taken for safety of employees while working at height (installation of ladders on Transmission Towers and procurement of new technology equipment for safe working in operational areas in Receiving Stations).

With growth in size and complexity of power system in India, security and reliability of power supply is of topical interest to everybody. In the context of major blackouts in number of states, the subject of power system protection assumes great significance. Tata Power designed the islanding scheme for Mumbai Power System way back in 1981 which isolates Mumbai Power Supply from rest of Maharashtra in case of major disturbances and continues to supply power to the city. Since 1995 Mumbai Power System successfully islanded and survived on all 16 occasions. Tata Power has also commissioned islanding schemes at Jojobera which isolates generating units and ensures survival of the so formed Island thereby maintaining uninterrupted supply.

Distribution and Supply

The customer base of Tata Power crossed 2 million customers (14 lakh in Delhi and 6 lakh in Mumbai) across the country. Tata Power has a customer base of more than 600,000 direct customers in Mumbai and on average about 5966 million units (MUs) are sold in a year. Some of its bulk customers include the Brihanmumbai Electricity Supply and Transport (BEST), Railways, Port Trust, Bhabha Atomic Research Centre (BARC), Refineries and other important installations in Mumbai. As in all parts of the business, improvement in operational efficiency is a key focus area. Tata Power has taken number of initiatives to improve the quality and reliability of its power supply and enhance customer service. Tata Power is poised to participate in power distribution opportunities in other Indian states

and abroad. Achieving slums electrification with 24x7 power at the most competitive tariffs is another initiative by Tata Power.

Energy Availability and Reliability

Tata Power as a sustainable power utility endeavours to operate its stations with its equipment under fully running condition, have non-interrupted energy or acceptable levels of energy interruptions to generate a consistent electrical output and is available to meet predicted peaks in demand. The operating results regarding Efficiency of Generation (Thermal/Renewables), Average Generation Efficiency (%) of Thermal station based on the Energy Source and Average plant availability factor of Thermal Stations by energy source are given below.

Efficiency of Generation (Thermal/Renewables)			
Net Thermal Production (MUs)	2012-13	2013-14	2014-15
Coal			
Trombay (Unit # 5 & 8)	5467.53	5003.32	3796.80
CGPL	12440	23927.80	26577.58
MPL	4587.365	6547.10	6312.12
Jojobera	3067.2	3597.50	3457.83
Oil / Gas			
Trombay (Unit # 6)	1908.68	453.68	770.18
Trombay CCGT (Unit # 7)	1560.24	1241.60	1119.27
Thermal Waste (PH # 6)	871.5793	929.36	876.97
Heat Recovery (Haldia)	925.4	942.30	889.3
Net Renewable Production			
Hydro	1397.06	1597	1406.13
Wind	795.87	724.60	759.64
Solar	47.43	47.92	86.15*

*The improvement in the solar portfolio is attributed to the newly operational 29 MW Palaswadi solar plant

Average Generation Efficiency (%) of Thermal Station based on the Energy Source				
Thermal Plant Efficiency		2012-13	2013-14	2014-15
Coal				
Trombay	(Unit # 5)	34.74	34.38	34.30
	(Unit # 8)	37.40	38.06	37.80
CGPL		41	39.79	41
MPL		35.24	35.98	36.14
Jojobera		32.60	32.83	33.15
Oil / Gas				
Trombay (Unit # 6)		34.26	32.47	30.34
Gas				
Trombay CCGT (Unit # 7)		43.87	43.04	43.71
Thermal Waste (PH # 6)		33.05	33.43	33.56
Heat Recovery (Haldia)		94.3	96.05	90.6

Average plant availability factor of Thermal Stations by Energy Source

Thermal Plant Efficiency	2012-13	2013-14	2014-15
Coal			
Trombay (Unit # 5 & 8)	96.73	91.78	69.45
Jojobera	95.39	95.92	95.10
CGPL	84	82.57	83.14
MPL	83.07	87	87.86
Oil / Gas			
Trombay (Unit # 6)	87.59	30.08	59.27
Gas			
Trombay CCGT (Unit # 7)	97.92	86.22	77.81
Thermal Waste (PH # 6)	93.73	96.60	94.40
Heat Recovery (Haldia)	95.6	98.1	95.85

Other Key Business

Tata Power Trading

- 100% subsidiary, holds a trading license for a period of 25 years starting from 2004
- Holds a Category I trading license, which permits it to trade any amount of power

Shipping Subsidiaries

- Trust Energy Resources Pte Ltd incorporated in Singapore for owning bulk carriers to meet shipping requirements and trading in fuel, Energy Eastern Pte Ltd incorporated for chartering of ships
- To be met through a combination of long term charters and out right purchases of cape size vessels - 3 long term charters signed and 2 cape size ships purchased

Tata Power Solar Systems Ltd.

- Solar Cell Manufacturing Facility at Bengaluru, Karnataka
- Has four main business lines:
 - manufacturing and sale of solar photovoltaic cells and modules
 - providing engineering, procurement and construction/commissioning
 - services as well as operations and management services to solar project developers, developing and selling solar photovoltaic products in rural markets

Strategic Engineering Division (SED)

- Originated as an internal R&D unit for power electronics; designs and develops electronic devices
- SED was awarded the modernize airfield infrastructure for the Indian Air Force
- Does not manufacture ammunition or explosives of any kind, including cluster bombs and anti personnel mines

Chemical Trombay Terminal Limited (CTTL)

- The terminalling service at Trombay has a Marine berth catering to different sized tankers
- Tank farm capacity of ~42,000 KL with license to store A, B and C class petrochemicals
- Coal handling operations and Fly ash utilization are new business initiatives

Awards

The Awards recognise the outstanding contribution of the Company to the nation's economy demonstrated through excellent leadership and long-time performance for overall development in all facets. Tata Power is honoured to have earned local, national and international recognition for its commitment to Sustainability, including leadership related to the environment, community development and operations. The awards received in FY 14-15 are below:

Tata Power received Green Ratings by Centre for Science Environment (CSE) - **Five Leaves Award** for Trombay (3rd Best in the country for Environmental Performance and 3 Leaves) and Mundra (**Best Plant of India for energy efficiency**)

Tata Power's CEO & MD honoured with the Central Board of Irrigation and Power (CBIP) Award for **Outstanding Performance in the Power Sector and Power Persona of the Year**

Awarded **ISO 31000:2009 Statement of Compliance** from British Standards Institution (BSI) for Enterprise Risk Management System

Trombay Station honoured with Excellent **Energy Efficient Unit, Best Innovative Project** and Most Useful Presentation, at the 15th CII National Award for Energy Management

Tata Power Distribution received the **Innovative Energy Saving Service** award during the 15th National Awards for Excellence in Energy Management, Confederation of Indian Industry (CII)

Tata Power's Jojobera Quality Control team won the **Gold Award** at the Convention Quality Circle from Quality Circle Forum India (QCFI)

Tata Power received **Affirmative Action Award** during Tata Group Annual Affirmative Action conclave in the Best Strategy and Best practice of need assessment category



Tata Power has been conferred the **National Award for Excellence in Corporate Governance** by The Institute of Company Secretaries of India

Tata Power Delhi Distribution Limited (TPDDL) won the **Innovation for India Award** for developing Tamper Evident & Defraud Electricity Meter

Tata Power bestowed with the Wind Farm Operator of the Year - Agaswadi Wind farm at the Wind Independent Power Producer Summit 2014

Tata Power bagged Best Internal Magazine, Indian Language Publication, Environment Communication, Digital Communication & Web Communication at the 54th Association of Business Communicators Awards

Tata Power was awarded "World's Most Ethical Company" by Ethisphere Institute of USA for second consecutive year

Sustainability Outlook felicitated Dr. Y. K. Saxena, as the CSO of the Year at the Parivartan Sustainability Trailblazer awards for catalysing sustainability action for Tata Power

Conferred for its '**Outstanding Performance in the Power Sector**' at the Central Board of Irrigation and Power (CBIP) Awards

Tata Power received the '**Tata Engage Special Recognition**' award at the Tata Group CSR Meet for involvement of stakeholders during Tata Volunteering Week-I.





Corporate Governance (Care for our Shareholders)



"Sustainability as a practice is intricately woven into every function of Tata Power

in a way that it addresses the interest of all its stakeholders and the society at large."

Mr. Anil Sardana
CEO & Managing Director

Governance Philosophy

More than a century ago, the visionary Founder, Jamsetji N. Tata laid the foundation for good governance and made it an integral part of Tata's business culture. Corporate Governance is concerned with maintaining the balance between economic, environment and social goals. As a Tata Company, Corporate Governance is the way business is being done, enshrined in every day's activities and plays an important role in shaping the organisation's culture. Corporate governance of the Company is inspired by the Tata legacy of 'Leadership with Trust' at the core of which lie the Tata Values and Tata Code of Conduct (TCoC), which guides to operate with ethics and integrity.

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, gender sensitivity, societal obligations, environment and regulatory compliances. The actions are governed by values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be the Company's guiding force in the future too. This philosophy has been sought to be strengthened through the TCoC, the Tata Business Excellence Model (TBEM), Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

Vision

To be the most admired and responsible Integrated Power Company with international footprint, delivering sustainable value to all stakeholders.

Mission

Tata Power aims at becoming the most admired and responsible power Company delivering sustainable value by

- Operating assets at benchmark levels
- Executing projects safely, with predictable benchmark quality, cost and time
- Growing the Tata Power businesses, be it across the value chain or across geographies, and also in allied or new businesses
- Driving Organisational Transformation that will make the Company have the conviction and capabilities to deliver on the strategic intent
- Achieving the Company's Sustainability intent of 'Leadership with Care', by having leading and best-in-class practices on Care for Environment, Community, Customers, Shareholders and People.

Values

The values today are '**SACRED**' to the Company

- **Safety:** Safety is a core value over which no business objective can have a higher priority
- **Agility:** Speed, responsiveness and being proactive, achieved through collaboration and empowering employees
- **Care:** Care for our environment, care for our customers and shareholders - both existing and potential. Care for our community and care for our people (our employees and partners)
- **Respect:** Treat all stakeholders with respect and dignity
- **Ethics:** Achieve the most admired standards of Ethics through Integrity and mutual Trust
- **Diligence:** Do everything (set direction, deploy actions, analyse, review, plan and mitigate risks, etc.) with a thoroughness that delivery, quality and excellence in all areas, and especially in operations, execution and growth.

Strategic Intent

Tata Power Strategic Intent 2022 is to achieve the following

- 18,000 MW of generation capacity commissioned
- 20-25% generation portfolio from clean and green sources
- 4000 MW of Distribution including DDG
- 25 MTPA of fuel resources
- 10-X growth in value added businesses i.e. business with no/low capital investment (e.g. trading, PMSA and OMSA services, ash handling, solar components and EPC, Defence & Civilian System Engineering solutions).

These targets are in line with the National targets of generating 100 GW of Solar, 60 GW of Wind, 5 GW of Small Hydro and 10 GW of Bio-energy by 2022. The Board and senior Executives of the Company play an important role in the development, approval, Value, Vision, Mission, Strategic Intent related to triple bottom line impacts and performance. A Strategy meet is held annually and is attended by senior executives of the Company to discuss Value, Vision, Mission, and Strategic Intent, etc. Tata Power's Annual Strategy Workshop was held in December 2014, Mumbai. The event witnessed attendance of over 80 individuals comprising key leaders of all divisions, subsidiaries, JVs and corporate functions of the Company. The event this year focused on the themes of 'People Perspective' and 'Customer Affection.' The event was graced by several eminent leaders from the Tata Group including the Chairman, who shared thoughts on overall industry and economy in general and the key themes in particular. In the course of the two days, the participants deliberated on the purpose statements from 'People' and 'Customer' perspectives. The workshop also focused on closure of the discussion on parameterisation of Vision

Statement of Tata Power, which was initiated in June 2014. Current performance of the Company against various parameters of Vision elements was also discussed. In addition, the event witnessed presentations from a mix of youngsters and experienced individuals on variety of topics of organisational importance - Execution Excellence, Operational Excellence, Growth, Sustainability, Technology and Customer Affection. The event concluded with the discussion on alignment of Tata Power's Strategic Intent with that of Tata Group 2025 Vision, setting the tone for strategy development process for the upcoming financial year.

Governance Framework

Corporate Governance is necessary to oversee strategy and ensure responsibility and ethical corporate behaviour towards all stakeholders thus creating conditions necessary to nurture Sustainable Development. A part of the 145-year old Tata Group, Tata Power has inherited a legacy of standing strong and being fair, transparent and ethical in all the facets of business. Corporate Governance standards and processes are aligned with the Tata Code of Conduct (TCoC) and various policies for robust governance. In addition to this, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges of India. At the top of the governance structure is the Board of Directors representing the shareholders and various Committees on the Board which oversee the Executive Management. Tata Power has a unitary board structure consisting of 11 members of whom 9 are Non-Executive Directors (2 Non-Independent and 7 Independent Directors) and 2 are Executive Directors as on March 31, 2015. The Chairman of the Board is not an Executive Officer of the organisation. The Board comprises of 1 female Director and female representation is 9%. The tenure of the governing body is 5 years, CEO & MD and EDs are for the term as applicable and rest of the Directors retires by rotation. The Board members are nominated/selected on the basis of Independence, diversity, expertise and experience relating to economic, environmental and social background.

The details pertaining to expertise, qualification and appointment with other companies of the Directors is given in Annexure I. These Directors bring in a wide range of skills and experience to the Board. The critical concerns related to economic, environmental and social issues are communicated to the Board regularly. The critical concerns communicated to the Board as the Board's agenda and collective decisions were taken to resolve them. This is also a part of duties and responsibilities of the Board. None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as prescribed in Clause 49), across all the companies in which

he/she is a Director. The Governance structure of the Organisation and its committees are responsible for decision making on Economic, Environmental and Social impacts, as well as delegating authority for Triple bottom line topics from the highest Governance body to senior executives and other employees. The organisation has also appointed Executive level positions responsible for Economic, Environmental and Social focus areas and these report to the Chief Executive Officer and Managing Director (CEO & MD). The necessary disclosures regarding Committee positions have been made by the Directors. The Board has laid down separate Codes of Conduct for Non-Executive Director and Senior Management personnel of the Company and the same is posted on the Company's website www.tatapower.com. All Board Members and Senior Management personnel have affirmed compliance with the respective Codes of Conduct. The CEO & MD also confirms and certifies the same. The following table gives the details on the director's memberships of under-represented social groups.

Name of the Director	Section 8 Companies/ Trust/Not for Profit Entities
Mr. Deepak Satwalekar	Trustee, Prabhavati Memorial Foundation
	Trustee, Teach to Lead
	Trustee, Gyan Prakash Foundation
	Trustee, Isha Education Trust
	Trustee, Infosys Science Foundation
Mr. Ashok Sethi	Chairman, Tata Power Community Development Trust (TPCDT)

Committees of the Board

The Committees of the Board focus on specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

Audit Committee of Directors

Audit Committee is in line with rules prescribed by Clause 49. The Company also complies with the provisions of Section 177 of the Companies Act, 2013. The three member committee consists of Independent and Non-executive Directors. The CEO & Managing Director, COO and Executive Director and Head of Internal Audit attend the meetings.

The Audit Committee of the Board reviews the Company's risk management process and its effectiveness on economic, environmental and social concerns. The roles and responsibilities of this committee includes overseeing financial reporting process, statutory audit, internal audit and control, cost audit, compliance with statutory/regulatory requirements, whistle blowing, etc.

Stakeholders Relationship Committee (SRC)

In terms of Section 178(5) of the Act, the Company has rechristened the shareholders'/Investors' Grievance Committee as Stakeholders Relationship Committee. The SRC considers and resolves the grievances of security holders of the Company. It consists of 2 Independent and Non-Executive Directors and 1 Executive Director as Members.

Nomination and Remuneration Committee (NRC)

The Committee identifies persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board the appointment and removal and shall carry out evaluation of every Director's performance, also considering environment, economic, social performance, etc. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Committee shall also devise a Policy on Board Diversity. It consists of 4 Non-Executive Directors, out of which 2 are Independent Directors. The majority shareholders are Tata Sons Limited and Life Insurance Corporation (LIC); they have a representation on the Board. Mr. Thomas Matthew T. has been nominated by LIC as the nominee Director on the Board of the Company. So the major shareholders are on the Board and they are involved in all the activities of Board.

Executive Committee of the Board

The Executive Committee of the Board comprises of 6 members, out of which 2 including the Chairman, are Non-Executive Directors, 2 are Independent Directors and 2 are Executive Directors. This Committee covers a detailed review of Business and strategy review, financial projections, capital/revenue budgets, financial restructuring, acquisitions, senior management succession planning and any other as may be decided by the Board.

Ethics and Compliance Committee

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the TCoC for Prevention of Insider Trading and Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other employees. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code. The Chief Financial Officer (CFO) has been appointed as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also this Code across the Company. In terms of this Code, a Committee has been constituted called 'Ethics and Compliance Committee' comprising of

two members, of whom the Chairman is an Independent Director and other is Executive Director.

Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board formed under the aegis of Section 135 and Schedule VII of the Companies Act, 2013 and the provisions of the CSR Rules, 2014 on 2% average net profits for immediately preceding 3 financial years on CSR.

The CSR Committee comprises of 3 members, of the Board and chaired by an Independent Director. The roles and responsibilities of the CSR Committee are to formulate a CSR Policy and recommend to the Board. This committee also informs the Board regarding the activities to be undertaken by the Company as specified in Schedule VII to the Act, or as may be prescribed by the Rules thereto, as well as propose expenditure to be incurred on the activities referred and monitor mechanism.

Risk Committee

As per the need of the Companies Act, 2013, a new Risk committee has been formed that consists of two independent directors, one ED, CFO and Chief of Audit. This committee meets thrice a year. The Board reviews the Company's risk governance structure, risk assessment and risk exposure and management practices and guidelines, policies and procedures for risk assessment and management. It also approves and reviews the Company wide Enterprise Risk Management (ERM) framework including economic, environment and social risks. It oversees the Company's process and policies for determining risk tolerance and nurtures a healthy and independent risk management function in the Company.

Managing Conflict of Interest

Conduct of Director at Board / Committee meeting:

- In case of a contract with a body Corporate (not being a related party), the Board member does not participate in the discussions or vote in case the Board member is in association with any other Director, holds more than 2% shareholding of that body Corporate, or is a promoter, manager, CEO of that body Corporate.
- In case of a contract with a body Corporate (being a related party), the board member steps out of the meeting in case the board member in association with any other director, holds more than 2% shareholding of that body corporate, or is a promoter, manager, CEO of that body Corporate.

Remuneration of Board of Directors

The philosophy for remuneration of directors, Key Managerial Personnel and all other employees of Tata Power is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the

Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

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

The remuneration of Non-Executive & Executive Directors is given below:

Non-Executive Directors (NED)

The NEDs are paid remuneration by way of Commission and Sitting Fees. In terms of the Members' approval obtained at the Annual General Meeting (AGM) held on August 16, 2013, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company. The distribution of Commission amongst the Non-Executive Directors is placed before the Nomination & Remuneration Committee and the Board.

Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the CEO & MD and the Executive Director. Salary is paid within the range approved by the Members. Annual increments effective 1st April each year, as recommended by the Nomination & Remuneration Committee, are placed before the Board for approval and shareholders views are also taken into account on salary and related details of the CEO & MD and Executive Directors. 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 NRC 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 Nomination & Remuneration Committee at the end of the financial year, subject to overall ceilings stipulated in Sections 197 of the Companies Act, 2013.

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 organisational performance on parameters aligned to Company's objectives. The ratio of remuneration of the highest paid employee (CEO & MD) to the median annual total compensation of all employees for the year 2014-15 was 64.9. The ratio of percentage increase of annual total compensation of the highest paid individual to the median annual total compensation of all employees is 13:14.

Independent Directors of the Board

The roles, responsibilities and duties of the Independent Directors are given in Annexure II.

Board Effectiveness Review

- The Board is responsible for annual evaluation of the individual Directors, the Board committees and the Board as a whole.
- It is the responsibility of the NRC to organise the evaluation process.
- The NRC is also responsible for supporting the Board with the determination of the evaluation criteria/framework for the Board and individual directors (this includes the Chairman, ID, Non-Independent NEDs, MD/EDs). While determining the framework for the evaluation of the Board, the Board should establish key criteria for long term value creation for all stakeholders.
- An annual meeting of IDs would be convened by the Chairman of the NRC to review the performance of non-independent Directors, the Board as a whole and the Chairperson of the Company

- The Company Secretary is responsible for providing support (as may be required) to the Chairman of the NRC for conduct of the Annual ID meeting.
- The Board should state in its Annual Report as to how the performance evaluation of the Board, individual directors and its committees has been conducted.
- Group Human Resources will support the NRC with appropriate evaluation templates and reporting format.

Retirement Policy for Directors

The Company has adopted the Guidelines for retirement age wherein MD and ED retire at the age of 65 years, EDs who have been retained on Company's Board beyond the age of 65 years as Non-EDs for special reasons may continue as Directors at the discretion of the Board, but in no case beyond the age of 70 years, Non-Independent NEDs who have completed the age of 70 years prior to 1st April 2011 may continue as Directors at the discretion of the Board, but in no case beyond the age of 75 years and Independent NEDs would retire at the age of 75 years. The Company has also adopted a Retirement Policy for MD and ED, which has also been approved by the Members of the Company, offering special retirement benefits including pension, ex-gratia, medical and other benefits. In addition to the above, the retiring MD is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring Director and is payable at the discretion of the Board in each individual case on the recommendation of the NRC.

Shareholding Pattern

The Shareholding pattern of Tata Power as on March 31, 2015 is provided below.

Name of the Shareholder	Total shares held as a % of diluted share capital
Tata Sons Limited	29.34
Tata Steel Limited	1.40
Tata Industries Limited	0.80
Tata Investment Corporation Limited	0.24
EWART Investments Limited	0.08
Sir Dorabji Tata Trust	0.02
LIC	12.67
Matthews Pacific Tiger Fund	5.98
National Westminster Bank PLC as depository of first state global emerging markets leaders fund, a sub fund of first state investments	3.14
The New India Assurance Company Limited	2.47
General Insurance Corporation of India	2.43
National Westminster Bank PLC as depository of first state Asia Pacific Leaders Fund of First State Investment ICVC	2.28
Aberdeen Global Indian Equity (Mauritius) Limited	1.31

Including underlying shares assuming full conversion of warrants and convertible securities*

Corporate Governance Policies

The Corporate Governance policies cover areas ranging from Business Dealings to Media Policy, from Human Rights to Responsible Supply Chain. These help in making the governance mechanism more robust. All the policies are reviewed as per the need. Few of these policies are given below:

- Tata Code of Conduct for Prevention of Insider Trading
- Code of Corporate Disclosure Practices, Code of Conduct for NED and Code of Conduct for Business Dealings
- Whistle Blower Policy
- Policy of Information Security
- IT Policy
- Gift Policy
- Customer Service Policy
- Business Continuity
- Risk Management

In addition to the Corporate Governance policies, Tata Power is also governed by many unique policies, such as; Sustainability, Environment, Community Relations, E-Waste Management, Health and Safety, Human Rights (HuR), Prevention of Sexual Harassment (POSH), Responsible Supply Chain Management (RSCM), Advocacy, Affirmative Action (AA), Corporate Communication, Energy Conservation and Customer Satisfaction and Media. The values and principles which have governed the manner in which Tata Group of Companies and employees have conducted themselves is the Tata Code of Conduct (TCoC), and all the employees of Tata Power also abide by this.

Risk Management

The Risk Management Process is well defined and uniformly followed across Tata Power Group. All risks have been classified into 11 categories. They are Fuel, Regulation and Legal, Environment and Safety, Competition, Strategy and Growth, Assets and Catastrophe, Human Resources, Financial, Technology, Governance, Projects, and Investments. These 11 categories are closely monitored for status of mitigation action by 8 Risk Management Sub Committees (RMSC). The RMSCs meet once in two months. The Risk Management Committee (RMC) monitors and reviews risks on a quarterly basis. The Audit committee also reviews major risks on a quarterly basis. The Audit Committee consists of members of the Board of Directors. Tata Power has moved beyond simple compliance to creating a culture that leads employees to identify, measure and address risks, fallouts, contingencies, disruptions, etc. Tata Power has identified the following priorities with regard to Risk Measurement and Mitigation exercise across Divisions/Subsidiaries.

- Standardise processes on risk measurement and mitigation across all geographies and businesses of Tata Power

- Training and institution building for identification, measurement and mitigation of business risks
- Consolidate operational risk identification, mitigation process in vogue
- Improve processes for strategic risk identification and mitigation interventions for all strategic and tactical investment options and projects
- Improving Disaster Management and Business Continuity Processes (BCP)
- Business decisions to be practiced based on well informed inputs thought through Scenario Building and Analysis processes for macro situations and circumstances visualised and analysed for organisational preparedness.

Two web based systems are being used for Risk Management. The Risk Perception System helps to collect risks perceived by employees across the organisation. These identified risks are then reviewed by the RMSC Chairmen for further monitoring. The Risk Management System is used for framing the risks mitigation plans and for monitoring the action taken. This system has also been implemented across the 10 major subsidiaries of Tata Power. In October 2014 Tata Power obtained the Statement of Compliance for ISO 31000:2009 for its ERM System. The Company is also preparing for ISO 22301:2012 for Business Continuity Management System.

Business Ethics

Tata Power, being a responsible Corporate, values ethical practices and its direct correlation with goodwill to its business. Tata Power, which is a part of the Tata Group of Companies, both in India and abroad, has a governing body, called the Tata Quality Management Services (TQMS), a part of Tata Sons. This body governs the general framework of the TCoC, which is uniformly applicable to the entire group. TCoC, first formally articulated in 1998, has been revalidated and signed in 2013 by Mr. Cyrus Mistry after taking over as Chairman of Tata Group of Companies. The TCoC is a comprehensive document with an ethical road map for Tata employees, companies, including third parties representing/dealing with Tata Power, thus covering 100% of its operations through trainings and modules. TCoC consisting of 25 clauses, including Financial Reporting, National Interests, Political Non-Alignment, Health, Safety and Environment, Corporate Citizenship, Ethical Conduct, anti-corruption just to name a few. The Code is a dynamic document that reinforces the Tata canon of honourable behaviour in business. TCoC also forms a part of all the investment and contract agreements. Tata Power also has a Human Rights Policy which is applicable to the entire organisation and its operations. During the reporting period there were no instances of non-compliance and demonstration of any anti-competitive behaviour, anti-trust and monopoly practices in the Company and no fines incurred from any regulatory body.

Being a Tata company, Tata Power is committed to support the constitution and governance systems of the country in which it operates. Tata Power does not support any specific

political party or candidate for political office. No monetary benefits were provided in any form to any political party. Tata Power complies with all the statutory requirements of the location in which it operates. The Senior Leadership Team (SLT) of Tata Power reinforces the ethical culture through the guiding clauses of the TCoC in communications to all stakeholders. The Apex Committee of Ethics chaired by MD, comprises of the ED and other senior leaders who regularly monitor the functioning of the ethics structures, and provide thought leadership. An organisational structure with the Chief Ethics Officer and Local Ethics Counsellors (LECs), help drive the culture of ethics. The Apex Committee on Ethics meets once every six months, to provide guidelines for the implementation of TCoC and resolve ethical concerns. The Chief Ethics Counsellor meets up with the Chairman, Ethics Executive Committee every quarter, to review the status of Ethical concerns received, and actions taken. As a part of the compliance by the governing body, TQMS, the MD submits an annual declaration on Business Ethics to the Chairman of the Tata Group. Every year, Ethics Week is celebrated in the month of March, to drive an ethical culture across the organisation. Communication on ethics is given high importance and this is carried out through LECs throughout the year.

In the reporting year Tata Power was awarded "World's Most Ethical Company" by Ethisphere Institute of USA for second consecutive year. Ethisphere Institute is an independent centre of research in USA, which promotes best practices in corporate ethics and governance.

In the reporting year, 104 concerns (complaints) were received from employees, vendors and society, out of which 96 concerns have been resolved and remaining 8 concerns will be resolved soon. Out of 104 concerns, 75 concerns were disclosed concerns and 29 were anonymous concerns. There was one POSH related concern. Majority of the concerns received were related to the TCoC clauses on ethical conduct and equal opportunities. In 2014-15, there were 10 concerns reporting incidents of corruption and out of these 3 cases were genuine and suitable disciplinary action has been taken against the employees. There is no separate policy on Anti-corruption and TCoC covers anti-corruption clauses. TCoC is duly signed by all the employees at the time of joining. There were no complaints on discrimination, Child labour, forced labour, freedom of association and right of collective bargaining, HuR, etc. In the reporting year, there have been no incidents of violation of rights of indigenous people. TCoC is communicated to all the members of the governance body. Tata Power was not fined for any non-compliance with laws and regulations in this reporting year.

Public Policy Advocacy

A well-defined advocacy statement guides the Company's actions. This is exercised by interacting with various institutions/non-government organisations, industry associations, and chambers, etc. This helps the Company keep itself updated with the current scenarios related to

industry. The Company is a member of various institutions which are provided below.

- National Safety Council (NSC)
- The Indian Hotels Co. Ltd.
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Association of Power Producer (APP)
- Mumbai Cricket Association
- Confederation of Indian Industry (CII)
- Bombay Chambers of Commerce and Industry (BCCI)
- Indian National Suggestion Schemes Association (INSSAN)
- India Infrastructure Publishing
- All India Management Association (AIMA)
- The Institute of Internal Auditors
- Municipal Corporation of Greater Mumbai (MCGM)
- The Cricket Club of India Ltd

The CEO & MD is also the member of following Committees/Boards; however through these memberships, the Company does not involve in any lobbying activities.

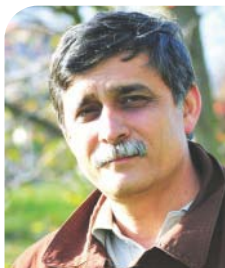
- Member - Advisory Board - India Energy Exchange Limited
- Member - Managing Committee, BCCI
- Chairman - National Committee on Power, CII
- Member - Steering and Advisory Group on the subject Climate Change - ABPS Infrastructure Advisory Private Limited
- Member - Associate of Power Producers (APP)
- Member - Task Force on Public Private Partnership, Planning Commission, Government of India (GoI)
- Member - Industry Joint Task Force, Ministry of Commerce and Industry, GoI
- Member - National Committee on Infrastructure, CII
- Chairman - India Energy Forum

Tata Power is committed to good Corporate Governance, which promotes the long-term interests of stakeholders, strengthens Board and management accountability and helps build public trust in the Company. The continuous endeavour is to be aligned with Tata's comprehensive corporate standards and policies that govern its operations and ensure accountability for its actions. There were no financial transactions related to in-kind contribution made directly or indirectly to political parties and nor was the company of any such contributions.





Sustainable Business



“From being an exciting buzz-word many years ago, to getting into the minds and hearts of the

people who make up enterprise Tata Power, Sustainability has come a long way in this organization. It reinforces our core values, and while it has a strong connect with all our values, it does have a deeper and more special relationship with one of them - Care. For us, Sustainability is Leadership with Care; Care for the environment, the customers and shareholders, the community and our people. And this is what defines us, and helps us chart our journey.”

Mr. Vivek Talwar
Chief Sustainability Officer

Tata Power has been a pioneer in the power sector in India, both in terms of leadership in technology adoption as well as care towards all its stakeholders. Tata Power with its foray

into a diverse value chain and its increasing generation capacity has secured fuel supply options through stake in Indonesian coal mines and has acquired ships for transportation of coal. The Company has several partnerships overseas with leading players (Cennergi JV with Exxaro in South Africa, Georgia JV with IFC, and Dugar Project in Himachal Pradesh, India) thus helping in establishing its presence overseas in geographies like South Africa, Georgia, South east Asia (Vietnam and Myanmar).

Tata Power's 468.6 MW wind portfolio and its 58.6 MW solar portfolio make it the largest renewable utility player in India, thus reiterating Tata Power's commitment to renewable energy generation in India in line with the Company's Strategic Intent. The Company's strategy emphasises on the development of clean energy generation with 1210 MW from renewable sources to balance the carbon emissions from fossil fuel based generation capacity while contributing towards energy security of the country. Tata Power currently has four of its renewable projects registered under the Clean Development Mechanism (CDM) programme by United Nations Framework Convention on Climate Change (UNFCCC). These projects include 50.4 MW Wind projects at Gadag, Khandke and Samana, Maharashtra while the fourth project is the 25 MW Solar project at Mithapur, Gujarat.

Management Approach

Sustainability is a holistic approach to business strategy and actions that Tata Power has adopted as a responsible Company. The company's mission is based on similar lines which would enable the Company to be the lead adopter of

technology and build capabilities to internalise and use these technologies. Further we focus on fundamental aspects like creation of shareholder value, customer orientation, and a focus on the company's human potential. As a part of sustainability governance a Sustainability model '**Leadership with Care**' has been adopted which streamlines the Company's commitment for **Care** for major stakeholders. The Company is well compliant with the United Nations Global Compact (UNGC) principles, as well as Business Responsibility Report (BRR) of Securities and Exchange Board of India (SEBI) and submits its performance report annually. Sustainability as a practice is intricately weaved into every function of Tata Power in a way that addresses the interest of all its stakeholders and the society at large.

Sustainability Governance

In a unique governance approach for Sustainability, Tata Power has set up the Sustainability Advisory Council (SAC), where apart from Tata Power senior management, the ex-MD and 2 independent Board members, the council also includes national and international members of civil society who are experts in the fields of environment protection, biodiversity conservation, climate change and community relations. The SAC's role is to challenge the organisation's strategies on these issues and also guide Tata Power to formulate improved approaches. The Company has a defined Sustainability policy and has laid down processes to monitor the same. Further, the Corporate Sustainability Committee is responsible for driving sustainability in the organisation, has defined processes and prepares, monitors and reviews action plans that emerge out of SAC. The divisional committees, comprising of divisional champions drive the action plans. The Corporate Sustainability Committee (CSC) at the Corporate level drives the agenda of '**Leadership with Care**', and there are Divisional Sustainability Committees (DSC) at all generating stations, driving the Sustainability performance at grass root level across stations. The performance of CSC is reviewed half-yearly and future strategies are chalked out. At the Divisional level, monthly reviews are conducted to ensure that the Company cruises smoothly on the Sustainability journey. So in order to ensure the optimum level of performance on Environment, Social and Sustainability front, the CSO reviews the performance of the stations for Environment and CSR activities monthly. Tata Power communicates its progress on the four pillars of Leadership with Care, to stakeholders by sharing the update in the public domain, on a regular manner.

Sustainability Strategy

Tata Power has a Sustainability Strategy and Sustainability Model in place. The sustainability strategy focuses on goals for reduction of carbon footprint, conservation of biodiversity and natural resources, clean and efficient



technologies and stronger renewable portfolio. Tata Power is using low ash, low sulphur coal, for its current operations, to minimise adverse impacts on the environment and the public. Periodic interactions with communities and dedicated community need assessment survey are conducted by third party to help understand their concerns and requirements, and aid in developing mitigation plans. The Company revisits its Vision, Mission and Values annually, taking into account the dynamic business environment and diverse stakeholder needs. The Vision has been parameterised. This is to help target select international geographies, as the power sector in India is progressively becoming more difficult with land, water, community activism and fuel issues leading problems in setting up power plants. In line with the Strategic Intent, Tata Power has identified Critical Success factors, which are enablers to help the organisation achieve its Strategic Intent.

The Sustainability Strategy for Tata Power is aimed at ensuring that Tata Power conducts its business in a manner that is socially, environmentally, economically and culturally sustainable, thereby not only benefitting the society within which it operates, but also creating, in the long term, a competitive advantage over other players. The Sustainability Strategy is intended to help set aspirations and levels of commitment along the key elements of sustainability. It will be deployed across the value chain of the organisation and covers all relevant geographies where Tata Power operates. Sustainability in the Tata Power context draws reference from the well established triple bottom line concept. The key elements in the Tata Power context are:

- **Economic** well-being and prosperity of the organisation, its shareholders - both today as well for the future
- **Environment** and **Ecological** impact of the organisation's activities and reduction and mitigation of the same
- **Social** impact of the organisation's activities on its stakeholders (communities around the plant; people working in the plant, etc.)

- **Cultural** focus to help individuals connect to ethics and moral values. This is an important element to drive behaviour in an organisation and to help embrace sustainability across all dimensions.

Sustainability Model

At Tata Power, it is believed that growth and development are imperative for a developing economy. However, it needs to be sustainable and must benefit the stakeholders in the long run, with least impact on the environment. Tata Power embodies the Tata Group's philosophy of building a strong Sustainable business that is firmly rooted in the concept of benefit sharing and demonstrates Leadership with Care. Tata Power has instituted 'Care' as one of the core values which entrust *Care for Environment, Care for Community, Care for Customers, and Care for People*, i.e. employees, shareholders, suppliers, partners, etc. in the sustainability model. The Sustainability Model aims at strengthening structures and processes for environmental performance, stronger engagement with community, customers and employees, by using enablers like new technology, benchmarking and going beyond compliance in key operational parameters.

