

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate governance is a synonym for sound management, transparency and disclosure. Corporate governance encompasses not only the way in which the Company is managed and deals with its shareholders but also addresses all aspects of its relationship with society. Hence, it has always been an integral part of your Company's philosophy. The Company firmly believes that good corporate governance stems from the management's mindset and cannot be regulated by legislation alone.

The Company's philosophy on Corporate Governance is to make it a way of life by *inter alia* adopting standard Corporate Governance practices through continual improvement of internal systems and satisfaction of all stakeholders. The Corporate Governance philosophy has been further strengthened with the adoption, a few years ago, by the Company of the Tata Business Excellence Model, the Tata Code of Conduct and the Tata Code of Conduct for Prevention of Insider Trading as also the Code of Corporate Disclosure Practices. Your Company has complied with the requirements of the Corporate Governance Code, the disclosure requirements of which are given below :

Board of Directors

➤ Composition :

The Board of Directors has eleven members, out of whom three are Executive Directors and eight are Non-Executive Directors (NEDs) who bring in a wide range of skills and experience to the Board. The Company has a Non-Executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The composition of the Board as on 31st March 2005 was as under :

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships	# No. of other Committee Memberships held		No. of Board Meetings attended during the year	Attendance at the 85th Annual General Meeting held on 29th June 2004
			Chairman	Member		
Mr. R. N. Tata, Chairman	Promoter, Non-Executive	13	–	9	4	Yes
Mr. Syamal Gupta	Promoter, Non-Executive	11	–	7	5	Yes
Mr. R. Gopalakrishnan	Promoter, Non-Executive	12	1	8	5	Yes
Mr. C. P. Mistry	Independent, Non-Executive	9	–	4	5	Yes
Dr. H. S. Vachha	Independent, Non-Executive	4	3	1	6	Yes
Mr. R. K. Misra (Representative of LIC as Investor/Lender)	Independent, Non-Executive	–	–	–	6	No
Mr. A. J. Engineer	Non-Independent, Non-Executive	8	1	2	6	Yes
Mr. S. S. Bhatia State Government Director	Independent, Non-Executive	1	–	–	5	Yes
Mr. F. A. Vandrevala, Managing Director	Executive	14	–	1	6	Yes
Mr. P. K. Kukde, Executive Director	Executive	3	–	–	6	Yes
Mr. S. Ramakrishnan @ Executive Director	Executive	8	1	5	3	–

* Directorships in private companies, foreign companies and associations are excluded.

Represents Memberships/Chairmanships of Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee.

@ Appointed as an Additional Director and Executive Director w.e.f. 1st October 2004.

6 Board Meetings were held during the year and the gap between two meetings did not exceed four months.

Leave of absence was granted by the Board to the Directors who were absent at the respective Board Meeting(s).

➤ **Dates of Board Meetings**

12th May 2004, 21st May 2004, 26th July 2004, 25th October 2004, 20th January 2005 and 31st March 2005.

The information as required under Annexure I to Clause 49 is being made available to the Board.

Committees of Directors

Audit Committee

The Audit Committee was reconstituted on 29th March 2001 and the terms of reference, role and scope were revised in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning.

The Board delegated the following powers to the Audit Committee :

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

The Board defined the role of the Audit Committee, as under :

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services;
- c. Reviewing with the Management the annual financial statements before submission to the Board;
- d. Reviewing with the Management, external and internal auditors, the adequacy of internal control systems;
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- f. Discussing with internal auditors of any significant findings and follow-up thereon;
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- h. Discussing with external auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern;
- i. Reviewing the Company's financial and risk management policies;
- j. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The composition of the Audit Committee as on 31st March 2005 was as under :

Sl. No.	Name of the Director	Designation	No. of Meetings attended during 2004-05	Remarks
1.	Dr. H. S. Vachha	Chairman	10	Dr. Vachha is a former executive of ICICI Limited and accordingly, has the requisite knowledge in financial matters.
2.	Mr. Syamal Gupta	Member	9	-
3.	Mr. R. K. Misra	Member	10	-

All the above Directors are Non-Executive and two Directors, including the Chairman, are Independent.

The Audit Committee met ten times during the year under review on the following dates :

6th May 2004, 20th May 2004, 23rd June 2004, 25th July 2004, 15th October 2004, 25th October 2004, 19th January 2005, 14th February 2005, 18th February 2005 and 1st March 2005.

