

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

More than a century ago, our founder, Mr Jamshetji N Tata laid the foundation for good governance and made it an integral part of the business culture. Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. As a Tata Company, Corporate Governance is about the way we do business, encompassing every day business activities. It is not an add - on; it is part of our way of working. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances.

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

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements with the Stock Exchanges, the disclosure requirements of which are given below :

Board of Directors

➤ Composition :

As on 22nd May, 2012, the Company's Board of Directors constitutes 13 members, out of whom 3 are Executive Directors and 10 are Non-Executive Directors (NEDs). These Directors bring in a wide range of skills and experience to 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 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.

Table 1: The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other companies

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2012	# No. of other Committee positions held as on 31.3.2012		No. of Board Meetings attended during the year	Attendance at the 92 nd Annual General Meeting held on 24.8.2011
			Chairman	Member		
Mr R N Tata, Chairman	Non-Independent, Non-Executive	10	-	-	5	Yes
Mr R Gopalakrishnan		10	-	3	5	Yes
Mr A J Engineer		6	1	1	6	Yes
Mr C P Mistry (Appointed on 23.12.2011)		4	-	1	2	NA.
Dr H S Vachha	Independent, Non-Executive	5	3	1	6	Yes
Mr N H Mirza		4	3	1	5	No
Mr D M Satwalekar		5	2	1	5	Yes
Dr R H Patil (Resigned on 20.03.2012)		-	-	-	-	No
Mr P G Mankad		10	2	7	6	Yes
Mr A K Basu		6	1	6	5	Yes
Mr Thomas Mathew T (Representative of LIC as Investor/Lender)		5	-	1	4	Yes

Name of the Director and Business Relationship	Category of Directorship	* No. of other Directorships as on 31.3.2012	# No. of other Committee positions held as on 31.3.2012		No. of Board Meetings attended during the year	Attendance at the 92 nd Annual General Meeting held on 24.8.2011
			Chairman	Member		
Mr Anil Sardana, Managing Director	Executive	5	-	1	6	Yes
Mr S Ramakrishnan, Executive Director		9	2	4	5	Yes
Mr S Padmanabhan, Executive Director		6	-	2	6	Yes
Mr B Agrawala, Executive Director (Resigned with effect from 30.11.2011)		-	-	-	2	Yes

* Excludes Alternate Directorships and directorships in private companies, foreign companies and Section 25 companies.

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

None of the Directors of the Company are related to each other.

The resignation of Dr R H Patil, an independent director, on 20th March, 2012, has resulted in the number of independent directors falling below the limit as prescribed under Clause 49 of the Listing Agreement. As per the Listing Agreement, management has 180 days from the date of such resignation i.e. upto 16th September, 2012, to fulfill the Board composition requirements.

Six Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held were as follows:

7th April, 2011, 19th May, 2011, 10th August, 2011, 14th November, 2011, 10th February, 2012 and 20th March, 2012.

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

➤ Code of Conduct

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

Committees of the Board

The Committees of the Board of Directors focus on certain 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.

➤ Mandatory Committees

The mandatory committees are :

1. Audit Committee of Directors
2. Shareholders'/Investors' Grievance Committee

❖ Audit Committee of Directors

Table 2: Composition of the Audit Committee of Directors (Audit Committee) and details of meetings attended by the Directors during the year under review

Sl. No.	Name of the Director	Category	No. of Meetings attended	Remarks
1.	Dr H S Vachha, Chairman	Non-Executive, Independent	14	Dr Vachha is a former executive of ICICI Limited and, accordingly, has the requisite business /accounting / related financial management expertise.

2.	Mr A J Engineer	Non-Executive, Non-Independent	14	Financially experienced and renowned practitioners
3.	Mr D M Satwalekar	Non-Executive, Independent	12	
4.	Mr P G Mankad	Non-Executive, Independent	13	

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

7th April, 2011, 16th May, 2011, 17th May, 2011, 26th July, 2011, 9th August, 2011, 11th August, 2011, 15th September, 2011, 18th October, 2011, 13th November, 2011, 15th November, 2011, 20th December, 2011, 9th February, 2012, 14th February, 2012 and 15th March, 2012.

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

At its meeting held on 29th March, 2001, 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 Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Managing Director, Executive Directors and head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings. Mr H M Mistry, the Company Secretary, acts as the Secretary of the Committee.

❖ Shareholders'/Investors' Grievance Committee

Table 3: Composition of the Shareholders'/Investors' Grievance Committee (IGC) and details of meetings attended by the Directors during the year under review

Sl. No.	Name of the Director	Category of Directorship	No. of Meetings attended
1.	Dr H S Vachha, Chairman	Non-Executive, Independent	2
2.	Mr S Ramakrishnan	Executive	2
3.	Mr S Padmanabhan	Executive	1

The IGC met twice during the year under review on the following dates:

3rd October, 2011 and 13th March, 2012.

In accordance with Clause 49(IV)(G)(iv) of the Listing Agreements with the Stock Exchanges, the Board has authorised Mr H M Mistry, Company Secretary and Compliance Officer and Mr A S Bapat, Head – Corporate Legal, to severally approve share transfers / transmissions, in addition to the powers with the Members of the IGC. Share Transfer formalities are regularly attended to and atleast once a fortnight.

All investor complaints which cannot be settled at the level of Mr H M Mistry, are placed before the Committee for final settlement.

The status of total number of complaints received during the year under review were as follows:

Sl. No.	Description	Total		
		Received	Replied	Pending
A.	Letters received from Statutory Bodies			
	Securities & Exchange Board of India	22	17	5
	Stock Exchanges	9	9	0
	Depositories (NSDL/CDSL)	0	0	0
	Ministry of Corporate Affairs	2	2	0
B.	Dividends			
	Non-receipt of dividend / interest warrants (pending reconciliation at the time of receipt of letters)	19	19	0
	Total	52	47	5

Out of the 5 unresolved complaints as on 31st March, 2012, 3 have since been resolved and closed and 2 complaints are awaiting revert from complainants.

29 transfers and 50 demats, which were pending as on 31st March, 2012, have been subsequently processed and completed.