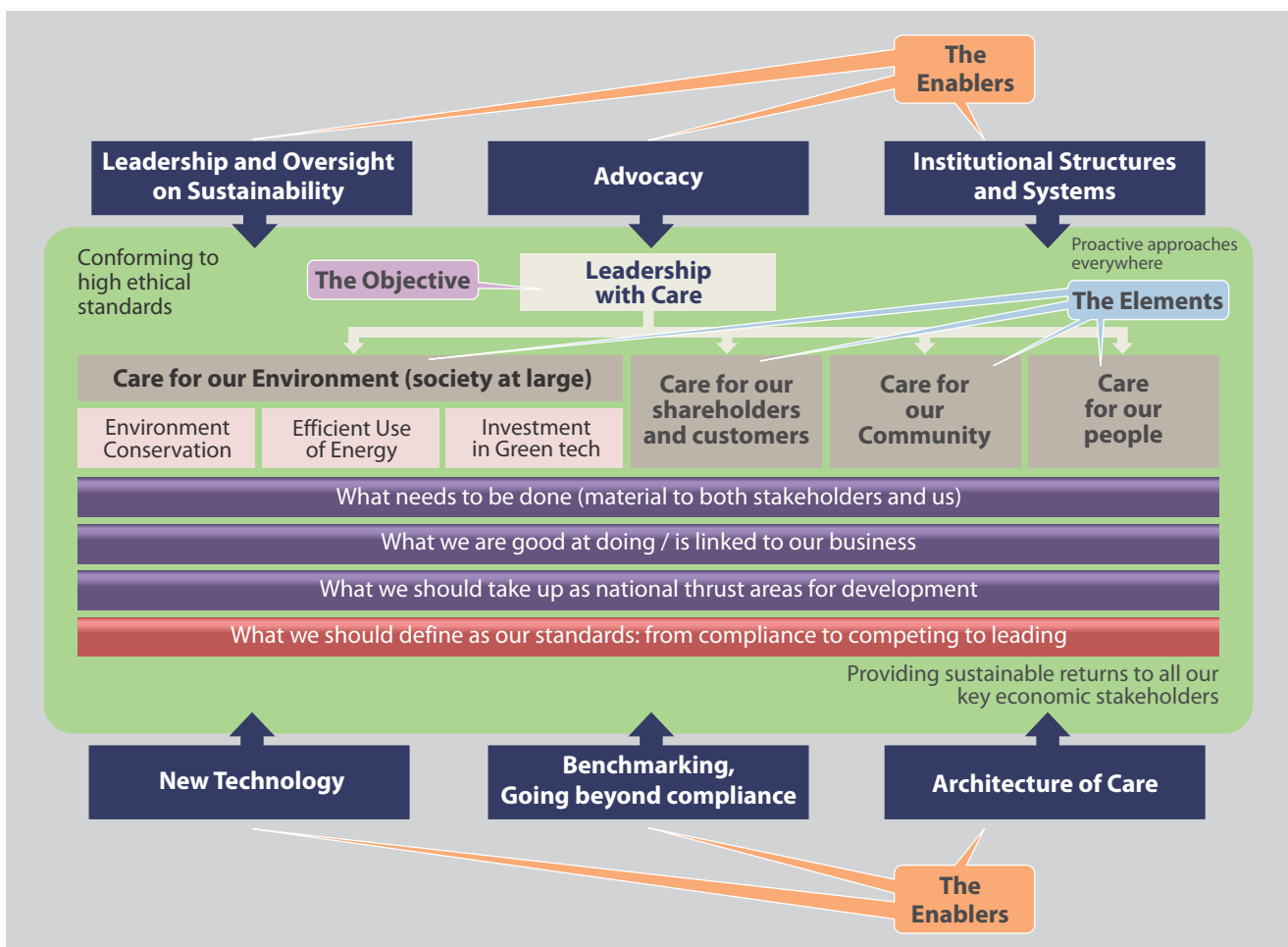
For the centenary year celebrations (100 years of

Sustenance!), Tata Power has committed for each of the Care elements of the Sustainability Model to share value with stakeholders. These commitments are elaborated below.

Care for Environment and Nation Building through clean, cheap and abundant power - In its Centenary year, Tata Power committed to develop 450 MW of clean power through hydel (same as its current existing capacity of 450 MW of Hydros at Maharashtra), as its contribution to facilitate clean power for India.

Through its unique programme on energy and resource conservation, Tata Power Club Enerji, which is spearheaded by school children, the Company plans to help citizens across the country to save `100 crores in FY 15-16. This will be facilitated through mass awareness drives/rallies and unique initiatives facilitated by these school children.

Care for Customers: This Centenary year, a bouquet of innovative and unique initiatives have been lined up to delight Tata Power customers such as launch of the first ever free mobile application for customer convenience in electricity distribution and a special reward scheme to honour loyalty and promoting a special LED scheme in



Mumbai which will help consumers save power. The Company has promoted special Charging stations for laptops, tablets, mobile phones through manual exercising, at places of congregation, to encourage healthy, pollution-free living.

Care for Community: In line with its nationalistic spirit, the Company also dedicated the Tata Power Skill Development Institute (TPSDI) through the empowerment of the Indian workforce. The TPSDI aims to benefit over 600 Power Sector workers in FY15 through various Power-Skills training programmes and bridge the existing skill gap in the power value chain through concerted efforts thereby fuelling India's growth and building it as a monument of excellence. TPSDI will be targeting to skill more than 5000 trainees in the next three years and more than 60,000 by 2022. Undertaking this monumental responsibility, TPSDI has employed a 360-degree approach for the holistic development of workers in power-skills encouraging them to reach their full potential. The Strategic modular Programmes will train, test, certify and accredit the workers to bridge the skills gap. In addition, as a special centenary year contribution Tata Power has identified several new CSR programs for community development in the areas of sustainable livelihood, healthcare, infrastructure development and afforestation.



Care for people: One of the unique offerings for Tata Power employees and public at large is the promotion of manual exercising bicycles-cum-charging stations for laptops, tablets, mobile phones, etc. at places of congregation to encourage healthy, pollution-free living. More than 1000 Tata Power employees commit to volunteer for CSR initiatives undertaken across the country.

Tata Power has a very strong mechanism to review business performance with respect to Sustainability performance. Sustainability is one of the strategic pillars of the Company which forms an integral parameter of the MD's Balance Scorecard (BSC). This BSC forms the basis for the formation of Strategy Deployment Matrix (SDM) for each department and the individual Key Result Areas (KRA). Hence, the responsibility cascades down and its performance

becomes the responsibility of the entire organisation, from the top management to the individual employees. The indices used for this are, Corporate Sustainability Protocol Index (CSPI) and Green Manufacturing Index (GMI) which are tracked in a quarterly basis.

Sustainability Interventions

Tata Power has acknowledged the importance of climate change and has drawn up plans to limit carbon emissions and move towards a renewable portfolio of 20-25% of total generation by 2022. Greenolution, an initiative which was launched in 2012, is an amalgamation of initiatives that Tata Power undertakes towards ensuring a sustainable planet, through participation of employees. The objective is to traverse the journey and make green living Tata Power's way of life. Greenolution puts efforts/practices/programmes that infuse the belief of sustainability as a movement by making everyone a part of it. Green Heroes are the employees who are outstanding performers on the initiatives on Greenolution.

The key Environment Friendly programmes identified under Greenolution include:

- Carbon Footprint Mapping and Monitoring
- Implementation of 100% recycled paper usage
- Ongoing tree plantation at all plants
- Saving water across locations
- Saving fuel through carpooling and other initiatives
- Waste management at offices
- Energy conservation and efficiency initiatives at locations, and outside
- Reducing air travel and using webcast/video conferencing facilities
- Participation in 'Clean your city' drives and campaigns

The green brand helps further one of the key messages of the Company towards Sustainability while also generating awareness on the environment, encouraging employees to undertake green initiatives and identifying green innovations.



Tata Power's Club Enerji recognises the immense value of the contribution of school children, along with college students and society at large can make up to help curb the wasteful usage of electricity. Through Club Enerji, Tata Power celebrated *Oorja Samvardhan Divas* across 12 locations to mark the commencement of National Energy Conservation Week. Family members of the Company's employees became the torch-bearers of Club Enerji's efforts towards conservation, and educated students across Mundra, Jojobera, Kalinganagar, Naraj Marthapur, Tiruldih, Khopoli, Bhira, Bhivpuri, Lonavala and Mumbai on valuable practices to conserve energy. The objective of the programme was to continue with its mission of reaching out to the young minds and creating awareness on the need to save the planet for a sustainable tomorrow. The volunteers



conducted the awareness sessions via videos and PowerPoint presentations, and successfully sensitized 4782 students, across 38 schools. A poster-making competition on the theme of 'Save Energy, Save Power' was organised to instil a sense of responsibility amongst the students towards building a sustainable future. Students were also taught how to read the electricity bill and were made to take a pledge towards conservation of energy and resources. The Club Enerji movement has successfully achieved a significant milestone of saving 11.2 million units of electricity by sensitising more than 7 million citizens across 11 locations since its inception and units saved by the Club is equivalent to the amount of energy used to light up 5,266 houses for a year and save 11,000 tonnes of CO₂ emissions. In the current financial year, Club Enerji saved over 2.5 million units and sensitised over 1.5 million citizens.

Tata Power participated in the **Global Electricity Initiative (GEI)** of World Energy Council in association with World Business Council of Sustainable Development (WBCSD). The Company's case study on Mundra UMPP and its potential in curbing carbon emission has been highlighted and published in the GEI report. The GEI study highlighted how the UMPP, first in India with supercritical technology, is considered to be the most energy-efficient, coal-based thermal power plant in India. The UMPP will outperform existing, traditional plants in lowering greenhouse gas (GHG) emissions. The GHG emissions generated per kWh are about 750 grams of CO₂ per kWh, as compared to India's national average of 1,259 grams of CO₂ per kWh for coal-based power plants. The details are available at www.globalelectricityinitiative.com

The world average is 919 grams of CO₂ per kWh, while the average for Organisation for Economic Cooperation and Development (OECD) countries is 888 grams of CO₂ per kWh. The plant will emit 23.4 million tonnes of CO₂ per year, less than the 27 million tonnes that a plant of similar installed capacity would emit if using conventional, less efficient energy technology. Compared to any other subcritical power plants in India, the UMPP will avoid burning 1.7 million tonnes of coal per year, thus averting carbon emissions of 3.6 million tonnes per year.

Sustainability Conclave was organised for Tata Power personnel engaged all across Tata Power stations of Environment, Biodiversity, CSR and Sustainability. This conclave also witnessed some eminent speakers from industry sectors along with internal sharing of best practices. Senior leaders of Tata Power also addressed the gathering with a message to operate with a vision of better compliance and environmental management, biodiversity conservation and improved sustainability and its reporting for better transparency. The importance of the Stakeholder Engagement was also addressed for improved relations with Community as well as to understand their need and involve them for Corporate Social Responsibility initiatives.

Tata Power participated in The **Green Rating Project (GRP)** by the Centre for Science and Environment (CSE) with support from the United Nations Development Programme (UNDP) and the Ministry of Environment, Forests & Climate Change (MoEFCC), Government of India. The Five Leaf Award is given by CSE in recognition of the rating achieved by various industries on the basis of their environmental performance covered under GRP. The GRP analysed 47 plants spread across the country. Tata Power's Mundra, Jamshedpur, Trombay and Maithon generating stations participated in this study. The Trombay station was awarded with 3 Leaves for its environmental performance and stood 3rd in India. Mundra UMPP won the special category award on "Best in Energy Efficiency". This award symbolises CGPL's dedication to building a sustainable and successful power plant which meets the country's energy needs, while being a responsible Corporate Citizen.



Responsible Supply Chain Management (RSCM)

Tata Power has always held a deep commitment to embed sustainability in every aspect of its work, careful of the outcome of its actions and reducing its environmental footprint to build on a safer tomorrow. Valuing its business partners, Company believes that for responsible business functioning and to become truly sustainable, the

commitment and values should be shared and extended to business partners as well. Tata Power wants its suppliers to hold the same standards for business conduct as we do and help build capacities among suppliers for improving environmental and social conditions. As a responsible corporate citizen, Tata Power takes greatest of care in choosing its business partners. From the very onset of taking partners on board, the principles of ethics, safety, environment and sustainability are engrained in the vendor registration process. The vendor registration application ensures agreement and compliance to Tata Power sustainability aspects. The vendors are evaluated at the time of vendor registration wherein, they declare if they are ISO 14001/EMS certified.

Tata Power also attempted to understand the level of compliance of its major and crucial suppliers on the listed parameters as per the RSCM Policy.

Sustainable Innovations

Tata Power has been at the forefront of new technology adoption in the power industry. This includes the super critical boiler technology and state-of-art space efficient GIS systems. Some of the innovations or innovative practices are elaborated below.

Natural Ester-filled Distribution Transformer



Tata Power commissioned India's first Natural Ester-filled Distribution Transformer in Mumbai which improves fire safety and reduces carbon footprint. The introduction of Natural Ester-filled Distribution Transformers across the Mumbai distribution area was done with an objective of introducing these green and fire-safe installations to ensure safe and sustainable distribution of electricity. The Company is committed to implementing innovative technology in its day-to-day operations and has taken a significant step with the introduction of these transformers. A pioneer in providing reliable and uninterrupted power to the city of Mumbai, Tata Power caters to over 500,000 residential, commercial and industrial customers. The Natural Esters fluids have a high fire point (350 degree Celsius) and eliminate any risk of pool fires in the electrical installation, as they are self-extinguishing. In comparison to the conventional mineral oil filled distribution transformers, this fluid provides improved fire safety for the densely populated areas within Tata Power's service area. The fluid is made from a carbon neutral renewable resource, is biodegradable, non-toxic and non-hazardous in soil and water. With its track record of technology leadership, project execution excellence, world class safety processes, customer care and driving green initiatives, Tata Power is poised for multi-fold growth and committed to 'lighting up lives' for generations to come.

Adoption of Kadachimeth as a model village



As a unique and innovative practice, Tata Power adopted Kadachimeth, a tribal village in the Thane, Maharashtra and aims to transform it into a model village by 2017. The Company has pledged to partner with the community of Kadachimeth, and work towards improving their quality of life. With more than 90% tribal population, the village is deprived of basic amenities and the standard of living is poor. In the next three years, the Company plans to engage in developing it into a clean and green village with good roads, good education facilities, medical outreach, and solid infrastructure so that the village becomes a role-model for the neighbouring villages to emulate.



Tata Power has assigned a team of employees to execute the development work, who will further be supported by time and talent by other employee volunteers so as to harness the energy of the entire Tata Power family through a spirit of 'Shramdaan'. This project is aiming to bring about social upliftment and inclusive development of the community. Kadachimeth village is not a part of Tata Power's area of operations, but has been selected by the Company in the true spirit of CSR to benefit the community at large. The Company has communicated the details with the Collector, Member of Legislative Assembly and Member of Parliament of the area. Similarly, Tata Power aspires to adopt one village in each area of operation and develop it into a model village in next three years. These role-model villages would become the proof-of-concept for the other villages to emulate.



Enhance Safety of Distribution Network

The Company has always remained committed to bringing down the tariff through regular expansion of its own network within its license area. Further, Tata Power is a pioneer in the application of innovation and technology and has brought tremendous value addition and benefits to customers through various initiatives. The Company introduced initiatives like - High Voltage Distribution System, E House and Underground Feeder Pillar (Link Box) to reduce space constraint and ensure timely installation and enhance safety of its distribution network in Mumbai. The High Voltage Distribution System (HVDS) deploys pole mounted transformers with associated Low Voltage (LV) Distribution. The LV coaxial service cables and the LV connector system are provided with plug-in type design thereby reducing technical losses and enhanced safety features coupled with higher reliability. These technological introductions for HV/LV distribution system eliminate the risk of errors in the field. The E House (Electrical House) helps to reduce space and installation time for 33/11 kV Grid Substations. E House is a prefabricated enclosure housing the 33kV/11 kV switchgear with associated auxiliaries installed, tested and ready to be commissioned once delivered to site. The



installation of Underground Feeder Pillar (Link Box) along with a new generation compact and fully insulated service pillar into the LV distribution network will help to enhance safety and cut down the electrical losses, eliminate the menace of power theft and pilferages in congested areas where space is a constraint.

Strengthening Sustainability

Various policies have been developed in the reporting year which further strengthens the sustainability strategy. They are elaborated below.

A **Quality Policy** has been adopted has been developed which ensure standard processes, products and quality services to customers while embracing the Tata Business Excellence Model.

Quality Policy

We at Tata Power are committed to continuously improving levels of Quality across all our businesses, thereby ensuring the satisfaction of our Stakeholders. We believe in the principle of First time right and Quality Always and will work towards this objective by:

- Ensuring all processes, products and services conforming to relevant and benchmarked standards of quality so as to meet aspirations of stakeholders especially customers.
- Effective Implementation of Quality Management System (QMS) and quality measures to ensure high level of performance of processes, products and services.
- Embracing quality principles and Business Excellence journey as per accreditation of Tata Business Excellence Model (TBEM). Identifying, reviewing and resolving Corrective and Preventive Action (CAPA) of all non-conformances and facilitating assurance and excellence in processes and results.

Risk Management



Tata Power is the first Indian Power Company to attain the Statement of Compliance for Risk Management System. Company has been honoured with the ISO 31000:2009 Statement of Compliance for Enterprise Risk Management System from British Standards Institution (BSI). Effective Risk management process is the key to sustained operations thereby protecting Shareholder value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the life cycle of the business activities, in Tata Power.

Risk Management Policy

At Tata Power, we believe that an effective Risk management process is the key to sustained operations thereby protecting Shareholder value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the lifecycle of the business activities. Tata Power shall ensure implementation of effective Enterprise Risk Management by:

- Putting in place Risk Management Frameworks and Processes.
- Identifying risks and promoting a pro-active approach to treating such risks.
- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes.
- Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable Risk Appetite of the Company.
- Striving towards strengthening the Risk Management System through continuous learning and improvement.
- Providing clear and strong basis for informed decision making at all levels of the organisation on an ongoing basis, having duly evaluated like risks and their mitigation plan being controllable and within risk appetite.
- Delineating Business Continuity Processes and Disaster Management Plans, for unforeseen exigencies and keeping the organisation constituents, prepared to appropriately and adequately deal with such circumstances, under eventuality of such happenings.
- Complying with all relevant laws and regulations across its areas of operation.
- Communicating this policy to the required stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

Business Continuity Policy

The Business Continuity Policy (BCP) has been developed to sustain operations, achieve strategic objectives and be future ready.

Business Continuity Policy

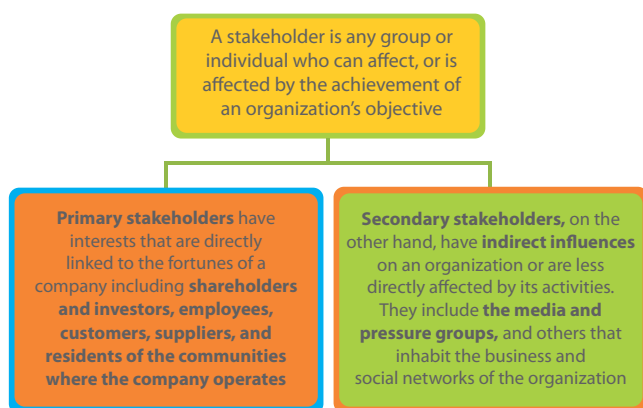
At Tata Power, we believe that an effective Business Continuity Management System is the key to sustained operations, thereby protecting Shareholder value, improving governance processes, achieving strategic objectives and being well prepared for adverse situations or unplanned circumstances, if they were to occur in the life cycle of the business activities. Tata Power Group management shall strive to maintain business continuity under disruptive incidents and unnatural events, so as to contain impact on humans and other living beings, environment and eco-system and economic loss. Tata Power shall ensure implementation of effective Business Continuity Management System by:

- Implementing Enterprise Risk Management Framework and Processes.
- Identifying risks and promoting a pro-active approach to treating such impacts by preparing practicing Business Continuity Plans.
- Allocating adequate resources and management energy required for Business Continuity Management Systems.
- Meeting customer expectations for business continuity by working proactively on internal systems, capabilities and redundancies; and integrate our associates as well.
- Striving towards strengthening the Business Continuity Management System through continuous learning and improvement.
- Delineating Business Continuity Process and Disaster Management Plans as per National Disaster Management Authority guidelines, for unforeseen exigencies and keeping the organisation constituents prepared to appropriately and adequately deal with such circumstances under eventuality of such happenings.
- Complying with all relevant laws, regulations and International Standards (ISO 22301) across its areas of operation.
- Communicating the policy, training key stakeholders, testing readiness of the organisation and reviewing it periodically to meet the challenges of a continuously changing environment.

Stakeholder and Materiality Assessment

Materiality assessment is the process of refining and assessing potential economic, environmental, and social and governance issues that could affect a business. These issues are called material to the Company's performance and are of prime significance to the key stakeholders. However, an issue is considered material when it impacts the ability of the Company to remain profitable, environment-friendly and socially responsible to the societies in which it operates. Material issues are condensed into a list of topics that could provide direction to the Company's strategy, targets, and reporting for sustainable development. For Tata Power, materiality assessment has been important for defining Vision and Strategy of the Company, which forms basis for identifying the risks and opportunities, helps in future trend-spotting and for ensuring transparency in Sustainability disclosures. A wide range of issues can be material to a Company, depending upon size of the industry, raw material usage, location and its impact on the surroundings.

Stakeholder engagement is a formal process of relationship management through which Companies or industries engage with stakeholders in an effort to align mutual interests, to reduce risk and advance towards the triple bottom line, i.e. the Company's economic, social, and environmental performance. Considering the change in stakeholder demands, it is important for a Company to develop positive relationships with stakeholders. Hence, a fundamental implication for companies is proactively valuing stakeholders, enacting programmes aimed at embedding and addressing relevant concerns. The figure below elaborates the type of stakeholders and the categories.



The first step for this engagement is setting a strategy for the identification of stakeholders. Corporations in fact directly and indirectly affect and are affected by a wide range of stakeholders; individuals or groups that, at different levels, have a 'stake' or interest in any of the organisation operations. Primary stakeholders are directly identifiable constituents vital to the survival and success of the Company, such as shareholders, employees, consumers, government, suppliers, trade unions, industry

groups, and the media. However, obligations extend to secondary, more amorphous entities such as the community, its associations, civil society organisations, and to the wider public.

Management Approach

Tata Power has always been vigilant about the Materiality analysis and the involvement of Stakeholders in the process and due to the same reason the first Stakeholder Engagement and Materiality assessment (SHM) was conducted in FY 11 with the help of a third party consultant. This study resulted with a list of nine main material issues identified for Tata Power. An internal survey was conducted in January 2013 by Corporate Sustainability Department for top and senior management with the intent for measuring the level of maturity of Company's Sustainability practices and to strengthen reporting which integrating sustainability agenda. Senior stakeholder representatives were systematically questioned for insights about Tata Power, power sector, and the larger issues and trends they care about and then the results were put together to identify the aspects of the business that are most material to its Sustainability. The objective of the survey was also to drive the sustainability agenda and get new avenues of thinking for better sustainability performance. Further, with the help of these results, an internal materiality assessment was also conducted, which helped prioritise critical material issues to be addressed. The collation of responses resulted in five material issues, viz. Coal Accessibility, Water Management, Climate Change, Stakeholder Engagement and Biodiversity. The progress on addressing these issues has been updated in the last two years' Sustainability report.

With the changing regulatory scenario, dynamics of power sector and upgrade in reporting requirements in the form of GRI G4 guidelines, Tata Power revisited SHM study with the help of globally acclaimed consultants. The objective was to be in sync with the business strategy and enhanced disclosure on reporting requirements. The scope of this study included major thermal power stations, renewable energy projects and a green field project, viz. Eight operating locations of Tata Power, including thermal power plants (Mundra, Trombay, Maithon, Jojobera) and renewable energy-based projects (Khopoli, Khandke, Mithapur) as well as the green field project Dherand, Maharashtra.

For Stakeholder Engagement the major objectives were;

- Identify broad range of stakeholders
- Characterise each stakeholder group by understanding their roles, power, and responsibilities
- Categorise their needs, expectations, problems
- Prioritise and draw a strategy to address the requirements of those stakeholder groups which have the most potential to affect a company's operations.

For the materiality assessment, the methodology adopted for conducting the study initiated with defining the scope of the study which would give the best representation of the entire business followed by identification of material issues and categorisation of the same under the Economic, Environmental, and Social dimension. A questionnaire feedback mechanism was adopted to understand concerns and expectations of various stakeholders. Stakeholder identification and prioritisation was done in consultation with the Tata Power corporate team and respective locations' core team. The prioritisation done was based on the impact that stakeholders may have on Tata Power's businesses, as well as the impact Tata Power may have on each stakeholder. Customised questionnaires were prepared for various stakeholder groups and feedback on the same was solicited through response on questionnaires. Stakeholders were divided into Internal and External categories. The internal stakeholders are the employees and the main external stakeholders include Community members, Media, Suppliers & Contractors, NGOs, Local Administration, Regulatory Institutions, Customers, and Investors. The Materiality Matrix and stakeholder specific questionnaires were developed and floated with internal and external stakeholders to gain insights and perception on the material issues for the Company. The respondent size representation was

sufficient as per the target of 400 for each category and is presented below.

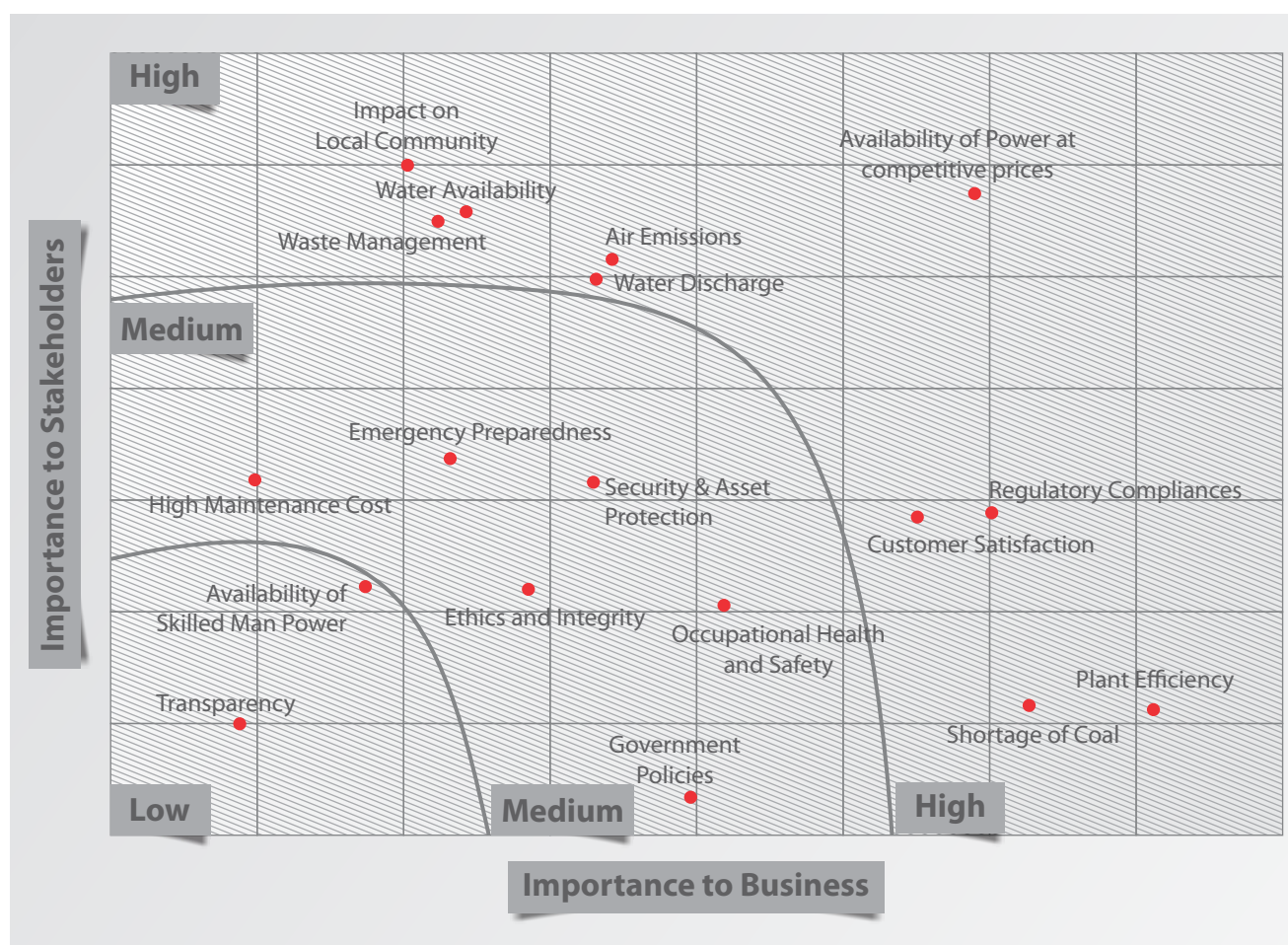
Stakeholders	Sample Size
Internal: Employees	417
External: Contractor, Supplier, NGO, Local Administration, Regulators, Customers, Community, Investors	459

Outcomes

The top 10 material issues for Tata Power are given below and these are addressed in the report in relevant sections.

- Availability of power at Competitive rates
- Impact of Local Community
- Air Emissions
- Water Availability
- Water Discharge
- Waste Management
- Regulatory Compliance
- Customer Satisfaction
- Shortage of Coal supply
- Plant Efficiency

With regards to interactions with stakeholder groups to understand their concerns and perceptions about Tata Power, it was observed that the awareness and involvement of the employees and external stakeholders about



sustainability can be improved. Interactions with the external stakeholders concluded that the general perception about Tata Power was good. A high level of satisfaction was observed with respect to the quality of interactions with Company personnel. The local community across locations was satisfied and benefitted by the initiatives taken by Tata Power. There are a few concerns raised by the communities with respect to water discharge temperature, which is specific to Mundra and Trombay which the Company is aware of the challenges and is working towards the same. The NGOs which work with Tata Power mentioned that all the projects of Tata Power are always undertaken in a collaborative manner. The regulatory authorities held a very good impression of Tata Power as their representatives mentioned that Tata Power is an environment-conscious company and is very responsive. According to these authorities the focus areas for Tata power are Coal handling and related issues of emissions, Fly ash notifications, Enhance capacity within the environment limits, Waste Management, Water availability and discharge Government policies, Air Emissions, Emergency preparedness and Local Community development. The investors of Tata Power responded that the key focus areas for Tata Power should be water discharge, impacts on local community and GHG emissions.

This study has been considered as an input into the strategic planning process and also to determine the content of the sustainability report. The material issues also give direction to setting of goals and targets on sustainability. The study helped in ensuring that business strategy takes into account significant social and environmental issues, thereby embedding the key material issues in the wider business processes. Overall the results would help in being competitive, prioritise the Company's resources for sustainability issues, highlight areas to manage and monitor issues and identify areas where value is being created for society.

Stakeholder Engagement Initiatives

In line with the identified major stakeholders of Tata Power various activities that were conducted during this reporting year to address the stakeholder requirements as below.

Community

Communities are identified as the key stakeholders and Tata Power engages with them through various community development activities. Through the CSR thrust areas which are aligned as per the MDGs, enables access to health services and primary education, promoting sustainable agriculture practices, providing access to potable water, etc.



Tata Power Skill Development Institute (TPSDI):

Reiterating its focus on youth development, Tata Power inaugurated a skill development initiative in Mumbai, to unlock employment opportunities for the youth by helping them develop skills needed in the present economy. With this initiative, Tata Power aims to bridge the



skill gaps that exist in the value chain, and empower the youth with the knowledge and skill set needed for steady income generation. Tata Power Skill Development Institute (TPSDI) would benefit over 600 Power Sector workers in FY 15 through various Power-Skills training programmes.

The modular programmes have been strategically designed to train, test, certify and accredit the workers in a phased fashion, thereby honing their professional skills. Professional competence in today's power sector requires not just cutting-edge technical skills, but also effective commercial and interpersonal skills aligned to the specific needs of the power industry. Despite the vital importance of industry-specific skills, training for these skills can be extremely difficult to source. Understanding this, TPSDI has employed a 360 degree approach for holistic development of workers in power-skills and encourage them to reach their full potential.

Fly Ash Brick Manufacturing Unit: Fly ash has been a major cause of concern as its safe disposal creates environmental challenges as well as storage problem, needs more land for storage/land fill. However, now it finds usage for making better quality bricks and cement. To promote eco-friendly Fly Ash Bricks, Tata Power, Jojobera supported SHG groups with portable Ash-making Machines. These SHG groups comprising mostly of unemployed youths have been formed under Affirmative Action - Entrepreneurship program. These groups are being given the machines along with technical knowhow and training. These youth from the tribal community mostly



indulge in sand mining and working in clay brick kilns and thus have an extensive skill in brick making. Four such machines were run by 4 SHGs, which produced approximately 1.85 lakh bricks. Out of these 1.75 lakh bricks have been sold in the local market thereby generating a profit of approx. `80000 per machine, providing an income of about `8000 per SHG member. Seeing the encouraging response from the market, four new SHGs have been formed for scaling up the project.

Biogas Plants: The Company has undertaken the installation of Bio-Gas plants under project 'Annapurna' in Mundra and Mandvi in association with Tata Power Community Development Trust (TPCDT) and successfully installed 36 Bio-Gas plants across eight villages. With this initiative, Tata Power aims to promote the use of Household Bio-Gas by creating awareness on the optimal use of cow dung. Being considerably cheaper than conventional energy sources, the daily input in each Bio Gas plant is nearly 40 KG which enables cooking for a family of 5-6 people. The used cow dung can be reused as fertilizer, whereas maintenance of the unit is simple and stress free. The unit has also resulted in monthly savings of nearly `300 which was earlier spent on wood and kerosene. Additionally, the unit assists in protection of the environment as well as health of the villagers as it avoids the pollution caused by burning wood. This reduction in pollution further protects the families from future ailments such as asthmatic problems, cataract, etc.



Fishermen Information Centre (FIC): Tata Power established the Fishermen Information Centre (FIC) at Mundra to help the fishing community in Mundra to get access to quality infrastructure, healthcare, sanitation and clean drinking water. The local fishing community have a low annual income and survive under debt on account of their inability to earn good price. Recognising this need, Tata Power set up Fishermen Information Centre under the Company's ongoing Project Sagarbandhu to create a platform to help the community mobilise, strengthen and promote their produce. At FIC, fishermen can easily access knowledge on market linkages and liaise with the fishery department. The centre disseminates relevant and need based information regarding fishing activities (license processing, boat purchase), ongoing government



schemes, provides education related assistance, demonstrates different fishing equipment.

Flood and Cyclone Relief: Tata Power came forward through its volunteers and provided support for restoration of normal conditions and livelihood for the affected local people of affected areas with focus on housing, infrastructure, health and hygiene. For extending the support to Odisha which is recovering after cyclone Phailin, Tata Power supported in laying water pipeline network.

Tata Power has always endeavoured towards the sustainable development of communities living in and around its areas of operation. Since animal husbandry remains a key source of alternative income for the Indian communities at large, the Company has always supported the practice by ensuring regular fodder supply for the cattle. Under its ongoing project 'KALP', Tata Power provides innovative and replicable models for establishing Fodder Supply Centre and building Gaushalas (animal shelters) at Tunda-Vandh and Mota Kandagra to help strengthen this important livelihood option. The Company encouraged the local community to develop a website to create awareness about the various activities conducted under its project KALP, and to help raise funds for the initiatives under Shree Tunda Vandh Gaushala Charitable Trust. The trust looks after approximately 1500 cattle, and, drought mitigation, supplies fodder to more than 6000 cattle from eight villages. The successful commissioning of the programme has resulted in a substantial rise in livestock, and a 19-24% increase in the income of the cattle owners. The initiative has also encouraged more and more people to engage in the business of animal husbandry.

Employee

Amnesty scheme: Amnesty Scheme was launched on the befitting occasion of JRD Tata's Birth anniversary, for all employees to "Let Go" and become independent of all anxieties and worries. As a part of this scheme, employees could confess any unethical activity, any wrong-doings, any dichotomy, any self-puzzling episode or behaviour that bothers one. Such subjects can be best discussed with external counsellors, with the assurance that smallest to



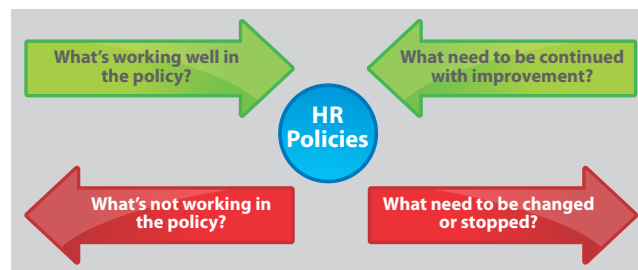
biggest reported event or act would be condoned without penalty or any backlash. The idea was to relieve all of their anxieties and negative emotions which cause a nagging drag on one's mind. The professional counsellors with their long standing experience will help employees deal with any to all type of issues and more so it's entirely through virtual communication of phone.

The Company is committed to the welfare of its employees and has organised numerous programmes in order to develop and improve their technical skills, efficiency and productivity. Reiterating its focus on enhancing the knowledge and skills of its employees, Tata Power's Jojobera Division organised **Roto Care 2014**, a workshop on rotary equipment maintenance and overhaul at Jamshedpur. The objective of this initiative was to encourage knowledge sharing and educate employees on latest trends, design improvements and good practices through ingenious presentations on topics such as fans, air compressors, pumps, rotary air pre-heater, seal, coupling, etc. Tata Power organised interactive sessions and case studies which also gave an insight into the analysis and predictive maintenance carried out by other companies.