The Audit Committee invites such of the executives as it considers appropriate to be present at its meetings. The heads of Internal Audit and Finance attend the meetings. The Statutory Auditors are also invited to the meetings. Mr. B. J. Shroff, the Company Secretary, acts as the Secretary of the Committee.

Remuneration Committee

The composition of the Remuneration Committee as on 31st March 2005 was as under :

Sl.No.	Name of the Director	Designation	No. of Meetings attended during 2004-05	Remarks
1.	Mr. C. P. Mistry	Chairman	2	—
2.	Mr. Syamal Gupta	Member	2	—
3.	Mr. R. Gopalakrishnan	Member	2	—

All the above Directors are Non-Executive and the Chairman is an Independent Director.

The Remuneration Committee met twice during the year on the following dates :

10th June 2004 and 4th October 2004.

Terms of Reference :

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

Remuneration Policy :

➤ **Management Staff**

Remuneration of employees largely consists of basic remuneration, perquisites 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 individual performance etc. For the last few years, effort has also been made to link the annual variable pay of senior managers with the performance of the Company in general and their individual performance for the relevant year measured against specific Key Performance Areas which are aligned to the Company's objectives.

➤ **Non-Executive Directors**

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the Annual General Meeting held on 4th August 2003, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Remuneration Committee and the Board. The Commission payment for the year ended 31st March 2004 was distributed broadly on the basis of attendance at meetings of the Board and substantive committees of the Board, individual contributions at the meetings and time spent other than in meetings relating to the operations of the Company.

The Non-Executive Directors are paid Rs. 10,000/- as sitting fees per Board Meeting and meetings of the Committee of the Board, Audit Committee and Finance Committee; the fees for other Committee meetings being Rs. 5,000/- per Meeting.

➤ **Executive Directors**

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Director and the Executive Directors. Salary is paid within the range approved by the shareholders. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on perquisites and allowances as a percentage of salary, is fixed by the Board. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee and approved by the Board. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board/Committee of

Directors at the end of the financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. Specific amount payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

Retirement Policy for Directors

Consistent with widely accepted policies worldwide in professionally managed companies, the Board of the Company had, in May 1994, adopted a retirement policy wherein Executive Chairman and Directors retire at the age of 65 years whilst the Non-Executive Chairman or the Deputy/Vice Chairman retire at the age of 75 years. On the recommendations of Tata Sons Ltd., the Company has adopted a stated Retirement Policy for Executive Chairman, Managing Directors and Executive Directors which offers special retirement benefits including pension, ex-gratia and medical benefits. In addition to the above, the retiring Managing Director 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 Remuneration Committee. The said policy has also been approved by the members at their Annual General Meetings held on 11th August 1995 and 6th August 2002.

Remuneration to Directors :

During the year under review, the Non-Executive Directors of the Company were paid remuneration as under :

Name of the Director	Sitting Fees paid (Gross) (Rs.)	Commission paid (Gross) * (Rs.)
Mr. R. N. Tata	80,000	13,40,000
Mr. Syamal Gupta	2,00,000	9,60,000
Mr. R. Gopalakrishnan	1,00,000	4,92,000
Mr. C. P. Mistry	1,20,000	2,60,000
Dr. H. S. Vachha	2,80,000	10,80,000
Mr. J. S. Kawale #	—	1,04,000
Mr. R. K. Misra	1,60,000	5,72,000 @
Mr. A. J. Engineer	70,000	1,56,000
Mr. S. S. Bhatia #	50,000	—

* Commission relates to the financial year ended 31st March 2004 which was paid during the financial year under review. Commission of Rs. 50 lakhs has been provided as payable to the eligible Non-Executive Directors in the accounts for the year ended 31st March 2005.

The remuneration of Mr. Kawale and Mr. Bhatia, who were the State Government Nominee Directors, was paid to the Government Treasury.

@ The Commission of Mr. Misra, Nominee Director of LIC, was paid to LIC. Travel and other out-of-pocket expenses were reimbursed to Mr. Misra for attending Board and Committee Meetings.

Apart from this, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company other than the Directors Fees and Commission received by the Directors.

