

# Board's Report

To the Members,

The Directors are pleased to present to you the second Integrated Report (prepared as per the International Integrated Reporting Council (IIRC) framework and in accordance with Global Reporting Initiatives (GRI) standards: Core options) and One Hundred and Second Annual Report on the business and operations of your Company along with the audited Financial Statements of Account for the financial year ended 31st March 2021.

## 1. Financial Results

Figures in ₹ crore

Sl. No.	Particulars	Standalone		Consolidated	
		FY21	FY20	FY21	FY20
(a)	Net Sales / Income from Other Operations*	6,480	7,075	33,079	28,948
(b)	Less: Operating Expenditure	4,387	4,794	25,474	21,078
(c)	<b>Operating Profit</b>	<b>2,093</b>	<b>2,281</b>	<b>7,605</b>	<b>7,870</b>
(d)	Add/(Less): Forex Loss	24	(11)	(66)	(116)
(e)	Add: Other Income	1,249	583	439	563
(f)	Less: Finance Cost	1,519	1,510	4,010	4,494
(g)	<b>Profit before Depreciation and Tax</b>	<b>1,847</b>	<b>1,343</b>	<b>3,968</b>	<b>3,823</b>
(h)	Less: Depreciation & Amortisation	669	686	2,745	2,634
(i)	<b>Profit Before Share of Profit of Associates and Joint Ventures</b>	<b>1,178</b>	<b>657</b>	<b>1,223</b>	<b>1,189</b>
(j)	Add: Share of Profit of Associates and Joint Ventures	NIL	NIL	873	953
(k)	<b>Profit Before Exceptional Item</b>	<b>1,178</b>	<b>657</b>	<b>2,096</b>	<b>2,142</b>
(l)	Add/(Less): Exceptional Item	(109)	(306)	(109)	226
(m)	<b>Profit/ (Loss) before Tax</b>	<b>1,069</b>	<b>351</b>	<b>1,987</b>	<b>2,368</b>
(n)	Add/(Less): Tax Expenses /(Credit)	(101)	(208)	(502)	(641)
(o)	<b>Net Profit after Tax from Continuing Operations</b>	<b>968</b>	<b>559</b>	<b>1,485</b>	<b>1,727</b>
(p)	Profit/ (Loss) before Tax from Discontinued Operations	(220)	(443)	(220)	(443)
(q)	Add/(Less): Tax Expenses /(Credit) from Discontinued Operations	174	32	174	32
(r)	<b>Net Profit/(Loss) after Tax from Discontinued Operations</b>	<b>(46)</b>	<b>(411)</b>	<b>(46)</b>	<b>(411)</b>
(s)	<b>Net Profit for the year</b>	<b>922</b>	<b>148</b>	<b>1,439</b>	<b>1,316</b>
(t)	<b>Net Profit for the year attributable to -</b>				
	- Owners of the Company	922	148	1,127	1,017
	- Non-controlling interests	NIL	NIL	311	299
(u)	Other Comprehensive income (Net of Tax)	185	(53)	(380)	836
(v)	<b>Total Comprehensive Income for the year</b>	<b>1,107</b>	<b>95</b>	<b>1,059</b>	<b>2,153</b>
(w)	<b>Total Comprehensive Income attributable to -</b>				
	- Owners of the Company	1,107	95	747	1,856
	- Non-controlling interests	NIL	NIL	312	297

\*Including rate regulatory income/(expense)

## 2. Financial Performance and the State of the Company's Affairs

### 2.1. Consolidated

The Operating Revenue was at ₹ 33,079 crore in FY21 compared to ₹ 28,948 crore in FY20 on a consolidated basis. This is mainly due to acquisition of three Odisha Distribution Companies (Discoms) and execution of major solar Engineering, Procurement and Construction (EPC) projects during the year. Operating Profit was at ₹ 7,605 crore which is marginally lower by 3% compared to previous year mainly due to favourable tariff order in Maithon Power Limited (MPL) in previous year, lower PLF from wind farms offset by lower losses in Coastal Gujarat Power Limited

(CGPL) on account of lower coal prices and higher profit from Prayagraj acquisition. Finance costs decreased from ₹ 4,494 crore to ₹ 4,010 crore mainly due to repayment of loans from sale of non-core assets, issue of preferential capital and lower rate of interest. The profits from Joint Ventures (JV) and Associates were lower mainly due to lower profits from Indonesian coal mines due to lower coal prices.