Investor Survey

A questionnaire was sent to all the Members of the Company in November 2011 to determine the satisfaction levels and explore avenues for improvement based on suggestions made by them. 3,168 responses were received. Various suggestions received from the Members were duly considered and appropriate action was taken on the merits. The Company would continue to welcome suggestions, which will help further improve its services to Members.

As per the commitment made in the questionnaire, a sum of ₹ 3,16,800 was donated to 'Indian Cancer Society' for the responses received by the Company, @ ₹ 100 per response received.

➤ Non-mandatory Committees

The non-mandatory Committees are :

1. Remuneration Committee of Directors
2. Executive Committee of the Board
3. Nominations Committee
4. Ethics and Compliance Committee.

❖ Remuneration Committee

Table 4: Composition of the Remuneration Committee and details of meetings attended by the Directors during the year under review

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

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

9th June, 2011 and 19th December, 2011.

Remuneration Committee Charter

At its meeting held on 10th February, 2012, the Board adopted the Remuneration Committee Charter.

Objectives of the Remuneration Committee

The Remuneration Committee shall discharge the Board's responsibilities to shareholders, the investment community and other stakeholders with respect to:

- recommending to the Board the remuneration to each director;
- setting the performance standards, budgets and targets for the executive team of the Company;
- setting the compensation and performance bonuses of the Company's executive officers;
- overseeing the Company's Human Resources and People strategy; and
- performing such other duties and responsibilities, as may be consistent with the provisions of the Charter.

Composition

- The Remuneration Committee shall comprise of a minimum three NEDs as members.
- The Chairman of the Remuneration Committee shall be an Independent Director, from amongst the members of the Committee.

Remuneration Policy

➤ Non-Executive Directors

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 10th September, 2008, 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 Act). 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, 2011 was distributed broadly on the following basis:

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

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

➤ Executive Directors

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

➤ Management Staff

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

Remuneration to Directors

Table 5: Details of remuneration to NEDs during the year under review

Name of the Director	Sitting Fees paid (Gross) (₹)	Commission paid (Gross) (₹) *
Mr R N Tata	2,40,000	66,00,000
Mr R Gopalakrishnan	2,20,000	38,00,000
Dr H S Vachha	4,50,000	29,00,000
Mr A J Engineer \$	5,00,000	43,00,000
Mr N H Mirza	2,35,000	42,00,000
Mr D M Satwalekar	4,45,000	44,50,000
Dr R H Patil	Nil	3,50,000
Mr P G Mankad	3,80,000	20,00,000
Mr A K Basu	1,00,000	11,50,000
Mr Thomas Mathew T @	80,000	2,50,000
Mr C P Mistry	80,000	N.A.

* Commission relates to the financial year ended 31st March, 2011, which was paid during the financial year under review. Commission of ₹ 3.50 crore has been provided as payable to the eligible NEDs in the accounts for the year ended 31st March, 2012, the distribution of which is yet to be determined.

@ Sitting Fees and Commission of Mr Thomas Mathew T, Nominee Director of LIC, were paid to LIC.

§ During the year, the following amounts were also paid to Mr A J Engineer, retired Managing Director :

Pension - ₹ 29,69,700, Residential accommodation - ₹ 14,84,850 and Medical - ₹ 3,48,914

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

Table 6: Details of remuneration and perquisites paid and/or value calculated as per the Income-tax Act, 1961 to the Managing Director and Executive Directors

	Salary (₹)	@ Commission paid in 2011-12 (₹)	Perquisites (₹)	Retirement Benefits (₹)	Total (₹)
Mr Anil Sardana, Managing Director	54,00,000	50,00,000	71,27,317	14,58,000	1,89,85,317
Mr S Ramakrishnan, Executive Director	48,00,000	1,25,00,000	59,38,536	12,96,000	2,45,34,536
Mr S Padmanabhan, Executive Director	43,20,000	1,25,00,000	55,96,839	11,66,400	2,35,83,239
*Mr B Agrawala, Executive Director (Resigned w.e.f. 30.11.2011)	25,60,000	1,25,00,000	64,60,582	6,91,200	2,22,11,782

@ Commission relates to the financial year ended 31st March, 2011, which was paid during the financial year under review. Commission of ₹ 8 crore has been provided as payable to the Managing Director and Executive Directors in the accounts for the year ended 31st March, 2012, the distribution of which is yet to be determined.

* An amount of ₹ 11,84,000 was paid towards Priviledge Leave encashment to Mr B Agrawala, who resigned during FY12.

Table 7: Salient features of the agreements executed by the Company with the Managing Director and Executive Directors, consequent upon obtaining Members' approval at the AGM.

Terms of Agreement	Mr Anil Sardana Managing Director	Mr S Ramakrishnan Executive Director	Mr S Padmanabhan Executive Director
Period of appointment	1-2-2011 to 31-1-2016	1-10-2009 to 28-2-2014	6-2-2008 to 5-2-2013
Remuneration - Salary	Basic salary upto a maximum of ₹ 6,50,000 p.m.	Basic salary upto a maximum of ₹ 6,00,000 p.m.	
- Commission	At the discretion of the Board, within the limits stipulated under the Act.		
- Incentive Remuneration	At the discretion of the Board not exceeding 200% of basic salary.		
- Benefits, perquisites and allowances (excluding Company's contribution to Provident Fund, Superannuation, Gratuity, Leave Encashment)	As may be determined by the Board from time to time.		
Notice period	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.		
Severance fees	There is no separate provision for payment of severance fees.		
Stock Option	Nil		

The above agreements are contractual in nature.

Table 8 : Details of number of shares and convertible instruments held by Directors

Name of the Director	No. of Equity Shares held	No. of convertible instruments held
Mr R N Tata	4,000	Nil
Mr S Ramakrishnan		
- Individually	3,000	Nil
- Karta (HUF)	1,000	Nil

❖ Executive Committee of the Board

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

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

❖ Nominations Committee

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

❖ Ethics and Compliance Committee

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other employees. The Code is based on the principle that Directors, Officers and employees of a Tata Company owe a fiduciary duty to, among others, the Members of the Company to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the Code.