The details of the remuneration and perquisites paid and/or value calculated as per Income-tax Act, 1961 to the Executive Directors are :

Name	Salary (Rs.)	Commission paid in 2004-2005 @ (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Mr. F. A. Vandrevala, Managing Director	22,80,000	40,00,000	20,99,369	6,15,600	89,94,969
Mr. P. K. Kukde, Executive Director	14,40,000	30,00,000	19,39,329	3,88,800	67,68,129
Mr. S. Ramakrishnan, Executive Director (w.e.f. 1st October, 2004)	7,20,000	—	9,92,400	1,94,400	19,06,800

- @ Commission relates to the financial year ended 31st March 2004 which was paid during the financial year under review. Commission of Rs. 84.64 lakhs has been provided as payable to the eligible Executive Directors in the accounts of the current year, the distribution of which is yet to be determined.
- # Salient features of the agreements executed by the Company with Mr. Vandrevala and Mr. Kukde respectively consequent upon obtaining shareholders' approval at the Annual General Meeting held on 4th August 2003.
- @ The Agreement with Mr. Ramakrishnan, Executive Director, shall be executed after obtaining approval from the shareholders at the forthcoming Annual General Meeting.

Terms of Agreement	Mr. F. A. Vandrevala # Managing Director	Mr. P. K. Kukde # Executive Director	Mr. S. Ramakrishnan @ Executive Director
Period of appointment	1-9-2002 to 31-8-2007	23-1-2003 to 22-1-2006	1-10-2004 to 30-9-2009
Remuneration			
- Salary	In the salary scale of Rs. 12,00,000 – Rs. 40,00,000 per annum	In the salary scale of Rs. 7,80,000 – Rs. 26,00,000 per annum	In the salary scale of Rs. 7,80,000 – Rs. 26,00,000 per annum
- Commission	At the discretion of the Board within the limits stipulated under the Companies Act, 1956.		
- Perquisites and allowances (excluding Company's contribution to Provident Fund, Superannuation, Gratuity, Leave encashment)	Upto 140% of salary		
Stock Option	Nil		

The agreements with Mr. Vandrevala and Mr. Kukde are contractual in nature. The agreements may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof.

Shareholders'/Investors' Grievance Committee

The present composition of the Shareholders'/Investors' Grievance Committee is as under :

Name of the Director	Designation	Category of Directorship
Mr. Syamal Gupta	Chairman	Non-Executive
Mr. F. A. Vandrevala	Member	Executive

The Shareholders'/Investors' Grievance Committee met twice during the year on the following dates :

15th October 2004 and 23rd March 2005.

In accordance with Clause 49(VI)(D) of the Listing Agreements with the Stock Exchanges, the Board has authorised Mr. B. J. Shroff, Company Secretary and Compliance Officer, and Mr. A. S. Bapat, AGM (Legal) of the Company, to severally approve share transfers/transmissions, in addition to the powers with the members of the Shareholders'/Investors' Grievance Committee.

All investor complaints which cannot be settled at the level of Mr. B. J. Shroff, Company Secretary and Compliance Officer, are placed before the Committee for final settlement.

Total number of shareholders' complaints received during the year under review was 114. There were no unresolved complaints as on 31st March 2005.

57 transfers and 202 demats which were pending as on 31st March 2005 have been subsequently processed and completed.

Investor Survey

A questionnaire was sent to all the shareholders of the Company in November, 2004 to determine the satisfaction levels and explore avenues for improvement based on suggestions made by them. 2,992 responses were received. Various suggestions

received from the shareholders were duly considered and appropriate action was taken on the merits. The Company would welcome suggestions that will further help improving its services to shareholders.

General Body Meetings

(a) The last three Annual General Meetings (AGMs) were held as under :

Financial Year ended	Day & Date	Time	Venue
31st March 2002	Tuesday, 6th August 2002	3 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.
31st March 2003	Monday, 4th August 2003		
31st March 2004	Tuesday, 29th June 2004		Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018.

All special resolutions moved at the last AGM were passed with requisite majority on a show of hands by the shareholders present at the meeting. However, a poll was demanded *inter alia* on Item No. 11 of the Notice pertaining to re-appointment of the Auditors. This special resolution too was passed by the requisite majority consequent to voting by poll.

None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

Postal Ballot

The Company successfully completed the process of obtaining the approval of its Members on the Ordinary Resolution under Section 293(1)(a) for transferring the undertaking which comprised of (i) power generation Unit No. 1 consisting of two turbines and three steam generators and (ii) power generation Unit No. 2 consisting of one turbine and two steam generators with a combined capacity of 75 MW, located at Wadi, District Gulbarga, in the State of Karnataka, of the Company as a 'going concern' on a slump sale basis to The Associated Cement Companies Limited, vide the Postal Ballot.