The Consolidated Profit after tax in FY21 was at ₹ 1,439 crore compared to ₹ 1,316 crore in FY20 mainly due to lower losses in CGPL on account of lower coal prices, higher profit from Prayagraj acquisition and lower finance cost.

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### 2.2. Standalone

The Operating Revenue stood at ₹ 6,480 crore in FY21 compared to ₹ 7,075 crore in FY20 on a standalone basis. The decrease was mainly due to lower generation and sales on account of lower demand from procurers and customers due to COVID-19 pandemic. The profit in FY21 was ₹ 922 crore as compared to ₹ 148 crore in FY20. The increase in the profit was mainly due to higher dividend from foreign subsidiary and lower impairment loss in Strategic Engineering Division (SED) compared to the previous year.

Refer to Management Discussion and Analysis (MD&A) (Pages 161-183) for more details.

No material changes and commitments have occurred after the close of the year under review till the date of this Report which affect the financial position of the Company.

### 2.3. Annual Performance

Details of your Company's annual financial performance as published on the Company's website and presented during the Analyst Meet, after declaration of annual results, can be accessed using the following link: <https://www.tatapower.com/pdf/investor-relations/analyst-presentation-may-21.pdf>.

### 2.4. Integrated Report

Continuing with your commitment towards a sustainable future and focus towards governance-based reporting, your Company has progressed to second Integrated Report highlighting the Company's efforts to empower all categories of customers and stakeholders with future-ready, smart, energy solutions.

### 3. Improvement in Leverage Ratios and Cash from Operations

Your Company's Net Debt/Underlying EBIDTA ratio has shown improvement from 4.7 to 4.1 from FY20 to FY21 on a consolidated level reinforcing the Company's commitment to deleverage its balance sheet. Consequently, Net Debt/Equity on a consolidated level has improved from 2.0 to 1.4 from FY20 to FY21. Your Company's efficient working capital management has resulted in an increase of 15% in cash from operations over FY20 (FY21-₹ 8,458 crore vis-à-vis FY20-₹ 7,375 crore). A brief discussion on the highlights of financial performance of your Company and financial & return ratios is presented in the financial capital section of Integrated Report (Pages 104-109).

### 4. Management Discussion and Analysis

The Management Discussion and Analysis, as required in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), is annexed to this Report.

### 5. Dividend

The Directors of your Company recommend a dividend of ₹ 1.55 per share of ₹ 1 each subject to the approval of the Members.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th June 2021 to Monday, 5th July 2021 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March 2021.

According to Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Dividend Policy of the Company can be accessed using the following link: <https://www.tatapower.com/pdf/aboutus/dividend-policy.pdf>.

### 6. Current Business

Your Company is present across the entire value chain of power business viz Generation, Transmission, Distribution, Power Trading, Power Services, Coal Mines and Logistics, Solar PV manufacturing and associated EPC services, Consumer-facing businesses such as solar rooftop, solar pumps, EV charging, home automation and microgrid. Leading position in many of these segments places your Company as one of India's largest integrated power companies.

As on 31st March 2021, your Company had an installed capacity of 12,808 MW out of which 3,948 MW is from "Clean and Green sources" (Hydro, waste heat recovery, wind and solar) which constitutes about 31% of the total portfolio.

Moving away from conventional coal based power plants with a commitment to reduce carbon footprint and dependency on fossil fuel based resources like coal and gas, your Company has decided to focus on renewable generation, consumer-facing businesses like solar rooftop, solar pumps, EV charging, home automation as well as tapping into opportunities to widen its distribution network and broaden its customer base. Your Company has acquired four (4) Discoms in Odisha through competitive bidding which will cater to around 9 million consumers and pursuing similar growth opportunity in distribution. Your Company has installed around 161 microgrid projects as on 31st March 2021 with another 40 projects in the

pipeline in line with its commitment to provide the rural population with affordable, clean and reliable power.

Furthermore, your Company has launched smart energy solutions with the idea of “power of smart” through Internet of Things (IOT) based Home Automation solutions, smart energy management tools and various other home automation products encouraging customers to implement efficient and cost-effective home automation solutions to manage electricity usage.