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

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

General Body Meetings

The last three AGMs were held as under :

Financial Year ended	Day & Date	Time	Venue
31 st March, 2009	Thursday, 6 th August, 2009	3 p.m.	Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.
31 st March, 2010	Wednesday, 8 th September, 2010		
31 st March, 2011	Wednesday, 24 th August, 2011		

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	Particulars of Special Resolutions passed thereat
6 th August, 2009	No Special Resolutions were passed at this AGM.
8 th September, 2010	No Special Resolutions were passed at this AGM.
24 th August, 2011	Alteration of Articles of Association of the Company.

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

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, Securities and Exchange Board of India (SEBI) or any statutory authority.
4. The Board of Directors of the Company has adopted a Whistle Blower Policy for establishing a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy has been posted on the Company's intranet site. The Company affirms that no employee has been denied access to the Audit Committee.
5. All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
6. The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
7. In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Executive Director (Finance) made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

Means of Communication

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

Name of the Newspaper	Region	Language
Indian Express - All editions	Ahmedabad, Vadodara, Mumbai, Chandigarh, New Delhi, Kolkata, Lucknow, Nagpur and Pune	English
Financial Express	Mumbai, Pune, Ahmedabad, Delhi, Lucknow, Chandigarh, Kolkata, Hyderabad, Bengaluru, Kochi and Chennai	English
Loksatta - All editions	Ahmednagar Mumbai Pune Nagpur Aurangabad and Delhi	Marathi
Jam-e-Jamshed Weekly	Mumbai	Gujarati
Vyapar + Phulchhab	Mumbai and Rajkot	Gujarati

2. **Half-Yearly Reports:** Half-yearly reports covering financial results are sent to Members at their registered postal/email address.
3. **News Releases, presentations etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website. Official media releases, sent to the Stock Exchanges, are given directly to the Press.
4. **Website:** Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website. The 'Investor Relations' section serves to inform the investors by providing key and timely information like Financial Results, Annual Reports, Shareholding Pattern, presentations made to analysts etc.
Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the 'Investor Relations' section.
5. **Annual Reports:** The Annual Report is posted to Members and others entitled to receive it.
6. **Corporate Filing and Dissemination System (CFDS) and NSE Electronic Application Processing System (NEAPS):** The CFDS portal is a single source to view information filed by listed companies. All disclosures and communications to Bombay

Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically through CFDS portal. Hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges. The Company also submits to NSE, the Shareholding Pattern and the Quarterly Compliance Report on Corporate Governance through NSE's NEAPS portal.

7. **Reminders to Members:** Reminders for unclaimed dividends were sent in February 2012 to the Members as per records.
8. **Factory visit:** To familiarise our Members with the Company's operations, based on requests by them, the Company arranges for visits to its hydro station in small batches. 2 visits were arranged during FY12 for the Members, at Khopoli Generating Station.

General Shareholder Information

1. The AGM is scheduled to be held on Friday, 17th August, 2012 at 3 p.m. at Birla Matushri Sabhagar, Sir Vithaldas Thackersey Marg, 19, New Marine Lines, Mumbai 400 020.

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 17th August, 2012.

2. **Financial Year** : 1st April, 2011 to 31st March, 2012
3. **Book Closure** : From 26th July, 2012 to 17th August, 2012 (both days inclusive).
4. **Dividend Payment Date** : On and from 21st August, 2012
5. **Listing on Stock Exchanges** : The Company's Shares are listed on the following two Stock Exchanges in India :

Bombay Stock Exchange Limited (Regional Stock Exchange) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	National Stock Exchange of India Limited 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.
---	--

In February 1994, the Company jointly with the erstwhile The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited issued Global Depository Shares (GDS) in the International Market which 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.

In July 2009, the Company raised USD 335 million through offering of Global Depository Receipts (GDRs). The GDRs are listed in and traded in Euro MTF market of the Luxembourg Stock Exchange and are also available for trading on IOB (International Order Board) of London Stock Exchange.

In November 2009, the Company issued 1.75% Foreign Currency Convertible Bonds (FCCBs) due in 2014, to raise USD 300 million. These FCCBs are listed on the Singapore Exchange Securities Trading Limited (SGX-ST). In case the entire amount of FCCBs are converted, the Company would have to allot 9,64,40,890 Equity Shares of ₹ 1 each to the Bond holders.

In June 2011, the Company issued 15,000 Unsecured, Subordinated, Perpetual, Listed, Rated Securities in the form of Non-Convertible Debentures on private placement basis of ₹ 10,00,000 each (Debentures). The said Debentures are listed on BSE and NSE.

The following series of Debentures issued by the Company have been listed on the Wholesale Debt Market segment of NSE :

Sl. No.	Series	Amount outstanding as on 31.3.2012 (₹ in crore)
1.	6000 7.1% Transferable Secured Redeemable Non-Convertible Debentures	600
2.	10.10% Redeemable Transferable Secured Non-Convertible Debentures	500
3.	10.40% Redeemable Transferable Secured Non-Convertible Debentures	500
4.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	325
5.	9.15% Secured Non-Convertible Non-Cumulative Redeemable Taxable Debentures with Separately Transferable Redeemable Principal Parts	234

The Company has paid the requisite Annual Listing Fees to the two Stock Exchanges for the financial year 2011-12.

6. Stock Code (For Equity Shares)

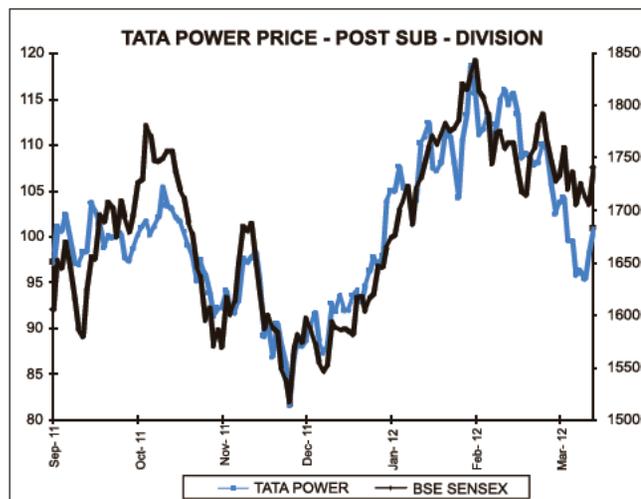
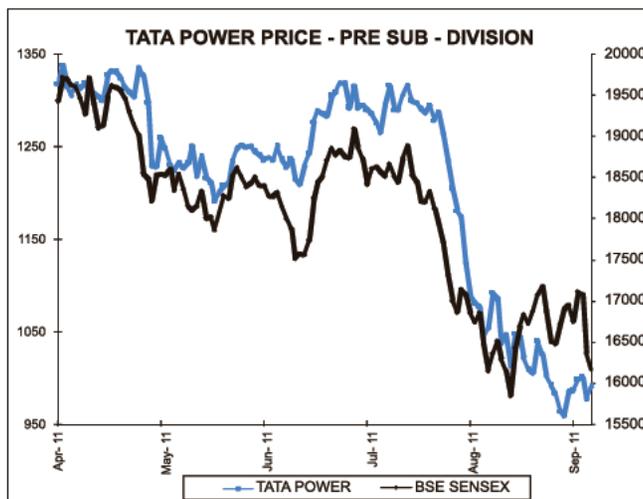
Bombay Stock Exchange Limited (physical form) (demat form)	400 500400
National Stock Exchange of India Limited	TATAPOWER EQ