Merit Scholarship: Scholarships are granted to children of Tata Power employees for pursuing their studies every year. The scholarship is based on the percentage marks obtained in SSC which decides the quantum of scholarship amount.



SRIJAN: It is an organisation-wide initiative wherein each and every employee is involved in redrafting and co-creating all HR policies. This is an opportunity for employees to understand, question, co-create and co-own HR policies resulting in a better acceptance and a better assimilation of HR policies amongst employees. All policies and guidelines have been clubbed into 9 clusters in which each cluster has policies aiming at a particular aspect of Employee Life Cycle. Cluster 1 and Cluster 2 have been launched. In Cluster 1 more than 4000 responses were received on policies like PMS, Promotion, etc. The same has been analysed thoroughly and revised policies basis the inputs received and in line with the management guidance received will be released shortly. All other clusters are expected to be reviewed by FY 16 thereby reviewing and



revisiting each and every policy at Tata Power. A pictorial representation of the process is depicted below.

MD communication meet: Senior leaders communicate with the workforce through open dialogues, focus group interactions, corporate communication messages, webcast, intranet portal and monthly newsletter. Additional mechanisms for two way communication with the MD include MD online, Phone your MD and Lunch with MD. Additionally, specialised MD communication meets are conducted for the all women employees to capture their experiences about the Company. Other communication channels provided to employees to raise issues/voice opinions including emails, one to one interactions and the engagement and satisfaction action planning and feedback sessions. Twitter and Facebook are also used as communication channels.

Media

In order to ensure a professional relationship with the media, due diligence must be done to ensure that information originating from the Company is accurate, complete, reflects the official position of the organisation and is released to the media and target publics in a timely manner. In the interest of orderly, consistent management of the information released to the media, new guidelines have been established in the form of a Media Relation Policy. The objective of Media Relations Policy are:

- To define roles and responsibilities within the organisation for working with the media. It will also assist the media by clarifying the level of service they can expect regarding access to officials, provision of information, and responses to enquiries
- To ensure consistency of our positioning, and key messages for enhancing our reputation.

Multi-stakeholder Platforms

Senior Management from Tata Power participate in the multi-stakeholder forums and associations for knowledge sharing and to keep abreast with the ever changing scenario. Sustainability Outlook felicitated Dr. Yogendra Saxena, CSO Tata Power, as the CSO of the Year at the Parivartan Sustainability Trailblazer awards for catalysing sustainability action for Tata Power. Tata Power regularly participates in the programmes of Environment, Safety and Sustainability, etc. to learn the best practices as well as discuss Tata Power's initiatives on these subjects.

Suppliers

Vendor Development: Tata Power has identified single point of contact at the corporate level as well as at

Division/Site level to facilitate development of AA vendors. Tata Power promotes entrepreneurship by supporting enterprise development by SC/ST community, facilitating SHGs and developing farmers, to make the community members self-reliant. A list of services and products supplied by SC/ST vendors is centrally maintained and shared with all the Division/Sites, which could be used for identifying relevant AA vendors. This year, approximately 25 AA vendors were awarded contracts more than Rs 14 Crores thus far.

Supplier Engagement: Time and again, the importance of sustainable actions are emphasised, during interactions with suppliers/contractors, wherein, the views and concerns on business imperatives are shared for long term business relationships. One such forum, Partners Meet is held frequently covering all regions, to discuss various issues and concerns, business scenarios and other information pertinent to the business every year. These Meets facilitate engagement on issues like Sustainability, TCoC, safety, ethics, affirmative action, quality consciousness, etc. The aim is to align suppliers' base, social, ethical, environmental, safety and health responsibilities with our own sustainability objectives. The recent Vendor meet was held at Kolkata to cover eastern region suppliers, since eastern region is of great strategic importance in the company's business plans. Among other things like concerns of the vendors, sustainability formed an important agenda. A brief dedicated session was arranged to emphasise on sustainable development. Also, in the vendors' participation, a few of the vendors showed their commitment towards Tata Power sustainability vision.



Customers

Club Enerji: Club Enerji, a national energy conservation movement expanded its vision and launched the '**Waste Management Module**' as a part of its Resource Conservation Programme. The Resource Conservation Module lays strong emphasis on saving water, fuel, paper, and electricity, and has successfully imparted knowledge on fuel conservation, water management and energy conservation to lakhs of students. The objective of the Waste Management module is to educate students on the repercussions of waste dumping in the environment, and its impact on the quality of soil, air and the ecosystem as a whole. The module aims to provide a platform to more than 2 lakh students to share and expand their understanding,

thereby, bringing about a chain-reaction that can significantly reduce generation of waste and increase efficient waste management in the country.



Electrifying Off-grid areas: Tata Power successfully expanded its distribution network and developed infrastructure to provide power supply to more than 5,000 consumers in Ambujwadi, Mumbai, which is predominantly a slum area located over a span of land and is inhabited mostly by workers that include construction labourers, hawkers, domestic workers, etc. The area was devoid of electricity supply primarily due to the unavailability of free land for installation of Sub Station. Tata Power has already provided power supply to 3,100 residents and is providing more connections on daily basis. Tata Power has also rolled out various services at the door steps of the consumers in Ambujwadi. For the convenience of the consumers, the Company organised mobile cash collection vans for bill payment. Tata Power representatives also provided guidance and application collection drive for the consumers at Ambujwadi. To increase safety awareness amongst the residents, Tata Power recently organised a special skit which emphasised various safety and precautionary measures while using electrical appliances. More than 200 Ambujwadi residents participated in the Safety Day celebration.

Apart from this, Tata Power, time and again, interacts with government institutions, such as the Maharashtra Electricity Regulation Commission (MERC), Bureau of Energy Efficiency (BEE), Ministry of Power (MoP), Ministry of Non Renewable Energy (MNRE), Ministry of Environment, Forests & Climate Change (MoEFCC), State Pollution Control Boards (SPCB), to be aware of the dynamic regulatory changes and be future ready. Despite of these engagement efforts, the Company does not involve in the lobbying agenda.





Human Resources (Care for our People)



“To sustain is to build on what was created. Sustainability is an ongoing journey of discipline, diligence & values.”

Mr. Chetan Tolia
Chief Human Resource Officer

Tata Power considers its employees as one of the most valuable stakeholders without whom the Company cannot achieve its business objectives. The priorities have always been towards employee retention, succession planning, nurturing and growing internal talent.

Tata Power has various employee engagement initiatives coupled with enhanced focus on individual training needs that is aligned to help Company achieve its vision of Employer of Choice. It also maintains policies for various facets of Human Resource Management, which highlights its commitment of being an employee-friendly organisation. There are HR processes in place for recruitment and selection of personnel at all levels, well defined manuals for induction, performance management, learning and development, retirement, separation, business practices and exit. The HR function at Tata Power

has functional responsibility for all the HR issues. A top management level committee has been formed at Tata Power to look into better work culture for female employees as well as to prevent sexual harassment, if any. There is a policy also on Prevention of Sexual Harassment (POSH) and the POSH committee consists of 7 members (3 males and 4 females) from senior and middle management. This policy is widely circulated for awareness, as well as posted on the Company's website. The cases related to POSH are dealt with in secrecy by this committee and the same is responsible for cases at all the subsidiaries of Tata Power within the scope of this report.

The Chief Human Resource Officer (CHRO) provides direction in different aspects of HR, introduces innovative models and tools for continual improvement and value creation. The CHRO, who is also a member of the highest governing body within the organisation, has operational responsibility for all aspects of the workforce. Tata Power has a team of senior professionals with separate portfolios for Strategic HR and Business HR involving talent acquisition and management, learning and development, and employee engagement, etc. In the last couple of years the focus has been on refining people management processes and building the talent pipeline. Various training and development initiatives are in place to create a learning environment and develop programmes that link people across the organisation to facilitate business requirements.

Tata Power believes in stability of employment while safety and health are matters of the highest priority for the organisation, and for this it has developed a range of measures. In addition, the Company has also worked to promote continual improvements by enhancing two-way

communication with employees, encouraging a sense of unity throughout the entire company and sharing information during times of crises. By respecting diverse values and thinking, Tata Power has created opportunities for employees to demonstrate the creativity and has fostered teamwork. Efforts are also being made to develop human resources and create ample systems. The Company has always sought and implemented pioneering and meaningful practices to enhance the engagement, capability and competitiveness of its talented workforce. These practices are aligned to different phases of hiring, assimilation, learning, growth and retention. They are shaped by organisational values and industry best practices. Tata Power also conducts a programme called Planning for Second Innings for the benefit of retirees and to better manage career endings. In order to accomplish a stable base of business, Tata Power aims to realise management that shows respect for people and build stable labour-management relations based on mutual trust and mutual respect, as well as to have all employees exercise the ability to think, be creative, and utilise strengths to the maximum extent possible. The Union is consulted by the Management on all significant changes for non-management employees. For all significant operational changes, Tata Power gives a minimum notice period in consultation with person concerned. In the reporting year, there have been no significant operational changes.

Promoting Diversity and Inclusivity

Workplace diversity and inclusion consists of many positive aspects of life. It is about acknowledging the diverse skills and perspectives that people may bring to the workplace because of the gender, age, language, ethnicity, cultural background, religious belief, sexual orientation, working style, educational level, professional skills, work and life experiences, socio-economic background, job function, geographical location, marital status and family responsibilities. It helps in removing barriers to ensure all employees enjoy full participation in a workplace which supports the development and achievement of well informed and culturally appropriate business outcomes. It also involves recognising the value of individual differences and managing them in the workplace. Tata Power aspires to



recognise and embrace the diversity each person brings to the workplace, creating an environment of trust, mutual respect and appreciation which allows all employees to collaborate effectively in the ongoing development. The Company commits to a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills and qualities of all its employees. It is well aware of the fact that workplace diversity and inclusion plays a vital role in ensuring the adoption of a citizen-centric approach to everything being done.

While the composition of workforce is in line with industry standards however, Tata Power is committed to raising the bar. The percentage of women employees in the organisation is 8.2% as compared to 7.7% in 2013. In the reporting year, the Company focused on hiring, developing and retaining diverse talent. The endeavour is to provide equal opportunity to all employees irrespective of the sex, caste or creed. Under the Performance Management System (PMS) review, 100% employees are covered. Tata Power is an Equal opportunity employer; there are no disparities in the ratio of average basic salary of male to female. The entry level wage is as per industry standards and may vary according to operating locations. The Company complies with the Minimum Wage Act and for the contract employees ensures higher payment as compared to specific minimum wage.

Cadre Management

Tata Power ensures an influx of fresh talent into the organisation through its Campus Hiring year on year. The cadre recruited consists of Graduate Engineer Trainees (GETs) from premier engineering colleges, management trainees from campuses and Finance trainees which comprise of fresh CAs to augment the finance function. The cadre programme is also extended every year to recruiting of children of employees of the Tata Power Group. All the trainees undergo a structured and customised induction programme to help them in onboarding and aligning themselves with the culture and values of the organisation. Various interventions like Dinner with Leaders, Tata Power Fitness Programme, etc., ensure a holistic development of the trainees.

Employee Engagement

Engagement is the state of emotional and intellectual commitment of employees to an organisation. This enables a change in an employee's behaviour leading to certain positive business outcomes. Tata Power believes in engaging its people from hiring to retirement through various targeted and customised interventions. The objective is to develop a positive organisational culture on the principle elements of inspiration, care, collaboration, reward and celebration. Various formal and informal processes for assessment of workforce engagement and satisfaction are also adopted.

The key elements of employee engagement and its assessment are explained below.

Right from the day of selection, the candidate is engaged and welcomed through various initiatives. Within few days of selection, a welcome kit including a welcome letter, company profile, organisation structure specifying candidate's position, key deliverables, and strategic importance of candidate's department/function is shared with the candidate. This helps the candidate to get acquainted to the company and job location prior to joining. Employees joining Tata Power are acclimatised to the environment with a thorough Induction Process. This induction process has been evolved over the years on the basis of feedback received from new joiners, line managers and benchmarking with other companies. Each division has an Induction officer who takes care of the new joiners to provide them with a smooth joining experience.



HR100+: In order to connote 100 years of glorious existence of Tata Power, HR100+ has been launched as a single communication platform for HR communication with employees to ensure awareness and effective flow of information. Hence the name of this initiative is in congruence with the chronological evolution of the organization and '+' denotes infinity and immortality. This also conveys 100% commitment of HR to the people. HR100+ is also used for policy and programmes related communication with simple and useful information content.

Town Hall: Town Hall is organised quarterly at each location of Tata Power wherein senior leadership share the mission, vision, strategic intent and latest happening in the organisation. Town Halls aim at 100% employee coverage. Action items derived from these Town Halls are collated and addressed within the timelines by the respective Business HRs.

Newsletters: Newsletters keep employees updated about latest happenings in the organisation. There are various organisation and divisional-wide newsletters like Enerji Talk, Sparsh (HR), Darpan (Haldia), Trombay Newsletter, Tarang (Transmission), Urja Sampark (Eastern Region Projects), Safety Newsletters, Sampark, Jojobera Newsletters, Saarthi, WattsUp (Corporate Engineering), Greenolution, etc. All these newsletters are shared online with the employees.

ODYSSEY: Tata Power has a structured and comprehensive induction programme for lateral recruits known as ODYSSEY. The objective of this programme is to acculturate new recruits with the "Tata Way" of working and equip them with all the relevant information and network to help them perform at best. This program

covers all the aspects of the organisation including the history, its evolution, the various functions and businesses it is engaged in and also its growth plans and long term goals.

Cascading the Strategic Intent: Senior Management of the organisation candidly communicate with employees through mechanisms like open dialogues, corporate communication messages, communication meetings, video conferencing for quarterly results, intranet, etc. to share the key happenings in the organisation. They also use these channels to cascade the vision, mission, values and strategic intent of the organisation. During employee interactions, leaders actively seek feedback and endeavour to resolve issues raised by employees. The vision and mission of Tata Power is communicated to every employee in the organisation by the leadership team through various communication channels.

Communication from the MD's Desk: This platform is used to share the organisational updates, announcement of organisational wide initiatives, appointment of key management positions, festive greetings to employees, etc. This is done through various channels such as emails, personalised letters, displays in English, Hindi as well as regional languages for non-management staff.

MD's Communication Meet: All employees, including non-management, across locations and geographies participate in this initiative wherein the MD, ED, CFO and CHRO communicate the performance of the company for that quarter. After the session with all the employees are given an opportunity to ask questions or seek clarification through the Open Question and Answers session, answers of which are taken up by MD and the Senior leadership team.



Enerji TV: Enerji TV, Tata Power's quarterly in-house video magazine, launched in 2014, with an aim to institute a dynamic communication platform that will provide employees critical company information in a crisp 15-17 minutes package. Any regular episode of Enerji TV contains news items listed under the following six categories, namely - Important happenings, Key events, In-focus, Latest Internal Campaigns, Customer focus and Sports @ Tata Power. The primary objectives of the medium include:

- Packing the most important developments within the company and critical internal news in a compact package
- Keeping employees updated on all key happenings within the company will lead to a more satisfied workforce, thereby boosting the effectiveness of internal communication

- Keeping messaging distinct and emphatic, to help in energising the young workforce across the organisation, and most importantly
- Making communication more engaging and motivating by recognising organisation-wide initiatives.

Collaborating & Grievance Redressal - Some of the channels where employees can ask questions, provide feedback or otherwise communicate with managers especially senior managers are detailed below:

HR Connect: In a step towards furthering an emotionally connected organisation, a structured approach towards 'HR Connect' was launched. This reflects the intent and commitment of the organisation towards building and sustaining a community of people who derive meaning out of the work and relate with the organisation which is beyond economic or transactional. As a part of HR Connect, the HR Manager reaches out to employees to listen to them, understand concerns and address them suitably.

Forum with Top Leadership (Quarterly Financial Results Communication and Town Halls): Every quarter through a structured and well established process, MD, ED, CHRO and CFO meet employees to share the organisational performance and future outlook. Employees utilise this opportunity to ask questions to senior leadership team, seek clarification, give feedback on various systems and process, and share any ideas/improvement suggestions and concerns to the leadership team.

Forum with HR (VOICES): HR organises VOICES (Voices of Internal Customers for Engagement and Satisfaction) at departmental levels, where employees make suggestions and/or become involved in making decisions that affect their job, work environment through interaction with HR and Admin representatives in an open dialogue.

Employee Engagement Surveys and Engagement Action Planning: Engagement surveys and Engagement Action Planning sessions are well established and are a good forum for employees to communicate, provide feedback and voice concerns directly to Leadership Team, respective Line Manager and HR Manager. The overall employee engagement of the Company determined through Aon Hewitt survey in FY15 was 69% as against the 66% in FY14. Several EAP (Employee Engagement Action Planning) sessions were conducted with all groups across Tata Power. All action items arising out of the EAP sessions have been documented and are being worked upon. A loop back session is done once the action items are completed with the same group.

Cross Functional Teams (CFTs): Short term projects critical to Tata Power are identified and depending upon the complexity and importance of the action plans, suitable CFTs are formed to ensure cross-functional integration across departments. Cross functional teams work on various operational improvements projects through many knowledge exchange sessions and projects like SPS (Structured Problem Solving) project, Strategic Deployment Matrix (SDM) projects, SANKALP (Cost saving initiative), Quality Circle teams, LEHER project.

SPANDAN and Workforce Development Programme (WDP): The objective of this initiative is to align the workforce with highest safety standards by working on interventions covering the whole work-life cycle of the non-management workforce. Trainings are imparted for increasing the social and behavioural awareness of the staff along with emphasising importance of Safety.

Shikhar Awards: Shikhar provides an opportunity for employees to suggest Innovative Business ideas to the top management. Business Plans are invited from cross functional teams of maximum 5 members across the Tata Power Group. These cross functional Teams help in cross pollination, collaboration, engagement and development of young employees. Winners get an opportunity to get a direct entry in Accelerated Career Enhancement (ACE) - Tata Power's fast track career enhancement programme.

Appraisal Step Redressal Process (ASR): It is a mechanism through which employees can raise queries related to his/her appraisal ratings and promotions. This is a structured, systematic and transparent process in which queries are taken up and addressed by a senior level ASR committee. Appropriate action is taken wherever the Management feels that the performance rating or promotion of the said employee needs modification. Last year 135 applications were received for ASR and suitably resolved.

The Talent Management function endeavours to enable people achieve the full potential and unleash it in a sustainable way. This is achieved through planned interventions that identify and develop a leadership and talent pipeline of key resources and equip them with the knowledge, skills and competencies to assume future leadership roles.

ACME - Achieving Continuous Managerial Excellence: ACME is a Talent Management programme for identification and development of future leaders based on expected leadership skills and competencies. Officers who consistently display high performance are taken through Assessment Centres where they are assessed on the Tata Leadership framework. Consequently, individual

development plans detailing strengths and areas of improvements are shared with all the participants. Development Plans are prepared for those officers who are identified as High Potential Officers. The High Potential Officers are put through a number of development interventions (formal training, job rotations, cross functional exposure, on the job training, job enrichment, mentoring/coaching) against the identified areas of improvement. As part of the continued development process, the High Potential officers are given preference for Internal Job Postings (IJP) opportunities, invited to participate in the Company Strategy workshops, Management Development Programmes, interaction with MD and Senior Leadership Team, etc.

Succession Management: Succession Management is a leadership development initiative aimed at identifying critical positions in the organisation and identifying and developing suitable internal people to fill these key positions. Tata Power has a well-defined Succession Planning process where critical positions are identified in each function. For every critical position, successors are identified in 3 categories: Immediate Successors, Successors ready in 1 -2 years and Successors ready in 3 - 5 years. Development plans are prepared, implemented and monitored regularly for the identified successors in order to groom them to take up the identified positions.

Management Planning Discussion: Management Planning Discussion (MPD) is a forum where people discussions are held with a view to review the depth and width of managerial talent in the organisation. These discussions are conducted only for MA and MB work level officers. The objectives of the discussion are to understand senior officers' career aspirations and plan their careers in such a way that individual capabilities can be further aligned to achieve collective goals.



It is the flagship fast track talent management programme of Tata Power which identifies and grooms young talent to strengthen the leadership pipeline of the organisation. The scheme provides an accelerated career growth opportunity for officers in certain grades. ACE process evaluates officers in the junior management cadre on the managerial and leadership qualities and provides them with ample scope to explore new avenues in the organisation by way of job rotation and challenging assignments. Selected officers are provided special educational inputs, intensive training and appropriate job postings to realise latent potential. The ACE programme has been running successfully for the past six years. Since its inception in 2009, the ACE process has produced 23 young future leaders.



MyFeedback is a developmental tool for officers in the MA and MB work level that will enable them to obtain developmental feedback whereby learning and development can be initiated by self or aided by the organization. This process involves seeking feedback from four respondent groups - Self, Manager, Peers and Subordinates on one's leadership behaviour at work through a structured questionnaire which is based on the Tata Leadership Practices (TLPs). The feedback data generated is shared with the each officer in the form of a summarised report which details the key strengths and areas of improvement of the officer.

Learning and Development

In order to facilitate the achievement of the HR vision and in turn the organisational objectives, Leadership Capability Development caters to the developmental needs of senior leaders and key talent identified at the organisational level at Tata Power. Apart from nominations to external leadership programmes offered by Harvard, TMTC, etc. The Company hosts a number of customised initiatives mentioned below:

In line with Tata Power's philosophy to encourage workforce diversity, Tata Power has designed an exclusive leadership development programme Women to Lead for women employees. The main objective of this programme is to empower women employees to take up leadership roles in the near future and have women employees in the leadership role. This programme also includes interactions with women icons who have achieved great success in careers and a module of safety and self-defence.

Domain Appreciation and Context Setting - A Programme for Directors:

An exclusive programme for the Tata Power Board to facilitate the Board Members to better understand the key drivers of the business covering essential topics like Power Sector, Regulations, Tariff formulations, PPA issues, Sustainability, Business Excellence, Affirmative Action and Diversity, and Role of the Board members as spokespersons of Tata Power.

This training programme is specifically for Senior Leadership. As a Public Limited Company and provider of electricity, Tata Power Group companies' plans as well as operations are of special interest to the general public. In order to maintain correct public image, there was a need to develop media management competencies for senior leaders, so that appropriate and accurate information is communicated to the Media in apt manner. This program enables the sensitisation and preparedness of the participants to face the media using various methods like feedback on video recorded interviews, case studies, etc.

Tata Leadership Practices based interviewing skills:

Every year Tata Power has an intake of Graduate Engineer Trainees and Management Trainees from Campus as part of Cadre recruitment. These candidates are recruited through a stringent recruitment process, an important step of which is the face-to-face Interview. Apart from the HR representatives, some senior management leaders are also empanelled for conducting the interviews. This programme aims to ensure that best talent is recruited at Tata Power, using the methodology of interviewing which is robust, standardised and aligned to the Tata Leadership Practices (TLPs).

STEP: This flagship programme was introduced to cope up with business growth and thus the need to develop the Managerial and leadership skills in employees for handling greater responsibilities. STEP includes Executive Development Programme, Management Development Programme & Leadership Development Programme (Step i-care) designed for inputs to employees at work level shift. Around 350 employees across the organisation have gone through this programme to develop managerial/ leadership skills. STEP EDP and MDP programme consists of three modules related to business acumen, strategic management and people management, while STEP LDP programme focuses on people leadership. These modules are revisited regularly to include the fresh inputs and updates so that the participants are provided with the up-to-date knowledge and skills thereby increasing the training effectiveness.

Tata Power has identified Care as one of the SACRED values, besides Safety, Agility, Respect, Ethics and Diligence. Being a core value, there was a need to imbibe care and empathy in the culture of the organisation so as to be engrained in day-to-day dealings at the workplace. This programme provides inputs for the employees to excel as people managers to facilitate the transition from being individual contributors to team leaders, build people management capability amongst people managers to build and support the teams to perform, propagate a culture of care and empathy - The Tata Power Manager, and creating a feeling of 'Being Cared for' in junior management, thereby leading to enhanced employee engagement levels across the organisation.

Kaleidoscope: This is an online dynamic calendar of the training schedule helps the department and function heads to plan the training requirements of team members.

TARANG (Technical Acumen Rejuvenation - Aspire, Nurture and Grow): In this initiative, sessions which are conducted in line through webinars, which enables interested employees to log in the system irrespective of

geographical location. The recorded sessions are also made available on intranet site under Tarang Recordings Archive. The platform has gained popularity across the organisation and on popular demand; the Non-Technical version of TARANG has also gained momentum. The sessions held every alternate month on the fourth Friday covers topics which are relevant to the organisation like Ethics, Environment Awareness, Finance, Safety, Organisational Practices and Policies.

E-Learning: As flexibility has become the need of the hour for any growing organisation, Tata Power has successfully launched various E-Learning Platforms. These platforms are:

Work Integrated Learning Programme (WILP):

Technical Competency is one of the prime requirements for the organisation. Tata Power has partnered with Birla Institute of Technology and Science (BITS), Pilani and initiated a unique course called WILP for Diploma Engineers.

NICMAR: An initiative to enhance the Project Management capabilities in Tata Power, Tata Power has developed a customised module on Project Management in association with National Institute of Construction Management and Research (NICMAR). NICMAR Training Programme is offered to Tata Power employees in various modules based on the target participants.

Women Leadership Programme: In line with Tata Power's philosophy to encourage workforce diversity, Tata Power has launched few initiatives for women colleagues including designing exclusive leadership development programme for women employees. 'Women to Lead' programme was organised in two batches for the women employees at the Eastern Region, Jamshedpur and Mumbai.

Continuous Education Programme in Power Systems (CEPPS):

This is the refresher course for building capabilities of all employees in Operations and Maintenance. It is ideal for employees with substantial experience in the power industry. The aim of CEPPS is to refresh and strengthen the domain knowledge of cross functional concepts of Electrical and Mechanical engineers, thus laying a sound foundation in developing future managers and leaders.



Tata Power has always been a pioneer in the sector with a series of firsts to its name. This has mainly been possible due to team's ability to adopt and leverage new technologies. With this new platform,

the Company expects a significant transformation across all our business operations and functions.

Labour Management Relations

Tata Power has two types of permanent workforce viz. Management and Non-Management (comprising of the Union employees). The Company respects the rights of employees to exercise freedom of association in accordance with applicable Trade Union laws. There is a cordial relationship between Management and Union and is based on mutual respect and understanding. The Trade Union is permitted to conduct its elections and appropriate time off is granted to employees to participate in the Union election process. The elected Union office bearers are recognised by the management as the representative body of the employees. In Tata Power 26% of the permanent workforce is from the Non-Management cadre, which is an internal Union with no political or external affiliations. Meetings are held between Management and Union periodically. The collective bargaining agreements with the Union are signed for four years and cover aspects related to salary, allowances, benefits and productivity clauses, in line with the business requirements. The formal agreements on Health and Safety are included as per statutory provisions. The Union is consulted by the Management on all significant changes. There have been no grievances filed about labour practices through formal grievance mechanism. The total number of unionised employees are 1122. 100% of employees are covered under Collective bargaining agreements. There are no unionised employees in SED, CGPL and MPL.

Employee Wellbeing

Tata Power believes that work-life balance is about creating and maintaining a supportive and healthy work environment, which enables employees to have a balance between work and personal responsibilities, thus, strengthening employee loyalty and productivity. Policies are designed and facilities are extended in such a manner that employees have flexibility in fulfilling personal responsibilities and also, maintaining a work life balance. The Company offers range of benefits to the employees like Life Insurance, Health Care, Disability/Invalidity coverage, Maternity leave/Adoption leave, Retirement provision, Housing benefits, Car benefits, etc. Details of other benefits are given below.

Mediclaim: To provide financial support in case of illnesses, officers and FDA employees presently in service are covered under Group Mediclaim Policy (GMP). The policy provides for maternity benefits and pre and post hospitalisation procedures for various illnesses. Besides this, generic medicines are also provided to employees and dependents for certain selected illnesses.

Maternity Benefits: Tata Power has always been sensitive to the needs of women workforce. The Company provides 12 weeks maternity leave and also extended unpaid maternity leave maximum upto 12 weeks. Tata Power also helps the female employees in easy transition back to work after the leave. Tata Power employees who availed the maternity leave during the reporting year along with return to work numbers, retention rates, etc. are given below.

Tata Power	2012-13*	2013-14**	2014-15
Employees that availed parental leave	5	11	14
Employees who returned to work after end of parental leave	4	9	2
Employees returning from parental leave in the prior reporting period	-	-	11
Employees retained for 12 months after resuming from parental leave#	-	-	9
Employees due to return to work after taking parental leave	-	-	12
Return to work rate	-	-	16.7%
Retention Rate	100%	100%	81.82%
SED***			
Employees that availed parental leave	-	4	3
Employees returned to work and retained for 12 months after resuming from parental leave	-	3	1
Retention Rate	-	75%	33%
CTTL			
Employees that availed parental leave	0	0	0

*1 employee returned to work in 2013-14

**2 employees still on leave

***SED - 2 employees are still on leave

Note: Tata Power has adoption leave which is 45 calendar days for both Male and Female employees

Doctor Series: This was launched with a view to provide education on 'preventive health' to employees for better health management. Sessions are organised across locations and geographies on the topics which are important for basic health and hygiene.

Adventure and Sports: Sports are a way of life for employees at Tata Power. Many interdivisional sports events are organised across the organisation for employees and families. Employees are given the opportunity to participate in tournaments at State/ National levels. Many sportspersons who have represented India at National/International levels are full time employees at Tata Power. These sports personalities train the employees for various sports tournaments. Trekking is also a regular activity at Tata Power. Trekking events are regularly organised for employees as well as families by the Trekking and Adventures Club.

Stepathlon: Tata Power continually strives to offer a healthy work environment, where employees feel valued for the contribution and are encouraged to achieve a positive work-life balance. With this objective in mind, the organisation has launched the Stepathon 2014 initiative. Stepathon is a unique, pedometer based mass participation event which provides a simple and relevant solution to transform the sedentary into active, and the active into more active. Stepathon 100 day race around a "virtual world" is designed to create an immediate positive impact, as well as effecting long term behavioural change to assist you in achieving your health goals. Stepathon is for the everyday athlete, and is a fun, engaging way to motivate participants regardless of age, gender, location, designation or fitness level. 820 employees at Tata Power have registered for Stepathon 2014.

Comfort Living: Tata Power has Company owned and Company leased accommodation in colonies near plants and offices such as Mumbai, Trombay, Hydro (Bhira, Bhivpuri and Khopoli), Maithon, Haldia, Jojobera, Kalinganagar, Mundra, etc. The organisation also has the provision of providing company leased accommodation to employees up to a limit of 1.5 times of the basic salary. Tata Power also has Holiday Homes Facility at multiple locations such as Nainital, Goa, Panchgani, etc. Employees from Management as well as Non-Management cadre are eligible to stay in these holiday homes during vacations along with families.

Miscellaneous Benefits

Tata Power has a wide array of benefits for its employees. The details of such benefits are given below.

Special Allowance: Employees posted at project sites, special project related benefits such as project allowance, housing, education facilities, allowance for family visits, etc. are provided. Employees posted at remote stations are given a remote station allowance. For employees working at International Projects, Overseas Assignment Allowance is provided, which is calculated based on the cost of living, hardships, taxes among other factors prevalent at the

location of posting. Few of these are Car Policy, mobile and residential phones, children education allowance, housing loan, merit scholarship scheme, leaves, etc. In order to encourage work life balance, Tata Power has made it mandatory for the employees to avail 50% of the entitled Privilege leave each year.

FUN Fridays: Various Departments at Tata Power celebrate Fun Fridays, in which innovative games and activities are played among the team members followed by sumptuous snacks. The idea is to involve everyone in the Team for promoting a fun and lively culture at workplace. Lemon Race, Dumb charades, Push-ups, Single legged run, Mono-acting and Karaoke are a few activities organised as part of Fun Fridays.

International Women's Day: The Woman's Day celebration at Tata Power is day of fun for all women employees. It is organised by bringing them together and organising visits to various sites followed by a special lunch. A special session is also organised where in the women employees get the chance to interact directly with the Top Management. This platform helps a two way communication between women workforce and top management. This aids in introducing new initiatives and revisiting the policies that are more women sensitive.

Safety Week: Every year the organisation celebrates Safety week from 4th March to 10th March. The main objectives of celebrating the Safety week are as follows:

- To reiterate the importance of making the world a safer place.
- To create awareness about Safety, Health and Environment (SHE) movement across locations and geographies.
- To promote use of participative approach by involving employees in improving Safety.

Founder's Day celebration: Founder's day is celebrated across the organisation in memory of Jamsetji Tata on March 3. The employees across all locations and geographies pay homage and express gratitude towards Jamsetji Tata for his vision, ideologies and principles that have shaped the Tata Group.



Ethics Weeks Celebration: the Founder's day celebration is followed by Ethics Week, during which the ethos and values of the Tata Group are reinforced. Various competitions and events such as storytelling, poetry, Poster Making, puzzles, Slogans, Short stories, experience sharing, essays, etc are organised wherein the employees and families participate.

Long Service Award: Long Service Award functions are organised to recognise officers for long service with the company. This year the Long Service Awards were conducted at Trombay Colony. The Officers who have completed above 15, 25 and 35 years of service are presented a Gold coin and a certificate as a token of gratitude.

Workforce Snapshot

Tata Power has 4234 employees where in female and male workforce accounts for 346 and 3888 respectively.

Employment Type: The details of workforce by employment categories for Tata Power (including IEL, CGPL and MPL), SED and CTTL for FY 2014-15 is given below.

Tata Power	2012-13						2013-14						2014-15					
Employee Category	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total
Senior Management	197	6	-	86	117	203	225	9	1	104	129	234	242	12	2	110	142	254
Middle Management	347	23	13	276	81	370	374	20	9	304	81	394	392	18	5	315	90	410
Junior Management	2133	235	1371	832	165	2368	2125	240	1276	910	179	2365	2069	249	1147	998	173	2318
Workmen	1265	26	36	611	644	1291	1182	26	25	548	635	1208	1097	25	20	487	615	1122
FDA*	-	-	-	-	-	-	87	40	76	40	11	127	88	42	73	52	5	130
Total	3942	290	1420	1805	1007	4232	3993	335	1387	1906	1035	4328	3888	346	1247	1962	1025	4234

SED	2013-14							2014-15						
Employee Category	M	F	<30	30-50	>50	Total		M	F	<30	30-50	>50	Total	
Senior Management	16	0	0	8	8	16	-	16	0	0	8	8	8	
Middle Management	182	22	9	157	38	204	182	22	9	157	38	204	204	
Junior Management	288	69	207	128	22	357	288	69	207	128	22	357	357	
Workmen	15	0	0	1	14	15	-	15	0	0	1	14	14	
FDA*	-	-	-	-	-	-	16	-	-	2	14	16	16	
Third Party Contract (Outsourced)	192	26	165	47	6	218	177	27	134	64	6	204	204	
Others (Trainees/Apprentice)	6	0	6	0	0	6	-	6	0	6	0	0	0	
Total	699	117	387	341	88	816	699	117	387	341	88	816	816	

CTTL	2013-14							2014-15						
Employee Category	M	F	<30	30-50	>50	Total		M	F	<30	30-50	>50	Total	
Senior Management	4	1	0	0	5	5	4	0	0	1	3	4	4	
Middle Management	3	0	0	1	2	3	6	0	0	3	3	6	6	
Junior Management	15	1	7	6	3	16	12	1	5	5	3	13	13	
Workmen	29	0	6	13	10	29	29	0	5	13	11	29	29	
FDA*	1	-	-	-	-	1	1	0	1	0	0	1	1	
Consultants	-	-	-	-	-	-	1	1	0	0	2	2	2	
Others (Trainees/Apprentice)	-	-	-	-	-	-	0	1	1	0	0	1	1	
Total	52	2	13	20	21	54	53	52	2	13	20	21	54	

*FDA includes fixed term contract, 3rd party contract, etc. This category of employees was introduced in FY 2013-14.

Note: CTTL and SED not in scope of reporting in FY 2012-13

Employees Hired

Tata Power ensures significant attraction and retention of employees, primarily backed by robust talent management strategy of offering diverse experiences and challenges across varied projects. In FY 2014-15, the total number of employees hired by Tata Power, SED and CTTL is given below.

Tata Power	2012-13						2013-14						2014-15					
Employee Category	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total
Senior Management	23	0	0	16	7	23	9	-	0	8	1	9	14	1	0	8	7	15
Middle Management	19	2	4	17	0	21	19	-	1	18	-	19	16	0	1	15	0	16
Junior Management	202	37	178	61	0	239	144	25	121	48	0	169	103	30	104	29	0	133
Workmen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FDA*	-	-	-	-	-	-	-	-	-	-	-	-	19	6	11	13	1	25
Total	244	39	182	94	7	283	172	25	122	74	1	197	152	37	116	65	8	189

SED	2013-14						2014-15					
Employee Category	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total
Senior Management	0	0	0	0	0	0	3	0	0	1	2	3
Middle Management	4	0	0	2	2	4	14	2	2	14	0	16
Junior Management	40	10	39	11	0	50	51	22	59	12	2	73
Workmen	0	0	0	0	0	0	0	0	0	0	0	0
Total	44	10	39	13	2	54	68	24	61	27	4	92

CTTL	2013-14						2014-15					
Employee Category	M	F	<30	30-50	>50	Total	M	F	<30	30-50	>50	Total
Senior Management	0	0	0	0	0	0	0	0	0	0	0	0
Middle Management	0	0	0	0	0	0	0	0	0	0	0	0
Junior Management	4	0	2	2	0	4	0	0	0	0	0	0
Workmen	1	0	0	1	0	1	1	0	0	1	0	1
Consultants	-	-	-	-	-	-	0	1	0	0	1	1
FDA	1	0	0	0	1	1	1	0	1	0	0	1
Total	6	0	2	3	1	6	2	1	1	1	1	3

Employee Retirements

The employees superannuating in the next 5 and 10 years respectively for Tata Power is given below.