Focussing on achieving growth in an environmentally responsible and sustainable manner, your Company has added 50 MW Solar PV assets in operating portfolio for supply of power to captive consumers and around 6 MW of rooftop projects in the balance sheet of Tata Power Renewable Energy Limited (TPREL). Your subsidiary, Tata Power Solar Systems Limited (TPSSL) has built a portfolio of 406 MW of solar rooftop projects and have an order book of over 2,800 MW with value of around ₹ 8,700 crore as on 31st March 2021. In the solar products domain, your Company is a leading player, with a portfolio of over 33,000 solar agricultural pumps in 16 states. Your Company’s business portfolio has been discussed in a greater detail in the Manufactured Capital of Integrated Report (Pages 50-65).

**6.1 Preferential Allotment of Equity Shares to Tata Sons Private Limited**

Subsequent to approval accorded by the shareholders at the 101st Annual General Meeting of the Company on 30th July 2020, the Company issued and allotted 49,05,66,037 Equity Shares of the Company to its Promoter, Tata Sons Private Limited, at a price of ₹ 53 (including a premium of ₹ 52) per Equity Share, aggregating up to ₹ 2,600 crore, for cash consideration, on a preferential basis. The proceeds of the said Preferential Issue were utilized for repayment of debts of the Company and its subsidiaries.

**6.2 Scheme of Amalgamation**

With a view to simplify the Corporate structure, your Company has filed the following schemes of merger with the Hon’ble National Company Law Tribunal (NCLT), Mumbai Bench, under the applicable provisions of the Companies Act, 2013 (the Act):

- a. Scheme of Amalgamation of Af-Taab Investment Company Limited with the Company.
- b. Composite Scheme of Arrangement of Coastal Gujarat Power Limited and Tata Power Solar Systems Limited with the Company along with capital re-organisation after the merger.

The aforesaid Schemes are in the interest of the shareholders, creditors and all other stakeholders of the parties and is not prejudicial to the interests of the

concerned shareholders, creditors of the parties or the public at large.

Both the schemes are pending approvals from Regulatory authorities including NCLT.

**7. Reserves**

As per Standalone financials, the net movement in the reserves of the Company for FY21 and FY20 is as follows:

Figures in ₹ crore

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Redemption Reserve	2	2
Capital Reserve	62	62
Securities Premium	8,186	5,635
Debenture Redemption Reserve	297	297
General Reserve	3,854	3,854
Retained Earnings	3,370	3,027
Equity Instruments through OCI	128	(45)
Statutory Reserve	660	660

The Board of Directors has decided to retain the entire amount of profits for FY21 in P&L account.

**8. Subsidiaries/Joint Ventures/Associates**

As on 31st March 2021, the Company had 59 subsidiaries (44 are wholly owned subsidiaries), 33 JVs and 5 Associates. Of the subsidiaries, 3 companies have been classified as JVs under Indian Accounting Standards (Ind AS).

During the year under review, the following changes occurred in your Company’s holding structure:

- a) The Company has acquired 51% stake in the following Odisha Discoms:
  - i) TP Central Odisha Distribution Limited
  - ii) TP Western Odisha Distribution Limited
  - iii) TP Southern Odisha Distribution Limited

Note: The Company has also acquired 51% stake in TP Northern Odisha Distribution Limited on 1st April 2021.

- b) The following companies have been incorporated as subsidiaries of the Company:
  - i) TP Kirnali Solar Limited
  - ii) TP Solapur Solar Limited
  - iii) TP Saurya Limited
  - iv) TP Akkalkot Renewable Limited
  - v) TP Roofurja Renewable Limited

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A report on the performance and financial position of each of the subsidiaries, JVs and Associates has been provided in Form AOC-I as per Section 129(2) of the Act.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at <https://www.tatapower.com/investor-relations/annual-reports-subsidiaries.aspx>.

The policy for determining material subsidiaries of the Company has been provided in the following link: <https://www.tatapower.com/pdf/aboutus/policy-for-determining-material-subsidiaries.pdf>.

### 9. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant board committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during FY21.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 10. Directors and Key Managerial Personnel

During the year under review, there was no change in the composition of the Board.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. N. Chandrasekaran retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing 102nd Annual General Meeting (AGM) for his re-appointment.

During the year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

In terms of Section 149 of the Act, Ms. Anjali Bansal, Ms. Vibha Padalkar, Mr. Sanjay V. Bhandarkar, Mr. Kesava M. Chandrasekhar and Mr. Ashok Sinha are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based upon the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Ms. Anjali Bansal, Ms. Vibha Padalkar and Mr. Sanjay Bhandarkar were appointed as Independent Directors by the Members on 23rd August 2017, for a period of five years commencing with effect from 14th October 2016 upto 13th October 2021.