7. Market Information:

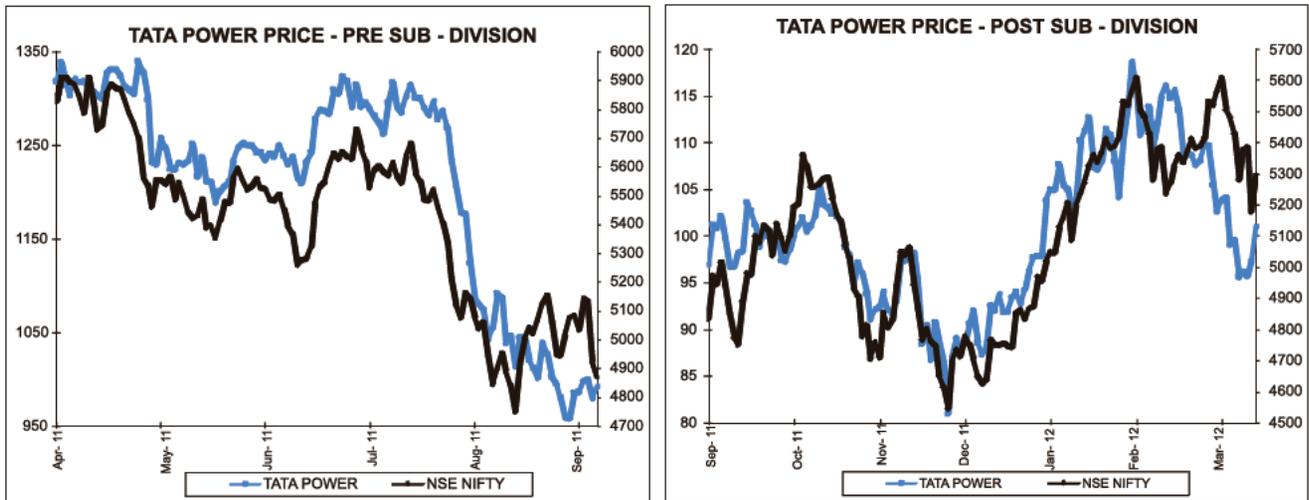
a) Market Price Data : High, Low during each month and trading volumes of the Company's Equity Shares during the last financial year at BSE and NSE are given below :

Stock Exchange	BSE			NSE		
	High ₹	Low ₹	No. of shares traded during the month	High ₹	Low ₹	No. of shares traded during the month
April 2011	1,337.15	1,299.05	3,84,485	1,337.60	1,300.00	42,31,577
May 2011	1,334.75	1,190.00	4,71,335	1,339.10	1,188.00	50,85,233
June 2011	1,303.60	1,208.75	2,98,383	1,308.25	1,209.25	43,76,567
July 2011	1,318.10	1,264.05	2,82,027	1,322.55	1,262.00	45,70,267
August 2011	1,293.40	1,012.45	5,34,339	1,295.70	1,013.15	74,95,365
September 2011						
Pre Sub-division	1,038.70	958.65	7,81,491	1,038.55	958.00	92,25,629
Post Sub-division	102.30	97.20	20,27,734	102.05	96.90	1,85,95,988
October 2011	103.70	96.85	64,71,395	103.60	96.75	7,08,50,942
November 2011	105.35	91.30	63,54,633	105.40	91.05	5,79,56,226
December 2011	98.20	81.60	87,82,359	98.20	81.00	6,83,69,322
January 2012	107.55	88.10	82,24,065	107.65	88.15	7,92,91,668
February 2012	118.65	104.20	2,08,57,790	118.65	104.20	13,06,54,002
March 2012	115.90	95.35	1,35,40,168	116.20	95.60	9,34,27,941

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



c) Performance of Tata Power Share price in comparison to Nifty :



8. Registrars and Transfer Agents:

TSR Darashaw Limited (TSRDL)
6-10, Haji Moosa Patrawala Industrial Estate (Near Famous Studio),
20, Dr E Moses Road, Mahalaxmi, Mumbai 400 011.
Tel. : 022 6656 8484, Fax : 022 6656 8494
Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

For the convenience of Members based in the following cities, transfer documents and letters will also be accepted at the following branches / agency of TSRDL :

Branches of TSRDL

- | | |
|---|---|
| <p>1. TSR Darashaw Limited
503, Barton Centre, 5th floor,
84, Mahatma Gandhi Road, Bengaluru 560 001.
Tel : 080 2532 0321, Fax : 080 2558 0019
E-mail : tsrdlbg@tsrdarashaw.com</p> | <p>2. TSR Darashaw Limited
Bungalow No.1, 'E' Road,
Northern Town, Bistupur, Jamshedpur 831 001.
Tel : 0657 242 6616, Fax : 0657 242 6937
E-mail: tsrdljsr@tsrdarashaw.com</p> |
| <p>3. TSR Darashaw Limited
Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road, Kolkata 700 071.
Tel : 033 2288 3087, Fax : 033 2288 3062
E-mail : tsrdlcal@tsrdarashaw.com</p> | <p>4. TSR Darashaw Limited
Plot No.2/42, Sant Vihar,
Ansari Road, Darya Ganj, New Delhi 110 002.
Tel : 011 2327 1805, Fax : 011 2327 1802
E-mail : tsrdldel@tsrdarashaw.com</p> |

Agent of TSRDL

Shah Consultancy Services Pvt. Limited
Agents : TSR Darashaw Limited
3, Sumatinath Complex, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad 380 006.
Telefax : 079 2657 6038 E-mail : shahconsultancy8154@gmail.com

9. **Share Transfer System :** Share Transfers in physical form can be lodged with TSRDL at the abovementioned address or at their branch offices, addresses of which are available on website: www.tsrdarashaw.com

Transfers are normally processed within 20 days from the date of receipt. If the documents are complete in all respects, Mr H M Mistry, the Company Secretary and Compliance Officer and Mr A S Bapat, Head-Corporate Legal, are severally empowered to approve transfers, in addition to the powers with the Members of the Shareholders'/Investors' Grievance Committee.