Tata Power				
	Next 5 years		Next 10 years	
Workforce Level	Male	Female	Male	Female
Senior Management	13%	0.1%	13%	0.4%
Middle Management	6%	0.1%	9%	0.4%
Junior Management	14%	1%	16%	1%
Workmen (Union)	63%	2%	59%	2%
Total Employees	96%	4%	96%	4%

SED				
Workforce Level	Male	Female	Male	Female
Senior Management	7%	0	8%	0
Middle Management	55%	7%	53%	5%
Junior Management	31%	0%	37%	3%
Workmen (Union)	0	0	0	0
Total Employees	93%	7%	97%	3%

CTTL				
Workforce Level	Male	Female	Male	Female
Senior Management	5%	0	2%	0
Middle Management	4%	0	4%	0
Junior Management	4%	0	2%	0
Workmen (Union)	14%	0	11%	0
FDA	0	0	0	0
Trainee	0	0	0	0
Consultant	0	0	0	0
Total Employees	27%**	0	18%**	0

**Percentage calculated on total employees 56 (including trainees and consultants)

Employee Turnover

Tata Power recorded a drop in the attrition rate which is 3.21% as against last year's 3.25%. The attrition rate does not include superannuation, death, group transfer cases,

etc. and considers only resignation cases. The average tenure consists of experience in Tata Power. The turnover and its percentage by workforce level of Tata Power and its subsidiaries/divisions is elaborated below.

Tata Power		2012-13				2013-14							2014-15						
		Work-force Level	Senior Mgmt	Middle Mgmt	Junior Mgmt	Work-men (Union)	Total Empl-oyees	Senior Mgmt	Middle Mgmt	Junior Mgmt	Work-men (Union)	Third Party Contract	Total Empl-oyees	Senior Mgmt	Middle Mgmt	Junior Mgmt	Work-men (Union)	FDA	Total Empl-oyees
Turnover	Gender	Male	25	14	121	79	239	13	18	114	73	1	219	1	12	98	0	6	117
		Female	0	0	19	1	20	1	2	19	0	2	24	0	0	16	0	4	20
	Age	<30	0	3	105	0	108	0	2	95	1	2	100	0	1	79	0	5	85
		31-50	7	4	23	2	36	5	12	28	2	1	48	0	11	35	0	5	51
		>50	18	7	12	78	115	9	6	10	70	0	95	1	0	0	0	0	1
Turnover %		Overall	25	14	140	80	259	14	20	133	73	3	243	1	12	114	0	10	137
	Gender	Male	12.9	4.1	5.8	6	6.1	6.2	5.0	5.4	6.0	1.3	5.5	0.4	3.1	4.7	0	7.2	3
		Female	0	0	8.4	3.8	7.1	13.3	9.3	8.0	0.0	5.0	7.7	0	0	6.5	0	9.8	5.9
	Age	<30	0	22.2	7.5	0	7.5	0	18.2	7.2	3.3	2.6	7.1	0	14.3	6.5	0	6.7	6.5
		31-50	8.5	1.5	3	0.3	2.0	5.3	4.1	3.2	0.3	2.5	2.6	0	3.6	3.7	0	10.9	2.6
Avg. Tenure of employees leaving (in years)		>50	15.5	8.8	7.7	11.9	11.4	7.3	7.4	5.8	10.9	0.0	9.3	0.7	0	0	0	0	0.1
		Overall	12.6	3.8	6	5.9	6.1	6.4	5.2	5.6	5.8	2.5	5.7	0.4	3	4.9	0	8	3.2
			16	15	5	27	13	18.24	12.67	4.72	25.85	0.34	12.5	2.67	5.69	3.40	0	0.97	3.42

SED		2013-14						2014-15					
	Workforce Level	Senior Management	Middle Management	Junior Management	Workmen (Union)	Senior Management	Middle Management	Junior Management	Workmen (Union)	Senior Management	Middle Management	Junior Management	Workmen (Union)
Gender	Male	12.5	2.2	7.3	0	0	7	93	0	0	0	0	0
	Female	0	4.5	0.1	0	0	0	7	0	0	0	0	0
Age group	<30	0	11.1	9.6	0	0	0	93	0	0	0	0	0
	30-50	0	1.9	7	0	0	67	7	0	0	0	0	0
	>50	12.5	2.8	0	0	0	33	0	0	0	0	0	0

Note: No employees exited in 2013-14 and 2014-15 in CTTL
CTTL and SED not in scope of reporting in FY 2012-13

Employee Training

Training is about improving knowledge and skills of an individual. It certainly helps in increasing the productivity and makes a greater impact on an organisation. Training courses are functional as well as behavioural in nature. They are Civil design and Construction, Bearing technology and Maintenance, Building Customer Focus, Power Plant related Water Chemistry, Contract

Management, Fire Fighting and Prevention, Crime Prevention for Women, etc. to name a few. The provision of sabbatical periods for higher studies with guaranteed return to employment is also available for employees. The Security personnel were trained on TCoC which has clauses pertaining to Human Rights. The details pertaining to training are given below.

Employee Training	2012-13				2013-14				2014-15			
	M	F	M	F	M	F	M	F	M	F	M	F
	In Hours		Avg. Hours		In Hours		Avg. Hours		In Hours		Avg. Hours	
Tata Power												
Senior Management	7348	189	55	32	3422	192	15	21	4912	256	15.4	16
Middle Management	13720	920	58	54	8013	590	21	30	16000	576	14.36	15.57
Junior Management	222567	39052	137	181	90294	9902	42	41	84664	8648	14.43	16.83
Workmen	46855	831	-	-	21454	237	18	9	24648	216	9.29	11.37
FDA	-	-	-	-	94	131	1	3	1944	800	13.79	11.77
Fixed Term Contract	-	-	-	-	-	-	-	-	132224	10496	67.27	71.54
CGPL												
Senior Management	296	0	5	0	10	-	10	-	960	0	20	0
Middle Management	1762	16	21	3	45	-	22	-	3184	112	15	19
Junior Management	18053	1020	59	79	310	10	42	35	13376	352	17	21
Workmen	-	-	-	-	-	-	-	-	0	0	0	0
FDA	-	-	-	-	-	-	-	-	96	0	24	0
Fixed Term Contract	-	-	-	-	-	-	-	-	0	0	0	0
MPL												
Senior Management	320	0	64	0	324	-	32	-	336	0	15	0
Middle Management	1760	0	73	0	866	-	38	-	1360	32	16	19
Junior Management	112736	640	561	107	9436	400	44	67	11016	648	23	21
Workmen	-	-	-	-	-	-	-	-	0	0	0	0
FDA	-	-	-	-	-	-	-	-	0	32	0	0
Fixed Term Contract	-	-	-	-	-	-	-	-	40	0	13	0

Employee Training	2013-14				2014-15			
	M	F	M	F	M	F	M	F
	In Hours		Avg. Hours		In Hours		Avg. Hours	
SED								
Senior Management	46	-	3	-	14.50	0	0.91	0
Middle Management	732	92	4	4.2	423.13	64.13	2.24	2.7
Junior Management	1172	288	4	4.2	927.88	322.13	2.75	3.3
Workmen	-	-	-	-	0	0	0	0
Fixed Term Contract	297	94	1.5	3.6	177.75	27.87	1	1
CTTL								
Senior Management	77	38	19.2	38	128	0	32	0
Middle Management	179	-	60	-	408	0	68	0
Junior Management	369	30	24.6	30	584	40	48.6	40
Workmen	-	-	-	-	804	0	27.7	0

Training on anti-corruption was organised at Tata Power for all the workforce levels. However, at CTTL and SED all the employees were trained during the induction on TCoC, which includes anti-corruption and human rights at SED and CTTL. In previous reporting periods, no separate records were maintained for training on Anti-corruption and Human Rights, though all the employees were trained/informed on TCoC.

and 462 improvement projects were completed. In FY 15, 298 employees were covered and 62 improvement projects are taken up under LASER.

Aakaar Workshops

Tata Power conducts various behavioural training interventions along with an external consultant under Aakaar workshops. Programs like Spandan, Workers

Workforce Level	Employees trained on Anti-Corruption Policies (2014-15)		% of employees trained on Anti-corruption policies
	Male	Female	
Senior Management	9	0	6
Middle Management	25	0	18
Junior Management	57	16	51
Workmen (Union)	29	0	20
FDA	0	6	4
Fixed term contract	0	0	0

Organisation Transformation Initiatives

Tata Power Language of Improvement



- **Sankalp:** Sankalp is one of the critical improvement Initiatives of Tata Power which focuses on improving operational efficiency, cost efficiency, delivery efficiency and building capabilities for continuous performance improvement. Started in April 2011, till FY 14-15, 264 employees were trained on Sankalp methodology (Sankalp champions) and have completed 56 projects with the total accrued savings of `3950 million. The accrued savings due to Sankalp projects in FY 14-15 was `500 million.
- **Structured Problem Solving (SPS):** The SPS initiative focuses on the analysis of data available from the various processes using quality tools, and arrives at solutions for continuous improvements. The projects are taken up at the divisional level and are executed by teams of employees who have been trained on quality tools. Till FY 14, about 700 officers, across the organisation, have been trained thus far on SPS, of which about 120 have undergone the higher level of training and function as facilitators. The facilitators guide the teams in the appropriate usage of quality tools and help the teams during tough times. In FY15, content of the SPS training was improved and around 206 Officers across the organisation were covered under this training. In FY 15, 65 improvement projects are taken up under SPS methodology.
- **LASER:** LASER is an organisational transformation initiative targeting shop floor level to middle management level employees. Started in FY 10, till now 2688 employees (management and non-management) were covered under LASER workshops

Development Programme (WDP) and Tejaswini are conducted through these workshops. Spandan focuses on shop floor level employees up to the middle management employees, WDP covers the contract workforce and Tejaswini is the program designed for the lady family members of Tata Power employees. Started in FY 13, till now 1275 employees and around 2330 contract workforce were covered under Aakaar workshops. In FY 14-15, 460 employees and around 815 contract workforce were covered in the above workshops.

Knowledge Management

The Knowledge Management framework in Tata Power looks at promoting the culture of knowledge seeking, sharing and utilization seamlessly across the organization. The framework is supported by various formal and informal platforms which aim at leveraging the organisational knowledge. Knowledge Management in Tata Power is measured in terms of 'Practices learnt and adapted'. Each Division/Function is given a target and report the number of practices they have learnt, either from inside the organisation (from other divisions, subsidiary companies, functions, etc.) or from outside the organisation (other companies, vendors, OEMs, etc). Till now, 205 practices were learnt and adapted across Tata Power and in FY14-15, 94 practices were learnt and adapted against the target 132.

Culture @ Tata Power

Tata Power has continued its efforts in building leaders. Tata Power has a dedicated position of Chief Culture Officer and has a dedicated culture building team, looking at interventions to drive the right culture in the organisation. The Culture Building Team is mandated to come up with initiatives which are transformational in nature and helps the organisation achieve a state where all of its defined Values are truly lived and demonstrated by each and every employee in the organisation. Till date, 'Leher' (a management cadre transformational programme) has

provided an opportunity to about 350 officers in the management cadre, across functions, levels and sites. The programme focuses on creating a shift in the thoughts, feelings and actions of officers in the critical levels in the organisation. The cultural shifts brought about by organisational transformation include taking ownership, collaborative responsiveness, taking decisions that address the greater common good, and working on the individual development plans. Another OT initiative, 'LASER' (Learn, Apply, Share, Enjoy, Reflect), is aimed at achieving high standards of shop-floor excellence and strengthening relationships between front-line officers and workmen has been taken from operating sites to support functions. A set of programmes (Spandan, Worker Development Programme and Tejaswini) targeted at improving personal productivity and effectiveness for frontline and contract workforce was introduced in the Company during the year.

Apart from the initiatives under Organisation Transformation, the Company is also driving an array of initiatives to build the desired culture in the organisation, which would help it achieve its Vision and Strategic Intent. One of the areas that the organisation is working on for this is driving the embedment of the defined Values in the organisation through various initiatives. Another such aspect of the desired culture is how the meetings are conducted within the organisation. Meetings play an important role in Tata Power, since it is the platform where employees sit together, exchange views and opinions, define actions and review performance. The organisation has therefore formulated and communicated the 'Meeting Etiquette' that refers to the codes of behaviour that all employees ought to follow while attending meetings at the workplace. A similar effort for defining the Operating Principles of Tata Power is underway.



To reinforce the value of CARE, an array of initiatives under 'We Care' has been rolled out in the organisation, which focuses on care for employees. Under We Care, the organisation has launched an Employee Assistance Programme (EAP) with the help of an external agency, to cater to "emotional" and "psychological" well-being needs of the employees. The programme provides employees with an access to professional counsellors from the external agency that assists employees to cope with life's difficulties. The employees can access the services of

counselling through a secure and confidential platform either online, on telephone, or in a face-to face-conversation with the counsellor. Apart from counselling services, the employees also have the access to other services like online resources (self-help articles, self-assessment tests, etc.), work-life seminars, etc. The services are also open to family members of the employees of Tata Power. It is also planned to expand the services offered to employees under 'We Care' to specific needs to different sections of employees. Towards that, the first part being taken up is to make Tata Power a more women-friendly organisation by sensitisation and orientation to bring inclusivity at work. Programmes on 'Gender Sensitivity' and 'Power to Mother' are under the implementation phase and are intended to be rolled out in the current year. The programme on Gender Sensitivity will work towards creating sensitisation in employees towards opposite gender through engagement by medium of workshops. The programme on Power to Mother is aimed at equipping the relevant employees and supervisors with comprehensive information on maternity benefits available in Tata Power, as well as to guide them to make the transition for maternity break and the transition back to work from maternity break smooth.

Also, specific employee volunteering programmes are designed in a manner that the employees are not just exposed to the particular programme but learn more about various efforts that Tata Power is taking on the front for environment, bio-diversity and social inclusivity. Tata Power continued the volunteering programme on Mahseer Conservation, which helped create the right team climate within the volunteers group, create awareness on various initiatives of Tata Power to conserve environment, as well as sensitise employees on environment and bio-diversity related issues so that they can be better managers and leaders. Similar volunteering programmes were organised at Jawhar (a district in Maharashtra), where Tata Power is running Affirmative Action programmes. This programme provided the employees an opportunity to understand the concerns of the deprived community and disparity in the living standards of a community which is in close proximity to developed cities like Mumbai and Nashik. It also helped sensitise employees on the issues of inclusivity, which would help the organisation drive inclusivity within the organisation.





Economic Performance



India's Power sector had been assigned to have a negative but stable outlook, given pending policy level issues, manifestation of risks undertaken in earlier years, mismatch in coal demand and supply and continued tariff pressures. Despite these overhangs, electricity growth is likely to be in the range of 5-6.5% yoy in FY 15.

Beyond market conditions, Tata Power as a leading Electrical Utility Company, contributes significantly to nation building beyond the profits generated for the shareholders. While the Company generates direct economic value through power generation, transmission and distribution, it also contributes to significant indirect economic impacts which culminate to increased economic activity. The vast value chain of the company supports numerous employment opportunities. The Company's community development agenda empowers communities to carve a path for economic and societal prosperity.

In order to have a robust and accurate reporting, the Company has an integrated and computerised financial accounting system, supported by inbuilt controls, also 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.

The Company also works towards excellent stakeholder communication. It believes in sharing all information that directly or indirectly affects the financial and operational performance of the Company and that can have material

impact on its share price. Tata Power's stakeholders provide insights and make significant direct and indirect contributions to strengthen the business. For example, the neighbouring communities allow to access finite resources whereas the workforce help the Company in managing the resources in a sustainable way. As part of the dynamic and evolving role of the power sector and the developing expectations of stakeholders, adding and sharing value is an important pillar of the Sustainability Framework. Accordingly, the Sustainability model of 'Leadership with Care' provides the processes and standards to deepen the understanding of the stakeholder's needs.

The Company's financial contributions have positive implications for all key stakeholder groups: significant contributions are made directly in the form of taxes and community investment programs. The Company has also made a positive economic impact through the wages paid to employees and contractors. In the reporting year, there has been no appointment from local community for senior management positions.

Key Financial Highlights

Dividend recommended is Rs. 1.30 per share as compared to Rs. 1.25 per share in FY14

Consolidated PAT at Rs 168 crore as compared to loss of Rs. (260) crore

Standalone PAT at Rs. 1,010 crore as compared to Rs. 954 crore

Key Business and Growth Highlights

- Successfully commissioned its 2nd 29 MW solar farm in Palaswadi, Maharashtra
- Commissioned India's first Natural Ester filled distribution transformer in Mumbai
- Tata Power's 100% subsidiary refinanced existing USD 450 million Fixed To Floating Rate Subordinated Notes by Medium Term Loan
- Signed Share Purchase Agreement with Ideal Energy Projects Limited (IEPL) for acquisition of 540 MW coal based thermal power project
- Fully commissioned 2 units (63 MW each) of its 126 MW Dagachhu Hydro Power Corporation (DHPC) in Bhutan
- Completed financial closure for its 185 MW Adjaristsqali hydro project in Georgia in association with Clean Energy Invest AS Norway (Clean Energy) and IFC InfraVentures (IFC). The project is being financed by IFC, ABD and EBRD
- Entered into a Share Purchase Agreement (SPA) with Tata Africa Holdings (SA) (Pty) Ltd. for formalising the acquisition of their 50% shareholding in Itezhi Tezhi Power Corporation Ltd (ITPC) Signed MoU with Russian Direct Investment Fund to increase Energy Investment between India and Russia
- Crossed the landmark milestone of crossing 500 MW through wind energy.
- Tata Power Solar won 100 MW NTPC solar project.

Financial Snapshot

Standalone includes Trombay, Hydro, Jojobera, Haldia, Wind, services and SED as per published advertisement. Tata Power didn't doesn't receive any financial assistance from the government.

Climate Change and its financial implications

Climate change refers to a change in climate over time, whether due to natural variability or as a result of human activity. The United Nations Framework Convention on Climate Change, in its Article 1, defines climate change as, a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

Across the Tata Group, there has been considerable progress in terms of developing abatement strategies, increasing awareness and determining best practices. As part of Tata Group, Tata Power has been harnessing quite a few opportunities on diversification of existing portfolio. The strategic intent of producing 20-25% of installed capacity from NCES is a testimony of Company's commitment to climate change abatement. A climate change policy has also been articulated at the group level. This functions as a common framework for change and ensures that the changes taking place are institutionalized and implemented in more companies. The policy has been adopted by all Tata companies and importantly, every company has benefited from the deep commitment of its senior leadership.

Tata Power is a process-driven organisation that employs strong governance combined with Leadership and the motivation to deliver operational excellence. The company

Economic Growth	FY 12-13	FY 13-14	FY 14-15
Rs. million			
Tata Power*			
Economic Value generated	102890	92830	9702
Economic Value distributed	93960	86060	8261
Operating costs	73530	63750	5970
Employee Wages & Benefits	5480	5450	687
Payments of providers of capital	11510	13200	1218
Payments to government	3370	3550	358
Community Investments	70	120	28
Economic value retained	8930	6770	1441
CGPL			
Economic Value generated	27955	56794	5929.49
Economic Value distributed	35339	63474	6395.98
Operating costs	28844	50295	6332.67
Employee Wages & Benefits	254	686	52.12
Payments of providers of capital	6164	12396	1352.95
Payments to government	-	-	0
Community Investments	76	97	11.19
Economic value retained	-	-	-466.49

MPL			
Economic Value generated	16621	23337	2318.76
Economic Value distributed	17484	22309	2108.25
Operating costs	13784	17697	1671.77
Employee Wages & Benefits	158	320	35.29
Payments of providers of capital	3530	4284	346.19
Payments to government	-	-	53.29
Community Investments	12	8	1.72
Economic value retained	863	1030	210.51
CTTL			
Economic Value generated	-	229	247.31
Economic Value distributed	-	-	174.6
Operating costs	-	107	114.53
Employee Wages & Benefits	-	44	45.07
Payments of providers of capital	-	22	-
Payments to government	-	12	14
Community Investments	-	-	1
Economic value retained	-	44	72

* Tata Power includes Trombay, Hydro, Jojobera, Haldia, Wind, services & SED

utilises well-established management frameworks supported by specific processes and systems that drive, measure and report performance on an ongoing basis. The Enterprise Risk Management (ERM) framework facilitates the monitoring and oversight of a broad range of corporate, divisional and project risks across all businesses. Within this framework, risks and related issues and potential opportunities are identified, prioritised, owned, reported on and managed to best value. It is inevitable for the company to give due respect to climate change and factor it in ERM process also. Company cushions for any present and future risks while keeping in mind the financial implications of the same.

Management Commitment and Benefits

Unfunded/funded defined benefit schemes are operated in Tata Power. The schemes are Ex-Gratia Death Benefits, Retirement Gifts, Post Retirement Medical Benefits, Health Care Insurance, Pension and funded defined benefit plan is Gratuity, which is administered by the Trustees Tata Power Gratuity Fund. The distinct contribution plans of Tata Power such as Provident Fund (PF) and Superannuation is in place for eligible employees. A trustee of Tata Power administers the PF by the consolidated PF and Superannuation fund. Under these schemes, the Company is required to contribute a specific percentage of salary to retirement benefit schemes to fund the benefit, as stipulated by Government of India. As on March 31, 2015 the Defined Benefit Obligation for the current reporting year is 2708.4 Million for Tata Power.

Responsible Supply Chain Management (Local Supply)

The Responsible Supply Chain Management policy directs towards engagement and capacity building where vendors/contractors are required to attain the expected level of Sustainability performance. This is done in a phased manner where ever required. Tata Power implements all the 10 principles of UNGC covering 4 dimensions – human rights, labour, environment and ethics, as a good foundation for building and improving supply chain practices. The RSCM Policy is intended to work with various other policies in the organisation and follows the philosophy of sustainability i.e. Leadership with Care. This year, supply chain guidelines were administered to all the key suppliers. The Company also revised its empanelment guidelines to screen the suppliers on social and environmental parameters, in addition to existing economic criteria. Prior to empanelment also, the suppliers are scrutinised on various parameters including the Sustainability aspects. The Company shares with the suppliers/contractors certain documents including TCoC, Environment Policy, RSCM and Sustainability Policy that form an integral part of the Enquiry Documents (RFQ/RFP) for making them aware of Tata Power's social commitments. At the time of final registration, suppliers are evaluated wherein, they declare if they are ISO 14001/EMS certified. The Sustainability requirements are conveyed in the form of the TCoC (also contains anti-corruption clauses) to all the suppliers, which is an integral part of vendor/supplier contracts and all vendors/suppliers must sign-off and agree to abide by these requirements as a part of the engagement with Tata Power. This is further

reinforced at the time of award by making it a part of each Purchase/Work Order.

In line with the RSCM policy, Tata Power also attempted to understand the level of compliance of its major and crucial suppliers on the listed. The screening was based on assessment criteria including Environment Management, Health & Safety and Human rights compliances.

As part of this screening exercise, a Supplier Sustainability Questionnaire was sent to major suppliers, constituting an annual spend base of ~ 80%. These suppliers were asked to indicate status in terms of policies and procedures in place while reporting their contribution towards Sustainable development. In FY 14, top 120 suppliers based on their spent were shortlisted for screening and out of the approximately 100 responses have been received, no violation on the counts of Labour rights, collective bargaining power, forced or compulsory labour, Human rights, environment has been observed. Going forward the company intends to gradually widen its screening base on continual basis. The responses were compiled and analysed and no major actual or potential negative impact on Environment was observed. Similarly, no human right violation was reported by the selected Suppliers. No non-compliance on environmental, safety or human right issues was reported or observed. The impact assessments for labour practices have been conducted on all the suppliers. There were no incidents found where labour practices are violated.

Further to establish the veracity of the responses a sample check was conducted through personal visits to the facilities of the vendors. The results of the same have been found to be satisfactory. The outcome of assessment and verification of the sample size has been found to be compliant and no incidence of child labour, forced labour or any violation of freedom of collective association has been observed.

In addition to vendor qualification process, the Company also intends to complement its vendor assessment system which aims to monitor their performances with regard to their conduct and also align its vendors on sustainability parameters through supplier performance evaluation on e-sourcing platform which in future, may be one of the important criteria in forging long term relationships with vendors.

The Company has empanelled 321 suppliers during FY 2014-15. It engages with local suppliers (Local is defined as based in India). The proportion of spending on local suppliers was INR 102880.4 million in the reporting year. A significant spend of Tata Power is confined to the Local sourcing i.e. Suppliers and service providers having facilities and/or manufacturing bases within geographical boundaries of India. The details of local and total spent on procurement along with the value of local suppliers for FY 2013-14 and FY 2014-15 is given below.

Tata Power								
In INR millions (exclusive of taxes & duties)	2013-14				2014-15			
	Local	Import	Total	% of Local Procurement	Local	Import	Total	% of Local Procurement
Non-Fuel Procurement	32872.40	397.40	33269.80	98.8	28053.83	588.29	28642.12	97.9
Fuel Procurement	28686.22	43541.5	72227.71	39.71	34463.92	39774.35	74238.27	46.4

Note: Data for FY 2012-13 is not available. This data is newly included in this report.

A significant spend of Tata Power is confined to the Local sourcing; i.e. Suppliers and service providers having facilities and/or manufacturing bases within geographical boundaries of India.

Supply Value (INR Million)	FY 2012-13	FY 2013-14	FY 2014-15
Tata Power			
Monetary value of Significant Suppliers	77381	85949.47	72980.86
Monetary value of Local Suppliers out of significant suppliers	47647	34934.65	41382.37

SED	FY 2013-14	FY 2014-15
Monetary value of Significant Suppliers	452	2572
Monetary value of Local Suppliers out of significant suppliers	256	1142

CTTL	FY 2013-14	FY 2014-15
Monetary value of Significant Suppliers	849.76	1008.33
Monetary value of Local Suppliers out of significant suppliers	46.51	41.00

Note: In FY 2012-13, CTTL and SED not in the scope of reporting

Tata Power conducts Partners Meet to discuss various issues, business scenario, concerns and other information pertinent to the business every year. These meets facilitate engagement on issues like Sustainability, TCoC, safety, ethics, affirmative action and quality consciousness, etc. In order to consolidate its partnership especially with Eastern Region partners, Tata Power had organised an Eastern Region (Jojobera, Haldia, Maithon, Kalinganagar and Tiruldi) Partner's Meet in Kolkata. During these regular events, wherein the Company and its partners/suppliers share their views and concerns, Sustainability is a priority in the agenda for discussion. Due to Supply side initiatives related to Sustainability, the number of key vendors complying with mandatory requirements has increased significantly.

Indirect Economic Impacts

Tata Power continued to imbibe inclusive growth opportunities for the neighbourhood in the vicinity of its operations. Various initiatives were undertaken to promote entrepreneurial opportunities for the communities. This ranged from providing knowledge based management counselling to support in establishing linkages for creating indirect livelihood opportunities as well. In Jojobera and Maithon, tribal youths were encouraged to undertake fly ash brick making unit. Today this unit provides solutions to addressing eco-friendly use of fly ash and also augments potential employment opportunities to other marginalised people. Maithon and Jojobera provided necessary capacity building support to establish linkages for financial assistance from rural financial institutions along with support from Tata Power on self-sustaining mode. This has been a replication of similar initiative initiated at Trombay in the past. Similar such initiatives have been undertaken across various locations. At the same time, in Mundra, promotion of traditional handicraft under brand Vartika is being promoted to help enhance income and presence the traditional handicraft of the communities around Mundra. The flagship livelihood programme at Mundra, Gaushala saw institutionalisation of the efforts with community forming a registered Trust to ensure proper governance of the Fodder Programme aimed at local cattle populace of 5000. This has resulted in collective reduction of investment by community who had a challenge to manage fodder in semi arid agro climate region in Gujarat. Now the Trust envisages raising its own funds through community contribution and becoming self-sustaining in the long run. Across all locations, women empowerment initiatives under SANRACHNA helped to form 300 no of women groups with a membership base of more than ~3700 members.

These groups are being trained on various social issues from rights based approach including legal rights of women against domestic violence and similar aspects pertaining to women centric issues. Extension programmes on socio economic income generation initiatives continued to augment additional income as well.

The Tata Power Skill Development Institute (TPSDI) is a flagship CSR programme which was established in

Ambernath, Mumbai to cater to the growing skill needs in power sector. The state-of-the-art Institute has been successfully running courses on the power sector and also adds behavioural and customer satisfaction based orientation among the unemployed or semi skills youth. In FY 2014-15, 110 contractors were trained in TPSDI, and ~40 contractors were trained in TPSDI, Trombay under this flagship initiative. There are plans to set up two more such state-of-art facilities which would cater to other parts of the country.

Besides this, various skill building courses across the locations has been providing training and job based employability avenues as well. Maithon, Kalinganagar, Naraj Marthapur, Jojobera and Mulshi have established programmes of excellence on employability with affiliation to national certification courses which offers service and manufacturing sector based skill training to youth.

Under Affirmative Action, tribal youths were encouraged to compete and become vendors which have been providing basic requirements to some of the locations as well. Women Groups across all locations have been encouraged to derive income under income generation activities which is primarily aimed to enhance overall family income.

Over a period of time, community monitoring in health programmes have provided gainful insights in improving positive health behaviour and community feedback suggests reducing illness prevalence resulting in less expenditure on health and medical requirements at household level. The reduced footfall in some locations due to community health programmes gives evidence that proper behavioural change communication strategy has been the key to better awareness and adoption of health practices. The Safe Drinking Water Project across schools in seven states has shown evidence of increased safe and increased intake of drinking water resulting in bettering attendance levels. This was Global Hand washing and Nutrition week celebration across locations has played a critical role which has been acknowledged by Global stakeholder including World Alliance for Breast feeding Action, Malaysia (WABA). Hence such social initiatives have demonstrated indirect economic benefit to communities in the reporting period.





Environment Performance (Care for our Environment)



“When we hear the word Sustainability, we tend to think of renewable fuel sources, reducing carbon emissions, protecting environment and a way of keeping the delicate ecosystems of our planet in balance. In short, sustainability looks to protect our natural environment, human and ecological health, while driving innovation and not compromising our way of life.”

Mr. Sharad Baijal
Chief - Corporate Operations (Thermal)

Environmental performance is about how well an organisation manages the environmental aspects of its activities and services and the impact they have on the environment. In order to be able to determine how well environmental aspects are being managed, environmental performance should be measurable. The overall environmental performance can be measured by comparing the environmental management activities against the environmental policy, objectives, targets, etc.

Tata Power has many environment management programmes to ensure a harmonious agenda by working on environment conservation while providing electricity to the community. Being mindful of how the operations can affect our surroundings, the element of **CARE** for environment is treaded to ensure environment protection takes priority. This element of CARE is part of the **Sustainability Model**, i.e. **Leadership with Care**. The various voluntary initiatives and other national and international disclosures help minimise the impact of operational activities on the environment through new actions and also take the journey towards beyond compliance.

At Tata Power, environmental excellence is an integral part of its business. Tata Power has been working for decades to use resources efficiently, advance clean technologies and protect vital species and habitats. The approach is grounded in a commitment for 100% compliance on all environmental requirements depending upon location of the generating stations. This year, the environment team across Tata Power worked towards improving its performance from previous years.

Environment Management and Responsibility

Tata Power's commitment to environmental stewardship stretches across its entire energy value chain. The environmental footprint is managed proactively, not only because the Company cares about protecting the environment, but also to improve operational efficiency, maintains its license to operate and enhance its competitive position in the energy marketplace. As a result, Tata Power is able to better serve its customers, create value for its shareholders and employees, and enhance communities.

Tata Power management is involved judiciously in environment management, sustainability and its

reporting. The Corporate Sustainability Department headed by the Chief Sustainability Officer (CSO) oversees the various activities and is responsible for Environment, Corporate Social Responsibility, and Biodiversity. Safeguarding the environment is the priority for top management and it is visible by not just conformance to compliance, but to go beyond compliance direction. In every strategic decision the Company promulgates, environment management is considered for business Sustainability, helps creating value for stakeholders, enable enhancing economic bottom-line, operational efficiencies and improve compliance across all generating stations.

In addition, the Tata Power management is working on various voluntary initiatives such UN Global Compact principles on environment, National Voluntary Guidelines (NVGs), Business Responsibility Report (BRR), Carbon Disclosure Project (CDP) etc, these details are mapped with GRI Index. These external initiatives bring in a varied perspective on environmental sustainability and the journey towards sustainability is strengthened by improvements triple bottom line performance of the company. As an environmentally responsible corporate, environment management starts at the source. Various control measures and monitoring mechanisms are in place such as Air Pollution Control Equipment (APCE), Wastewater Treatment Plants and Stack & Ambient emissions, including Noise levels, etc, these monitoring are also carried by third party on monthly basis.

Environmental Grievance Mechanism

This mechanism is a procedure under the ISO 14001 Environmental Management System to handle complaints/grievances from external parties on environmental matters affecting them. Environmental Complaints that may affect the Company's reputation are escalated to the Corporate Communications Department, Top Management, etc.

Environmental Expenditure

The environmental expenditure information is crucial in decision making and to develop effective environmental programmes. This reporting year 689 million was spent on various environment protection and pollution abatement (emissions, water treatment and waste and environmental management, etc.) measure.

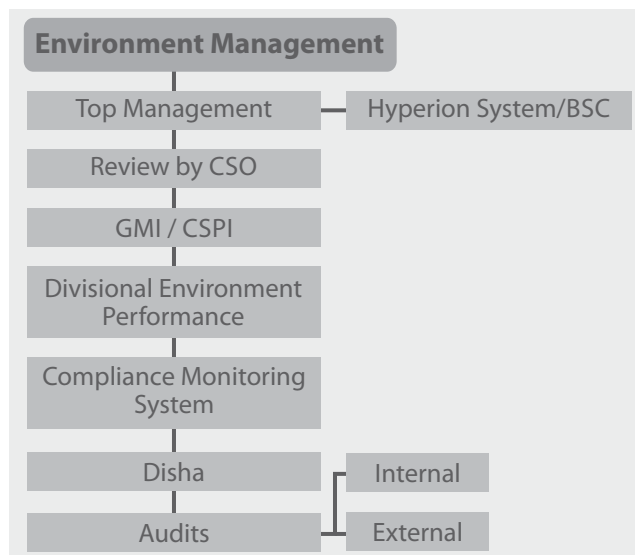
Total Expenditure	FY 12-13	FY 13-14	FY 14-15
(₹ million)	350.5	546	689

Compliance Management

As operational excellence is the foundation for meeting our customer commitments, environmental compliance is the bedrock of Tata Power's commitment to environmental leadership. The environmental policy and governance practices are designed to promote compliance with environmental requirements, as well as to provide a platform from which the environmental performance goes beyond the legal and regulatory baselines.

Tata Power continues to make progress in improving its environment compliance by tracking compliance with key environmental requirements. A robust compliance

management system is in place to comprehensively review the environment compliance by the top management, as well as departmental heads at a defined frequency. Hyperion is one such system which tracks, monitors the overall companies performance and environment performance is a major part of it. The schematic of various reviews is given below.



The Executive Director - Operations (ED-O) monitors the Environment compliance through a daily Environment Dashboard which covers mainly incidents and exception to environment norms and conditions stipulated by state pollution control board (SPCB). An environment certificate is also submitted to SEBI along with other requisites as part of the section 49 of SEBI guidelines. The CSO reviews the environment performance on a monthly frequency for all the major thermal stations monthly and Quarterly for Wind and Hydro as well as waste-heat recovery stations. An integrated central online tracking system DISHA is in place for monitoring all Environmental parameters mentioned as per Consent to Operate (CTO) issued by the respective State Pollution Control Board (SPCB). Audit (both internal and external) is carried out by third party every two years and a surveillance audit is carried out once every year. The Internal Audit is also carried out by Corporate Environment Team with a defined frequency across all generating stations. In this reporting year, Maharashtra Pollution Control Board (MPCB) issued two notices to Trombay plant regarding CESS payment without rebate. These were closed with proper explanation. Jharkhand Pollution Control Board (JSPCB) issued two notices to Jojobera plant regarding improper fugitive dust emission. These were closed with adequate evidence and proper explanation.

Environment Sustainability

To ensure environmental sustainability Tata Power has instituted a process of due diligence to consider all its development proposals based on some internal criteria. This primarily considers likely implications on environment and climate change. The criteria involves assessment of land parcel, water source, treatment and disposal of water effluents and solid waste and likely implications on communities around the proposed development. In addition to this, a comprehensive Policy document exists which defines priorities for conducting various environmental

studies (mandatory/voluntary) specific to Thermal/Hydro/Wind/Solar projects. Tata Power will also incorporate Carbon pricing in the financial modelling for the assessment of proposed development projects, wherein it will be factoring in probable costs towards Carbon mitigation.