The Board, on 12th May 2021, based on the recommendations of Nomination and Remuneration Committee (NRC) and pursuant to performance evaluation of Ms. Bansal, Ms. Padalkar and Mr. Bhandarkar respectively as a Member of the Board and considering their background, experience and contribution, the continued association of these individuals would be beneficial to the Company,



recommended their respective re-appointments as Independent Directors of the Company, not liable to retire by rotation, for a second term of five (5) years commencing with effect from 14th October 2021 upto 13th October 2026 for approval of the Members by way of a Special Resolution at the ensuing 102nd AGM of the Company.

Accordingly, Members' approval is being sought at the ensuing 102nd AGM for their respective re-appointments.

Eight Board Meetings were held during the year under review. For further details, please refer to the Report on Corporate Governance, which forms part of the Annual Report.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on 31st March 2021:

- Dr. Praveer Sinha, CEO and Managing Director
- Mr. Ramesh N. Subramanyam, Chief Financial Officer
- Mr. Hanoz M. Mistry, Company Secretary

## 11. Annual Evaluation of Board Performance and Performance of its Committees and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of committees, effectiveness of Committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive Director and NEDs.

The NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017.

In a subsequent Board meeting, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## 12. Policy on Board Diversity and Director Attributes and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Board Diversity and Director Attributes, which is provided in Annexure - I to this Report and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced in Annexure - II to this Report.

## 13. Committees of the Board

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee of Directors
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The same can be accessed using the following link: <https://www.tatapower.com/pdf/aboutus/Code-of-Conduct-NEDs.pdf>.

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All Senior Management personnel have affirmed compliance with the Tata Code of Conduct (TCoC). The CEO & Managing Director has also confirmed and certified the same. The certification is enclosed as Annexure - I at the end of the Report on Corporate Governance.

### 14. Conservation of Energy and Technology Absorption

Your Company continues its journey of growth in a sustainable and responsible manner and has achieved significant conservation of energy through its various Demand Side Management (DSM) initiatives as well as fostering energy efficient appliances at highly discounted prices among its customers. More than 6,000 energy efficient appliances like ceiling fans, air conditioners and LED tube lights have been provided to customers in FY21. Furthermore, around 4,000 Mwh of energy savings have been achieved due to the DSM programme in Mumbai license area. These initiatives have been discussed in greater details in the information on Conservation of Energy and Technology Absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, which is attached as Annexure - III to this Report.

### 15. Corporate Governance

Pursuant to Regulation 34 of the Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance forms part of the Annual Report.

### 16. Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the 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.

Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and 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. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor/Chairman of the Audit Committee of the Company for redressal. No person has been denied access to the Chairman of the Audit Committee.

### 17. Risk Management

Your Board has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee

is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Furthermore, your Company has set up a robust internal audit function which reviews and ensures sustained effectiveness of internal financial controls by adopting a systematic approach to its work. The development and implementation of risk management policy has been covered in the Integrated Report (Pages 24-27).

#### Internal Financial Control Systems and their Adequacy

Your Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. Your Company has implemented robust processes to ensure that all internal financial controls are effectively working. For details on internal financial control systems, please refer Integrated Report (Page 26).

### 18. Details of Significant and Material Orders

No significant and materials orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

### 19. Statutory and Branch Auditors

Members of the Company at the AGM held on 23rd August 2017, approved the appointment of M/s. SRBC & CO. LLP (SRBC) (ICAI Firm Registration Number: 324982E/E300003), as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 98th AGM held on said date until the conclusion of 103rd AGM of the Company to be held in 2022.

The Company has in its Notice sought approval from the Members for passing a resolution vide Item No.8 authorizing the Board to appoint Branch Auditors of any Branch office of the Company, whether existing or which may be opened/acquired, outside India, to act as Branch Auditors.

### 20. Statutory Auditors' Report

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Ind AS notified under Section 133 of the Act.

The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Statutory Auditors were present in the last AGM.

### 21. Cost Auditor and Cost Audit Report

Your Board has appointed M/s. Sanjay Gupta and Associates (Firm Registration No.000212), Cost Accountants,

as Cost Auditors of the Company for conducting cost audit for the FY22. A resolution seeking approval of the Members for ratifying the remuneration of ₹ 6,50,000 (Rupees Six lakh fifty thousand) plus applicable taxes, travel and actual out-of-pocket expenses payable to the Cost Auditors for FY22 is provided in the Notice to the ensuing 102nd AGM. Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.