The Company officials could be contacted at the following address :
The Tata Power Company Limited
Bombay House, 24, Homi Mody Street, Mumbai 400 001.

10. Distribution of Shares as on 31st March, 2012:

Slab	Number of shares				Number of shareholders					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 - 5000	4,19,40,980	10,35,17,797	14,54,58,777	6.13	32,026	90.55	1,54,406	92.09	1,86,432	91.82
5001 - 10000	1,62,41,480	5,12,15,808	6,74,57,288	2.84	2,387	6.75	7,134	4.26	9,521	4.69
10001 - 20000	85,19,530	4,84,29,021	5,69,48,551	2.40	611	1.73	3,443	2.05	4,054	2.00
20001 - 30000	44,64,540	2,43,75,121	2,88,39,661	1.22	184	0.52	990	0.59	1,174	0.58
30001 - 40000	29,64,040	1,72,10,226	2,01,74,266	0.85	84	0.24	490	0.29	574	0.28
40001 - 50000	12,16,160	1,13,98,738	1,26,14,898	0.53	27	0.08	254	0.15	281	0.14
50001 - 100000	22,07,760	3,17,47,703	3,39,55,463	1.43	34	0.09	456	0.27	490	0.24
100001 and above	35,29,340	200,40,94,116	200,76,23,456	84.60	16	0.04	502	0.30	518	0.25
Total	8,10,83,830	229,19,88,530	*237,30,72,360	100.00	35,369	100.00	1,67,675	100.00	2,03,044	100.00

*Excluding 23,03,080 shares not allotted but held in abeyance, 44,02,700 shares cancelled pursuant to a Court Order and 4,80,40,400 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.

WHY DEMAT

- Easy portfolio monitoring
- Elimination of bad deliveries
- Elimination of all risks associated with physical certificates
- No stamp duty is payable on transfer of shares
- Immediate transfer / trading of securities
- Faster settlement cycle
- Faster disbursement of non-cash corporate benefits like Rights, bonus etc.
- Periodic status reports and information available on internet
- Ensures faster communication to investors
- Ease related to change of address
- Provides more acceptability and liquidity of securities
- Postal delays and loss of shares in transit is prevented
- Saves the shareholder from going through cumbersome legal processes to reclaim the lost/pilfered certificates

HELP CONVERT BALANCE PHYSICAL SHARES TO DEMAT

11. Shareholding pattern as on 31st March, 2012:

Particulars	Equity Shares	
	Number	Percent
Promoters	75,47,92,090	31.81
Insurance Companies	54,11,62,894	22.80
Foreign Institutional Investors	51,89,98,584	21.87
Global Depository Receipts	7,67,18,320	3.23
Non-Resident Indians	2,51,64,974	1.06
Other Foreign Bodies and Individuals	4,42,310	0.02
Mutual Funds / UTI	7,89,50,020	3.33
Central & State Govt. & Govt. Cos.	7,56,050	0.03
Financial Institutions	3,400	0.00
Banks (including Foreign Banks)	94,13,006	0.40
Other Bodies Corporate	2,58,85,466	1.09
Resident Individuals & HUF	34,07,85,246	14.36
Total	237,30,72,360	100.00

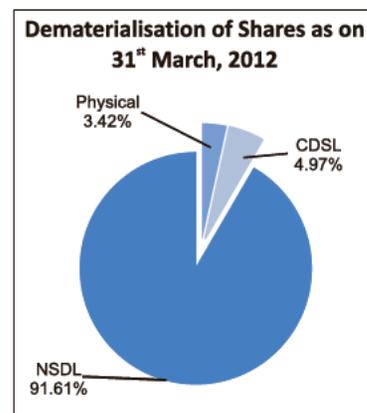
12. Top 10 Shareholders of the Company as on 31st March, 2012 :

Sl. No.	Name of Shareholder	Total holdings	% to capital
1.	Tata Sons Limited	70,75,11,570	29.81
2.	Life Insurance Corporation of India	31,18,23,233	13.14
3.	The Bank of New York	7,50,46,920	3.16
4.	The New India Assurance Company Limited	6,60,26,620	2.78
5.	General Insurance Corporation of India	6,21,20,370	2.62
6.	Matthews Pacific Tiger Fund	6,04,35,510	2.55
7.	The Royal Bank of Scotland Plc as Depository of First State Asia Pacific Leaders Fund, a Sub Fund of First State Investments ICVC	4,38,00,856	1.85
8.	The Royal Bank of Scotland Plc as Depository of First State Global Emerging Mkts Leaders Fund, a Sub Fund of First State Investments ICVC	4,32,55,459	1.82
9.	Aberdeen Global Indian Equity Fund Mauritius Limited	3,11,00,000	1.31
10.	Tata Industries Limited	1,96,80,000	0.83
	Grand Total	1,42,08,00,538	59.87

13. Dematerialisation of Shares as on 31st March, 2012 and Liquidity :

The Company's shares are compulsorily traded in dematerialised form and are available for trading through both the Depositories in India viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Shares of ₹ 1/- each		Shareholders	
	Number	% to Total	Number	% to Total
Dematerialised form				
NSDL	217,38,87,202	91.61	1,27,787	62.94
CDSL	11,81,01,328	4.97	39,888	19.64
Sub-total	229,19,88,530	96.58	1,67,675	82.58
Physical form	8,10,83,830	3.42	35,369	17.42
Total	237,30,72,360	100.00	2,03,044	100.00


14. International Securities Identification Number (ISIN)

Under the Depository system, the ISIN allotted to the Company's shares in dematerialised form is INE245A01021. The Annual Custodial Fees for the Financial Year 2011-12 were paid to NSDL and CDSL.