Ms. Shirin Bharucha, Legal Advisor, who was appointed as the Scrutinizer, carried out the Postal Ballot process in a fair and transparent manner. The results were announced on 4th November 2004.

Voting Pattern and Procedure for Postal Ballot

1. The Board of Directors of the Company, at its meeting held on 26th July 2004, had appointed Ms. Shirin Bharucha, Legal Advisor, as the Scrutinizer for conducting the postal ballot voting process.
2. The Company had completed on 25th September 2004, the dispatch of postal ballot forms alongwith postage prepaid business reply envelopes to its Members whose name(s) appeared on the Register of Members/list of beneficiaries as on 10th September 2004.
3. Particulars of the postal ballot forms received from the Members were entered in a register separately maintained for the purpose.
4. The postal ballot forms were kept under her safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
5. All postal ballot forms received/receivable up to the close of working hours on 25th October 2004, the last date and time fixed by the Company for receipt of the forms, had been considered for her scrutiny.
6. Envelopes containing postal ballot forms received after close of business hours on 25th October 2004, had not been considered for her scrutiny.
7. Mr. F. A. Vandrevala, Managing Director, had announced the following result of the Postal Ballot as per the Scrutinizer's Report :

Number of valid postal ballot forms received	12,251
Number of invalid postal ballot forms received	602
Votes in favour of the Resolution	7,26,99,300
Votes against the Resolution	3,62,070
Invalid votes	2,19,991

Accordingly, the Ordinary Resolution set out in the Notice dated 2nd September 2004 was duly passed by the requisite majority of the shareholders.

(b) No Court-convened Meetings were held during the last three years.

Disclosures

1. There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large.
2. The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
3. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

Means of Communication

1. Quarterly and half-yearly reports are published in the following newspapers :

Name of the Newspaper	Region	Language
Indian Express – West & North	Ahmedabad, Vadodara, Mumbai, Chandigarh, New Delhi, Nagpur and Pune	English
Loksatta – All editions	Ahmednagar, Mumbai, Pune and Nagpur	Marathi
Jam-e-Jamshed Weekly	Mumbai	Gujarati
Vyapar	Mumbai and Rajkot	Gujarati

Half-yearly report was sent to each household of shareholders for the half-year ended 30th September 2004.

2. Official news releases are given directly to the press.
3. Financial results and other information was displayed on the Company's website www.tatapower.com
4. Management's Discussion and Analysis forms part of this Annual Report.
5. To familiarise our shareholders with the Company's operations, based on requests by its shareholders, the Company arranges for visits to its hydro stations in small batches. During FY '05, shareholders were taken to Khopoli Generating Station.

General Shareholder Information

1. The Annual General Meeting is scheduled to be held on Thursday, 4th August 2005 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

As required under Clause 49(VI)(A) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on 4th August 2005.

2. Financial Calendar : April to March
3. Book Closure : From 14th July 2005 to 4th August 2005, both days inclusive
4. Dividend Payment Date : 8th August 2005
5. Listing on Stock Exchanges : The Company's Shares are listed on the following two Stock Exchanges in India :

The Stock Exchange, Mumbai
(Regional Stock Exchange)
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Ltd.
'Exchange Plaza',
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051.

The Global Depository Shares (GDS) issued by the Company jointly with the erstwhile The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited in the International Market have been listed on the Luxembourg Stock Exchange and have been accepted for clearance through Euroclear and Cedel. They have also been designated for trading in the PORTAL System of the National Association of Securities Dealers, Inc. The Foreign Currency Convertible Bonds issued by the Company are listed on Singapore Stock Exchange.

The following series of Debentures issued by the Company have been listed on the Wholesale Debt Market segment of National Stock Exchange of India Ltd :

Sl.No.	Series	Amount outstanding as on 31/3/2005 (Rs. in Crores)
1.	10.9% Secured Redeemable Non-Convertible Debentures	40
2.	10.2% Redeemable Transferable Secured Non-Convertible Debentures	131
3.	6000 7.1% Transferable Secured Redeemable Non-Convertible Debentures	600

The Company has paid the requisite Annual Listing Fees to the two Stock Exchanges for the financial year 2004-2005.