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Corporate Sustainability Protocol Index (CSPI) follows the principle of Audit - Review - Improve, is a process driven index based on sustainability initiatives and the scoring system is based on the performance of various sustainability initiatives across generating stations and locations. GMI is a quantitative matrix of baseline, target and achievements on various environment initiatives such as specific water consumption, auxiliary power consumption, zero discharge, utilisation of scrap, bottom ash utilisation, plantation, rain water harvesting, energy conservation, etc. GMI targets along with results achieved by stations are given below.

Green Manufacturing Index		
Location	Target	Actual
Trombay	100	65
Mundra	75	72
Maithon	100	100
Jojobera	100	100
Hydro	32	28
Haldia	100	100
Power House # 6	100	100
Transmission	100	100
Distribution - DCS	80	80
Distribution - DSS	100	97
Tata Power Consolidated	89	84

Material Consumed and Recycled

The consumption of materials characterises the expenditure in specific terms (per unit of production) of material resources such as fuel, energy, and auxiliary materials, etc. needed for production. At Tata Power, the major material consumption is fuel used for generating electricity. As an environmental conscious company, none of the operations uses Polychlorinated Biphenyl (Persistent Organic Pollutants, POP) as well as Volatile Organic Compounds, (VOC). At SED, the material consumption is majorly for assembling vehicles and the materials used are semi-manufactured materials such as shaft, steel plates amounting to 155 tonnes. Other associated material such as paints and oils account for 2.1 Kl and Grease for 0.2 tonnes. The materials consumed by Tata Power's generating units are given below.

Generating Station	Raw Material (T/ MU)	FY 12-13	FY 13-14	FY 14-15
Trombay	Coal	491	495	507
	Low Sulphur Heavy Stock (LSHS)	232	254	269
	Gas	166	165	178
Jojobera	Coal	672	702	705
CGPL	Coal	460	480	398
MPL	Coal	629	610	597
PH # 6	Blast Furnace Gas (MNm ³)	2396	2603	2522

At Tata Power, waste reduction is one of the initiatives under GMI, as mentioned above. However, waste material such as scrap steel, wood which form a part of various auxiliary materials used in installation, construction, maintenance activity, etc. are reused internally for fencing, tree guard, etc. However, the quantities were not measured. Used and waste oil generated during operation are disposed off through authorised recyclers.

Air Quality

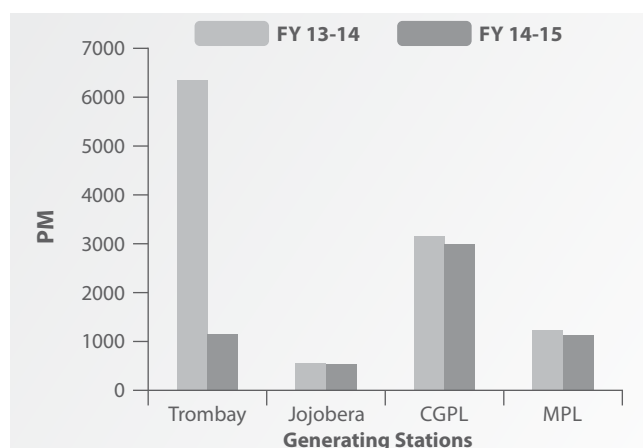
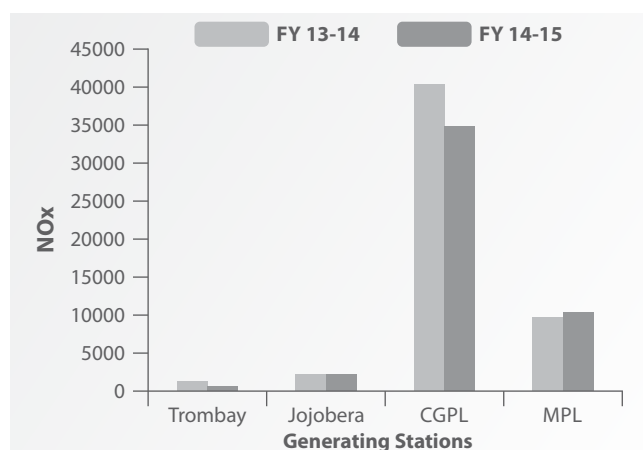
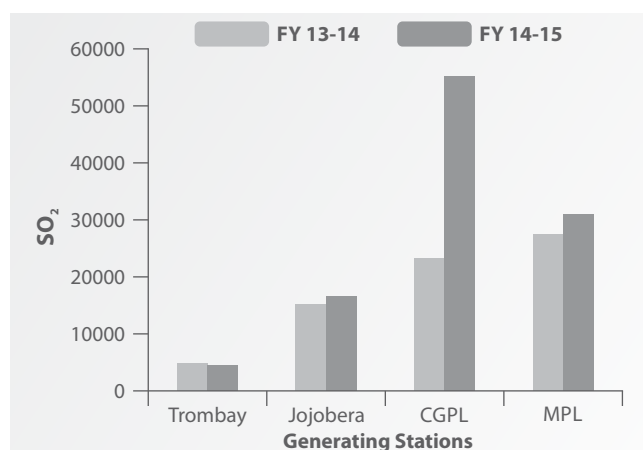
Tata Power understands the potential health impacts of air emissions such as Sulphur Dioxide (So₂), Nitrogen Oxides (NO_x) and Particulate Matter (PM) which are emitted during electricity generation. There is a commitment on improving air pollution control mechanisms and monitoring. Online analysers installed on stacks for continuously measuring of pollutants across locations and periodically monitoring are carried out through third party laboratories authorised by statutory agencies. Measures are in place to ensure that the statutory emissions limits are met and reported emissions across Tata Power locations are well within stipulated limits. However, NO_x emission at Mundra is high and the company has given representation to Gujarat Pollution Control Board (GPCB) for necessary changes. As part of compliance to Montreal Protocol, Tata Power does not use Ozone Depleting Substances (ODS) are used in any of the operations. The emissions are monitored as per the standard practice of regulatory authorities and the details are given below.

The emissions are calculated by weight since FY 13-14. Accordingly, the emissions in tonnes are given below.

Air Emissions by Weight (tonnes)					
Parameter	Year	Trombay	Jojobera	CGPL*	MPL
SO ₂	FY 13-14	4449	15059	23209	27283
	FY 14-15	4366	16547	55226	30978
NO _x	FY 13-14	1360	2120	40612	9125
	FY 14-15	511	2133	34823	10279
PM	FY 13-14	6320	525	3187	1242
	FY 14-15	1159	522	2920	1105

*Due to change in coal quality, SO₂ and NO_x values have variations

Note: Quantification of Air emission parameters in tonnes initiated in FY 13-14 onwards
No emissions from Hydro and Haldia due to use of water and waste gas for power generation respectively.
Emissions from PH # 6 and SED are monitored regularly and are negligible and not reported. CTTL has no fuel burning, hence no stack emissions. The figures represent annual average and rounded off.

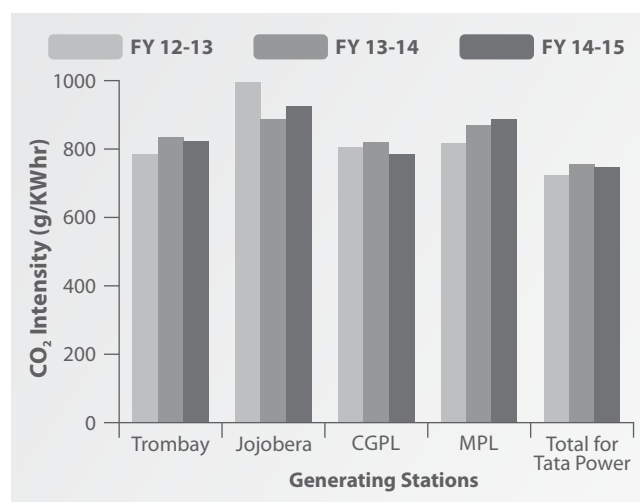


Ambient Air Quality: Ambient air quality or the quality of outdoor air in the surrounding environment is typically measured near ground level, away from direct sources of pollution. Tata Power being responsible corporate, monitors the quality of ambient air across locations. Continuous Ambient Air Quality Monitoring Stations (CAAQMS) are available in operating locations and also the monitoring is carried out by third party authorised laboratory. The measurements are sent to the respective SPCBs on a monthly basis as well as to regional office of the Ministry of Environment, Forests and Climate Change (MoEFCC) along with the six monthly compliance reports. The ambient air quality is monitored at all locations and is under the statutory compliance levels.

Greenhouse Gas Emissions

One of the top sustainability efforts is to reduce our greenhouse gas (GHG) emissions which arise from the use of coal as fuel for electricity generation. At Tata Power, as a commitment towards combating climate change, emissions are captured regularly and assessment carried out on a yearly basis as per the World Business Council for Sustainable Development (WBCSD) guidelines and GHG protocol.

CO ₂ Intensity (g/KW hr)					
Year	Trombay	Jojobera	CGPL	MPL	Total for Tata Power
FY 12-13	784	946	806	819	722
FY 13-14	833	883	824	869	759
FY 14-15	824	923	785	885	747
% Change from last year	1%	-5%	5%	-2%	2%



Further, as a part of its voluntary disclosures, the GHG emissions are reported to CDP, UK and the details as per Scope I-III are as follows.

Operations	Year	Category			
		Direct Greenhouse gas emissions (Scope I)	Indirect Greenhouse gas emissions (Scope II)	Emissions due to Business Travel (Scope III)	Total Carbon footprint
Tata Power	FY 12-13	25024366	9313	3081	25036760
	FY 13-14	34296380	5346	2231	34303957
	FY 14-15	35267826	3263	2474	35273563
SED*	FY 13-14	110	1720	118	2018
	FY 14-15	149	1996	311	2456
CTTL*	FY 13-14	-	202	13	215
	FY 14-15	-	490	-	490

* SED and CTTL are not a part of CDP due to operational control and information not available for FY 12-13

Renewable Energy

Tata Power has historically been a leader in foraying into Non Carbon Emitting Sources (NCES) with its hydro power station being commissioned in 1915. This is more so evident now with the strategic intent of the company, which endeavours to generate 20-25% of its capacity from NCES like hydro, solar, wind and waste-heat by 2022. As on March 31, 2015 the percentage of NCES is 15.4%

Emission Reduction Market Mechanism

Another market mechanism is Renewable Energy Certificates (RECs), REC is a market based instrument to promote renewable energy and facilitate compliance of renewable purchase obligations (RPO). It is aimed at addressing the mismatch between availability of RE resources in state and the requirement of the obligated entities to meet the renewable purchase obligation (RPO). RE generators are option to segregate environmental attributes from renewable power and sale separately, these environmental attributes are termed as Renewable Energy Certificate (REC) and One REC is equivalent to 1 MWh generated from grid connected Renewable Energy sources. Nine wind Energy generation projects were registered under REC mechanism The capacity and location are given below.

Capacity (MW)	No. of Projects	Location
49.5	3	Poolavadi, Tamilnadu
17	2	Supa, Maharashtra
21.95	4	Nivade, Maharashtra

The generated RECs retained by the company for fulfilment of its RPO in FY 2014-15 are 2,25,555 RECs and sold 10,480 RECs through Power Exchanges in Non solar Segment, which is equivalent to a revenue realisation of ~ Rs. 35 crores. The company also purchased 39,000 RECs from Non-Solar Segment and 9,000 RECs from Solar Segment from power exchanges. Revenues spent in purchase of RECs are ~ Rs. 9 Crores. Note: 1 Non-Solar REC = Rs. 1500 and 1 Solar REC = Rs. 3,500. In the reporting year, 17208 Volume of Carbon Credits (VCUs) were traded in 25 MW solar power generating station at Mithapur, Gujarat. The revenue

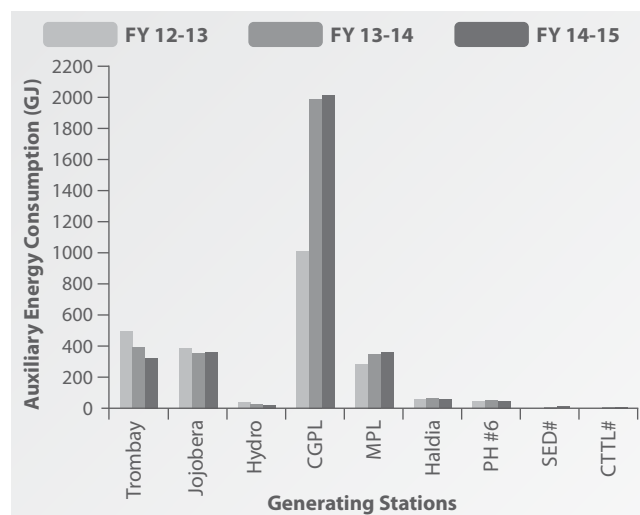
generated from this project is ~ Rs. 11.93 lakhs. (1 ton of CO₂e is ~ 1 VCU)

Efficiency in Energy Consumption

At Tata Power, energy efficiency is a way of managing and limiting the increase in energy consumption. As a utility company the operations are more energy efficient if it generates more units for the same energy input, or maintains the quantity of units generated for less energy input. The energy consumption arises from the consumption of fuel for generation (direct consumption). The auxiliary energy consumption details are given below.

Auxiliary Energy Consumption (GJ)			
Station	Million Units		
	FY 12-13	FY 13-14	FY 14-15
Trombay	491	387	334.29
Jojobera	391	369	375.56
Hydro	53	37	36.62
CGPL	1026	1956	2075.49
MPL	269	365	371.95
Haldia	68	72	67.67
PH #6	59	61	60.74
SED#	-	1.8	2.06
CTTL#	-	0.2	0.5

#SED and CTTL included from FY 13-14 in reporting boundary



Energy consumption outside the organisation has been monitored only in terms of business travel of employees, which has been captured and reported as Scope III emissions. For the next financial year, Tata Power will attempt to enhance its boundary of reporting to capture such energy consumption.

Water Management

Access to affordable, reliable and adequate water supply is imperative to the success of the business for Tata Power. Water is essential for Tata Power's production of electricity, water drives hydro-electric facilities and cools fossil fuel fired stations. Being a material issue for Tata Power, the company recognises that water is a shared resource, critical to economic development, communities and wildlife in the areas where it operates.

Tata Power is committed to preserving long-term viability of the water resources upon which its operation relies and is addressing site-specific water-related issues at each of our operating sites. Efforts are in place for sustainable water management especially at Hydros, implementation of best management practices across stations as the same is visible from the table as a percentage reduction. At Hydros, water is given back to the source without changing affecting its quality.

Basic treatment is in place, such as temperature reduction through mechanical devices and other similar mechanism such as cascading, Oil and Grease removal, etc, before the

water is sent back or discharged back to its source. All efforts are in place on regulatory compliance while the water is sent back to its source and no water bodies with biodiversity value are affected due to the wastewater discharge across all stations. The trade effluent as well as domestic wastewater at all the locations is treated as per statutory norms of respective SPCBs. The treated water is reused internally for horticulture/ plantation/greenbelt development, as well as used for control of fugitive emissions from coal yards. The System is in place to submit monitoring results of water management to respective statutory agencies at regular interval.

Total water withdrawal (Mm ³) by source			
Water Source	FY 12-13	FY 13-14	FY14-15
Tata Power*			
Fresh Water	21.10	18.79	18.57
Sea Water	1243.98	921.54	967.85
CGPL			
Sea Water	38.44	4732.60	4668.36
MPL			
Fresh Water	14.31	16.50	16.10
CTTL			
Fresh Water	-	0.0026	0.0018
SED			
Other Sources (Supplied By 3 rd party)	-	0.027	0.018

* Includes Trombay, Jojobera, PH # 6, Haldia

Note: There is no water consumption in Hydros as the water is returned back without changing its quality

Specific Water Consumption trends - Station wise					
Generating Stations	Consumption (m ³ /MWh)	FY 13-14	FY 13-14	FY 14-15	% Reduction from previous year
Trombay	Municipal Water consumption (Process + Domestic Water)	0.16	0.16	0.23	-44
	Sea water consumption (Condenser Cooling water)	132	130	160.81	-24
Jojobera	Municipal Water consumption (Process + Domestic + Make up for Condenser Cooling)	3.34	3.2	3.1	4
PH # 6	Municipal Water consumption (Process + Domestic + Make up for Condenser Cooling)	2.7	2.6	2.6	-1
Haldia	Municipal Water consumption (Process + Domestic + Make up for Condenser Cooling)	4.52	3.7	3.5	5
MPL	Surface Water Withdrawal (Process + Domestic + Make up for Condenser Cooling)	3.04	2.52	2.4	4
CGPL	Sea Water Withdrawal (Process & Domestic after RO treatment + Make up for Condenser Cooling)	3.09	2.8	175.67	11
Hydros[#]	Surface Water Withdrawal (Domestic Consumption)	27223	26049	25486	2

[#] Hydros water consumption is given in absolute values in M³

Note: Specific water consumption of SED and CTTL has not been included in the table as they are not into power generating business and their water consumption as compared to power business is insignificant

Waste Management

Across Tata Power, we are working to better understand waste generation and ensure that the best management practices are in place to reduce, reuse and recycle the waste generated. In addition to recycling a strong focus on identifying opportunities to prevent waste or bring new life to materials that might otherwise be discarded. From power poles and transformer oil, to office waste and coal power plant scrubber by-products, Tata Power is continually improving its materials management by using more environmentally-friendly and better-performing products that result in less waste. As a part of regulatory compliance the waste generated is disposed through authorised vendors. Hazardous waste is stored and disposed as per Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2010. Tata Power does not import or export any wastes in/from power generation and there has been no hazardous waste imported or exported as per the Basel Convention. The reporting year did not witness any spills across locations.

Being an electricity generating utility with coal being its major fuel, a large quantity of fly ash is generated, the quantity depends on the quality of the coal used i.e. Indian/imported. The fly ash and Hazardous waste generation as well disposal quantity is given below.

Waste Type	Station	Generation(kg/MWh)		
		FY 12-13	FY 13-14	FY 14-15
Ash	Trombay	8.7	9.06	7.36
	Jojobera	296	314	312
	CGPL	24	22.15	19
	MPL	271.5	304	246
Hazardous Waste		Generation (Tonnes/Annum)		
	Trombay	15	87.7	53.69
	Jojobera	34	15	45.78
	CGPL	NA	109.6	35.036
	MPL	NA	12	14.7
	PH # 6	3	0	0
	Hydros	0.05	0	0*

*Hazardous waste generated and disposed at Hydros include 182 numbers of batteries (~5 tonnes), 23 nos. of batteries (1 tonne) at Trombay, and 3.99 and 13.23KI of used oil at Haldia and Maithon respectively.

Majority of water used at various stations is for cooling purposes. It is importance is given to return water back to its source, as per regulatory norms with no/minimal changes to its properties. The temperature of the discharge water is reduced through cascading and by use of mechanical devices. This discharge from the generating stations is mainly condenser cooling water which is treated for any possible contamination, such as Oil and Grease, and while discharging utmost care is taken that no water bodies with biodiversity value are affected due to the wastewater discharge. The quality of the wastewater generated is closely monitored and results submitted at regular interval to the respective statutory agency. The treated wastewater is used for horticulture/plantation/greenbelt development as well as used for control of fugitive emissions

from coal yards. No water body has been affected due to water withdrawal or water discharge at any location.

Bio-medical Waste

The waste generated from medical facilities is of higher significance and improper management of this waste causes a direct health impact on the community. Tata Power understands the significance of bio-medical waste management in line with the Bio-medical Waste (Management and Handling) Rules, 1998 and its amendment in 2003. Bio-medical Waste is disposed off through authorised vendors across locations and the quantum disposed in kgs is given below.

Location	FY 13-14	FY 14-15
Corporate Office, Carnac, Mumbai	270	215
Trombay	27	11
Hydros	38	39
Jojobera	3	2
MPL	5	6.5
CGPL	234	170
Total (kg)	577	443.5

Note: Disclosure on Bio-medical waste was initiated in FY 13-14 on a voluntary basis.

e-waste

Tata Power's Information technology department manages a company-wide asset recovery programme to

reuse and recycle obsolete electronic assets. Through authorised vendors, Tata Power ensures that all of its electronic waste is de-manufactured for reuse or reclamation in a responsible manner.

Tata Power has concluded the e-auctioning of 1.06 MT of e-waste at Jojobera for disposal and disposed 4 tonnes e-waste at Trombay. However, at other stations, the inventory of the e-waste has been initiated and the same shall be reported during the next reporting year. A Cross Functional Team (CFT) on e-waste is in place to efficiently monitor the e-waste across stations; this CFT consists of members from Corporate Environment, IT, Administration and representatives from across stations. Additionally, the

e-waste policy was revised with methodology and process to maintain inventory and dispose e-waste.

E-waste Policy

The Tata Power E-Waste Management Policy reaffirms our commitment to environmental protection by ensuring proper management of electronic waste.

Through this policy, Tata Power will :

- Comply with all applicable local (country, state, etc.) rules and regulations regarding the management of E-Waste (e.g. E-Waste Management and Handling Rules 2011 by MoEF in India) pertaining to all articles mentioned in Commitment & Compliance Document of E-Waste Management Policy.
- In the absence of specific rules, regulations or legislation on the subject in any other the country of operation, we shall follow the Indian Rules and Regulations regarding management of E-Waste.
- Educate and sensitise employees on importance of proper management of E-Waste and the risks and hazards associated with their improper disposal, especially the items of personal ownership (e.g. mobiles, personal computers, laptops, Flat Panel TVs, etc.)
- Explore possibility of extending usable life of items for internal/ external use to minimise E-Waste generation.

Protecting Biodiversity at Tata Power

Biodiversity's connection to business growth seems less apparent as compared to other aspects of the environment, such as energy efficiency, water conservation and waste management, etc. This connection, however intangible, does exist. Businesses are affected by and in turn, impact biodiversity and related ecosystem services in a myriad different ways. Many find it hard to believe and even comprehend that biodiversity and businesses can co-exist and even flourish, side by side with better environmental management and biodiversity conservation. Indeed the idea that biodiversity can exist within the confines of an industrial area, if the necessary measures are taken, is a concept that is relatively new. No doubt, Tata Power, being a conscious Corporate is well-versed with the need of Sustainable development and actively initiated many projects for biodiversity conservation too.

For many years, biodiversity conservation globally, consisted only of protection of natural habitats that are alienated from the rest of the developed human world such as national parks, bio-reserves and others. Whereas, areas of human developmental activities such as industries, business operations and urbanised areas were thought to be biodiversity-deficient. Time has now come



for biodiversity conservation measures to step out of this conventional viewpoint, permeate into and get applied in hitherto unexplored places, such as business operations. Indeed business operations are one of the new frontiers of biodiversity conservation due to awareness of the subject and need of the hour. Such a viewpoint is not new to Tata Power, however. This is apparent from the legacy of Company's flagship project - the Mahseer Conservation Programme initiated more than three decades ago, at a time when a business's role in environmental stewardship was yet to gain ground. Additionally, in line with the Company's legacy, new initiatives are developed across the Company's locations that resonates this philosophy ranging from afforestation activities, mangrove plantations, monitoring sea turtle populations, avi-fauna studies, as well as initiating a Biodiversity Action Plan for select locations, wherever required. Biodiversity conservation is also in line with our unique Sustainability Model of **Leadership with Care** of which "Care for Environment" forms an integral part and Sustainability Policy which states that "Tata Power will continue to serve the communities by constantly protecting ecology, maintaining and renewing biodiversity and wherever necessary conserving and protecting wildlife, particularly endangered species".

Tata Power is perhaps the only Company in India to have a dedicated Biodiversity expert team within its Corporate Sustainability Department. The Company has signed the India Business & Biodiversity (IBBI) Declaration and its Mahseer Conservation Programme featured in IBBI's recent publication, 20 Illustrations which was inaugurated during the 12th Conference of Parties (COP) to the Convention on Biological Diversity (CBD), South Korea, October 2014. This report is available on <http://businessbiodiversity.in/document/5070Business%20and%20Biodiversity%20in%20India%20-%2020%20Illustrations.pdf>

Tata Power is probably the first Company to align its Biodiversity initiatives with those of the Aichi Biodiversity Targets rolled out by the Convention on Biological Diversity (CBD) and these have been reported in the Sustainability report FY 13-14.

Additionally, the Company is proud of the fact that none of its operations are in close proximity to any nationally or internationally designated Protected Areas (PA), such as national parks, wildlife sanctuaries, World Heritage Sites, etc. and all such areas (if any) are situated more than 10 kms from the operations, as shown in the table below.

providing a safe zone from the tides and minimal human interference. For our other sites, Hydros in Lonavala, Maharashtra and Maithon, Jharkhand there are reserve forests in the vicinity. These forests are part of the catchment area of Hydros (Walvhan, Mulshi, and Shiota) and Maithon dams.

Proximity of Protected Areas to Company Locations		
Location	Protected Area	~Distance (km)
Trombay, Mumbai, Maharashtra	Sanjay Gandhi National Park	25
CGPL, Mundra, Gujarat	Pirotan Marine National Park	34
MPL, Maithon, Jharkhand	Garpanhkot Forest Reserve	18
Jojobera, Jharkhand	Chandeli dalma elephant reserve	28
Khopoli, Lonavala, Maharashtra	Karnala Bird Sanctuary	25
Bhira, Raigad, Maharashtra	Phansad Wildlife Sanctuary	48.5
Bhivpuri, Raigad, Maharashtra	Bhimashankar Wildlife Sanctuary	25
Haldia, Midnapur, W. Bengal	Sunderban National Park	86
PH # 6, Jamshedpur	Chandeli dalma elephant Reserve	28
SED, Bangalore	Bannerghatta National Park	13
CTTL, Mumbai, Maharashtra	Sanjay Gandhi National Park	25

Sources: Google Earth, Google maps, Wikimapia, India Biodiversity Portal, World Heritage Sites, IBA publications

Neither terrestrial, nor aquatic areas of biodiversity significance are affected by Tata Power operations. Similarly no IUCN Red List species are affected by Company operations. The Company has two thermal power plants that have thermal discharge into the sea - Trombay and Mundra. Thermal discharges at both the locations are maintained well within the statutory requirements. Trombay operations do not pose any negative impact on biodiversity of adjoining mudflats and mangroves of Sewri, Mumbai which are designated as Important Bird Area (IBA) by BirdLife International. In fact the continued sustenance of the mangrove ecosystem of the area is evident from the regular arrival of migratory birds such as lesser and greater flamingos (*Phoeniconaias minor* and *P. roseus*) respectively in the area every year. This was reported in the Biodiversity Action Plan conducted for the station by a reputed third party consultant. According to this report, bunds at the outfall channel of the power station become ideal foraging and resting ground for wader birds. Presence of warm sea water allows marine micro and meio-fauna to thrive which the wading birds forage on. Secondly, the bunds provide a refuge for the waders from the direct open sea during high tide. And thirdly, as this area is prohibited for the general public, the birds are not directly disturbed by presence of humans, or associated activities such as hunting, fishing, boating, tourism, etc. The area is thus protected due to three main reasons - warm water providing food for foraging, bunds

The Biodiversity Action Plan for Trombay power plant has chalked out management action points for vegetation. It includes plantation of trees that abate air pollution, plantation of specific trees, herbs and shrubs for stabilisation of soil mixed with bottom-ash, removal of invasive alien *Leucaena leucocephala* seedlings and saplings and also planting trees at certain locations that may enhance biodiversity. Also for the area under transmission lines that run through the plant premises, slow growing and small sized trees have been recommended. Measures to connect habitats under the transmission lines by using potted plants on concretised surface have also been recommended.

No habitat underwent an official offset mechanism. However, afforestation activities are on-going across Tata Power locations to improve greenery around it and to increase tree density which also helps in the catchment areas. Additionally, mangrove restoration work was carried out at Mundra, Gujarat and Navi Mumbai. Mangrove plantation was carried out at Kantiyaja, district Bharuch, Gujarat in association with the Gujarat Ecology Commission (GEC). The project covered an area of 1000 hectares. This project has been successfully completed and was part of a regulatory requirement. It has been approved by an external authority, the Mangrove Society of India. Another mangrove plantation project is slated to commence at village Sarsole, Navi Mumbai in an area of 25 hectares. This project is partly for fulfilment of a regulatory requirement.



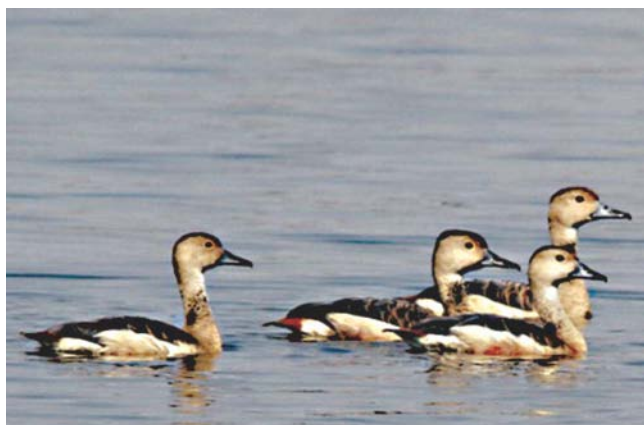
Tata Power has aligned its activities in biodiversity with the 5 Strategic Goals set out by the Convention on Biological Diversity (CBD). The Aichi Biodiversity Targets are clubbed into Goals and the details are given below.

Strategic Goals	Activities at Tata Power
Strategic Goal A: Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society	<ul style="list-style-type: none"> Capacity building of employees Awareness on biodiversity through e-mailers Mahseer Conservation including employee volunteering activity
Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use	<ul style="list-style-type: none"> Project Samridhi, an initiative for livelihood under Corporate Social Responsibility High efficiency air pollution control equipment to maintain emissions Replace invasive plant species with native ones wherever possible
Strategic Goal C: To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity	<ul style="list-style-type: none"> Mahseer Conservation Programme Sea Turtle Monitoring Project, Mundra
Strategic Goal D: Enhance the benefits to all from biodiversity and ecosystem services	<ul style="list-style-type: none"> Plantation of mangroves in Mundra; Tree plantation in catchment areas of Hydros
Strategic Goal E: Enhance implementation through participatory planning, knowledge management and capacity building	<ul style="list-style-type: none"> Student visits to the Hydros facility for knowledge enhancement of various conservation activities including Mahseer breeding

A number of initiatives are carried out under the ambit of biodiversity. Some of these are highlighted below:

Avifauna Survey, Maithon

Maithon Power plant is situated in the state of Jharkhand, which is one of the least studied states in terms of its ecology. Although some baseline data exists on the biodiversity of the region, a detailed survey of the bird life around the power plant was initiated. The survey was carried out for three seasons - summer, winter and monsoon during 2014-15, by adopting a scientifically rigorous methodology. Other than birds, a preliminary survey of reptiles, amphibians, mammals was also carried out. According to the report, more than 150 bird species belonging to 48 families were recorded. This has helped create a baseline of the avian population around the power station. Since very little literature on avian populations of the state of Jharkhand is available, this report will certainly help in creating much needed baseline.



Project Sanjivani

Project Sanjivani was completed during this reporting year to estimate the amount of CO₂ sequestered by trees present within Company-owned land. So far, the Project covered land owned by Tata Power specifically, hydro power plants

from Maharashtra including their catchment areas, facility areas and residential colonies; Trombay thermal power plant, Mumbai; various transmission and distribution facilities in Mumbai; residential colonies in Mumbai; wind power plants in Maharashtra, Gujarat, Karnataka, Tamil Nadu and Rajasthan. This project is a valuable tool to quantify the extent of Company's positive impact in the realm of climate change. Additionally, this project's field work was carried out with the help of volunteers, keeping alive Tata's legacy of volunteerism. They were guided by domain experts, ensuring consistency of data quality.

Plantation

Massive plantation drives are a routine phenomenon in the Company and more than 18 million trees have been planted over the past 3 decades in the Hydros region alone. The total number of trees planted for the last three years across divisions is given as below.

Tree Plantation across the Divisions			
Division	FY 12-13	FY 13-14	FY 14-15
Trombay	1515	715	570
Hydros	1077600	193350	983000
Mundra	233445	78759	403424
Maithon	61790	73995	66460
Jojobera	450	300	480
Haldia	612	590	850
PH#6	455	284	341
Total	1375255	1148000	1455125

Awareness on Biodiversity

Awareness sessions on Business and Biodiversity were regularly organized during this reporting year. ~150 Tata Power employees took part in the sessions across seven locations. The participants represented a cross section of various departments and this training helped them in understanding the close links between biodiversity and businesses in general and Tata Power in particular.

Emails on important international days commemorating biodiversity and environment were disseminated to all the personnel in Tata Power and its subsidiaries. Days covered were International Day on Biological Diversity, World Environment Day, and International Tiger Day, International day of Forest, World Water Day, and International Day for the Preservation of the Ozone Layer, World Wetlands Day, International Day of Forests and World Water Day. The emails detailed the importance of each day and provided information on the steps an individual could take in their personal as well as professional lives to improve biodiversity around the locations.

Under Greenolution, an initiative was launched that encouraged employees to observe biodiversity around their places of work and homes and film it on cameras. The best

videos were uploaded on the Company website and the link shared with the rest of the organization.

Another initiative at Hydros combined Tata Power's legacies of biodiversity conservation with that of employee volunteering. Employee volunteers were part of an initiative that studied various species of fishes and other aquatic life in the fresh water streams feeding Walwhan dam of Hydros catchment area. The programme covered over 314 volunteering days and 19 samples of fishes and other aquatic life were collected during the programme. This programme helped sensitise the participant employees on biodiversity conservation and gave them a taste of field work involved in biodiversity conservation.

Individuals across various divisions, carry out small scale initiatives to boost local biodiversity. These were lauded by the Company through platforms such as Green Heroes. For instance, more than 350 indigenous trees were planted by an employee from Trombay, while a rock python was rescued with the help of snake rescuers in Khopoli division, an injured bird was rescued at Bhira Hydro plant, while a biodiversity-friendly space was created at Mundra by a local working with the CR Department.

” Tata Power acknowledges that the environmental challenges facing our society, and is committed to finding more and better solutions wherever possible.





Occupational Health and Safety



At Tata Power a healthy workforce is an important contributor to its competitiveness and Sustainability. All stations maintain conducive work environments meeting Indian/International standards on hygiene, lighting, ventilation and effective controls on noise and dust. Stations are provided with occupational health centres with adequate medical staff to monitor occupational health and provide immediate relief when required. Adequate numbers of first aider's are trained in various in-house sessions; such sessions are conducted periodically by well-known specialists/medical practitioners on occupation related health hazards.

Identified medical examinations, as per statute, are conducted for various categories of employees based on age-groups as well as exposure to occupational hazards. These statutory medical examinations take place annually once in a years, as applicable. In the reporting year, no employees were found suffering from occupation related illness/diseases.

At Tata Power, maintaining high safety standards at all its stations is of significant importance, as it is committed to protecting the health and safety of each of its employees, contractors, customers and the communities in which it

operates. A Safety Management System (SMS) is in place to ensure that both employees and contractors adhere to good safety practices and procedures at all times. The risks are assessed; incidents tracked and corrective and preventative action plans are developed through SMS. Further, to handle unforeseen events or disasters, Disaster Management Plan (DMP) is in place at all generating stations. These DMPs are location specific and are reviewed on a regular basis.

In recent years, Tata Power has been raising greater awareness among its employees on the importance of safety in efforts to keep the operations accident-free. This is done through setting annual Safety Targets as well as on-going initiatives that seek to engage both employees and contractors on safety issues. The Safety Targets are communicated to all its employees by its highest decision making authority. It is the responsibility of the senior management at respective locations to make sure that the safety targets are met 100%.

The performance against safety targets of the reporting year as provided below.

Proactive Targets	Target	Achieved
Adherence to Annual Safety Plan (%)	100	99.73
PTW Audits (Nos)	2275	3369
i) Safety Inspections-Critical (%)	90	243.64
ii) Safety Inspections-Regulatory (%)	100	148.68
Repetitive near miss	22.5	45.2
Stop Observation (SO) %	80	93.95
Safety Intervention Audit	560	831
Safety Training Index	0.4	0.78
Implementation of recommendation (%)	100	99.11

Reactive Targets	Plan	Actual
Fatality (Nos)	0	2
Lost Time Injury Frequency Rate (LTIFR)	0	0.19
Lost Time Injury Severity Rate (LTISR)	0	293.68
i) Incident Investigation using RCA	100	99.89
ii) Implementation of CAPA (%)	100	99.21
Sharing of lessons learned (%)	100	100

At Tata Power, Safety culture is guided by the 10 commandments of Safety and it is the responsibility of all its employees to adhere to the 10 commandments on Safety. Further, the commitment is shown through the Safety vision, pledge and policy.