## 22. Secretarial Audit Report

M/s. Makarand M. Joshi & Co., Company Secretaries (Peer Review Number: P2009MH007000), were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for FY21. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances except the observation that the Annual Performance Report (APR) for Itzhi Tezhi Power Corporation Limited (ITPC) is still in the process of filing. This was on account of the delay in approval of accounts by ITPC board. The Secretarial Audit Report is provided in Annexure - IV to this Report.

The Secretarial Audit report does not contain any qualifications, reservations, adverse remarks or disclaimers.

As per the requirements of the Listing Regulations, Practicing Company Secretaries of the material unlisted subsidiary of the Company have undertaken secretarial audit for FY21. The Audit Report of such material unlisted subsidiary confirms that they have complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

The Secretarial Audit Report of the unlisted material subsidiary viz. Tata Power Delhi Distribution Limited has been annexed along with the report of the Company.

## 23. Compliance with Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## 24. Loans, Guarantees, Securities and Investments

Your Company, being an infrastructure company, is exempt from the provisions as applicable to loans, guarantees, security and investments under Section 186 of the Act. Therefore, no details are required to be provided.

## 25. Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link: <https://www.tatapower.com/pdf/aboutus/rpt-policy-framework-guidelines.pdf>.

During the year under review there were no material transactions of the Company with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY21 and hence the same is not provided.

## 26. Sustainability

Your Company remains committed to sustainable growth, resource conservation, energy efficiency, habitat protection as a responsible corporate citizen with an aim to achieve carbon neutrality. Your Company's efforts on sustainability were recognized at various platforms and a testimony to this were the various awards bestowed upon it. Your Company won the best Environment Social and Governance (ESG) disclosure at the Investor Relations Award 2020 and ranked 13th in India's most sustainable companies with an A+ rating by BW Business world and Sustain lab Paris. Your Company is the only Indian power utility to co-create Sustainability Development Goal (SDG) roadmap for Electric Utilities with World Business Council for Sustainable Development (WBCSD) along with 10 global power utilities.

### 26.1 Care For Our Community/Community Relations

Your Company focusses on five thrust areas viz. education, health and sanitation, livelihood and skill building, water and financial inclusivity. In these areas, key flagship interventions were undertaken, Tata Power (Standalone) covered around 12.85 lakh people from Maharashtra, Jharkhand and West Bengal and at group level, your Company's CSR Initiatives covered around **46.65 lakh** beneficiaries across 61 locations in 15 states. The Initiatives are aligned to 6 UN SDGs and Schedule VII to the Act.

As a part of its COVID-19 response initiatives, your Company extended extensive support with a focus on migrant and vulnerable communities to 15 states across the country impacting around 16.59 lakh beneficiaries.

Flagship initiatives undertaken across various locations during FY21 can be summarized as below:

- Financial inclusivity program was undertaken across all major locations with 4.59 lakh beneficiaries

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covered with resources worth ₹ 312 crore accessed under various Government Schemes by communities.

- 1,239 Self-Help Group (SHG) (women) covering 14,325 members involved in various flagship initiatives such as Dhaaga, Abha, Sakhi, Roshni and Samriddhi with cumulative revenue generation of ₹ 4.70 crore.
- New integrated Vocational Training (VT) centres (Roshni) intervention was launched across Bihar, Maharashtra, Karnataka, Jharkand, Odisha and Tamil Nadu. Total 13 VT centres were set up across all the locations with 88% candidates employed/self-employed through these centers.
- Over 70,000 youth were skilled under Daksh intervention and TPSDI initiatives with 25% youth from Affirmative Action (AA) community benefit from the intervention.
- Water Initiatives resulted in a coverage of 11.85 lakh beneficiaries under demand and supply side management of water initiatives across Delhi, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Jharkhand and Tamil Nadu.

The CSR policy of the Company has been provided on the Company's website at <https://www.tatapower.com/pdf/aboutus/csr-policy.pdf>.

The Company's standalone CSR spend for FY21 stood at ₹ 3.45 crore against the 2% CSR obligation of ₹ 3.45 crore. Details of the consolidated CSR activities of your Company and its key subsidiaries are described in Social and Relationship Capital of Integrated Report (Pages 86-103) as well as in the Business Responsibility Report (BRR). The annual report on CSR activities (standalone) is provided in Annexure - V to this Report. On a consolidated basis, the Tata Power Group entities' expenditure on CSR activities stood at ₹ 39.24 crore against the CSR obligation of ₹ 38.60 crore (calculated as per Section 135 of the Act) in FY21.