6. Stock Code (For Equity Shares)

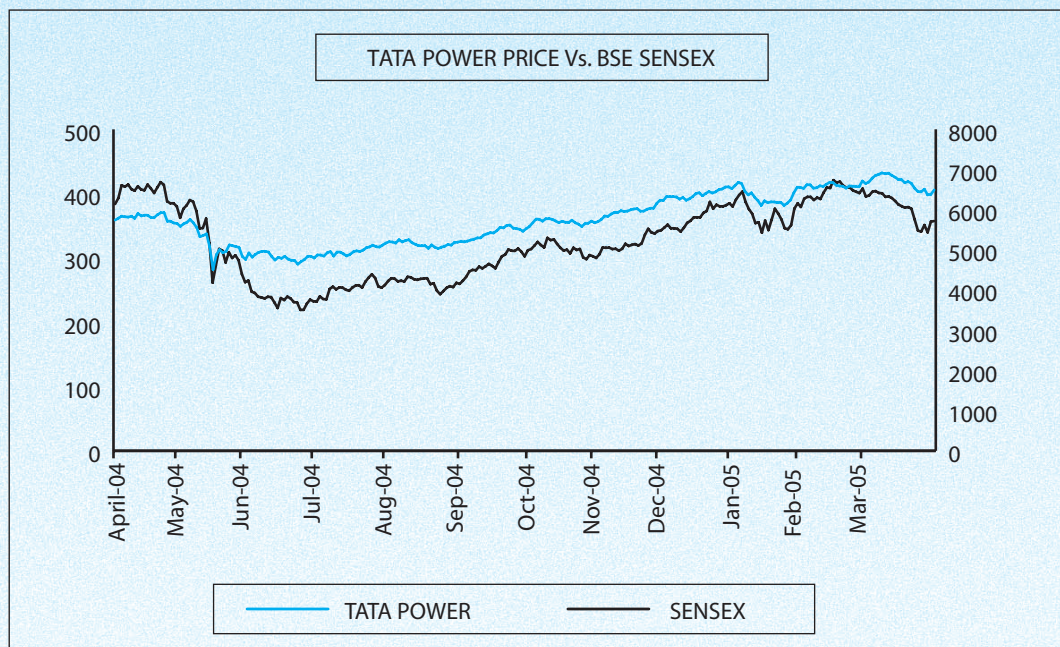
The Stock Exchange, Mumbai	
(physical form)	400
(demat form)	500400
National Stock Exchange of India Ltd.	TATAPOWEREQ

7. Market Information :

- a) Market Price Data : High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE) are given below :

Stock Exchange		BSE			NSE		
Month		High	Low	No. of shares traded during the month	High	Low	No. of shares traded during the month
2004	April	417.90	380.00	19459685	418.20	379.65	39533438
	May	390.05	261.55	20832336	390.00	256.80	40519990
	June	264.90	219.20	50169530	265.30	219.15	88869195
	July	274.60	235.55	30341118	274.70	235.75	61731098
	August	270.70	243.60	16904816	270.70	243.55	33509707
	September	314.60	264.55	14675828	314.55	264.65	32713287
	October	331.30	298.05	8055774	331.05	297.85	18273218
	November	345.35	305.55	5272109	345.20	305.55	12938344
	December	390.55	340.90	5112396	391.45	341.25	12874852
2005	January	403.15	339.15	7856047	403.20	339.30	18295569
	February	421.00	379.25	8372641	420.90	379.80	18646786
	March	404.00	339.70	4499631	403.65	340.15	13345355

b) Performance of Tata Power Share price in comparison to BSE Sensex :



8 Registrars and Transfer Agents :

Tata Share Registry Ltd. (TSRL)
 Army & Navy Bldg.
 148, Mahatma Gandhi Road
 Mumbai - 400 001
 Tel : 022 56568484
 Fax : 022 56568494
 E-mail : csg-unit@tatashare.com
 Website : www.tatashare.com

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSRL :

Branches of TSRL

- | | |
|--|---|
| <p>1. Tata Share Registry Limited
 503, Barton Centre, 5th floor
 84, Mahatma Gandhi Road
 Bangalore - 560 001
 Tel: 080-25320321
 Fax : 080-25580019
 E-mail : tsrlbang@bgl.vsnl.net.in</p> | <p>2. Tata Share Registry Limited
 Bungalow No.1, 'E' Road
 Northern Town, Bistupur
 Jamshedpur - 831 001
 Tel: 0657-2426616
 Fax : 0657-2426937
 E-mail : tsrljsr@sify.com</p> |
| <p>3. Tata Share Registry Limited
 Tata Centre, 1st Floor
 43, Jawaharlal Nehru Road
 Kolkata - 700 071
 Tel: 033-22883087
 Fax : 033-22883062
 E-mail : tsrlcal@cal2.vsnl.net.in</p> | <p>4. Tata Share Registry Limited
 Plot No. 2/42, Sant Vihar
 Ansari Road, Darya Ganj
 New Delhi - 110 002
 Tel : 011-23271805
 Fax : 011-23271802
 E-mail : tsrldel@viasdl01.vsnl.net.in</p> |

Agent of TSRL

Shah Consultancy Services Limited

1, Sumatinath Complex, 2nd Dhal

Pritamnagar, Ellisbridge

Ahmedabad - 380 006

Tel : 079-26575094

Fax : 079-26576038

 E-mail : shahconsultancy@hotmail.com

In respect of queries pertaining to the Company, Shareholders are requested to address correspondence to The Tata Power Company Ltd., Bombay House, 24, Homi Mody Street, Mumbai - 400 001. Tel : 56658282, Fax : 56658801

9. Share Transfer System : Share Transfers in physical form can be lodged with TSRL at the above mentioned address or at their branch offices, addresses of which are available on – website : www.tatashare.com

Transfers are normally processed within 20 days from the date of receipt. If the documents are complete in all respects, Mr. B. J. Shroff, the Company Secretary and Compliance Officer and Mr. A. S. Bapat, AGM (Legal), are severally empowered to approve transfers, in addition to the powers with the members of the Shareholders'/Investors' Grievance Committee.

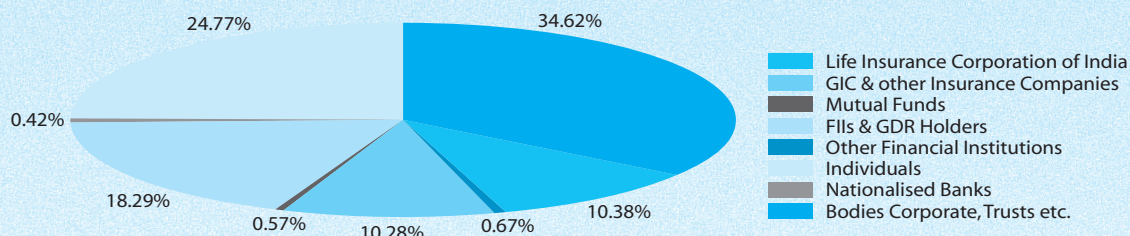
10. Distribution of Shares as on 31st March 2005

Slab	No. of shareholders				No. of Shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 500	58,483	78,721	137,204	86.12	8,254,780	4.17	10,827,959	5.47	19,082,739	9.64
501 - 1000	5,305	8,108	13,413	8.42	3,583,003	1.81	5,868,923	2.97	9,451,926	4.78
1001 - 2000	1,409	3,732	5,141	3.23	1,964,570	0.99	5,353,947	2.70	7,318,517	3.69
2001 - 3000	390	1,112	1,502	0.94	946,266	0.48	2,733,207	1.38	3,679,473	1.86
3001 - 4000	204	537	741	0.47	719,628	0.37	1,882,089	0.95	2,601,717	1.32
4001 - 5000	84	269	353	0.22	375,078	0.19	1,233,550	0.62	1,608,628	0.81
5001 - 10000	101	487	588	0.37	667,772	0.34	3,394,376	1.72	4,062,148	2.06
10001 and above	25	344	369	0.23	3,746,924	1.89	1,46,345,792	73.95	1,50,092,716	75.84
Total	66,001	93,310	159,311	100.00	20,258,021	10.24	1,77,639,843	89.76	*1,97,897,864	100.00

* Excluding 230308 shares not allotted but held in abeyance, 440270 shares cancelled pursuant to a Court Order and 4804040 shares of the Company held by the erstwhile The Andhra Valley Power Supply Co. Ltd. cancelled pursuant to the Scheme of Amalgamation sanctioned by the High Court of Judicature at Bombay.