Further, Tata Power relies on a sizeable number of contractors/vendors (on term contracts) to perform regular tasks at the generating stations, under the supervision of employees throughout the year. To ensure that Tata Power continues to uphold its good safety

Tata Power Safety Vision	Health and Safety Policy
<p>To be a leader in Safety Excellence in the global power and energy business.</p> <p>Global Leader</p> <ul style="list-style-type: none"> Aspiration to be world class <p>Safety Excellence</p> <ul style="list-style-type: none"> Feel safe to work Taking Safety to all stakeholders Bring Safety into the DNA of the organisation <ul style="list-style-type: none"> Live and breathe safety as managers and workmen Climate of 'care' for the workforce (including contract workers) <p>Safety Performance Standards</p> <ul style="list-style-type: none"> No harm/No injuries Benchmarked approaches 	<p>We, at Tata Power, reaffirm our belief that the health and safety of our stakeholders is of the utmost importance and takes precedence in all our business decisions. In pursuit of this belief and commitment, we strive to:</p> <ul style="list-style-type: none"> Maintain and proactively improve our management systems to minimize health and safety hazards to our stakeholders and all others influenced by our activities Ensure total compliance with all applicable occupational health and safety regulations and other legal requirements Integrated health and safety procedures and best practices into every operational activity with assigned line-functional responsibilities at all levels for improving and sustaining Health and Safety performance Involve our employees in maintaining a safe and healthy workplace through periodic reviews of operational procedures, safe methods of work and a safe work environment Develop a culture of safety through active leadership and provide appropriate training at all levels to enable employees to fulfil their Health and Safety obligations. Incorporate appropriate health and safety criteria into business decisions for selection of plant and technology, performance appraisals of individuals and appointments in key positions Ensure availability at all times of appropriate resources to fully implement the Health and Safety policy of the Company Actively communicate this policy to all stakeholders by suitable means and periodically review its relevance in a continuously changing business environment.

Safety Pledge	Ten Commandments On Safety
<p>We the employees of Tata Power firmly believe that all injuries are preventable and all operating exposures can be safeguarded.</p> <p>We wholeheartedly accept that working safely is everybody's responsibility and a condition of employment. We shall strictly adhere to Tata Power safety standards and procedures for the prevention of all types of incidents.</p>	<p>It is the responsibility of all employees to adhere to the 10 Commandments on Safety. These are inviolable Safety rules that must be complied with at all times within the Company's premises or anywhere in relation to the Company's work.</p> <p>Willful violation of any of these rules shall attract strict disciplinary action as per the Consequence management policy of the Company.</p>

We shall put all our best efforts to achieve our safety vision
 "To be a leader in safety excellence in the global power and energy business."

We solemnly affirm that we will dedicate ourselves to the cause of safety in the interest of self, our family, organization, society and nation at large.



1. Obtain a valid Permit-to-Work (PTW) before commencing any activity that is listed in Appendix 2 of PTW procedure
2. Comply with all the requirements of the Lock out Tag out (LOTO) procedure
3. Verify isolation before beginning work on all rotating and electrical equipment or any system that may have the use the specified life-protection equipment
4. Do not defeat or override safety-critical trips or interlocks without obtaining proper authorisation
5. Do Not Smoke in the notified 'No Smoking' areas
6. Use the specified fall-prevention equipment when working at height
7. Do not operate any machinery/powered equipment without formal training and registered authorisation to operate.
8. Wear seat belts in a moving vehicle, including rear where fitted
9. Never use a mobile phone while driving a motor vehicle or working with mechanised equipment
10. Do not drive or work under the effect of drugs or alcohol.

performance, contractors' safety is taken seriously. Contractors are not only required to take part in the regular safety briefings at daily toolbox meetings, they also participate in safety initiatives and emergency drills organised. Various Health and Safety topics are covered in the formal agreements with Trade Unions.

Consequence Management Policy

Tata Power strongly believes that employees are its greatest asset and it is committed to ensure their overall safety. Zero harm to the employees, allied workforce and the communities within which the Company operates is an overarching priority. This is evident in the various business processes and working procedures that have been laid down in the organisation. In order to achieve this, world class safety standards and procedures have been implemented for establishing Safety culture and inculcating safe behaviour among the employees. Given the nature of the operations, every activity in Tata Power needs to be carried out not only with a focus on cost efficiency, quality but also with a robust focus on Safety. Physical safety of all the employees and associates is one of the most important business imperatives. Tata Power envisions that Safety is each employee's personal mission and all employees are working together in adopting Safety in its true spirit. Ensuring the safety of employees and complying with safety procedures at organisation is the primary responsibility, and it is in line with the values of 'Safety' & 'Care'. For ensuring demonstrated behaviours of 'Safe Working' at all levels in the organisation, a Consequence Management Policy (Safety) is in place applicable to all employees of Tata Power, CGPL and MPL.

The objective of Consequence Management Policy is to reinforce Tata Power's commitment to Safety by setting clear expectations regarding the consequences of various behaviours and outcomes. The Consequence Management Policy (Safety) sets out the general approach for managing the safety deviations and establishes processes for corrective counselling. It discusses the disciplinary actions in response to safety misconducts or violations as described in the Industrial Employment Standing Orders Act 1946 or such other Acts/Rules applicable to the Company. This Policy also ensures that while laying down an approach, it does not overlook the intent behind any safety deviation or malpractice. The objective of the policy is to ensure that each employee is committed to Safety and at the same time, gives them independence to take decision as per the necessary process and operation.

Safety Reward and Recognition

Tata Power has a reward and recognition policy. Person who reports maximum number of near misses, unsafe conditions and special category actions will be awarded as a Divisional Safety Champion for that month. The person who excels in all three categories in a three consecutive months will be awarded as a Star Safety Champion for the quarter. Criteria for selecting Divisional Safety Champion and Star Safety Champions are well defined in policy statement.

Safety Governance

Tata Power espouses the belief that safety is of utmost importance and takes precedence in all business decisions. In pursuit of this belief and commitment,

Safety remains as one of the prime core values as defined in SACRED i.e. "S" for Safety. The year saw strengthening of the Safety Governance Mechanism with a three tier Structure for oversight with specific Charter. Senior

management including the CEO & MD and EDO are responsible for safety governance. The details of this threetiersystem is given below.

	Tier 1	Tier 2	Tier 3
Safety Committee	Apex	Operating	Group
Frequency	Once in a Year	Once in 6 Months	Once in 6 Months
Chairman	CEO & MD		
Secretary	Head - Corp OH&S		
Charter	<ul style="list-style-type: none"> Set Safety Vision/Goal/Performance standards Approve Annual Safety Plan Assess the overall effectiveness of safety organization Understand safety trends and exceptions Provide guidance, direction for and approve policy changes, Develop/nurture a sustainable safety culture in Tata Power 	<ul style="list-style-type: none"> Oversee Implementation of safety vision/goals across Tata Power Approve Annual safety Plan Review and monitor Operations safety performance Promote sharing of 'Lessons Learned' and 'Best Safety Practices' Recommend policy changes for approval of Apex Safety Committee Create alignment of corporate functions to facilitate improvement of safety standards 	In addition to Tier 2 Charters, this group <ul style="list-style-type: none"> Review and monitor individual safety performance Promote sharing of Best Practices amongst JVs and Subsidiaries Create alignment to facilitate improvement of safety standards of Project and Operations handled through JVs and Subsidiary route

Safety Statistics						
Injury Statistics	Permanent employees	Contractor and subcontractor workforce	Permanent employees	Contractor and subcontractor workforce	Permanent employees	Contractor and subcontractor workforce
Tata Power						
	FY 12-13		FY 13-14		FY 14-15	
Total Days Worked	-	-	-	3988414	1200598.7	4064448.2
Total Hours Worked	15281064	25091464	8777865	31907319	9604789.6	32515585.6
Lost Days (Man-days Lost)	94	6330	12067	18235	130	12240
Fatalities	0	1	2	3	0	2
Absentee Rate			-	-	-	-
Occupational Disease Rate			-	-	-	-
Injury Rate/Total Injury Frequency Rate			-	-	3.8	17.9
Accidents*			-	-	2	6
SED						
Total Days Worked	-	-	-	-	-	96138
Total Hours Worked	-	-	945863	945863	922925	922925
Lost Days (Man-days Lost)	-	-	0	0	-	-
Fatalities	-	-	0	0	0	0
CTTL						
Total Days Worked	-	-	-	-	15269	1989
Total Hours Worked	-	-	120281	26632	122151	15912
Lost Days (Man-days Lost)	-	-	0	0	0	0
Fatalities	-	-	0	0	0	0

Note- SED and CTTL were included in scope in FY 13-14

* Only Reportable accidents as per 'The Factories Act' are mentioned

Note: The data pertains to the entire workforce and is not segregated as per gender. However, there were 0 injuries to female employees

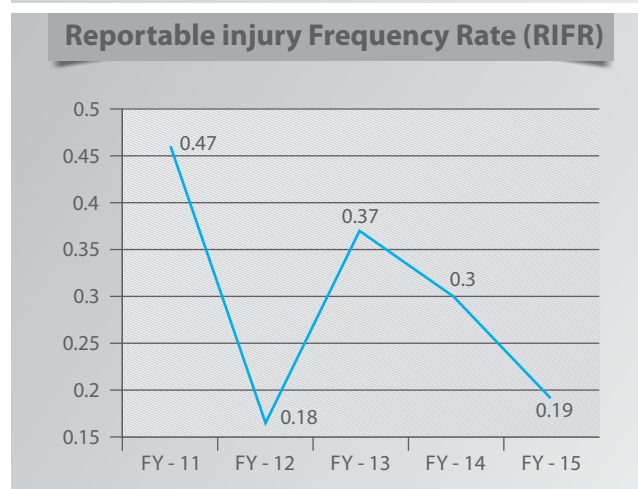
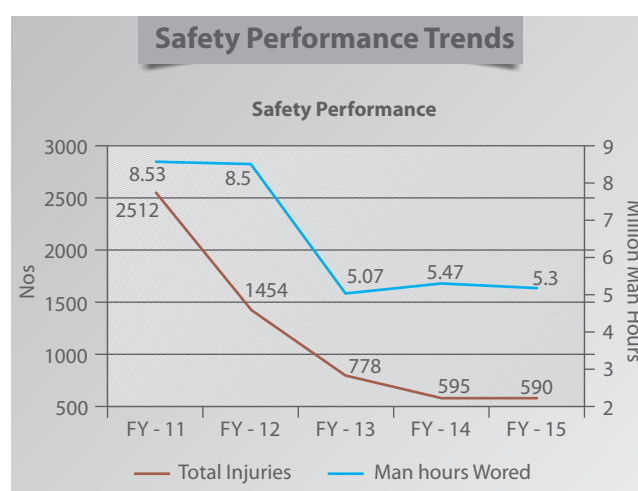
Total 2 Fatalities were reported in FY-15. The 1 fatality happened in Trombay i.e. during chimney painting work the cage slipped and landed on a platform around 6 m below. Another one was at Jojobera i.e. While driving the vehicle out from the unloading area, instead of driving along normal path on about 20m wide platform, the driver lost control of his vehicle and hit the victim on his back side. Tata Power has a structured way for reporting, investigating, and monitoring incidents. Tata Power has a written procedure to report and investigate incidents. All incidents are reported through on line safety portal, "SURAKSHA". Safety alert is immediately generated (through system) for high severity incidents (LTI, etc.) are brought to the immediate notice of senior leadership team for issuing necessary instructions/further line of action. A system generated report of all other incidents (Daily Incident Report) is also shared with select senior leaders which gives details of the incidents across the organisation occurring during the day. All incidents are investigated using standard root cause analysis checklists to establish the root causes. For high potential/high severity incidents and near misses, a cross functional team is formed to thoroughly investigate causes and identify suitable corrective and preventive actions to avoid recurrence. Implementation of the recommendations is verified for close out through online system and the Divisional Head (where the incident has occurred) is responsible for ensuring timely close out. As a standard practice a "Lesson learnt" presentation is shared as a 'Safety Pause' during the MD's monthly BSC review meeting attended by all senior leaders. These incidents are also shared company-wide through monthly 'Safety & Security' newsletter. Soft copies of the lessons learnt are also uploaded in company portal.

Safety Training Initiatives

- 5 N's Train the Trainer programme on Critical Safety Procedures conducted and 509 O&M Engineers were trained in FY'15.15 O&M Engineers trained in practical training on Work at Height from external vendor
- 500 O&M Engineers are undergoing web-based E-learning for 10 High Hazard Safety Modules. Monthly report of training progress is being shared with divisions
- 200 Office employees are undergoing 5 office safety web-based E-learning modules.

Safety Key Initiatives

- Visitor Safety Induction Module: This initiative was started to give safety instructions to visitors before acquiring a gate pass to enter the plant.
- Employee Safety Induction Module: To induct GETs, DETs and Lateral joiners to be aware of safety systems available at Tata Power. Each joiner has to undergo this training module before they join duty.
- Safety Intervention on Wheels: Training setup made on a vehicle and moved around the site, during tea Break at evening time this is utilised to share Safety videos along with unsafe situation observed during site round.
- Disaster Management and Business Continuity Plan: Disaster Management plan and Business Continuity Plan has developed in line with NDMA guidelines for Tata Power across divisions as per ISO: 22301.



Safety Trainings

Safety Parameters	Permanent Workforce	Contract Workforce	Permanent Workforce	Contract Workforce	Permanent Workforce	Contract Workforce
	FY 12-13		FY 13-14		FY 14-15	
Training Man-hours	379914.5		277278		84136	302011.84
Training Index	0.9		0.53		0.88	0.93

Note: SED imparted safety training to 100% employees and contract employees



Product Responsibility (Care for our Customers)



“For us Sustainability is not just a word, an idea or a noble thought. At Tata Power, it is our commitment for a better world for the coming generations. This commitment comes out of our genuine concern for the entire Ecosystem. We feel this will enrich not only our lives but also that of our children and grand children.”

Mr. Sunil Joglekar
Chief - Distribution Customer Services

Tata Power is currently the fastest growing power utility in the city of Mumbai. In the reporting period the Distribution License of Tata Power was granted for the entire city of Mumbai, including suburban and South Mumbai for the next 25 years, where it has a history of having served the customer for the last precise 100 years. Tata Power has dogmatically stood the test of 100 long years by providing reliable and uninterrupted power supply 24x7 basis and would sustain the same. Tata Power is not into sale of banned or disputed products.

Tata Power would continue to balance stakeholder's interests within the distribution area by welcoming small and residential customers along with commercial and industrial consumers while keeping good relations with the other operators in the area. In this direction, Tata Power distribution in Mumbai will support BEST's case for transport subsidy to be rationalised across each electricity unit collected and make sure that BEST margin of business is not affected adversely as it has been a long term participant in power supply system in Mumbai. Tata Power strongly believe that the vision of MERC and Governments to get consumers a competitive cost option with reliable supply, must rather be augmented and Tata Power would continue to facilitate the same with positive and close association with all stakeholders.

Tata Power would also like to convey its gratitude and thanks to its consumers who have trusted the brand and its promise of bringing trustful choice to them. The Company is dedicated to provide reliable and uninterrupted power at competitive rates to all its consumers. Tata Power continues to aggressively expand its network in Mumbai to connect more and more consumers on its wires so that they can avail of tariff benefits. The Company remains committed towards strict compliance of MERC's Electricity Supply Code and 'lighting up lives' for the years to come.”

With an annual sale of 5966 MUs, the retail customer base has increased to 6,18,422 with an addition of 1,24,711 consumers from the previous year. The licensed area for distribution is 485 sq. km. and the entire licensed area is served through Tata Power's distribution network without any unserved area.

Highlights

In order to serve its growing consumer base, Tata Power has grown its distribution network infrastructure manifold and its focus has been to develop a robust network backbone which includes Distribution Sub Stations and the High Tension (HT) network to be able to cater to the growing market demand in addition to the development of last mile connectivity to reach consumer premises. The infrastructure developed in FY14 includes:

Highlights

Distribution Sub stations (DSS) -

33 kV/22 kV/11 kV = 6 nos.

High Tension network (HT) = 266 KM

Consumer Sub Stations (CSS) - 11 kV/ 440 V = 85 nos.

Low Tension network (LT) = 336 KM

Tata Power is thus creating a backbone (33kV/11kV) of distribution network, identifying sources or outlets at Receiving Sub Stations (RSS) to feed supply to DSS, establishing connectivity to feed the DSS from identified RSS and creating 11kV main ring network. The network addition has been achieved against all odds, the most crucial being loss of time for cable laying due to permission related delays. Tata Power is also complying with network rollout philosophy as per the MERC Supply Code Regulations, SOP Regulations and CEA (Technical Standards for Construction of Electrical Plant and Electrical Lines) Regulations, 2010. Tata Power plans to setup additional 30 DSS out of which 17 are planned to be commissioned in the next 5 years and the remaining 13 DSS post FY 2018-19. The Company is also planning to increase MVA Capacity from 1525 MVA to 2445 MVA by FY 2018-19. The developed capacity of Tata Power is expected to meet 50% of the future Mumbai load assuming growth rate of 3% per annum.

Distribution and Transmission Network

The transmission and distribution business of Tata Power ensures energy reliability and availability in the areas of presence. The length of Distribution and Transmission lines has been provided below.

Length and Efficiency of Distribution

	FY 12-13	FY 13-14	FY 14-15
Length overhead (Kms)	95.29	95.29	95.29
Length underground (Kms)	1545	HT-1805.6 LT-958	HT-2093 KM LT-1510 KM
Aggregated Technical & Commercial loss (% of energy loss)	1.26	1.1	0.96

* Circuit Kilometres = No. of route length multiplied with No. of circuits

Length and Efficiency of Transmission

	FY 12-13	FY 13-14	FY 14-15
Length overhead (Kms) (220 kV and 110 kV)	977.36	995.08 CKT 129.63	1026 CKT KM
Length underground (Kms) (220 kV and 110 kV)	131.52	-	148 CKT KM
Transmission loss	1.15	-	1.54%

Management Approach

Tata Power embarked on the financial year by achieving a new milestone of crossing 5 lakh consumers in April 2014. During the journey of serving consumers for a century, Tata Power has quickly adapted to the demands of the city at large and has gone through remarkable changes in various processes, consumer approaches, increasing customer expectations, operations and maintenance of its assets, and fought it out with stiff competition and surging tariff because of higher cost of fuel. Tata Power endeavours to make all its consumers happy, at all touch points, through its supply and service. In Feb 2015, Tata Power has achieved yet another benchmark for itself by acquiring an additional lakh of consumers there by bringing smiles to 6 lakh consumers, majorly from 0-300 unit consumption category.

Tata Power also contributes to provide uninterrupted power supply to some of the major life-lines of the Mumbai city like railways, airport, refineries and major hospitals with cutting edge technology. Tata Power supplies cheapest power to consumers in the 0-300 residential category (cheaper by about 25%-30% over the competitive distribution licensees). Tata Power is growing at a rapid pace through its increased focus on Consumer Acquisition Camps for low end consumers and offering all the possible aids for consumer's benefit. In the reporting year, Tata Power has lit up lives for people in various parts of North and South Mumbai, who were in darkness for ages. Tata Power is committed to facilitating power supply to the larger population and is proactively working for the inclusive growth of the community residing in slums in its licensed area.

Tata Power lights up lives slum households devoid of electricity in Mumbai

Tata Power reached out to the slums located in Mumbai. The area pre-dominantly inhabited by the affluent also



Ambujwadi, Mumbai

has a neighbourhood with paucities. Tata Power reached out to the first set of 28 slum households which were devoid of electricity ever since its inception and provisioned power supply thereby lighting up lives the lives of these people.

In continuation with these efforts, the Company has started supplying power supply to slum dwellers of Ambujwadi in Mumbai with the support of Maharashtra State Government. The region is predominantly a slum area with a total population of around 50,000 people and this slum is inhabited by workers that include construction labourers, hawkers, domestic workers, etc. Since its inception the area is devoid of electricity supply. Tata Power has successfully provisioned power supply to ~5000 residents. Tata Power has successfully established the Consumer Sub-Station and laid its cable network which will initially cater to the requirement.

Apart from the above, Tata Power has been regularly conducting Consumer Acquisition Camps for low end consumers and offering all the possible aids for consumer's benefit such as:

- Awareness sessions through addressing mass gatherings of area/society residents.
- Guidance meetings with Society's Office Bearers/ Representatives/Influencers/Consumers for procedures and advantages of shifting to Tata Power.
- Banners and Posters in the catchment areas along with the application collection drive.
- Sensitisation and meeting with Influencers, e.g. NGO's/Leaders/Society Members before rolling out Application collection camps.
- Advertisement in local Hindi, Marathi and Gujarati newspapers informing consumers about competitive tariff for low-end consumers.
- Announcement of the schedule of camps in leading local newspapers.
- Flyer insertions in widely circulated newspapers.
- Fleet on Street team visiting consumers with respect to providing guidance, collecting applications.



Consumer Enrolment Camps conducted in various areas

Customer Statistics

Tata Power has three categories of customer base and the statistics for the same is given below:

Category	Numbers		
	FY 12-13	FY 13-14	FY 14-15
Residential	330309	445942	574824
Industrial	7554	6482	5569
Commercial	44311	41287	38018

Customer Engagement

Customers are the most important stakeholders for any organisation and the success of the business depends on the satisfaction and delight offered to them, in today's fast paced and competitive business environment. Tata Power is conscious of the fact that its products and services touch many lives and livelihoods in more ways than one. The Company constantly strives to develop trusted relationships with consumers by winning them over through anticipating their behaviour and preferences and engaging with them on a regular basis.



Consumer Meet

Tata Power has a firm belief in "Leadership with Care" which is demonstrated by its efforts to address hindrances like language, cultural, low literacy and disability related barriers for accessing and safely using electricity and customer support services. Tata Power has a multilingual portal in three languages (viz. English, Hindi and Marathi). Additionally, most of the officers at Customer Relations Centres are fluent in the local languages. At Customer Relations Centers, preferential service is accorded to physically challenged customers, wherein their queries/concerns are resolved on priority basis. Tata Power also has a multilingual call centre for 24x7 customer support. Tata Power has a team of dedicated Key Account Managers who play a crucial role in customer engagement initiatives for HT consumers by apprising them of all the

valuable information and initiatives beneficial to the mutual relationship and to entrust the values of organisation. While a dedicated team is there to facilitate as a single window mobile service unit for LT consumers.

In view of Customer centricity, some value added services designed to deliver customer excellence are elaborated below.

- **Safety Audit for Consumers:** To control safety risks or hazards in high footfall, Safety Audits are being carried out for determining necessary actions to minimise such hazards. Professional safety consultants along with Divisional Operation & Maintenance Engineers have carried out 282 safety audits in different major places of public congregation. These Audits sensitise the consumers towards the safety by sharing their safety index and detailed report of audit.
- **Safety Inspections:** Tata Power's Operations & Maintenance Engineers conduct inspections in small commercial, industrial establishments and residential societies to identify electrical hazards in consumer's premises with special attention to unsafe installations, potential electrical fire hazards, etc. Tata Power has carried out more than 1000 safety inspections till date.
- **Safety Awareness:** Specifically for residential consumers, Tata Power Distribution Division arranged safety training programmes for residential complexes to make consumers aware about electrical safety, causes of electrical accidents at home and preventive measures. The in-house developed two simulator kits for demonstrating use of Earth Leakage Circuit Breaker (ELCB) and overloading.
- **Wireman Training Programme:** Many times consumers face challenges judging wiremen on their requisite skills to carry out designated wiring work, therefore many consumers have always been longing for a good quality electrician to service their day-to-day needs. To cater to this consumer requirement Tata Power launched a hands-on training five-day module of "Wiremen Training Programme" for residential Consumers. Presently, Tata Power has trained 54 wiremen successfully in the reporting year, under its Wiremen training programme, adding upto approximately 300 trained wireman so far.



- **OEM Training for Consumers:** Tata Power has conducted knowledge sharing sessions on 415 VLT Breaker for the Industrial category consumers on a monthly basis with the support of ABB India, Schneider and L&T; which shared their expertise on the subject and updated them on the technological trends. Participation by 408 from 148 organisations was recorded. These sessions impart knowledge to consumers in the areas of Principle of breakers; Operations and Maintenance of breakers; Replacements of parts in case of defect; Safety aspects during handling; Latest technological trends.



- **Residential Consumer Meets:** Tata Power is committed to helping its consumers in their energy conservation initiatives and ensure safe environment. Tata Power conducts various consumer meets across various segments to create awareness about safety and energy conservation, together with understanding their needs and process constructive feedback.
- **Free Medical Camps:** Medical health check-up camps were organised by Tata Power. More than 125 people availed free health check-ups. Basic medical checks were conducted for the people to check for any unidentified health issues. Out of them 5 people were identified and referred to Seven Hills Hospital for undergoing free surgeries under the Rajiv Gandhi Jeevandayi Arogya Yojana of Govt. of Maharashtra.



- **Energise Newsletter:** As a value added service Tata Power publishes its quarterly newsletter - "Energise" to

its key Commercial and Industrial consumers in order to keep them updated about the sector and various initiatives taken by the company in the sector. The newsletter tracks key developments, analyses major market trends, features opinions of industry experts, interviews top managers, captures technology developments, profiles people of interest and provides key data and statistics. The newsletter has been highly appreciated by consumers as high quality, user-friendly and relevant.

- **No to Paper Bills:** For the Company's commitment for 'Care for Environment', the consumers have joined hands by opting for e-bill. So far 14,486 consumers have opted for only e-bill.

Demand Side Management

Tata Power has been able to cater to the ever-burgeoning demand of the Mumbai city by generating, procuring and distributing 100% power requirement. To this end, Demand Side efforts have been effectively used by Tata Power to complement the supply side measures. Tata Power has realised the importance of Demand Side Management (DSM) and launched multiple programmes to manage the demand by promoting energy conservation and efficiency at the consumer end. Scientific load research and market survey activities are the cornerstone of these programmes. Tata Power runs the most comprehensive, economically viable and novel portfolio of DSM programmes in India. The programmes have received national acclaims with the receipt of many awards. The DSM programme has received the 'Innovative Energy Saving Service' Award by CII.

Tata Power takes DSM activities as a platform to make stakeholders more energy literate and build their capacity for energy management/energy efficiency. DSM team sensitises the general public about energy efficiency using effective communication tools, organising special awareness programmes and conducting training sessions. Necessary handholding is also provided to the consumers as and when required. As a result, the importance of energy efficiency is impressed upon the minds of the stakeholders. Tata Power DSM initiatives can be categorised in three major areas:

- **Appliance Exchange Programme:** With the advent of technology in appliance manufacturing, it is now possible to significantly improve the energy efficiency of a home appliance. It has been observed that generally an efficient appliance uses 40% less energy as compared to its inefficient version. Unfortunately, a large section of the society still uses old and inefficient appliances which were purchased earlier. Higher upfront cost of the energy efficient appliance is considered to be a major hindrance to their widespread penetration. To overcome this barrier, Tata Power has developed various programmes which help consumers to exchange/purchase a new efficient home appliance at almost half

the price. Old, inefficient appliances received in exchange from the consumers are scrapped in an eco-friendly manner. Tata Power has rolled out efficient energy appliance exchange/new purchase programmes for T5 Tube Lights, Ceiling fans, Refrigerators, Air conditioners and LED Tube Lights which have received an overwhelming response from consumers.

- **Energy audits:** Energy Audits' at customer's premise is done by a certified Energy Audit agency and recommendations are provided for achieving further reduction in energy consumption. The helps customers with saving recommendations and optimisation energy usage. Tata Power has so far carried out these audits for over 142 consumers and cumulatively provided recommendations for reduction of over 100 Mus.
- **Peak load shifting programmes:** Tata Power has rolled out Demand Response Programme. During the periods of transmission constraints or when the power procurement cost is very high, Tata power requests the consumers to reduce their load for a short time. The consumer voluntarily curtails the load when Tata Power needs and consumer gets paid per unit curtailed. Tata Power has launched Thermal energy storage which also supports peak load shifting. Under the Thermal energy storage scheme 15,000 TR-hours are enrolled.

Tata Power has enrolled a Thermal Storage capacity of over 15,000 TRH which has achieved load shift of more than 3.6 million units of energy from peak to off peak hours. Through the 'Thermal Energy Storage Incentive Programme' Tata Power promotes energy efficiency by shifting load from peak hours to off-peak hours by using practical, financially viable and proven technologies. With the use of 'Thermal Energy Storage Technology' the central AC plants run in the night and converts water in the form of ice. During day-time, the AC plants are switched off and building is cooled by the energy stored in the form of ice. Thus, air-conditioning is provided during the day-time without actually running the large AC plants.

Consumer Benefits

New system **SOOCHNA** introduced for enhancing consumers' communication regarding planned outages and force shut down. Consumers will be communicated through an SMS 7 days in advance of their planned outage and also during their forced outage.

Development of SAP-based Dashboard for CRC and CC executives for deeper clarity in understanding of High Registration cases resulting into on the spot revert to the consumers and reduction of non genuine complaints. Because of this initiative the high registration complaints/1000 consumer index was brought down by almost 45% in the month of Dec. 2014. More than 340 Nos. of weekend customer acquisition camps held in Q3 FY 15.

Bill Payment Options: Tata Power's consumer base is increasing year-on-year. To facilitate easy bill payment facility for consumers, the Company has numerous bill payment options available and are adding on to these options based on the technology improvements and demands from consumers. The bill payment options offered by Tata Power under various categories are as follows:

- **Brick and Mortar Options:** Consumer Relations Center (CRCs)/Bill Collection Centers (BCCs) - Three new BCCs have been launched thereby summing up to 23 CRCs and 10 BCCs are set-up across the length and breadth of the License Area for accepting bill payments. Tata Power has also tied up with Post Offices across Mumbai; provision of cash payment through Suvridha/ ITZ-Cash Cards; and tie-up with more than 200 bank branches and six for cash and cheque payments.
- **On-the-Go Options:** These options include installation of more than 25 kiosks with a provision of accepting cheque payment and providing instant receipts; more than 800 drop boxes - at public places where consumers can opt to deposit bill payments by cheques; and Mobile Bill Payment Collection Van which covers remote locations weekly catering to about ~2700 consumers per month.
- **Electronic Payment Options:** These include Immediate Payment Service (IMPS) which allows the consumers to make payment of electricity bills directly through their mobile phones; Online payment through debit card, credit card and net-banking; Electronic Clearing Service (ECS) enabling consumer to make his monthly Tata Power bill payment directly through his bank account; and through Electronic Bill Payment with standing instruction on their debit card or credit card to make a monthly payment to Tata Power.
- **Consumer Relation Centres:** Tata Power's Consumer Relation Centres (CRCs) provide its consumers with easy access to a number of services and the opportunity to directly interact with Tata Power representative, all under one roof. Various services provided at CRCs are providing and accepting application forms; Handling Consumer queries, request and complaints; and Bill Payments in cash and cheque.

Some of the initiatives taken in Customer Relations Centre:

Queue Management System: Tata Power has implemented Queue Management System in CRCs, which is a complete branch analytics system that not only manages Consumer queues in real-time inside CRCs, but also provides the management real-time access to performance metrics like Consumer Wait Time, Average Service Time and Employee Efficiency.

Feedback Tabs: With the advent of technology, and in line with its focus on conserving green economy, Tata Power

has replaced the paper based Feedback forms with TABS for Automated Feedback Mechanism at the CRCs. This system enables us to tap consumer's feedback in less than 10 seconds. The ease of use is tempting enough to hook on to the user fraternity and whether Tata Power's consumers are providing feedback, paying a compliment or making a complaint, their inputs are the key for improving Tata Power's products and services. It is quick and has precise control over feedbacks received at the CRCs with a central server repository and effective analysis in real time.

Consumer Payment behaviour analysis: Through SAP system, Tata Power analyses its consumers on the basis of their payment behaviour trends and segregates them in different group thereby helping Tata Power to arrive at a specific group of consumers who are not availing the prompt payment discount. Thereafter, Tata Power encourage them by means of reminder SMS, Tele-calling and other personal communications to avail the prompt payment discount.

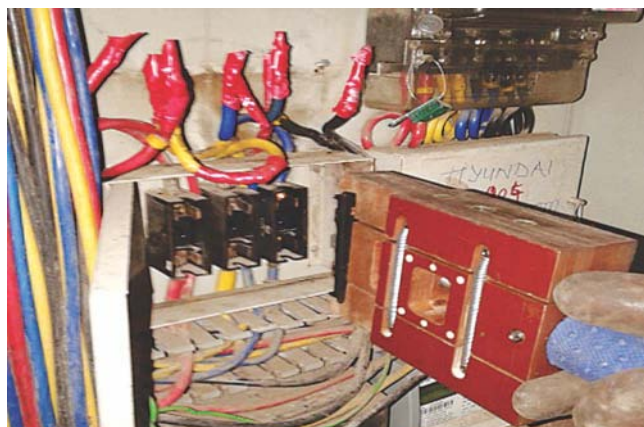
Innovations

Tata Power initiates various innovations to ensure improvement in the processes and operations, thus continuously striving to enhance customer service and enrich consumer experience. Some of the innovations undertaken in operations and maintenance area assess the healthiness of the network are as below:

In-house Breaker Testing Kit: Breaker maintenance was taking more time, leading to increased shutdown time to consumer. Due to usage of this kit during maintenance and testing activity maintenance time is almost reduced from 2 hrs to 30 Min as there is no need to open breaker cover to identify the problem. This kit not available in the Market.



In-house Fuse puller tool for Kit-Kat fuses: Earlier employees were operating at very less clearance from the live parts. So in case of flashover chances of injury were more. With the development of in house Kit-Kat fuse puller, engineering method has been developed for the process thus maintaining safe distance from live parts. It will help in minimising the intensity of injuries at the time of flashover if any. It is a new in house innovation and not available in market.



In-house SF6 Gas filling Kit for RMU: Tata Power Distribution is adopting new technology, Ring Main Unit (RMU) for Customer satisfaction and quick restoration of supply during fault. As per the internal plant performance review of last two year in SAP Notification System it is observed that due to SF6 pressure low it is imperative to replace entire RMU unit and it increases shutdown time to consumer.



Trolley Mounted Substation: One of the innovative solutions for attending space constraint challenge in Mumbai is introduction of unitised substation called as Trolley Mounted Substation. Earlier practice in any utility was installation of HT breaker, Transformer and LT Breaker in conventional LT substation. These equipment were placed with sufficient statutory clearances in a given foot print area to meet all safety and CEA standards. Typical LT substation requires foot print area of 8x5 Mtrs. However in trolley Mounted Substation transformer, LT Panel and RMU are installed on trolley which can be moved anywhere as per requirement and can be used in case of breakdown of existing installed equipment. This trolley mounted Substation occupy a foot print of only 2.5x4.5 Mtrs resulting in saving of almost 75 % of foot print area and also serving the purpose of both utility and consumer.

Further, trolley mounted Substation comes under a single container and is readymade solution for commissioning within 2 days as against the conventional Sub-station which takes about 2 months including civil construction of

substation. In case of any emergency, this trolley mounted Substation can be easily moved and can be replaced with a new one within few hours. While trolley mounted Substation offer all the conveniences, they are also cheaper than the conventional Sub-Stations due to no civil costs and less installation costs resulting in overall reduction in expenditure and ultimately in reduced tariff to consumers.

Disconnection and Re-connection of Power Supply

Consumers disconnected due to non-payment - The details of residential disconnections for non-payment and reconnection, broken down by duration of disconnection and by regulatory regime as on Mar 31, 2015 are given below:

By Time Between Disconnection & Payment			
	FY 12-13	FY 13-14	FY 14-15
<48 hours	1238	903	1034
48 hours - 1 week	252	346	435
1 week - 1 month	261	438	551
1 month - 1 year	1248	536	986
>1 year	0	1	Nil

By Time from Payment to Reconnection				
	FY 12-13	FY 13-14	FY 14-15 As per old SOP-24 Hrs	New SOP 8 Hrs.
< 8 Hours	-	-	-	2588
<24 hours	3103	2192	253	NA
24 hours - 1 week	22	32	1	173
>week	0	0	Nil	Nil

Service Interruption

The service interruptions frequency and duration that the consumers have faced is given in the table below:

Power outage frequency and Average Power outage duration	FY 12-13	FY 13-14	FY 14-15
Average number of interruptions that a customer would experience, measured in units of interruptions per customer. (SAIFI)	1.82 times	1.69 times	1.104 times
Average outage duration for each customer served, measured in units of time, often minutes or hours. (CAIDI)	39 minutes	29.48 minutes	16.16 minutes
Average time taken for restoration of power supply measured in terms of minutes per affected customer. This is a Benchmark for this parameter	22 minutes	17.42 minutes	17.83 Minutes

Customer Satisfaction Survey

Customer Satisfaction Surveys are key indicator parameters to measure customer satisfaction and dissatisfaction levels. The surveys are conducted on a quarterly basis across all segments, i.e. commercial, industrial and residential consumers and are face-to-face interaction with 5-point rating scale. The findings of the report guide us to understand the key improvement areas which are shared with the concerned departments and accordingly the necessary action is taken based on the key findings. Overall Customer Satisfaction Assessment total (CSAT) score in percentage for the reporting year are given below:

Customer Satisfaction Score (%)	FY 12-13	FY 13-14	FY 14-15
Residential	83	83	83
Industrial	71	87	77
Commercial	69	86	81

Health and Safety Practices

Tata Power believes good safety is one of the key parameters which helps sustain business performance. Tata Power has always ensured that safe practices are followed by the employees together with educating its customers on safety parameters. Street plays are organised on safety for citizens living near high transmission lines in Mumbai.

Tata Power endeavours to make the neighbourhood safe through wireman training. The consumers always long for a good quality Electrician to service their day to day needs. Thereby to cater to the above, Tata Power launched a Wiremen Training Programme for residential consumers.

Compliance

Health and Safety Regulations: At Tata Power, the goal is to deliver 100% conformance to compliance with regulations of product and service; voluntary codes concerning health and safety; product information and labelling.