### 26.2 Affirmative Action

As a part of AA, your Company continued in its journey of working with local vendors and promoting inclusion of SC/ST in business opportunities. This is driven by Corporate Contracts department with a single point of contact at the Corporate level, as well as at Division/Site level (Procurement Heads at Division level) to facilitate inclusion of SC/ST vendors. AA process for vendor enlistment and ordering was deployed to encourage and evolve entrepreneurship skill among the communities and enable them to be a part of business ecosystem. It also made them compete with positive discrimination element by offering a price preference of 5% over the L1 bidder and gives incentive of 1% of contract value for engaging

50% workforce from SC/ST community. Your Company also promoted entrepreneurship at community level by supporting enterprise development. In this year, business worth ₹ 9.63 crore was given to 24 vendors from SC/ST community. SHG members were also supported through income generation activities. Your Company supported youth, women, farmers and fishermen through skilling and livelihood initiatives with a focus to increase the income level making community members self-reliant. This has been further described in greater detail in Social and Relationship Capital of Integrated Report.

### 26.3 Sustainability Reporting

Your Company has adopted the IIRC-IR Framework to prepare its second Integrated Report 2020-21. SEBI recommended Integrated Reporting to be adopted on a voluntary basis by the top 500 companies, which are required to prepare BRR, in February 2017. The content of the report is in accordance with the Global Reporting Initiative (GRI) standards: Core option and espouses linkages from the National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of the business as well as the United Nations SDGs. The Integrated Report communicates Tata Power's performance on financial and non-financial aspects to all stakeholders, underlying the importance of our leadership and strategy towards value creation as well as commitment to empower the customers for future-ready energy providing smart energy solutions paving the way for a sustainable future.

#### 1. Environment

Your Company continues to strive for efficiency in operations and maintenance through adoption of best practices optimizing its efficiency parameters like heat rate and auxiliary resulting in lower resource consumption and lower carbon emissions. Continuing on its path to be a pioneer for environmental stewardship in power industry, your Company further focusses on efficient use of water, prudent recycling and waste disposal measures and remains committed to comply with regulations. Your Company also has been strategically focussing on scaling up renewables business, venturing into new energy efficient green business initiatives like Microgrids, EV charging, Home Automations, Solar Rooftop as well as exploring new opportunities in distribution businesses, All these initiatives reinforces your Company's commitment towards sustainable "Green" growth and encouraging the customer to avail energy efficient, future-ready, smart energy solutions. A brief outline of your Company's efforts towards protection of environment and biodiversity is given in the Natural Capital section of Integrated Report (Pages 110-125).



2. Health and Safety

Your Company is consciously committed to health and safety of all employees and other stakeholders with a defined safety vision "To be a leader in Safety Excellence in the global power and energy business". Your Company employs a pro-active and pre-emptive approach to occupational health and safety and is committed to actively drive the agenda through the length and breadth of the organization. Consequently, 100% of your contractual workforce is trained on various aspects of Occupational health and safety. Close monitoring of the safety management system helped your company to enhance standard of Health and Safety. Suraksha mobile app is one such monitoring intervention that enables employees to conveniently report unsafe conditions. Furthermore, your Company's commitment towards ethos of safety was further demonstrated on various responses during COVID-19 pandemic with a working theme of "**Learn from disaster and prepare for a safer future**". The key focus of this theme was to ensure that health and safety of employees as well as other stakeholders who are fundamental to business are protected and to strengthen your safety measures through numerous rigorous innovation. Furthermore, your Company has already started venturing towards application of advanced technologies like usage of drones, remote monitoring, safe systems for high risk activities etc. to eliminate and minimize the risks associated with various activities for betterment of safety performance. More deployment of advanced technologies is planned in near future for further enhancement of safety performance. A detailed description of Health and Safety including COVID-19 initiatives taken by your Company is outlined in Human Capital section of Integrated Report (Pages 72-85).