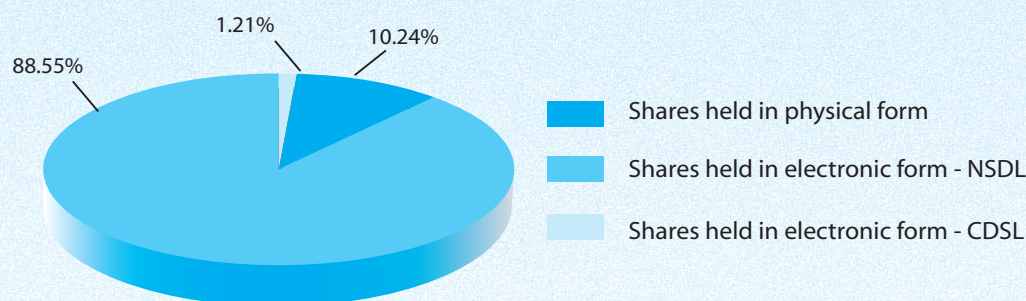
11. Shareholding pattern as on 31st March 2005

Particulars	Equity Shares	
	No. of Shares	Percent
Life Insurance Corporation of India	20,532,635	10.38
GIC & Other Insurance Companies	20,335,889	10.28
Mutual Funds	1,136,732	0.57
Bodies Corporate, Trusts, etc.	68,506,466	34.62
Other Financial Institutions	1,323,570	0.67
FIs and GDR Holders	36,202,490	18.29
Nationalised Banks	837,439	0.42
Individuals	49,022,643	24.77
Total	1,97,897,864	100.00



12. Dematerialisation of Shares as on 31st March 2005 and Liquidity :

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 177639843 Equity Shares of the Company representing 89.76% of the Share Capital are dematerialised as on 31st March 2005.



Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE245A01013**.

Shares held in electronic form

Shareholders holding shares in electronic form may please note that :

- i) Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.
- ii) Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
- iv) The Company provides ECS facilities for shares held in electronic form and shareholders are urged to avail of this facility.

The Company's shares are regularly traded on BSE and NSE as is seen from the volume of shares indicated in the table containing market information.

13. Number of GDS outstanding as on 31st March 2005 : 6,374
 Since the underlying Equity Shares represented by GDS have been allotted in full, the outstanding GDS have no impact on the Equity of the Company.

14. Plant Location :

(a) Thermal Power Stations :

i) Trombay Generating Station Mahul Road, Chembur, Mumbai - 400 074	(ii) Jojobera Power Plant, Jojobera, Jamshedpur - 831 016	(iii) Belgaum Power Plant Plot Nos.1234 to 1240 & 1263 to 1297, KIADB, Kanbargi Industrial Area, Auto Nagar, Belgaum - 590 010 Karnataka
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(b) Hydro Generating Stations :

i) Generating Station Bhira P. O. Bhira Taluka Mangaon Dist. Raigad Maharashtra - 402 308	ii) Generating Station Bhivpuri P. O. Bhivpuri Camp Taluka Karjat, Dist. Raigad Maharashtra - 410 201	iii) Generating Station Khopoli P. O. Khopoli Power House Dist. Raigad Maharashtra - 410 204
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(c) Strategic Electronics Division : 42/43 Electronic City
Electronic City Post Office,
Hosur Road,
Bangalore - 561 229.

(d) Distribution Division : Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.

15. Address for correspondence : The Tata Power Company Limited
Bombay House,
24, Homi Mody Street,
Mumbai - 400 001.
Tel : 5665 8282
Fax : 5665 8801

Other information**Tata Code of Conduct for Prevention of Insider Trading**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers and Employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

In terms of the said Code, a Committee has been constituted called 'Ethics and Compliance Committee', the composition of which, as on 31st March 2005, is as under :

Name of the Director	Designation	Category of Directorship
Dr. H. S. Vachha	Chairman	Independent
Mr. F. A. Vandrevala	Member	Executive

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

Certificate

To the Members of
THE TATA POWER COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by The Tata Power Company Limited, for the year ended on 31st March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company and placed before the Investors' Grievance Committee, as on 31st March, 2005, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. F. FERGUSON & CO.
Chartered Accountants

R.A. BANGA
Partner

Mumbai, 30th May, 2005.

For S. B. BILLIMORIA & CO.
Chartered Accountants

UDAYAN SEN
Partner