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.

15. **Number of GDS/GDRs outstanding :** 1,857 (Issued in 1994 to Citibank N.A.)
as on 31st March, 2012 7,50,46,920 (Issued in 2009 to The Bank of New York)

16. Plant Location :**(a) Thermal Power Stations :**

- | | |
|---|--|
| i) Trombay Generating Station
Mahul Road, Chembur
Mumbai, Maharashtra | ii) Jojobera Power Plant
Jojobera
Jamshedpur, Jharkhand |
| iii) Belgaum Power Plant
Plot Nos.1234 to 1240 & 1263 to 1297
KIADB Kanbargi Industrial Area
Auto Nagar, Belgaum, Karnataka | iv) Haldia Power Plant
HFC Complex
Patikhali Haldia, East Medinipur
West Bengal |
| v) Mundra Ultra Mega Power Plant
Tunda-Vandh Road, Village Tunda
Taluka Mundra, Kutchh Gujarat
(Owned by Coastal Gujarat Power
Ltd., a wholly owned subsidiary) | vi) Maithon Right Bank Thermal Power Plant
Village Dambhui, PO Barbindia
Thana Nirsa, District Dhanbad
Jharkhand
(Owned by Maithon Power Ltd., a subsidiary) |

(b) Hydro Generating Stations :

- | | | |
|---|--|---|
| i) Generating Station
Bhira
P O Bhira
Taluka Mangaon
District Raigad
Maharashtra | ii) Generating Station
Bhivpuri
P O Bhivpuri Camp
Taluka Karjat
District Raigad
Maharashtra | iii) Generating Station
Khopoli
P O Khopoli Power House
District Raigad
Maharashtra |
|---|--|---|

(c) Wind Farms :

- | | | |
|---|---|--|
| i) Village Shahjahanpur &
Pimpalgaon
Taluka Parner
District Ahmednagar
Maharashtra | ii) Village Khandke
Taluka & District Ahmednagar
Maharashtra | iii) Village Valve
Taluka Sakri
District Dhulia
Maharashtra |
| iv) Jamjodhpur, Sadodar,
Motapanch Devda,
Samana
District Jamnagar
Gujarat | v) Hosur, Kanavi, Mulgund,
Shiroland Harti,
District Gadag
Karnataka | vi) Village Sadawaghapur
Taluka Patan
District Satara
Maharashtra |
| vii) Village Anikaduvu,
Mongilphuluvu &
Illupunagaram
Taluka Madathukulam
District Tripur
Tamil Nadu | viii) Village Kannarwadi,
Hiwarwadi & Agaswadi
Taluka Khatav
District Satara | ix) Village Sawarghar and
Niwade
Taluka Patan
District Satara |
| x) Visapur Wind Farm
Village Kokrale & Visapur
Taluka Khatav
District Satara | | |

(d) Solar Plants:

- | | |
|---|---|
| i) Mulshi (Khurd)
Post Male, Taluka Mulshi
District Pune
Maharashtra | ii) c/o Tata Chemicals Township, Plot B
Survey No. 78, Mithapur
District Jamnagar
Gujarat
(Owned by Tata Power Renewable Energy
Ltd., a wholly owned subsidiary) |
|---|---|

- (e) Transmission Division : Shil Road, Netivli, Kalyan, District Thane, Maharashtra
- (f) Distribution Division : Senapati Bapat Marg, Lower Parel, Mumbai
- (g) Strategic Electronics Division : 42/43 Electronic City, Electronic City Post Office, Hosur Road, Bengaluru
17. **Address for correspondence** : The Tata Power Company Limited, Bombay House, 24, Homi Mody Street, Mumbai 400 001. Tel : 022 6665 8282, Fax : 022 6665 8801

18. **Compliance with Non-Mandatory Requirements**

- i) **The Board**
The Company does not reimburse expenses incurred by the Non-Executive Chairman for maintenance of a separate Chairman's Office.
- ii) **Remuneration Committee**
The Board has set up a Remuneration Committee. Please see details in para on Remuneration Committee.
- iii) **Shareholder Rights**
A half yearly declaration of financial performance including summary of the significant events in last six months, is sent to all the Members. The results are also put up on the Company's website.
- iv) **Audit qualifications**
During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- v) **Proceeds from public issue/private placement**
The proceeds raised in previous years through private placement of Debentures, GDRs and FCCBs have been utilised in terms of the objects of the issue as stated in the respective Offering Documents.
- vi) **Training of Board Members**
The Company's Board of Directors comprises of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in the economy, legislation and technologies.
- vii) **Mechanism for evaluation of Non-Executive Board Members**
The Board of Directors of the Company, at present, comprises of ten NEDs. The Directors appointed are from diverse fields which are relevant to the Company's business and they have long-standing experience and are experts in their respective fields. They have gained considerable experience in managing large corporates and have been in public life for decades. The enormously rich and diverse background of the Directors is of considerable value to the Company.
NEDs add substantial value through discussions and deliberations at the Board and Committee Meetings. Besides contributing at the Board and Committee meetings, the NEDs also have detailed deliberations with the Management Team and add value through such deliberations.
Performance evaluation of Non-Executive Board Members is done by the Remuneration Committee and its recommendations are placed before the Board for consideration.
- viii) **Whistle Blower Policy**
The Company has adopted a Whistle Blower Policy. Please refer to the para under the head 'Disclosures'.

19. **Company's Policies**

➤ **Tata Code of Conduct**

The values and principles which have governed the manner in which the Tata Group of companies and their employees have conducted themselves are articulated as the Tata Code of Conduct (TCOC). The TCOC is intended to serve as a guide to each employee on the values, ethics and business principles expected of him or her in personal and professional conduct.

The TCOC takes into consideration the effect of the rapidly increasing footprint of Tata companies across nationalities and geographical boundaries on the TCOC, whilst retaining the ethos of the Tata brand and reputation. The TCOC is modified periodically, taking into account the emergent global presence and to ensure that it addresses and encompasses diverse cultural, business and related issues universally across Tata companies.