Product and Service Information: Customer centricity, information security and delivering high quality and timely information are integral parts of the solution. There is an internal Customer Relationship Management (CRM) system for making any changes in the customer information as and when required. There have been no complaints pertaining to the breach of customer privacy and loss of customer data. It is believed that providing accurate and appropriate information enhances the quality and productivity of power distribution. Thus it is an endeavour to comply with mandatory disclosures and ensure that all electrical installation is labelled as

warranted. The information stated in products and services and on product brochures clearly list out the known potential utility risks and mention ways to disseminate or eliminate such risks.

Marketing Communications: The Tariff and Regulatory orders are the major according to the standards/laws of marketing for the power sector. These are communicated via print media and consumer collaterals. To remove all the impediments in the communication, the company has introduced multilingual customer care web portal, pictorial depiction of signage/safety warnings and 24x7 call centre facility. The Company believes that effective communication is vital to avoid any kind of misrepresentation, incorrect statements or misleading impressions. Fully integrated systems are in place to conform to all the statutory laws and standards related to marketing communication, advertising, promotion and sponsorship. There have been no incidents pertaining to violation of any regulation or voluntary codes pertaining to marketing communication.

Social Networking: With time, the communication approach has also transformed, only to cater to a wider audience. Embracing social media marketing is one such change to not just promote the products, but also receive customer feedback on the same. Facebook and Twitter are the online communication channels used by Tata Power for social networking. In addition to the above, Customer Talk - monthly magazine is circulated internally that elaborates on the progress made by the Distribution segment of Tata Power.

Case Studies

Accreditation by National Accreditation Board (NABL) for Meter Testing and Calibration: Tata Power has been granted with ISO/IEC 17025:2005 accreditation by the National Accreditation Board (NABL) for its Meter Testing and Calibration Laboratories at Mumbai. The Meter Testing and Calibration Laboratories of Tata Power were assessed in accordance with the 'General Requirements for the Competence of Testing & Calibration Laboratories' for the technical competence of laboratory staff, equipment and traceability of its calibration, laboratory accommodation and environmental conditions, safety and measurement capability and accredited by NABL. This accreditation will enable Tata Power to reach out to its consumers in Mumbai to offer meter testing and calibration services with highly accurate, fully automated, state-of-the-art facilities.

Tata Power rates cheaper than peers for high-end users: MERC has introduced competition in the Mumbai distribution area and consumers were able to choose the service providers of their choice by duly weighing the tariff and service levels offered by the distribution utilities. As per the proposed tariff hike indication, there is supposed to be increase in cross subsidy surcharge for 2015-16. The

tariff proposed by Tata Power is competitive despite slight increase according to the power industry experts. For high end power consumers using 300-500 units per month, Tata power has proposed slight increase in per unit as compared with the competitors.

Ghar Ghar Me Jan Jagruti Abhiyan: Ghar Ghar Me Jan Jagruti Abhiyan was conducted during the Sankranti Month to create safety awareness amongst public staying below the overhead lines. Employees visited different locations of Transmission Lines and created awareness amongst the public. The Jan Jagruti had following features



- Door-to-Door campaign: Employee Volunteers conducted door-to-door campaigns at different locations and explained safety hazards of flying kites under the Transmission Lines
- Radio FM Ad for three days during the festival
- Distribution of pamphlets
- Safety Awareness during kite festival for School children
- Street Plays by the play Group: The safety Message was given in the form of street play, 33 street plays were conducted.





Social Performance (Care for our Community)



“The element of trusteeship urges us to look beyond business and be a partner of country's development goals. Through Tata Power Trust, the journey is set to become more engaging with communities who are significant stakeholders in our business.”

Mr. Debabrata Guha
Chief Executive - TPCDT

Tata Power social initiatives took a leap in the reporting year by evolving a strategic shift in the approach and commitment beyond neighborhood. The company realized that social initiatives need to connect to marginalized community irrespective of geography. The organization evolved its strategy over a period of time by involving thought leaders from TISS and other social organizations to crystallize this two-pronged approach of continual focus on neighborhood and reaching out to marginalized community at the hour of need.

While Corporate Social Responsibility (CSR) activities were undertaken in the vicinity of our plants through a dedicated

team mainly known as Community Relations (CR) Division, the Company also worked in Jammu & Kashmir, Andhra Pradesh for recent flood and cyclone respectively while continuing its support for Uttarakhand relief efforts from a long term support for persons affected with natural disasters. Company also moved to address the developmental challenges faced by the SC/ST community in Jawhar Block, Thane Maharashtra.

CSR Governance

The Tata Power Board remained committed to the aspect of CSR governance and revisited and realigned its CSR policy to the Companies Act 2013 requirements. The CSR Committee was formed which includes CEO & MD of Tata Power and 2 independent directors. One of the independent director is the Chairperson of the CSR committee. The Committee meeting is attended by invitees which includes the Executive Director, Managing Trustee of Tata Power Community Development Trust (TPCDT), Head of CR Division, Head of Strategy, Chief Sustainability Officer and Company Secretary of the Company.

The CSR Committee recommended the CSR Policy to the Board and finalizes the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act & CSR Rules in line with thrust areas. The Committee also recommends the amount of expenditure to be incurred during the reporting year and the activities to be undertaken as well as monitor as per the CSR Policy of the Company. The Committee meets once in every quarter.

CSR Policy

The Tata Power CSR policy was framed to drive planning, implementation and evaluation of initiatives and resources across its operations. In view of the Companies Act, Tata Power revisited the CSR policy and strengthened by

mapping the thrust areas with the activities defined in Schedule VII of the Act. Similarly, all subsidiaries/JVs are also aligned to the Tata Power CSR Policy.

Corporate Social Responsibility Policy

Tata Power is committed to ensuring the social wellbeing of the communities in the vicinity of its business operations through Corporate Social Responsibility initiatives (CSR) in alignment with Tata Group Focus Initiatives.

Tata Power shall engage with the community by undertaking the following principles and activities:

- Consult pro-actively with the community and other key stakeholders for understanding needs and designing initiatives for the social well-being of the community.
- Undertake activities as per 5 major thrust areas, which includes,
 1. Augmenting Primary Education System with emphasis on girl child education (VIDYA)
 2. Building and Strengthening Healthcare Facilities (AROGYA) including safe drinking water (SWATCH JAL)
 3. Enhancing Programs on Livelihood (SAMRIDDIHI) & Employability (DAKSH)
 4. Building Social Capital and Infrastructure (SANRACHNA)
 5. Nurturing Sustainability for Inclusive Growth (AKSHAY)

These thrust areas are mapped with the activities as suggested in the Schedule VII of the Companies Act

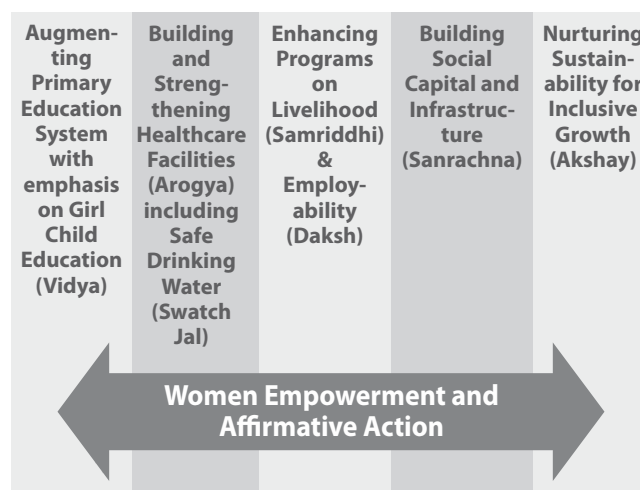
- Facilitate assistance during natural disasters, as appropriate
- Build and strengthen community institutions and stakeholder engagement
- Collaborate with Civil Society, Industry Associations and Government institutions etc.
- Encourage its employees for volunteering (ARPAN)
- Undertake CSR initiatives with the aim that over time these become self-sustainable
- Engage with disadvantaged sections of the community as per Affirmative Action Policy
- The CSR Committee of the Board will Monitor, Review and Evaluate CSR activities and expenses on a periodic basis as per the calculation of 2% of net profit based on financial statement and report as per defined format
- Communicate the CSR activities to stakeholders as per the regulatory requirement

Tata Power shall work as per the Company's Community Relation Policy for Community Initiatives in and around the vicinity of its business presence for Corporate Social Responsibility.

CSR Thrust Areas

Tata Power believes a progressive society is important for Company's sustainable growth. To drive the strategy and programs for social development around the neighborhood, Tata Power undertakes community Need Assessment Surveys, based on a set methodology through third party organizations having expertise in this field. The community needs are assessed at a frequency of 4-5 years. The outcomes of these surveys help the organization to arrive at common thrust areas for CSR programs. The site

level programs are then derived based on the thrust areas as well as the specific needs identified in the region. In addition to the overall need assessment, need assessment is also conducted for socially disadvantaged sections of community (SC/ST) to identify their needs and drive strategy and programs on Affirmative Action (AA). To ensure that the social canvas in which the Company operates, continues to be rich and multifaceted, Tata Power invested in five primary palettes of change. The thrust areas of social initiatives have been strategically selected with an objective to empower communities to be self-sufficient. Women Empowerment and AA is specially designed to uplift SC/ST communities in the vicinity of operations or other areas depending upon the need.



Outreach

In this reporting year, Tata Power reached out to more than 250 villages/urban pockets across 7 states including licensed Area of Delhi & Mumbai with an outreach of more than/. 0.5 Million beneficiaries covering more than 1,01,700 students in more than 250 primary schools. Tata Power ramped-up CSR operations across all locations by bringing it robustness to systems and processes through internal and external transformation. Community Information Centers at Maithon and Mundra acts as a window of interface with community. The purpose encompasses dialogue on development, entrepreneurial opportunities including grievance. This is periodically monitored to ensure common understanding, transparency in communication and resolution on matters of concern. There is implied focus on key communities like in case of Mundra, fishermen form the predominant community for engagement.

Tata Power Community Development Trust (TPCDT)

TPCDT being the development vehicle for CSR programs is assigned to support all Tata Power Group Companies to undertake CSR Programs in their areas. Since its formation in 2009, Safe Drinking Water & Rural Energy have been the key focal areas for TPCDT activities.

This year marked the completion of TPCDT's 5 Years of engaging in community development. As a part of celebrating the humble and foundational work on the

ground, a workshop was organized to share learnings across activities in 7 states and replicate the same in the coming years. The Trustees shared their vision for the next 5 years during the workshop urging for the need to expand the scope and horizon.

Significantly, TPCDT reached out to Jammu and Kashmir and provided Solar Energy Solutions with support from ILFS to one school in remote Kud Valley, enabling connectivity to Solar Lighting to the school. Due to collective efforts, today more than 100 off grid villages have got connected to solar energy solutions adding value to their education and reducing drudgery of daily work which was assessed in the reporting year.

This year marked the introduction of smart grid solutions on sustainable model basis as part of Model Village Concept in 5 villages of Hydros on pilot basis. This model includes providing smart grid based power connectivity and ensuring community participation in terms of running the solar power management through power user groups and collection of power user fee to the tune of Rs 150-300 per month and meeting the operating expenses. This pilot is self-sustaining as it ensures prepaid concept and smart card basis. TPCDT would go beyond and look for such solutions on commercial microenterprise in these villages, through willingness of villagers and power user committee member under Private Public Partnership (PPP) Model and also connect to the grid for self-sustaining business model and revenue generation.

TPCDT Highlights

- More than 200 villages reached through water and energy solutions

- More than 40 villages installed with Solar Street Lights
- TPCDT reached out to new geography like Jammu, Uttarakhand and Andhra Pradesh (AP)
- 130 farmers are being reached with the facility of Solar Irrigation Pumps in AP
- 1 school covered in J&K under Solar Energy
- Pipe water supply installed in 2 villages of Banki in Odisha
- TPCDT supported safe drinking water solutions for more than 94,900 beneficiaries in across locations
- TPCDT ensures coverage of rural energy, In the reporting year 155 Home Lighting System were installed in 30 villages
- 48 Bio gas were installed covering 15 villages at Maval, Mulshi and Haldia locations
- 100 hand pumps repaired at Maithon benefitting more than 29000 villagers in 21 villages & 21 hand pumps installed in Tirulidih benefitting more than 3000 villagers in 4 villages
- Over 200 youth provided opportunity for income generation through Khopoli BPO centre

Presently, all the CSR activities are undertaken through TPCDT. TPCDT also partners with local banks/NABARD for specific program implementation. New partners arriving on board include NEDCAP, an AP Government undertaking that promotes renewable energy.

Tata Power 5 thrust areas are mapped with the activities suggested under the Companies Act of Schedule VII & CSR Rules as well as with Millennium Development Goals of United Nations.

Alignment of CSR Thrust Area with Schedule VII of Companies Act					
Major Activities Schedule VII Schedule VII, Companies Act 2013	Tata Power Thrust Area				
	Augmenting Primary Education System with emphasis on Girl Child Education (VIDYA)	Building and Strengthening Healthcare Facilities (AROGYA) including Safe Drinking Water (SWATCH JAL)	Enhancing Programmes on Livelihood (SAMRIDDHI) and Employability (DAKSH)	Building Social Capital and Infrastructure (SANRACHNA)	Nurturing Sustainability for Inclusive Growth (AKSHAY)
i. Eradicating extreme hunger and poverty		*			
ii. Promotion of education; including special education	*		*		
iii. Promoting gender equality and empowering women			*		
iv. Ensuring environmental sustainability, ecological balance			*		*
v. Protection of national heritage, art and culture			*		
vi. Measures for the benefit of armed forces veterans, war widows and their dependent					
vii. Training to promote rural sports					*
viii. Contribution to the Prime Minister's National Relief				*	*
ix. Contributions or funds provided to technology					
x. Rural development projects				*	
Millennium Development Goals (MDGs)	Primary Education	Reducing Child Mortality Improving Maternal Health Combating HIV AIDS etc	Gender Equality Eradicating Extreme Hunger & Poverty	Global Partnerships	Environmental Sustainability

The thrust area wise activities undertaken in this reporting year are as follows:

Augmenting Primary Education System with emphasis on Girl Child Education (VIDYA)

Education is one of the most effective elements to combat social and economic backwardness. The Company undertakes diverse and sustained educational initiatives to enrich the lives of underprivileged children.

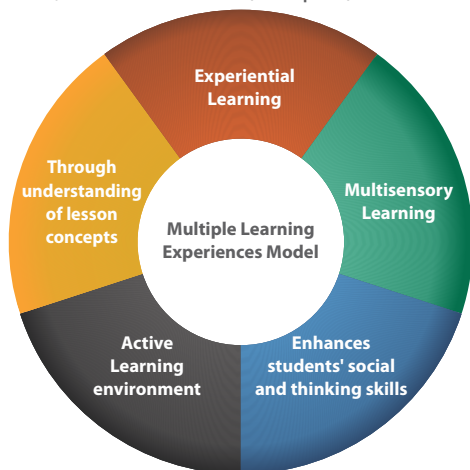
The activities rolled out under the Education theme includes the following:

- E-Learning • Adult Literacy • Scholarships • Special Coaching • School Infrastructure • Mainstreaming drop-out students



Major Highlights

- E-learning Initiatives across Mumbai & Jojobera in 61 Schools with Tata Class Edge, NIIT Foundation and Extramark Education.
- Alignment with Sarva Shiksha Abhiyan through Building as Learning Aid (BALA) program.
- Special Sanitation Projects at School to prevent Girl Child Drop-outs across locations- Haldia, Hydros, Dherand.
- Sensitization programs across locations on World Toilet Day (19th Nov) and focusing on awareness about ill effects of open defecation.
- Remedial coaching centers for secondary class students from economically backward section in Jojobera, Tiruldi & Maval (Bhivpuri)



Education does more than opening doors to opportunity, it unlocks potential.

Building and Strengthening Healthcare Facilities (AROGYA) including Safe Drinking Water (SWATCHJAL)

Good health is a pre-requisite for a productive, satisfying life. Health compromises both physical and psychological well-being. The Company participates in providing and maintaining affordable, integrated and quality healthcare facilities to the marginalized.

The activities rolled out under the Health theme includes the following:

- Mobile Health program • Behavior Change Communication • Safe Drinking water & Hygiene • Health Infrastructure • Women & Child Health Awareness

Major Highlights

- Project RISHTA - A Joint Initiative for Reproductive and Child Health (RCH) is launched with Tata Steel (Jojobera)
- Trombay launched 'Mobile Blood Donation Van' initiative to provide safe blood donation services to communities PAN Maharashtra
- Mulshi (Bhira) celebrated Breast Feeding Week with the theme - Winning Goal for Life The initiative was awarded by World Alliances for Breastfeeding Action (WABA)

Enhancing Programmes on Livelihood (SAMRIDDI) & Employability (DAKSH)

The activities rolled out under the Skill Building theme includes the following:

- Vocational training for youth • Promote Livelihood practices among farmers/fishermen • Income Generation activities for Women Self Help Groups



Major Highlights

- Income generation activities like Tailoring, Nursing, Agarbatti, Straw & Jute Handicraft Production carried out at Mulshi (Bhira) & Naraj Marthapur.
- Sustainability agricultural practices were enhanced at Maval through introduction of best practices like SRT/ SRI benefitting more than 1500 farmers in 33 villages
- Employability Initiative with TCS in Maithon and Odisha. More than 700 youth trained and 187 gainfully engaged post training in BPO Services

Initiatives undertaken for Stakeholders at different stages:

- **Fishermen** for capacity building & Innovation (Solar Boats)
- **Farmers** for technology inputs, cash crop promotion, drip irrigation
- **Women & Youth** for service industry training, ITI-Male (focus under AA), micro finance & income generation

Tata Power Skill Development Institute (TPSDI)

The progress and development of a nation depends upon the skills of its citizens. Skill development is an essential ingredient for India's future economic growth as the country transforms itself into an internationally competitive economy.

The TPSDI would benefit Power Sector workers through various Power-Skills training programs. The modular programs have been strategically designed to train, test, certify and accredit the workers in a phased fashion, thereby honing their professional skills. Understanding this, TPSDI has employed a 360 degree approach for holistic development of workers in power-skills and encourage them to reach their full potential.



TPSDI will provide training and certification to create a competent and skilled workforce in the power sector and allied areas. TPSDI will empower people with learning for livelihood and help skilled people to pursue growth opportunities within the entire chain of Power Utility Skills.

Building Social Capital and Infrastructure (SANRACHNA)

Communities strive to support change efforts for survival and vitality, the importance of social capital has become evident in community development. By integrating social and human capital constructs into the program, greater and positive impacts have been made by developing the inherent power of relationships and social networks.

The activities rolled out under the Social Capital theme includes the following:

- Institution Building • Participatory Rural Development Works • Women empowerment training programs

Major Highlights

- More than 400 SHGs have been formed with approx. 5400 women membership
- Jan Jagruti Abhiyan, raised awareness through 78 street play sessions sensitizing 9400 people on avoiding accidents near transmission lines during monsoons.
- Ash Brick Production facility was established by Self Help Groups at Jojobera

Nurturing Sustainability for Inclusive Growth (AKSHAY)

Inclusive growth is a concept that advances equitable opportunities for community participants and captures the importance of structural transformation. The sustainable inclusive growth approach takes a longer-term perspective wherein efforts are consciously made to raise the standards of living of the underprivileged.

The activities rolled out under the Nurturing Sustainability theme includes the following:

- Rural Energy • Promoting Sports/Games • Support to Natural Calamity • Tree plantation • Employee Volunteering

Major Highlights

- 223 LPG gas connections provided to tribal families at Maval (Bhivpuri). More than 1300 tons of firewood fuel saved and this would also ensure convenient cooking for rural folks and eliminate ailments due to use of Chulhas
- Plastic removal campaign conducted near Mulshi (Bhira) water to spread awareness among tourists on 'Do not litter' and Plastic Free Tourism

Employee Volunteering: Arpan



Self-driven participation has the potential to trigger transformation. By nurturing volunteers amongst employees, the Company tap a large pool of resources, essential for the ongoing growth of communities. Volunteering boosts employee morale and provides them the opportunity to extend themselves beyond work and contribute to society. Employees are the ambassadors of Company's core values. Many of them selflessly involve their time and resources to multiple local initiatives that work for the benefit of community in the areas of our 5 defined thrust areas. The employee volunteering initiatives are aligned with the Tata Group initiatives under the theme Tata Engage.

Major Highlights

- Registrations of Employee volunteers increased from 380 to 1128 compared to previous year in Tata Engage Website.
- More than 1600 employees & family members participated for Tata Volunteering Week initiatives contributing to approx. 8086 volunteering hours.

- Jojobera & Trombay was jointly awarded as winners for **Arpan Award 2014**
- Tata Power received the '**Tata Engage Special Recognition**' award at the Tata Group CSR Meet for involvement of stakeholders during Tata Volunteering Week - II
- Tata Power has aligned with Tata Group Volunteering Initiative 'Pro-Engage'. This initiative is a skill-based, part-time volunteering opportunity which will enable Tata Power employees to share their professional expertise with civil society organizations/NGOs to contribute to the larger goal of systems for a more lasting impact.

Jammu & Kashmir (J&K) Flood Relief & Rehabilitation

The calamity at Jammu and Kashmir has impacted thousands of lives of locals residing in about 2300 villages including 400 villages totally submerged. This has been declared as a national disaster in India. The major cause of this devastation being incessant rain resulting multiple breaches on banks of Jhelum and other rivers, overflow from flood spill channel and breach of check dams in the rivers. Tata Power came forward and in close coordination with Tata Sustainability Group (TSG) provided its support to the cause of relief and rehabilitation for restoration of normalcy and livelihood for the local populace of affected areas with focus on immediate and long term priorities like education, housing, infrastructure, health and hygiene.



Hud-Hud Cyclone disaster Relief & Rehabilitation

In latter part of 2014, Cyclone Hud-hud pounded the coastal districts of Andhra Pradesh (AP) with heavy rain and winds of almost 200 kmph. Hud-hud is the first cyclone to have had a massive impact on agriculture, particularly paddy in AP. Farmers were facing problems in terms of lack of irrigation facilities as they are totally dependent on natural source of irrigation. Tata Power stepped forward to carry out relief work in cyclone affected areas.

- 2000 Solar lamps were provided at Vizag district.
- Distribution Teams provided support in restoring Power network as immediate relief.
- As a sustainable effort, TPCDT with NREDAP (New and Renewable Energy Dept, AP) provided 130 Solar Irrigation Pumps in Anantpur & Chittoor districts to farmers from economically weaker communities.

Community Engagement Index (CEI)

Community engagement is defined as community working collaboratively with the organization, through continuous interaction & involvement to create common sustainable goals for the future. The Engaged community members are motivated to assist the organization in its business purpose and take a position that is of mutual benefit.

The Community Engagement Index (CEI) helps to determine engagement levels of the various stakeholders across the stages of the CR intervention. The purpose of this project was to develop a tool to measure the Community Engagement Index (CEI) for different CR initiatives undertaken by Tata Power. RASCI Model stands for Responsible, Approve, Support, Consulted and Informed, was customized to determine engagement levels of the various stakeholders across stages of CSR intervention. Model was developed in engagement with Berkley University-Intern and ACERS- Tata Power. This was based on discussions with academicians and internal CSR team to evolve a framework which would go beyond just service delivery and allied satisfaction, to measure the efficacy of engagement with community in CSR program planning, implementation and ownership keeping the Sustainability Model in mind. The element of Sustainability of CSR Programs is the intrinsic part of CSR Strategy and hence this index would offer gainful trends once in 3 years on engagement levels at different point of time across Locations. In next year, 6 locations would complete 3 years cycle of integrated CSR programs and would be measured by this Index.

Community Engagement Index (%)				
Maval (Bhivpuri)	Mulshi (Bhira)	Maithon	Haldia	Jojobera
72.38	62.3	48.06	90.52	66.52

The Pilot CEI study was carried out at 5 major locations Maval (Bhivpuri), Mulshi (Bhira), Maithon, Haldia & Jojobera. The criteria for selecting these locations depended upon the maturity of the project running for minimum 2 years and sustainable continuation of the project for the next 2 years. CEI study will be undertaken once in every 3 years.

Affirmative Action (AA)

Tata Power has endeavored to positively uplift the lives of communities around its areas of operation. In line with the Tata Group belief that addressing the social needs of traditionally disadvantaged groups is the 'right thing to do' and as part of our nation building endeavor, the company has carved out a focused approach for the upliftment of these communities through Affirmative Action (AA). Tata Power in line with the Tata Group directive, has aligned its AA programs to the 4 E's (Education, Employability, Employment, and Entrepreneurship). The Company has also recognized the importance of the 5th E - Essential

CR Statistics	FY 12-13	FY 13-14	FY 14-15
No. of Volunteers	1393	1462	1655
Employee Volunteering Hours	6974	9722	8086
CSR Expenses in Rs. Million	231.6	256.8	493
CSR Expenses for Social Capital and Infrastructure (in Rs. Million)	56.80	54.13	133.96*

Amenities to support the development of the AA communities along with other 4 E's and achieve improvement in the quality of life of these communities. Affirmative Action in Tata Power Efforts is reaching out to approx. 75,000 people.

Managing Relocations

Tata Power has always remained cognizant of potential sites for assessing the socio-economic impact and working closely with communities. Before selecting a site, studies are conducted which include demographic, economic, political, cultural and social aspects. On the Beguina front, the Company has continued assessment on various aspects pertaining to the proposed site and business proposition has maintained an evolving stage in the reporting year. In this reporting year, at Maithon there has been 4 relocation of households and the relocation benefits amounting 1.87 million was disbursed. In all there have been 60 relocations in the past three years.

Case Studies

Awareness for Sanitation

Equality and dignity are challenged by the fact that across the world, 2.5 billion people lack access to basic improved sanitation, thus sensitizing the community on various health and hygiene related issues caused due to sheer negligence and ignorance was indispensable. In line with Prime Minister's national campaign, 'Swachh Bharat Abhiyan', Haldia Division of the Company organised a unique Sanitation Awareness Programme and Rally for the community in honour of the World Toilet Day 2014. To promote the use of toilets and put a halt on the practice of open defecation was the main objective. More than 400 school children along with teachers participated in the Awareness Rally organised by the team and alerted people



about the ill effects of open defecation and the importance of using the toilet. Schoolchildren also participated in the extempore competition on the subject with much enthusiasm. The highlight of the programme was the Talking Doll Show which was attended by more than 370 community people, schoolchildren and teachers. Through this interactive demonstration, the Talking Doll interacted with the community people and addressed grievous concerns such as the importance of washing hands with soap after using the toilet and stressing on converting this into an ingrained habit to prevent diarrhea and other diseases. The audience also attended an awareness session on the various diseases caused by open defecation and the advantages of using the toilet.

New Paradigm in Academic Performance

It becomes important to hone student's skills and boost their confidence during their crucial year of Board exams as a number of students find English, Mathematics and Science subjects extremely difficult. A high percentage of students fail their exams by a small margin in these subjects' resulting in loss of admission in good colleges and desired careers paths. The Company supported students from five high schools in the Maval catchment area by providing extra coaching classes for the SSC Board Examinations held in the reporting year. The Company organized additional coaching classes in Maths, Science and English with the assistance of external faculty and provided study material to the students as well.



The classes made a remarkable difference in the academic performance of the 254 students who sat for the examination with a 94 per cent pass rate of which 25 per cent scored distinction and more than 60 per cent scored first class. Of the 15 toppers, 13 of the students were girls. The coaching classes have assisted the students to increase their overall marks and percentage by 10-15 per cent.

The initiative was highly appreciated by the community members, teachers and students. The five schools supported through this initiative included the following:

- Bhairavnath Vidyalaya, Wahangoan with a 100% result
- Tribal Residential School Wadeshwar with a 98% result
- UshaTai Lok hande, Sangishe with a 97% result
- Mahadevi Vidyalaya, Inglun with a 96% result
- Golden Glades High School, Karajgaon with a 91% result

Rain Water Harvesting

Kutch District in Gujarat, India has been a rain deficit area, as it is part of the Great Rann/Desert ecology. Kutch receives an average 12 days of rainfall during a given year and its ground water is one of the lowest in India. Given this situation agriculture is not the main source of livelihood. Men and women folk engage in various skills based, non-farm and traditional livelihoods which help them avoid distress migration. People in this region face severe hardships owing to scarcity of water, during summer months, i.e. March to June. Ground water can be found only after average 800 feet below surface though this water not safe owing to high salinity. On the other hand, Kutch has a repository traditional knowledge about water conservation and harvesting. This major need for water was transformed into a big opportunity in FY 15 through TPCDT in Mundra, wherein 100 households were mobilized from neighbouring community, to engage in the RRWHS construction and maintenance. The RRWHS would be a multi-year program and in FY 15, 40 systems were in place and functional, thereby benefitting families. RRWHS helps with availability of 8000 liters potable water which is consumed throughout most of the year. Availability of such water vastly reduces drudgery among women, who utilize the time saved (3-4 hrs per day) in other productive works. This system is a good example of sustainable living, since it reduces the pressure on transporting water through bore-well or through tankers, both of which consume fuel and cost money.



Solar Powered Street Lights

MPL invited TPCDT to install Solar Power Street Lights in 21 villages around MPL. This initiative was seen as a major need to address the poor quality and consistency of power supplied to villages from the grid.

Owing to poor lighting conditions, most areas in all villages would be in darkness for almost all nights in a given year. Common area lighting was one of the needs expressed by a cross section of the Community, the Sarpanches, R&R committee, village opinion leaders. The installation of solar street lights would reduce road accidents and snake bites in the village. It would also help the villagers conduct meetings and programs at night. Solar street lights also provide light during the frequent power cuts in the night time which would ease the movement around the village. Last but not the least, it would greatly improve the safety of women and makes them feel secure while fetching water from nearby tube wells.



More than 120 solar street lights have been installed in the nearby villages of MPL in 2 phases on a complete need basis. The first and second phase saw an installation of 60 and 62 solar street lights respectively. The first phase of installations had a lot of appreciation that talked about the huge help due to the common area lighting and a demand for more solar lights for the up-liftment of the community. The second phase followed soon meeting the demands of the people. Solar lights have mostly been installed in locations where a group of villagers can assemble and avail the facility such as temples, mosques, crossroads etc. The villagers took active participation of the street lights during installation.



“The legacy continues to inspire to scale new paradigm in Sustainability. Maiden century of existence has set up the foundation for mutual co-existence for many more...”

Mr. Avilash Dwivedi
Head - Community Relations



GRI EUSS Index & Mapping with CDP, NVGs, UNGC & BRR

General Standard Disclosures	Disclosure Requirements	Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
Strategy and Analysis						
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organizations and its strategy	2, 3				✓
G4-2	Description of key impacts, risks and opportunities	3, 31, 32			2, 6	✓
Organizational Profile						
G4-3	Name of organization	2				✓
G4-4	Primary brands, products, and services	7, 8				✓
G4-5	Location of headquarters	6				✓
G4-6	Number of countries where the organization operates	8				✓
G4-7	Nature of ownership and legal form	7				✓
G4-8	Markets served	7, 8				✓
G4-9	Scale of the organization	7, 8				✓
G4-10	a. Total number of employees by employment contract and gender b. Total number of permanent employees by employment type and gender c. Total workforce by employees and supervised workers and by gender d. Total workforce by region and gender	44				✓
	e. Explanation whether the organization's work is performed by workers who are legally recognized as self-employed or by individuals	42				✓
	f. Any significant variations in employment numbers	46				✓
G4-11	Percentage of total employees covered by collective bargaining agreements	42		3	5	✓
G4-12	Organization's supply chain	26-27, 52-53				✓
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or supply chain	4, 5				✓
G4-14	Explanation of whether and how the Precautionary approach is addressed	4				✓
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes	4			8	✓
G4-16	Memberships in major associations	21				✓
Identified Material Aspects and Boundaries						
G4-17	a. All entities included in the organizations consolidated financial statements or equivalent documents b. Explanation of whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	50, 51				✓
G4-18	a. Process for defining the report content and the aspect boundaries b. How reporting principles for defining report content has been implemented	4			8	✓
G4-19	List the material aspects identified in the process for defining report content	31				✓
G4-20	For each material aspect, report aspect boundary within the organization	31				✓
G4-21	For each material aspect, report aspect boundary outside the organization	31				✓
G4-22	Any restatements	5				✓
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	4, 5				✓
Stakeholder Engagement						
G4-24	A list of stakeholder groups engaged by the organization	31			4	✓
G4-25	Basis for identification and selection of stakeholders	30, 31			4	✓
G4-26	Organization's approach to stakeholder engagement	30, 31			4	✓
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to them	31			4	✓
Report Profile						
G4-28	Reporting period	4				✓
G4-29	Date of most recent previous report	4				✓
G4-30	Reporting cycle	4				✓
G4-31	Contact point for questions regarding the report or its content	6				✓
G4-32	a. 'In accordance' option the organization has chosen b. GRI Content Index for the chosen option c. Reference to the External Assurance Report	4 88-93 94-96				✓

General Standard Disclosures	Disclosure Requirements	Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the Sustainability Report, report the scope and basis of any external assurance providers c. Relationship between the organization and the assurance providers d. Explanation of whether the highest governance body or senior executives are involved in seeking assurance for the organization's Sustainability report	6, 88-93 88-93 6, 88-93 6, 88-93				✓ ✓ ✓ ✓
Governance						
G4-34	Governance structure, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	16-18			1	✓
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives/employees	16, 17			8	✓
G4-36	Whether the organization has appointed an executive-level position (s) with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	16, 17			8	✓
G4-37	Process for consultation between stakeholders and the highest governance body on economic, environmental and social topics	17			8	✓
G4-38	Composition of the highest governance body and its committees	17, 18				✓
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	16			1	✓
G4-40	Nomination and selection processes for the highest governance body and its committees; the criteria used for nominating and selecting highest governance body members	17			1	✓
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed; and whether they are disclosed to stakeholders	18			1	✓
G4-42	Highest governance body's and senior executives roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social topics	99				✓
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	97, 98				✓
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics; actions taken in response to evaluation results	19				✓
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities; and whether stakeholder consultation supports the results of above process	18, 19				✓
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	18			8	✓
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	18			8	✓
G4-48	Highest committee/position that formally reviews and approves organization's sustainability report & ensures coverage of material aspects	6				✓
G4-49	Process for communicating critical concerns to the highest governance body	16, 17				✓
G4-50	Nature/number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	17				✓
G4-51	Remuneration policies for the highest governance body and senior executives. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	17-19				✓
G4-52	Process for determining remuneration	17-19				✓
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	17-19				✓
G4-54	Ratio of the annual total compensation for the organization's highest paid individual to the median annual total compensation for all employees	19				✓
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest paid individual to the median percentage increase in annual total compensation for all employees	19				✓
Ethics and Integrity						
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	20, 21			1	✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	20, 21			1	✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	20, 21			1	✓

General Standard Disclosures		Disclosure Requirements			Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
Specific Standard Disclosures									
Category : Economic									
G4-DMA	Disclosure on Management Approach		50						✓
Material Aspect : Economic Performance									
G4-EC1	Direct & indirect economic value generated and distributed		51, 52						✓
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		51, 52						✓
G4-EC3	Coverage of organization's defined benefit plan obligations		52						✓
G4-EC4	Financial assistance received from government		51						✓
Material Aspect : Market Presence									
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		37						✓
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation		50						✓
Material Aspect : Indirect Economic Impacts									
G4-EC7	Development and impact of infrastructure investments and services supported		86						✓
G4-EC8	Significant indirect economic impacts, including the extent of Impacts		54						✓
Material Aspect : Procurement Practices									
G4-EC9	Procurement practices with regard to local supplier and significant location of operation		53						✓
Category: Environmental									
G4-DMA	Disclosure on Management Approach		55-57						✓
Material Aspect : Materials									
G4-EN1	Materials used weight or volume		57		8				✓
G4-EN2	Percentage of materials used that are recycled input materials		57		8		2, 6		✓
Material Aspect : Energy									
G4-EN3	Energy consumption within the organization		59		8		6		✓
G4-EN4	Energy consumption outside of the organization		60		8		6		✓
G4-EN5	Energy intensity		59-60		8		6		✓
G4-EN6	Reductions of energy consumption		59-60		8		6		✓
G4-EN7	Reductions in energy requirement of products and services		75				2, 6		
Material Aspect : Water									
G4-EN8	Total water withdrawal by sources		60		8		6		✓
G4-EN9	Water sources significantly affected by withdrawal of water		60		8		6		✓
G4-EN10	Percentage and total volume of water recycled and reused		60		8		6		✓
Material Aspect : Biodiversity									
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		63		8		6		✓
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		63		8		6		✓
G4-EN13	Habitats protected or restored		63		8		6		✓
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		63		8		6		✓
Material Aspect : Emissions									
G4-EN15	Direct greenhouse gas (GHG) emissions		58-59		8		6		✓
G4-EN16	Indirect greenhouse gas emissions		58-59		8		6		✓
G4-EN17	Other indirect greenhouse gas emissions		58-59		8		6		✓
G4-EN18	Greenhouse gas emissions intensity		58-59		8		6		✓
G4-EN19	Reduction of GHG emissions		58-59		8		6		✓
G4-EN20	Emissions of ozone depleting substances (ODS)		57		8		6		✓
G4-EN21	NOX, SOX, and other significant air emission		57-58		8		6		✓
Material Aspect : Effluents and Waste									
G4-EN22	Total water discharge by quality and destination		60		8		6		✓
G4-EN23	Total weight of waste by type and disposal method		61-62		8		6		✓
G4-EN24	Total number and volume of significant spills		61		8		6		✓
G4-EN25	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		61		8		6		✓