3. Customer Relationship

Your Company is working consistently towards a dedicated theme of energizing and sensitizing your customers for smart and future-ready energy solutions to ensure a sustainable future. This involves various IOT based home automations and smart metering solutions for customers across all segments as well as various DSM programs. Furthermore, your Company has been instrumental in raising energy conservation awareness and reducing the energy cost for the consumers through initiatives such as "Be Green", solar rooftop off-grid solutions and other awareness campaigns. Your Company is steadily transitioning from a B2B or a B2G company to a B2C company with enhanced customer-centricity. The customer base is getting more divergent with ventures such as rural electrification

(microgrids), solar rooftop solutions, Electric Vehicle (EV) charging etc. Your Company has numerous touchpoints to be in constant communication with customers as well as a structured process of tracking complaints and ensuring resolution within pre-defined timelines. Your Company has also been a pioneer in leveraging digital technology to serve customers efficiently. Few of such initiatives are Know Your Energy Consumption (KYEC), Webchat integrated chatbot TINA, e-Nach, all women customer relations centre, etc. Webchat integrated chatbot TINA went live on customer portal on 6th January 2021 through which consumer can have live communication with Company officials. Furthermore, through implementation of e-billing, your Company reinforces its commitment towards saving of trees and ecosystem. In FY21, your Company has added more than 1 lakh customers resulting in a total of more than 1.4 lakh customers availing the facilities of e-billing in Mumbai license area. A detailed description of your customer relation measures is given in the Social and Relationship Capital section in the Integrated Report (Pages 86-103).

4. Human Resource Management

A key area of focus for your Company is to safeguard health and well-being of employees and their families while the employees remain steadfast in their service to the nation by providing electricity. Many policies and benefits were introduced and innovative work formats were implemented to maximize safety during pandemic situation. Your Company also continues to endeavour to create a work environment which is collaborative and learning and growth oriented to enable employees to perform at their full potential. Your Human Resource (HR) strategy adopts a multipronged approach covering all the key facets of employee development. Learning as a stated value of the Company also sets the tone of your Company's aim to develop competencies to rise to new challenges especially posed by venturing into various segments of renewable energy and new business initiatives. Some of the key HR programmes of your Company are Talent Next, Youth Power Confluence, Gyankosh, Reward & Recognition, etc. A detailed description is given in the Human Capital section of the Integrated Report (Pages 79-80).

**26.4 Business Responsibility Report**

The BRR is in line with the SEBI requirement based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" notified by MCA, Government of India, in July 2011. Your Company reported its performance for FY21 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective.

## Board's Report

As per Regulation 34 of the Listing Regulations, the BRR is attached as a part of this Annual Report. Since the Company is publishing Annual Report under IIRC, report on the nine principles of the NVG on social, environmental and economic responsibilities of business as framed by the MCA, is provided in relevant sections of Integrated Report with suitable references to the BRR.

### 26.5 Prevention of Sexual Harassment

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Report on Corporate Governance as well as MD&A.

### 27. Annual Return

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: <https://www.tatapower.com/pdf/investor-relations/Annual-Return-MGT-20-21.pdf>

### 28. Particulars of Employees and Remuneration

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - VI.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The said Statement is also available for inspection with the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at [investorcomplaints@tatapower.com](mailto:investorcomplaints@tatapower.com).

Officers of the organisation are classified into five management work levels i.e. MA, MB, MC, MD and ME. The work levels are further divided into grades. Non-management employees are across different grades and also have been classified as unskilled, semi-skilled, skilled and highly skilled.

### 29. Disclosure requirements

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### 30. Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

### 31. Foreign Exchange - Earnings and Outgo

Figures in ₹ crore

Particulars - Standalone	FY21	FY20
Foreign Exchange Earnings	809	125
Foreign Exchange Outflow mainly on account of:	843	1,301
• Fuel purchase	706	1,070
• Interest on foreign currency borrowings, NRI dividends	4	3
• Purchase of capital equipment, components and spares and other miscellaneous expenses	133	228

### 32. Acknowledgements

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors - both international and domestic, bankers, financial institutions and academic institutions for all the support rendered during the year.

The Directors are thankful to the Government of India, the various ministries of the State Governments, the central and state electricity regulatory authorities, communities in the neighbourhood of our operations, municipal authorities of Mumbai and local authorities in areas where we are operational in India; as also partners, governments and stakeholders in international geographies where the Company operates, for all the support rendered during the year.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety, to fight this pandemic.

Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

On behalf of the Board of Directors,

**N. Chandrasekaran**  
Chairman

Mumbai, 12th May 2021

(DIN: 00121863)