The employees take pride in upholding the high standards of corporate and personal behaviour on which the Tatas' reputation and respectability have been built over the past 140 years.

➤ **Insider Trading Policy**

Please refer to details under the heading 'Ethics and Compliance Committee' .

➤ **Whistle Blower Policy**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the TCOC, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC) / Chairman of the Audit Committee of the Company.

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the CEC or the Chairman of the Audit Committee or the Investigators. Protected Disclosure will be appropriately dealt with by the CEC or the Chairman of the Audit Committee, as the case may be.

➤ **Sexual Harassment Policy**

The Company is an equal employment opportunity company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable. The Supreme Court has also directed companies to lay down guidelines and a forum for redressal of grievances related to sexual harassment.

20. **Other Shareholder Information**

Corporate Identity Number (CIN)

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is **L28920MH1919PLC000567**.

TOLL FREE Investor Helpline

The Company maintains a TOLL FREE Investor Helpline to give Members the convenience of one more contact point with TSRDL, Registrar and Transfer Agent of the Company, for redressal of grievances/responses to queries. The TOLL FREE number is 1800-209-8484.

Shareholders' Relations Team

The Shareholders' Relations Team is located at the Registered Office of the Company.

Contact Person : Mr J E Mahernosh Tel: 022 6665 7508 Fax: 022 6717 1004

In compliance with Clause 47(f) of the Listing Agreement, a separate e-mail ID investorcomplaints@tatapower.com has been set up as a dedicated ID solely for the purpose of dealing with Members' queries/complaints.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from
Upto and including the Financial Year 1994-95	Transferred to General Revenue Account of the Central Government	Yes	The Registrar of Companies, Central Government Office Building, A-wing, 2 nd Floor, CBD Belapur, Navi Mumbai 400 614, Maharashtra. Application to be made in Form II prescribed by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
For the Financial Years 1995-96 to 2003-04	Transferred to the IEPF of the Central Government	No	Not applicable
For the Financial Years 2004-05 and thereafter	Lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Ltd., Registrar and Transfer Agent.

During the year, the Company sent a reminder to those Members/Depositors who had not claimed their dividend or interest or principal amount. The following unclaimed amounts were transferred to IEPF:

Particulars	Amount (₹)
Amounts transferred during Financial Year 2011-12:	
- Unclaimed dividend with the Company	52,61,865
- Unclaimed matured deposits with the Company	2,05,000
- Interest accrued on the unclaimed matured deposits	81,206
Total amount transferred during the year	55,48,071

The due dates for transfer to IEPF of the dividend remaining unclaimed since 2004-05 are provided hereunder :

Date of dividend declaration	Last date for claiming payment from TSRDL
04.08.2005	03.08.2012
01.08.2006	31.07.2013
08.08.2007	07.08.2014
10.09.2008	09.09.2015
06.08.2009	05.08.2016
08.09.2010	07.09.2017
24.08.2011	23.08.2018

Members are requested to get in touch with TSRDL for encashing the unclaimed dividend, if any, standing to the credit of their account.

After transfer of the said amounts to the IEPF, no claims in this respect shall lie against the IEPF or the Company nor shall any payment be made in respect of such claims.

Shares held in electronic form

Members 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 NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

Bank Details

Members holding shares in physical form are requested to notify/send the following to TSRDL to facilitate better servicing:

- i) any change in their address/mandate/bank details, and
- ii) particulars of the bank in which they wish their dividend to be credited, in case they have not been furnished earlier.

Members are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in physical form and in electronic form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

National Electronic Clearing Service (NECS) Facility

Under NECS facility, Members get an option to receive dividend directly to their bank account rather than receiving the same through Dividend Warrants. Members holding shares in physical form, who wish to avail NECS facility, are requested to send their NECS mandate in the prescribed form to TSRDL, in the event they have not done so earlier. Members holding shares in electronic form are requested to give the NECS mandate to their respective DPs directly.

Please note that Members who do not provide details of bank accounts with banks having Core Banking Facility, as required by Reserve Bank of India (RBI), will receive their dividend by physical warrants.

The NECS Mandate Form can be obtained from TSRDL or downloaded from the Company's website under the section 'Investor Relations'.

Demat initiative

The Company, along with Geojit BNP Paribas Financial Services Limited (Geojit), has introduced an initiative for Members holding shares in physical form to dematerialise their holdings. The scheme for free Demat Account opening as well as the waiver of the Annual Maintenance charges and the DRF charges for Members of the Company holding shares in physical form, has been extended till March 2013. Their TOLL FREE Number is 1800-425-5501.

In view of the advantages of holding shares in electronic form, Members holding their Equity Shares in physical form are urged to avail of this opportunity and demat their holdings.

Depository Services

Members may write to the respective Depository or to TSRDL for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Tel. : 022 2499 4200
Fax : 022 2497 6351
e-mail : info@nsdl.co.in
website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai 400 023.
Tel. : 022 2272 3333
Fax : 022 2272 3199
e-mail : investor@cdslindia.com
website : www.cdslindia.com

Nomination Facility

Pursuant to the provisions of Section 109A of the Act, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company, may submit their requests in Form No.2B to TSRDL. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No.2B can be obtained from TSRDL or downloaded from the Company's website under the section 'Investor Relations'.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Cost Auditor and Cost Audit Report

M/s N I Mehta & Co, Cost Accountants, were appointed Cost Auditors of the Company for FY12. The Cost Audit Report of the Company for the Financial Year ended 31st March, 2011, by M/s N I Mehta & Co dated 8th August, 2011, which was due for filing with the Ministry of Corporate Affairs by 30th September, 2011, was filed on 26th September, 2011.

21. Investor Safeguards

In pursuit of the Company's objective to mitigate / avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

i) Open Demat Account and Dematerialise your Shares

Members should convert their physical holdings into electronic holdings. Holding shares in electronic form helps Members to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

ii) Consolidate your Multiple Folios

Members are requested to consolidate their shareholding held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

iii) Confidentiality of Security Details

Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds, delivery instruction slips should not be given to any unknown persons.

iv) Dealing with Registered Intermediaries

Members should transact through a registered intermediary who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.

v) Obtain documents relating to purchase and sale of securities

A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

vi) Update your Address

To receive all communication and corporate actions promptly, please update your address with the Company or DP, as the case may be.

vii) Prevention of Frauds

There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, stay abroad or demise of any Member, as and when required.

viii) **Monitor holdings regularly**

Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

ix) **PAN requirement for Transfer of Shares in Physical Form**

SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card to TSRDL for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy to TSRDL.

x) **Mode of Postage**

Share Certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.