General Standard Disclosures	Disclosure Requirements	Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharge of water and runoff	63		8	6	✓
Material Aspect : Products and Services						
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	54, 56		8	2, 6	✓
G4-EN28	Percentage of product sold and their packaging materials that are reclaimed by category	-	N/A			✓
Material Aspect : Compliance						
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	56		7		✓
Material Aspect : Transport						
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	9		8	2, 6	✓
Material Aspect : Overall						
G4-EN31	Total environmental protection expenditures and investments by type	56		8		✓
Material Aspect : Supplier Environmental Assessment						
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	26, 27		7, 8		✓
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and action taken	26, 27			2, 6	✓
Material Aspect : Environmental Grievance Mechanisms						
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	56				✓
Category : Social						
Labor Practices and Decent Work						
Material Aspect : Employment						
G4-LA1	Total number and rates of new employee hires and rate of employee turnover by age group, gender and region	44			3	✓
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	42			3	✓
G4-LA3	Return to work and retention rates after parental leave, by gender	42			3	✓
Material Aspect : Labor/Management Relations						
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	37				✓
Material Aspect : Occupational Health and Safety						
G4-LA5	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	42			3	✓
G4-LA6	Type of injury, injury rates, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender	69, 70			3	✓
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	66			3	✓
G4-LA8	Health and safety topics covered in formal agreements with trade unions	42, 66			3	✓
Material Aspect : Training and Education						
G4-LA9	Average hours of training per year per employee by gender, and by employee category	47, 48				✓
G4-LA10	Programs for skills management and lifelong learning that supports employability of employees and assist them in managing career endings	41, 42			3	✓
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	37				✓
Material Aspect : Diversity and Equal Opportunity						
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	36				✓
Material Aspect : Equal Remuneration for Women & Men						
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	37				✓
Material Aspect : Supplier Assessment for Labor Practices						
G4-LA14	Percentage of new suppliers screened using labor practices criteria	52, 53				✓
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	52, 53				✓
Material Aspect : Labor Practices Grievance Mechanisms						
G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms	21				✓
Human Rights						
Investment						
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	53		1	5	✓

General Standard Disclosures	Disclosure Requirements	Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	47		1	5	✓
Material Aspect : Non-Discrimination						
G4-HR3	Total number of incidents of discrimination and corrective actions taken	21		6	5	✓
Material Aspect : Freedom of Association and Collective Bargaining						
G4-HR4	Operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk, and measures taken to support these rights	21		3	5	✓
Material Aspect : Child Labor						
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to its effective abolition	21		5	5	✓
Material Aspect : Forced or Compulsory Labor						
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to its elimination	21		4	5	✓
Material Aspect : Security Practices						
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	47		1	5	✓
Material Aspect : Indigenous Rights						
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	21		2	5	✓
Material Aspect : Assessment						
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	21		2	5	✓
Material Aspect : Supplier Human Rights Assessment						
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	52, 53		2	5	✓
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	52, 53		2	5	✓
Material Aspect : Human Rights Grievance Mechanisms						
G4-HR12	Number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period & their redressal	52, 53		2	5	✓
Society						
Material Aspect : Local Communities						
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	80, 81			4	✓
G4-SO2	Operations with significant actual and potential negative impacts on local communities	54			4	✓
Material Aspect : Anti-Corruption						
G4-SO3	Number & percentage of operations assessed for risks related to corruption	21		10		✓
G4-SO4	Communication and training on anti-corruption policies and procedures	21		10		✓
G4-SO5	Confirmed incidents of corruption and actions taken	21		10		✓
Material Aspect : Public Policy						
G4-SO6	Total value of political contributions by country and recipient/beneficiary	21			7	✓
Material Aspect : Anti-Competitive Behavior						
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	21				✓
Material Aspect : Compliance						
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	21				✓
Material Aspect : Supplier Assessment for impacts on society						
G4-SO9	Percentage of new suppliers screened using criteria for impacts on society	52, 53				✓
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	52-54				✓
Material Aspect : Grievance mechanisms for impacts on society						
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	81				✓
Product Responsibility						
Aspect : Customer Health and Safety						
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	73, 74, 78			2, 9	✓
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their lifecycle, by type of outcomes	78			2	✓
Material Aspect : Product and Service Labeling						
G4-PR3	Product and service information required by the organization's procedures for information and labeling	78			9	✓

General Standard Disclosures	Disclosure Requirements	Page Number /Link	Remarks	UNGC	NVG (principle (1-9))	External Assurance
G4-PR4	Number of incidents of non-compliance with regulations and voluntary codes concerning product & service information and labeling, by type of outcomes	78				✓
G4-PR5	Results of surveys measuring customer satisfaction	78			9	✓
Material Aspect : Marketing Communications						
G4-PR6	Sale of banned or disputed products	71	N/A			✓
G4-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	78				✓
Material Aspect : Customer Privacy						
G4-PR8	Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data	78				✓
Material Aspect : Compliance						
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	78				✓
Electric Utility Sector Specific (EUSS)						
EU1	Installed Capacity	9				✓
EU2	Net energy output	12, 13				✓
EU3	Number of residential, industrial, institutional and commercial customers	73			9	✓
EU4	Length of above and underground transmission and distribution lines	72				✓
EU5	Allocation of CO2e emissions allowances or equivalent, broken down by carbon trading framework	58, 59				✓
EU6	Management approach to ensure short and long-term electricity availability and reliability	71, 72			1, 8	✓
EU7	Demand-side management programs	75				✓
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	76, 77	9			✓
EU9	Provisions for decommissioning of nuclear power sites	8	N/A			✓
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source	9				✓
EU11	Average generation efficiency of plants by energy source	12				✓
EU12	Transmission and distribution losses as a percentage of total energy	72				✓
EU13	Biodiversity of offset habitats compared to the biodiversity of affected areas	63			6	✓
EU14	Programs and processes to ensure the availability of a skilled workforce	84				✓
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	45				✓
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	66-68			2	✓
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	69			2	✓
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	70			2	✓
EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development	30			4	✓
EU20	Approach to managing the impacts of displacement	86			4	✓
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	3	7		2	✓
EU22	Number of people physically or economically displaced and compensation, broken down by type of project	86			4	✓
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	71-73			2	✓
EU24	Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	73				✓
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	78			2	✓
EU26	Percentage of population unserved in licensed distribution or service areas	71				✓
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	77				✓
EU28	Power outage frequency	77				✓
EU29	Average power outage duration	77				✓
EU30	Average plant availability factor by energy source	13				✓

Assurance Statement



Ernst & Young LLP
22, Camac Street
5th Floor, Block 'B'
Kolkata-700 016, India

Tel : +91 33 6615 3400
Fax: +91 33 2281 7750
ey.com

Independent Assurance Statement

The Board of Directors and Management
The Tata Power Company Limited
Mumbai, India

Ernst & Young LLP (EY) was retained by Tata Power Company Limited ('the Company') to provide independent assurance to its Sustainability Report ('the Report') for the Financial Year 2014-15.

The development of the Report based on the Global Reporting Initiative (GRI) G4 Guidelines (2013), its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report's 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. Any dependence that any such third party may place on the Report is entirely at its own risk. 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.

Scope of Assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's sustainability performance for the period 1st April 2014 to 31st March 2015;
- The Company's internal protocols, processes and controls related to the collection and collation of sustainability performance data;
- Verification of Greenhouse Gas (GHG) inventory (Scope 1, 2 and 3) for the reporting period of 1st April 2014 to 31st March 2015 as per GHG protocol issued by the World Business Council for Sustainable Development (WBCSD);
- Review of information on sample GRI G4 indicators and Electric Utilities Sector Supplement (EUSS) indicators covering the Company's corporate office at Carnac Bunder, Mumbai and power stations at Haldia, Jojobera and Trombay.

Limitations of our review

The assurance scope excludes:

- Operations of the Company other than those mentioned in the 'Scope of Assurance';
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period i.e. 1st April 2014 to 31st March 2015;

- 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.

Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) and the second edition of AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles and a 'Type 2 Moderate' level of assurance (as per AA1000AS), as well as conformance of sustainability performance indicators as per GRI G4 Guidelines.

What we did to form our conclusions

In order to form our conclusions we undertook the following key steps:

- Interviews with the Company's key management personnel, core team responsible for of the Report and relevant data owners to understand the sustainability vision, mechanism for management of key sustainability issues and engagement with key stakeholders;
- Visits to three power stations as mentioned in the 'Scope of Assurance' above;
- Review of relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period;
- Review of selected qualitative statements and sample case studies in various sections of the Report.

Our Observations

The Company undertook a materiality assessment exercise in the reporting year, which was carried out through a survey of key internal and external stakeholder groups. The Report provides details of the assessment process, the list of prioritized material issues and the Company's management approach on these issues. There is scope to further enhance the reporting on indicators pertaining to supplier assessments on environment, labor practices, human rights and impacts on society.

Our Conclusions

On the basis of our review scope and methodology, our conclusions are as follows:

- **Inclusiveness:**
The Company has described its stakeholder engagement approach and activities in the Sustainability Report. We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with key stakeholder groups identified in the Report.
- **Materiality:**
The Company has identified key issues material to its sustainability performance and described the process for materiality analysis in the Sustainability Report. Nothing has

come to our attention that causes us to believe that the material issues so identified have been excluded from sustainability reporting by the Company.

- **Responsiveness:**

We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle in its engagement with stakeholder identified in the Report on material aspects covering its sustainability performance. There is further scope to describe the key topics and concerns raised by these stakeholder groups, and how the Company has addressed them.

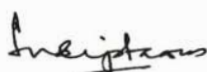
- **Reliability of performance information:**

We reviewed the accuracy and completeness of sustainability information in the Report. Nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI G4 guidelines, EUSS and GHG Protocol as well as the Company's reporting principles and criteria. Some data pertaining to key performance indicators and certain qualitative statements in the Report underwent change as part of our assurance process.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics¹ for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

for Ernst & Young LLP



Sudipta Das
Partner
29 July 2015
Kolkata



AA1000
Licensed Assurance Provider
000-43

¹ International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This Code establishes ethical requirements for professional accountants. The guidance related to network firms was updated in July 2006.

Annexure I: Details of expertise, qualification, appointment with other companies

Name of Director	Mr. Cyrus P. Mistry	Mr. R. Gopalakrishnan	Dr. Homiar S. Vachha	Mr. Nawshir H. Mirza	Mr. Deepak M. Satwalekar
Date of Birth	4th July 1968	25th December 1945	23rd April 1942	4th April 1950	14th November 1948
Date of Appointment	23rd December 2011	15th January 1999	30th March 2001	29th September 2006	12th February 2008
Expertise in specific functional areas	Mr. Mistry was earlier Managing Director of the Shapoorji Pallonji Group. Under his leadership, Shapoorji Pallonji's construction business grew into a billion dollar enterprise, evolving from pure-play construction to execution of complex projects in the marine, oil and gas and rail sectors, across a number of international geographies. He joined the Board of Tata Sons Ltd. in 2006 and was appointed Chairman of its Board in December 2012. In addition to being Chairman of Tata Sons, Mr. Mistry is also the Chairman of major Tata group companies.	Mr. Gopalakrishnan is a Director of Tata Sons Ltd., Chairman of Rallis India Ltd., Vice-Chairman of Tata Chemicals Ltd. and a Director of several other companies like Azko Nobel India Ltd., Castrol India Ltd. etc. Prior to joining Tatas in 1998, he served with Levers for 31 years, where he rose from being a Management Trainee to being Vice-Chairman of Hindustan Lever Ltd.	Dr. Vachha was the General Manager of ICI Ltd. in a career spanning over 25 years. He was appointed as Nominee Director on the Board of the erstwhile The Andhra Valley Power Supply Co. Ltd. in 1993. On ceasing to be such Nominee Director, he was re-appointed on the Board of that Company and continued as Director till its amalgamation with the Company in 2000. He has been subsequently appointed on the Board of the Company in 2001.	Mr. Mirza was a partner of S. R. Batliboi & Co., Calcutta. He is an Advisor to Jardine Matheson Ltd., Hong Kong.	Mr. Satwalekar was the Managing Director and CEO of HDFC Standard Life Insurance Company Limited from November 2000 till his superannuation in November 2008 and prior to this, he was the Managing Director of HDFC Limited from 1993 to 2000. He has considerable experience in the fields of finance, infrastructure and corporate governance.
Qualifications	Graduate of Civil Engineering from Imperial College, UK, M.Sc. in Management from London Business School	Graduate in Physics from Calcutta University and in Engineering from IIT, Kharagpur	Post graduate degree in Economics from the University of Bombay (Gold Medallist in Industrial Economics); Doctorate in Economics from the University of Bombay.	Fellow of The Institute of Chartered Accountants of India	Bachelor's Degree in Technology from IIT, Bombay and a Master's Degree in Business Administration from The American University, Washington D.C.
Directorships held in other companies (excluding foreign companies)	Tata Sons Ltd. Tata Industries Ltd. Tata Teleservices Ltd. Tata Consultancy Services Ltd. Tata Steel Ltd. Tata Motors Ltd. Tata Chemicals Ltd. Tata Global Beverages Ltd. The Indian Hotels Company Ltd. Cyrus Investments Pvt. Ltd. Sterling Investment Corporation Pvt. Ltd.	Tata Sons Ltd. Tata Chemicals Ltd. Rallis India Ltd. Akzo Nobel India Ltd. Castrol India Ltd. Tata Autocomp Systems Ltd. Tata Technologies Ltd. Advinus Therapeutics Ltd. Metahelix Life Sciences Ltd. ABP Pvt. Ltd.	Tata International Ltd. Tata Ceramics Ltd. Af-Taab Investment Co. Ltd. Finolex Cables Ltd. Bachi Shoes Ltd. Tata Power Renewable Energy Ltd. Industrial Energy Ltd. New Gen Saurashtra Windfarms Ltd.	Thermax Ltd. Coastal Gujarat Power Ltd. Tata Power Delhi Distribution Ltd. Tata Power Renewable Energy Ltd. New Gen Saurashtra Windfarms Ltd. Powerlinks Transmission Ltd. Dugar Hydro Power Ltd.	Asian Paints Ltd. Piramal Enterprises Ltd. IL&FS Transport Networks Ltd. Franklin Templeton Asset Management (India) Pvt. Ltd. Geminait Solutions Pvt. Ltd. India Mortgage Guarantee Corporation Pvt. Ltd. Prabhavati Memorial Foundation Teach to Lead Gyan Prakash Foundation Isha Education Trust Infosys Science Foundation
Committee position held in other companies	Nil	Audit Committee <u>Member</u> Tata Chemicals Ltd. Akzo Nobel India Ltd. Castrol India Ltd. ABP Pvt. Ltd.	Audit Committee <u>Chairman</u> Finolex Cables Ltd. Tata Ceramics Ltd. Tata International Ltd. <u>Member</u> Af-Taab Investment Co. Ltd. Tata Power Renewable Energy Ltd. Industrial Energy Ltd. New Gen Saurashtra Windfarms Ltd. Bachi Shoes Ltd.	Audit Committee <u>Chairman</u> Coastal Gujarat Power Ltd. Tata Power Renewable Energy Ltd. <u>Member</u> Thermax Ltd. Tata Power Delhi Distribution Ltd. New Gen Saurashtra Windfarms Ltd.	Stakeholders Relationship Committee <u>Chairman</u> Piramal Healthcare Ltd.

Name of Director	Mr. Piyush G. Mankad	Mr. Ashok K. Basu	Mr. Thomas Mathew T.	Ms. Vishakha V. Mulye	Mr. Anil Sardana	Mr. Ashok S. Sethi
Date of Birth	18th November 1941	24th March 1942	3rd June 1953	4th February 1969	16th April 1959	3rd April 1954
Date of Appointment	3rd July 2008	26th March 2009	7th August 2009	28th February 2013	1st February 2011	7th May 2014
Expertise in specific functional areas	Mr. Mankad is a retired civil servant with a distinguished career of over 40 years in the Civil Services. He has held a number of important positions including Counselor (Economic) in the Indian Embassy, Tokyo; Controller of Capital Issues, Ministry of Finance; Finance Secretary, Government of India. He was the Executive Director for India and four other countries and Board Member, Asian Development Bank, Manila, until July 2004.	Mr. Basu is the former Secretary to Government of India, Ministry of Steel, Secretary - Power and Chairman of Central Electricity Regulatory Commission. Mr. Basu was also Member (Industry and Infrastructure) of the West Bengal Planning Commission. He was also elected as Chairman, South Asia Forum of Infrastructure Regulators during 2005-06.	Mr. Thomas Mathew T. has 33 years of professional experience in the life insurance industry.	Ms. Mulye joined the ICI group in 1993 and has vast experience in the areas of strategy, treasury and markets, proprietary equity and investing and management of long-term equity investments, structured finance and corporate and project finance. In 2009, she assumed leadership of ICI Venture Funds Managing Co. Ltd. as its Managing Director and CEO. In addition to her responsibility as MD and CEO of ICI Venture, she serves on the Board of Directors of leading Indian companies in the media, IT and financial services sectors. She is a member of the Aspen Global Leadership Network and a fellow of the inaugural class of the India Leadership Initiative. She was selected as 'Young Global Leader' for the year 2007 by World Economic Forum.	Mr. Sardana brings with him over three decades of proven expertise in the power sector and has worked with companies like Tata Power Delhi Distribution Ltd. (erstwhile North Delhi Power Ltd.), a subsidiary of Tata Power, National Thermal Power Corporation Ltd. and BSES Ltd. (prior to it becoming an ADAG group company). Mr. Sardana was the Managing Director of Tata Teleservices Ltd. for over 3 years as well as Tata Teleservices (Maharashtra) Ltd. for about 6 months. Earlier, he had held the position of Executive Director (Strategy & Business Development) of the Company from 1st March 2007 to 3rd August 2007 and then served as Non-Executive Director from 9th August 2007 to 2nd July 2008.	Mr. Sethi has worked in Thermal and Hydro Generation, Transmission & Distribution, Commercial and Regulatory & Advocacy. This varied experience over such long period has resulted into a wide and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.
Qualifications	Master's Degree from Delhi University and Post Graduate Diploma in Development Studies from Cambridge University, UK; IAS	B. A. (Honours with Economics); IAS	Post Graduate in Economics, Bachelor's Degree in Law and a Post Graduate Diploma in Management from the International Institute of Advanced Marketing	Graduate in Commerce, Fellow of The Institute of Chartered Accountants of India	Electrical Engineer from Delhi College of Engineering, a Cost Accountant (ICWA) and holds a Post Graduate Diploma in Management from Delhi	B. Tech from IIT, Kharagpur
Directorships held in other companies (excluding foreign companies)	Heidelberg Cement India Ltd. Tata Elxsi Ltd. Mahindra & Mahindra Financial Services Ltd. Noida Toll Bridge Co. Ltd. Tata International Ltd. DSP Blackrock Investment Managers Pvt. Ltd. Hindustan Media Ventures Ltd. Tata Power Trading Co. Ltd.	Tata Metals Ltd. The Tinsplate Company of India Ltd. JSW Bengal Steel Ltd. Visa Power Ltd. Tata Power Delhi Distribution Ltd. Tata Metals DI Pipes Ltd. Maithon Power Ltd. Industrial Energy Ltd.	Volta Ltd. MCX Stock Exchange Ltd. Larsen & Toubro Ltd. L&T Capital Markets Ltd. L&T Infra Debt Funds Ltd.	ICI Venture Funds Management Co. Ltd. Star Health and Allied Insurance Co. Ltd. AION India Investment Advisors Pvt. Ltd.	Tata Power Trading Co. Ltd. Maithon Power Ltd. Tata Power Delhi Distribution Ltd. Coastal Gujarat Power Ltd. Af-Iaab Investment Co. Ltd. Tata Power Solar Systems Ltd. Tata Power Renewable Energy Ltd.	Tata Power Trading Co. Ltd. Industrial Energy Ltd. Maithon Power Ltd. Yashmun Engineers Ltd. Tata Power Community Development Trust
Committee position held in other companies	Audit Committee Member Heidelberg Cement India Ltd. Mahindra & Mahindra Financial Services Ltd. Noida Toll Bridge Company Ltd. Tata International Ltd. DSP Blackrock Investment Managers Pvt. Ltd. Tata Power Trading Co. Ltd. Stakeholders Relationship Committee Chairman Heidelberg Cement India Ltd. Tata Elxsi Ltd. Member Noida Toll Bridge Co. Ltd.	Audit Committee Chairman Maithon Power Ltd. Tata Power Delhi Distribution Ltd. Member Tata Metals Ltd. The Tinsplate Company of India Ltd. JSW Bengal Steel Ltd. Visa Power Ltd. Industrial Energy Ltd. Tata Metals DI Pipes Ltd. Stakeholders Relationship Committee Chairman The Tinsplate Company of India Ltd. Tata Metals Ltd.	Nil	Audit Committee Member Star Health and Allied Insurance Co. Ltd.	Audit Committee Member Coastal Gujarat Power Ltd.	Nil

Annexure II: Roles, Responsibilities and Duties of Independent Directors

Roles and Responsibilities
Assist in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance (including economic, social, environment performance), risk management, resources, key appointments and standards of conduct
Bring an objective view in the evaluation of the performance of Board and management
Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible
Safeguard the interests of all stakeholders, particularly the minority shareholders
Balance the conflicting interest of the stakeholders
Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management
Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between Management and shareholder's interest.
Duties
Undertake appropriate induction and regularly update and refresh the skills, knowledge and familiarity with the Company (G4 43)
Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company
Strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member
Participate constructively and actively in the committees of the Board in which they are chairpersons or members
Strive to attend the general meetings of the Company
Where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the minutes of the Board meeting
Keep themselves well informed about the company and the external environment in which it operates;
Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company
Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use
Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy
Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees
Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Annexure III: Leading Practices of Tata Power

Leading Practices
Tata Sons Limited
Tata Steel Limited
Tata Industries Limited
Tata Investment Corporation Limited
EWART Investments Limited
Sir Dorabji Tata Trust
LIC
Matthews Pacific Tiger Fund
National Westminster Bank PLC as depository of first state global emerging markets leaders fund, a sub fund of first state investments
The New India Assurance Company Limited
General Insurance Corporation of India
National Westminster Bank PLC as depository of first state Asia Pacific Leaders Fund of First State Investment ICVC
Aberdeen Global Indian Equity (Mauritius) Limited

Abbreviations

AA	: Affirmative Action	DHPC	: Dagachhu Hydro Power Corporation
4 E's	: Education, Employability, Employment and Entrepreneurship	DMP	: Disaster Management Plan
5th E	: Essential Amenities	DSM	: Demand Side Management
ABB	: Asea Brown Boveri Limited	DSS	: Distribution Sub Station
ABPs	: Annual Business Plans	E House	: Electrical House
AC	: Air Condition	EAP	: Employee Assistance Program
ACE	: Accelerated Career Enhancement	ECS	: Electronic Clearing Service
ACME	: Achieving Continuous Managerial Excellence	ED-O	: Executive Director - Operations
AGB	: Aryavart Gramin Bank	EDP	: Executive Development Program
AGM	: Annual General Meeting	EDS	: Executive Directors
AP	: Andhra Pradesh	ELCB	: Earth Leakage Circuit Breaker
APCE	: Air Pollution Control Equipment	EMS	: Environmental Management Systems
APP	: Associate of Power Producers	EMS	: Environmental Management Systems
ASR	: Appraisal Step Redressal Process	ERM	: Enterprise Risk Management
B&V	: Black & Veatch	EU	: Electric Utilities
BARC	: Bhabha Atomic Research Centre	EUSS	: Electric Utilities Sector Supplement
BCCs	: Bill Collection Centers	FCs	: Fuel Cells
BCP	: Business Continuity Processes	FDA's	: Fixed Duration Associates
BEE	: Bureau of Energy Efficiency	FIC	: Fishermen Information Centre
BEST	: Brihanmumbai Electricity & State Transport	FIFA	: Federation Internationale de Football Association
BITS	: Birla Institute of Technology & Science	FY	: Financial Year
BOOT	: Build Operate Own and Transfer	GEC	: Gujarat Ecology Commission
BPO	: Business Process Outsourcing	GEI	: Global Electricity Initiative
BRR	: Business Responsibility Report	GETs	: Graduate Engineer Trainees
BSC	: Balance Score Card	GHG	: Greenhouse Gas
BSI	: British Standards Institution	GJ	: Gigajoules
CA s	: Chartered Accountants	GMI	: Green Manufacturing Index
CAAQMS	: Continuous Ambient Air Quality Monitoring Stations	GMP	: Group Mediclaim Policy
CAGR	: Compounded Annual Growth Rate	GoI	: Government of India
CAPA	: Corrective and Preventive Actions	GPCB	: Gujarat Pollution Control Board
CAPEX	: Capital Expenditure	GRI	: Global Reporting Initiatives
CBD	: Convention on Biological Diversity	GRP	: Green Rating Project
CBIP	: Central Board of Irrigation & Power	GW	: Giga Watt
CCGT	: Combined Cycle Gas Turbine	HC	: Hydro Carbon
CDM	: Clean Development Mechanism	HR	: Human Resources
CDP	: Carbon Disclosure Project	HT	: High Tension
CEA	: Central Electricity Authority	HuR	: Human Rights
CEI	: Community Engagement Index	HVDS	: High Voltage Distribution System
CEO	: Chief Executive Officer	IBA	: Important Bird Area
CEPPS	: Continuous Education Program in Power Systems	IBBI	: India Business Biodiversity Initiatives
CFL	: Compact Fluorescent Lamps	ICSI	: The Institute of Company Secretaries of India
CFO	: Chief Financial Officer	IDs	: Independent Directors
CFTs	: Cross Functional Teams	IEEMA	: Indian Electrical & Electronics Manufacturers Association
CGPL	: Coastal Gujarat Private Limited	IEL	: Industrial Energy Limited
CHRO	: Chief Human Resource Officer	IEPL	: Ideal Energy Projects Limited
CII	: Confederation of Indian Institute	IFC	: International Finance Corporation
CO	: Carbon Monoxide	IISc	: Indian Institute of Science
CO₂	: Carbon Dioxide	IJP	: Internal Job Postings
COO	: Chief Operational Officer	IL&FS	: Infrastructure Leasing & Financial Services Limited
COP	: Conference of Parties	IMPS	: Immediate Payment Service
CR	: Community Relations	INR	: Indian Rupees
CRC	: Consumer Relation Centres	IPP	: Independent Power Producers
CRCs	: Consumer Relations Centre	ISO	: International Organization for Standardization
CSAT	: Customer Satisfaction Assessment Total	IT	: International Technologies
CSC	: Corporate Sustainability Committee	IUCN	: International Union for Conservation of Nature
CSC	: Consumer Relation Centers	J&K	: Jammu & Kashmir
CSE	: Centre for Science Environment	JSEB	: Jharkhand State Electricity Board
CSM	: Combined Section Meeting	JVs	: Joint Ventures
CSO	: Chief Sustainability Officer	Kg	: Kilo grams
CSPI	: Corporate Sustainability Protocol Index	Kms	: Kilometers
CSR	: Corporate Social Responsibilities	KRA	: Key Result Areas
CSS	: Consumer Sub Station	KV	: Kilo Volt
CTO	: Consent to Operate	KVA	: Kilovolt Ampere
CTTL	: Chemical Trombay Terminal Limited	L&T	: Larsen & Toubro
DCS	: Distribution Customer Services	LASER	: Learn, Apply, Share, Enjoy, Reflect
DF	: Distribution Franchisee	LDP	: Leadership Development Program

LECs	: Local Ethics Counselors	RFP	: Request for Proposal
LED	: Light Emitting Diode	RFQ	: Request for Quotation
LIC	: Life Insurance Company of India	RGoB	: Royal Government of Bhutan
LPG	: Liquid Purified Gas	RMC	: Risk Management Committee
LSHS	: Low Sulphur Heavy Stock	RMSC	: Risk Management Sub Committee
LT	: Low Tension	RMU	: Ring Main Unit
LTIFR	: Loss Time Injury Frequency Rate	RO	: Reverse Osmosis
LV	: Low Voltage	RPO	: Renewable Purchase Obligations
MCX	: Multi Commodity Exchange	RRWH	: Roof Rain Water Harvesting System
MD	: Managing Director	RSCM	: Responsible Supply Chain Management
MDP	: Management Development Program	RSS	: Receiving Sub Station
MERC	: Maharashtra Electricity Regulation Commission	SAC	: Sustainability Advisory Committee
mg	: milligram	SAP	: System Application & Products
MMSCMD	: Million Standard Cubic feet per day	SC/ST	: Schedule Caste/Schedule Tribe
MNm³	: Blast Furnace Gas	SDM	: Strategic Deployment Matrix
MNRE	: Ministry of Non Renewal Energy	SEBI	: Securities Exchange Bureau of India
MoEF	: Ministry of Environment & Forests	SED	: Strategic Engineering Division
MoP	: Ministry of Power	SHE	: Safety, Health and Environment
MoU	: Minutes of Understanding	SHGs	: Self Help Groups
MP10	: Particulate Matter	SHSs	: Solar Home Lighting Systems
MPD	: Management Planning Discussion	SIAT	: Safety Intervention Audit Training
MPL	: Maithon Power Limited	SLT	: Senior Leadership Team
MTPA	: Million Tons Per Annum	SMS	: Safety Management System
MU	: Million Unit	sms	: Short Message Services
MW	: Mega watts	SO2	: Sulphur Dioxide
MWh	: Megawatts hour	SOP	: Standard Operating Procedure
NABARD	: National Bank for Agriculture & Rural Development	SPA	: Share Purchase Agreement
NABL	: National Accreditation Board	SPCBs	: State Pollution Control Boards
NCES	: National Center for Education Statistics	SPS	: Structured Problem Solving
NCEs	: Non Carbon Emitting Sources	SRC	: Stakeholders Relationship Committee
NEDs	: Non Executive Directors	SSC	: Secondary School Certificate
NGOs	: Non Government Organizations	STEP	: Strategic Training for Employees Progress
NICMAR	: National Institute of Construction Management & Research	SUEK	: Siberian Coal Energy Company
NIIT	: National Institute of Information Technology	T/day	: Tonnes per day
Nm³	: Normal Cubic meter	TARANG	: Technical Acumen Rejuvenation - Aspire, Nurture & Grow
NML	: National Metallurgical Laboratory	TBEM	: Tata Business Excellence Model
NOx	: Nitrogen Dioxide	TCE	: Tata Consulting Engineers
NRC	: Nomination and Remuneration Committee	TCoC	: Tata Code of Conduct
NREDAP	: New and Renewable Energy Dept.	TCS	: Tata Consulting Services
NSC	: National Safety Council	TLPS	: Tata Leadership Practices
NVGs	: National Voluntary Guidelines	TML	: Tata Maithon Limited
O3	: Ground Level Ozone	TMTC	: Tata Management Training Centre
ODS	: Ozone Depleting Substances	TPCDT	: Tata Power Community Development Trust
OECD	: Organization for Economic Co-operation & Development	TPDDL	: Tata Power Delhi Distribution Limited
OEMs	: Original Equipment Manufacturers	TPREL	: Tata Power Renewable Energy Limited
OT	: Organizational Transformation	TPSDI	: Tata Power Skill Development Institute
PA	: Protected Area	TPSSL	: Tata Power Solar Systems Limited
PAT	: Profit After Tax	TPTCL	: Tata Power Trading Company Limited
PET	: Bottles made of Polyethylene Terephthalate	TSG	: Tata Sustainability Group
PH#6	: Power House No.6	TQMS	: Tata Quality Management Services
PM	: Particulate Matte	UK	: United Kingdom
PMS	: Performance Management System	UMPP	: Ultra Mega Power Plant
POP	: Persistent Organic Pollutants	UN	: United Nation
POSH	: Prevention of Sexual Harassment	UNDP	: United Nations Development Program
PPA	: Power Purchase Agreement	UNFCCC's	: United Nations Framework Convention on Climate Change
PPM	: Part Per Million	UNGC	: United Nation's Global Compact
PPP	: Public Private Partnership	USA	: United States of America
PTW	: Permit to work	VCUs	: Volume of Carbon Credits
PV	: Photovoltaic	VOC	: Volatile Organic Compounds
QCFI	: Quality Circle Forum India	VOICES	: Voices of Internal Customer Engagement & Satisfaction
R&D	: Research & Development	WABA	: World Alliance for Breastfeeding Action
RASCI	: Responsible, Approve, Support, Consulted and Informed	WBCSD	: World Business Control for Sustainable Development
RCA	: Root Cause Analysis	WDP	: Workforce Development Program
RCH	: Reproductive and Child Health	WILP	: Work Integrated Learning Program
RDIF	: Russian Direct Investment Fund		
RECs	: Renewable Energy Certificates		



Feedback Form for Sustainability Report 2014-15

Please spend a few minutes on this form so we can further improve our performance.

1. Is the information provided in the report adequate?

- It's more than enough ☐
- Yes, it is precise, not too much; not too little ☐
- No, more details could have been provided ☐

2. What do you think about the structure of the report in terms of content?

- The report is well structured with a flow linking the chapters ☐
- The report structure is good but could have been better ☐
- The report is not well structured; the content has no flow ☐

3. After reading the report, what do you think about Tata Power's efforts in Sustainability?

- I think Tata Power is doing a lot in Sustainability ☐
- I think Tata Power is doing a lot, but a lot more can still be done ☐
- No, I don't think Tata Power is doing much in Sustainability ☐

4. Can you suggest areas in which we could further improve ourselves in Sustainability?

5. Rate the report in terms of design and layout

Excellent ☐ Very Good ☐ Good ☐ Poor ☐

Name :

Designation :

Organization :

Contact Address :

E-mail :


You can also email your feedback at **sustainability.reporting@tatapower.com** or write to:

Chief Sustainability Officer

The Tata Power Company Limited

34, Sant Tukaram Road, Carnac Bunder, Mumbai - 400 009

India

A group of approximately 15 volunteers, mostly men in black shirts and some women, are gathered along the rocky edge of a lake. They are holding white plastic bags filled with water, from which they are releasing small fish (Mahseer fingerlings) into the water. The background shows a steep, rocky hillside with some sparse vegetation and trees. The scene is set during the day with bright sunlight.

Releasing of Mahseer in the water systems of Western Ghats through volunteerism

Tata Power's volunteerism for social and environmental causes is a powerful tool for transformation and leads to inculcating culture of care in themselves and the organization.

Mr. Govindarajan Sridharan
Trombay, Mumbai

I was very fortunate to be a part of team which participated for releasing Mahseer fingerlings in Mulshi lake. We were guided by experts who explained that the fingerlings will be released in a new environment and hence we need to take care that they adjust to the different temperature and quality of water. It was a wonderful experience and I could see the joy and a sense of achievement in everyone's face. It was a learning experience for me.

Mr. Fulendra Dhurandhar
Mundra, Gujarat

Taking carefully prepared apparatus for fingerlings survival, I descended into the lake and released them into water for their next journey. Swooping through hands, little fingerlings swam with graceful momentum. Seeing them through water stream, I realized and thanked nature for the wonders it has created and felt proud to be a part of this unique opportunity. Being a part of organization which has always worked towards sustainable development, I am thankful for this amazing and humbling experience.

Mr. Rajesh K. Sinha
Jojobera, Jharkhand

I was aware that our company is associated with Mahseer breeding programme since 1970 which has come a long way in terms of conserving the specie. When I got to know about this volunteering activity, I did not want to lose a chance to contribute my bit. I had butterflies in the stomach while releasing the fingerlings in the lake. My heart was undergoing the same feel one undergoes while holding the hands of baby taking its first steps.



Mr. Janak Pandya
Dharavi, Mumbai

The volunteering programme was meticulously planned by experts in the serene environment of Mulshi. We were awestruck to see the Mahseer fingerlings which were carefully transported to be released into the lake. The Head-Biodiversity explained the systematic procedure that would be followed. Most of us knew about the company's effort for Mahseer breeding and distribution to various parts of India. Looking forward to contribute many such volunteering programme for the act of conserving, supporting & lighting up the life.

Ms. Nikita Kanodia
Corporate Centre, Mumbai

Though I am a vegetarian by birth, I have always felt bad about animals being killed for becoming food of human beings. This whole event where we actually took Mahseer fingerlings and released them very carefully in the Mulshi lake, was very touching for me emotionally. It was a very nice feeling that I was an enabler, though in a very small way, in giving a balanced eco-system to those little fingerlings who will now live a full life and grow into beautiful golden gigantic ones... It was an experience of a life-time.

Mr. Arpit Jain
Corporate Centre, Mumbai

I was personally moved by the entire process of releasing the Mahseer in the water - slowly acclimatizing them with the lake water by changing the water of the bags with the water of lake part by part. The care that was taken in the entire process, to ensure that it is not done as an activity or as a task. The process was similar to a parent letting his/her kid enter a new place by making him/her familiar with the surrounding and then letting him/her be on their own. The biggest learning was - If we could embrace fractions of that passion towards work and care towards all, would we get true satisfaction and all our decisions would then truly reflect the value of Care.



Bombay House, 3rd Floor, 24, Homi Mody Street, Mumbai 400 001
Tel: 91 22 6665 8282 Fax: 91 22 6665 8801
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