22. **Frequently Asked Questions (FAQs)**i) **What is Dematerialisation of shares?**

Dematerialisation is a process by which the physical share certificates of an investor are surrendered to the Company and an equivalent number of securities are credited in electronic form, at the request of the investor. An investor is required to first open an account with a DP and then request for dematerialisation of his share certificates through the DP so that the dematerialised holdings can be credited into that account. This is very similar to opening a Bank Account. Trading in demat form is regulated by the Depositories Act, 1996 and is monitored by SEBI. The two Depositories presently functioning are NSDL and CDSL.

ii) **Trading in compulsory Demat Form**

SEBI has notified various companies whose shares shall be traded in demat form only. By virtue of such notification, the shares of the Company are also subject to compulsory trading only in demat form on the Stock Exchanges.

iii) **Benefits of Demat**

As detailed in table titled 'WHY DEMAT'.

iv) **What is the procedure to dematerialise the shares?**

- Open an account with a DP of your choice by filling up an Account Opening Form.
- Fill up and submit a Dematerialisation Request Form (DRF) provided by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the share certificate and surrender the physical shares intended to be dematted to the DP. The DP, upon receipt of the shares and the DRF, will issue an acknowledgement and will send an electronic request to the Company/Registrars and Transfer Agents (RTA) of the Company through the Depository for confirmation of demat.
- The DP will simultaneously surrender the DRF and the shares to the Company/RTA of the Company with a covering letter requesting the Company to confirm demat.
- The RTA of the Company, after necessary verification of the documents received from the DP, will cancel the physical shares and confirm demat to the Depository.
- This confirmation will be passed on by the Depository to the DP which holds your account. After receiving this confirmation from the Depository, the DP will credit your account with the number of shares dematerialised.
- The DP will hold the shares in the dematerialised form thereafter on your behalf and you will become the beneficial owner of these dematerialised shares.

v) **What is a Depository?**

A Depository is an organisation which holds securities (like shares, debentures, bonds, government securities, mutual fund units etc.) of investors in electronic form, at the request of the investors, through a registered DP. It also provides services related to transactions in securities.

vi) **Is a Depository similar to a bank?**

A Depository can be compared with a bank, which holds the funds for depositors. A Bank - Depository analogy is given in the following table:

BANK	DEPOSITORY
Holds funds in an account	Holds securities in an account
Transfers funds between accounts on the instruction of the account holder	Transfers securities between accounts on the instruction of the Beneficial Owner
Facilitates transfer without having to handle money	Facilitates transfer of ownership without having to handle securities
Facilitates safekeeping of money	Facilitates safekeeping of securities

vii) **Who is a Depository Participant?**

A DP is an agent of the depository through which it interfaces with the investor and provides depository services. Public financial institutions, scheduled commercial banks, foreign banks operating in India with the approval of the RBI, state financial corporations, custodians, stock-brokers, clearing corporations/clearing houses, NBFCs and Registrar to an Issue or RTA complying with the requirements prescribed by SEBI, can be registered as DP. Banking services can be availed through a branch whereas depository services can be availed through a DP.

viii) **Is it compulsory for every investor to open a Beneficial Owner (BO) account to trade in the capital market?**

In view of the convenience of trading in dematerialised mode, it is advisable to have a BO account for trading at the exchanges.

ix) **Can odd lots be dematerialised?**

Yes, odd lot share certificates can also be dematerialised.

x) **Why should an investor give his bank account details at the time of BO account opening?**

Bank account details are necessary for the protection of interest of investors. When any cash or non-cash corporate benefits such as Rights or bonus or dividend is announced for a particular scrip, Depositories provide to the concerned issuer / its RTA, the details of the investors, their electronic holdings as on record/book closure date for reckoning the entitlement of corporate benefit.

The disbursement of cash benefits such as dividend is credited directly by the Issuer's RTA to the BO through the NECS facility, wherever available, or by issuing warrants on which bank account details are printed for places where NECS facility is not available. The bank account number is mentioned on the dividend warrant to avoid any fraud. The bank account details will be those which are mentioned in account opening form or modified details that were intimated subsequently by the investor to the DP.

xi) **Can multiple accounts be opened?**

Yes. An investor can open more than one account in the same name with the same DP and also with different DPs. For all the accounts, investor has to strictly comply with Know Your Client (KYC) norms including Proof of Identity, Proof of Address requirements as stipulated by SEBI and also provide PAN. The investor has to show the original PAN card at the time of opening of demat account.

xii) **Does the investor have to keep any minimum balance of securities in his account?**

No.

xiii) **Can an investor close his demat account with one DP and transfer all securities to another account with another DP?**

Yes. The investor can submit account closure request to his DP in the prescribed form. The DP will transfer all the securities lying in the account, as per the instruction, and close the demat account.

xiv) **Do dematerialised shares have distinctive numbers?**

Dematerialised shares do not have any distinctive numbers. These shares are fungible, which means that all the holdings of a particular security will be identical and interchangeable.

xv) **Can electronic holdings be converted back into physical certificates?**

Yes, the process is called rematerialisation. If one wishes to get back his securities in the physical form, he has to fill in the RRF (Remat Request Form) and request his DP for rematerialisation of the balances in his securities account.

xvi) **What is the procedure to rematerialise the shares?**

- Shareholders should submit duly filled in RRF to the concerned DP.
- DP intimates the relevant Depository of the request through the system.
- DP submits RRF to the company's RTA.
- Depository confirms rematerialisation request to the company's RTA.
- The company's RTA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the beneficiary account of the Member by deleting the shares so rematerialised. Share certificate(s) is/are dispatched to the Member.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, I affirm that the Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended 31st March, 2012.

For **The Tata Power Company Limited**
Anil Sardana
Managing Director

Mumbai, 22nd May, 2012

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 ('the Company'), for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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.

We 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration Number: 117366W)

N.VENKATRAM
Partner
(Membership Number: 71387)

MUMBAI, 22nd May, 2012